13 September 2022 | LSE: PDL

Preliminary Results for FY 2022 (unaudited)

Record results and a significant turnaround in Petra's net debt

Petra announces its preliminary results (unaudited) for the year ended 30 June 2022 (Year or FY 2022). Separate announcement on the 2026 Loan Notes Tender offer issued today.

Financial highlights

- Revenue up 44% to US$585 million
- Doubling of adjusted EBITDA to US$265 million
- Adjusted basic earnings per share up 219% to USc42.93
- Operational free cash flow up 91% to US$230 million
- Consolidated net debt of US$40.6 million, with leverage of 0.15x

Enabling

- Launch of US$150 million tender offer to reduce gross debt
- Announcement of dividend policy

Richard Duffy, Chief Executive Officer of Petra, commented:

"We are delighted with our overall performance, which caps the turnaround begun three years ago. Our continued focus on safety has supported a 48% improvement in our LTIFR. Additionally, sustainability is being integrated across our business through the implementation of our new Sustainability Framework. Project 2022, now concluded, has delivered US$265 million in net free cash over its three years, contributing to our record financial results for FY2022.

In addition to Project 2022, the key drivers were our record recovery of Exceptional Stones[1], the resumption of operations at the Williamson mine, and a 41.5% increase in like-for-like[2] diamond prices. The diamond market remains broadly supportive as a result of the prevailing structural supply deficit, although ongoing macro-economic uncertainties may lead to some volatility in the short term.

Our strong cash generation in FY 2022 has enabled us to target a further reduction in our gross debt through a tender offer for US$150 million of our 2nd lien notes, detailed in a separate release today. This will see us saving up to US$15 million annually in interest expenses.

I am also very pleased to announce that, on the back of our much improved financial position, the Board has approved a dividend policy."

[1] Petra classifies "Exceptional Stones" as rough diamonds which sell for US$5 million or more each

2 Like-for-like refers to the change in realised prices between tenders and excludes revenue from all single stones and Exceptional Stones, while normalising for the product mix impact

HIGHLIGHTS

Strong financial performance driving the reduction in consolidated net debt

US$m unless stated otherwise	FY 2022	FY 2021[2]	Variance
Revenue	585.2	406.9	+44%
Adjusted EBITDA[1]	264.9	130.2	+103%
Adjusted EBITDA margin (%)[1]	45%	32%	+44%
Adjusted profit / (loss) before tax[1]	141.9	(18.3)	+875%
Adjusted net profit / (loss) after tax[1]	102.0	(25.5)	+500%
Net profit after tax	88.1	196.6	-55%
Operational free cashflow[1]	230.0	120.1	+91%
Consolidated net debt[1]	40.6	228.2	-82%
Unrestricted cash	271.9	147.7	+84%
Consolidated net debt : Adjusted EBITDA[1]	0.15x	1.75x	-91%
Basic earnings per share (USc)	35.53	260.70	-86%
Adjusted basic earnings / (loss) per share[1] (USc)	42.93	(36.20)	+219%

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section below.
Note 2: For comparative purposes, the FY 2021 income statement figures include Williamson as it is no longer a discontinued operation – refer to note 2. Consolidated net debt and cash balances for FY 2021 have not been adjusted.
Note 3: The comparative basic profit per share and adjusted profit per share have been adjusted to give effect to the share consolidation of one new share for every 50 existing shares completed on 29 November 2021 with the Company's resultant issued share capital now consisting of 194,201,785 ordinary shares of 0.05 pence each.

- FY 2022 total revenue of US$585.2 million comprises revenue from rough diamond sales of US$584.1 million and additional revenue from profit share agreements on partnership stones of US$1.1 million. The 44% increase in revenue from rough diamond sales was driven by:
    - A 41.5% increase in year-on-year like-for-like prices
    - The contribution from the sale of a record number of Exceptional Stones of US$89.1 million; this compares with an average of US$39.2 million over the last five years

- Adjusted EBITDA rose 103% to US$264.9 million, reflecting the positive operational leverage from our revenue growth, as well as improved efficiencies from Project 2022; Adjusted EBITDA margin rose to 45%

- Adjusted net profit after tax rose to US$102.0 million (reversing a US$25.5 million adjusted net loss after tax last year). Net profit after tax fell 55% to US$88.1 million largely driven by a prior year gain of US$213.3 million on the extinguishing of the Notes as part of the Group's capital restructuring, and unrealised foreign exchange losses of US$34.3 million net of tax (FY 2021 unrealised gain of US$54.7 million net of tax)

- Adjusted basic earnings per share was USc42.93 up 219%

- Operational free cash flow rose 91% to US$230.0 million driven by increased EBITDA

- Consolidated net debt reduced 82% to US$40.6 million which is 0.15x EBITDA, reflecting this strong free cash flow generation

Efficient production with excellent safety performance and a focus on sustainability

	FY 22	FY 21[1]	Variance
LTIFR	0.23	0.44	+48%
LTIs (number)	15	25	+40%
Ore processed (Mt)	11.7	8.1	+44%
Diamonds recovered (carats)	3,353,670	3,240,312	+3%
Rough diamonds sold (carats)	3,536,316	3,960,475	-11%
Revenue from rough diamond sales (US$m)	584.1	406.9	+44%
Adjusted mining and processing costs (US$m)	307.1	276.1	+11%
Capital expenditure (US$m)	52.2	22.8	+129%

Note 1: For comparative purposes, the FY 21 production, diamond sales and cost figures have been restated to include Williamson as it is no longer a discontinued operation

- LTIFR improved 48% to 0.23, and LTIs improved 40% to 15 including an LTI which occurred during FY 2022 but was recorded post year-end
- Production increased 3% to 3,353,670 carats, largely owing to the resumption of mining at Williamson
- Cash-on-mine costs remained within guidance despite inflationary pressures
- Capital expenditure, which comprises expansion and sustaining capex, was below guidance largely attributable to expenditure of around US$12 million being deferred from FY 2022 to FY 2023
- Our new Sustainability Framework is being fully integrated into Petra's operating model. Sustainability targets will be detailed in the FY 2022 Sustainability Report in October
- Petra is targeting zero greenhouse gasses (GHG) emissions on a net basis by 2050. This commitment includes an aspirational goal to reach net-zero emissions for Scope 1 and 2 GHG by 2040 or earlier. Additional details will be provided in the Annual Report and Sustainability Report in October

Key operational guidance maintained

	FY 23E	FY 24E	FY 25E
Total carats recovered (Mcts)	3.3 – 3.6	3.3 – 3.6	3.6 – 3.9
Cash on-mine costs and G&A[1] (US$m)	300 – 320	300 – 320	300 – 320
Expansion capex[1](US$m)	115 – 125	125 – 135	115 – 120
Sustaining capex[1](US$m)	33 – 36	30 – 32	26 – 28

Note 1: Opex and capex guidance is stated in FY 22 real terms and based on an exchange rate of ZAR15 / USD1.

More detailed guidance is available on Petra's website at
https://www.petradiamonds.com/investors/analysts/analyst-guidance/

Petra reaffirms its operational guidance provided for the FY 2023 to FY 2025 period, noting the following:

- While Cullinan Mine recorded lower grades towards the end of the Year, a study is underway to inform our mine planning as a result of a higher proportion of ROM tonnes from our more mature drawpoints
- The impact of waste dilution on grades experienced at Finsch in Q4 FY2022 has continued into Q1 of this year, with ongoing monitoring and mitigation plans to address this
- Options for a responsible exit at Koffiefontein, including the evaluation of non-binding expressions of interest.

New dividend policy

The Board approved a dividend policy targeting an ordinary dividend within the range of 15% to 35% of adjusted free cash flows after interest and tax and having adjusted for any windfall earnings.

The Board would ordinarily look to the annual dividend being paid 1/3 following its interim results and 2/3 after its full year results. The dividend policy will take effect from 1 July 2022 and the Board will consider whether to pay a maiden dividend under this policy following publication of Petra's interim results for the six months ending 31 December 2022. In a year where Petra generates windfall earnings, the Board may consider paying a special dividend.

Prior to declaring or recommending any dividend, the Board will consider the Group's capital commitments, including, amongst other things, approved expansion projects and debt servicing and repayment commitments and associated covenant requirements, to ensure that the Group maintains a healthy balance sheet and sufficient liquidity and headroom.

Debt tender offer

Petra today also announced its intention to reduce its gross debt through a tender offer to bondholders to purchase US$150 million of the Senior Secured Second Lien Notes due in 2026 in line with our stated intent to further optimise our capital structure through a reduction of gross debt. If completed, the transaction will see Petra saving up to US$15 million per annum in interest expenses, while we remain confident that we will continue to fund our ongoing capital programmes from existing and internally generated cash resources. Further detail on the tender offer is covered in a separate announcement which can be found on Petra's website at https://www.petradiamonds.com/investors/news/

Outlook

FY2023 - 2025 production, cost and capex guidance remains unchanged. We continue to monitor the evolving macro-economic environment that has seen higher inflation and interest rates. Our ability to absorb inflationary pressures is assisted by our disciplined cost management, relatively low fuel consumption, and any weakening of the South African Rand.

The backdrop of structural changes to the supply and demand fundamentals in the diamond market remains unchanged and we anticipate that it will continue to be supportive going forward, notwithstanding possible volatility in the short term.

The implementation of our new operating model, that formed part of Project 2022, has provided a more stable and resilient operating platform supporting ongoing cash generation, enabling our self-funded expansion programme, the US$150 million tender offer for our 2nd lien notes and the potential payment of dividends under our new dividend policy.

PRESENTATION DETAILS

Richard Duffy, CEO, Jacques Breytenbach, CFO, will present the results to investors and analysts.

Online and in person at 09.30 BST
In-person: One Heddon Street, London, W1B 4BF
Webcast: To join https://stream.brrmedia.co.uk/broadcast/630f7aa6da906b287e9a3218

Online only at 16.00 BST
Webcast: To join https://stream.brrmedia.co.uk/broadcast/630f7c97da906b287e9a335f

Dial in details for both 09:30 BST and 16:00 BST

- Johannesburg, toll/tollfree: +27 (0) 11 589 8302 / 0800 980 512
- UK: +44 (0)33 0551 0200
- New York: +1 212 999 6659

Password: Quote PetraDiamonds when prompted by the operator

Recording of presentation
A recording of the webcast will be available later today on Petra's website at
https://www.petradiamonds.com/investors/presentations

Investor Meet company presentation 11.30 BST
Petra will present the results on the Investor Meet company platform, predominantly aimed at retail investors. To join: https://www.investormeetcompany.com/petra-diamonds-limited/register-investor

FURTHER INFORMATION

Petra Diamonds, London +44 207 494 8203
Patrick Pittaway investorrelations@petradiamonds.com
Jill Sherratt
Julia Stone

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Petra by the Company Secretary.

ABOUT PETRA DIAMONDS

Petra Diamonds Limited is a leading independent diamond mining group and a consistent supplier of gem quality rough diamonds to the international market. The Company has a diversified portfolio incorporating interests in three underground producing mines in South Africa (the Finsch, Cullinan and Koffiefontein Mines) and one open pit mine in Tanzania (Williamson).

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 of 226.6 million carats, which supports the potential for long-life operations.

Petra strives to conduct all operations according to the highest ethical standards and will only operate 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 US$336.7 million Senior Secured Second Lien 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

CEO'S REVIEW

Strong revenue growth, profitability and cash generation in a robust diamond market

US$m unless otherwise stated	FY 22	FY 21	Variance
Sales			
Rough diamonds sold (carats)	3,536,316	3,960,475	-11%
Revenue from rough diamond and partnership sales	585.2	406.9	+44%
Contribution to rough revenue from Exceptional Stones	89.1	62.0	+44%
Profitability			
Adjusted EBITDA[1]	264.9	130.2	+103%
Adjusted EBITDA margin (%)	45	32	+44%
Cash generation			
Operational free cash flow[1]	230.0	120.1	+91%
Consolidated net debt[1]	40.6	228.2	-82%
Unrestricted cash	271.9	147.7	+84%

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section below.
Note 2: For comparative purposes, the FY 2021 income statement figures include Williamson as it is no longer a discontinued operation – refer to note 2. Consolidated net debt and cash balances for FY 2021 have not been adjusted.

Overall revenue increased 44% to US$585.2 million, comprising US$584.1 million from rough diamond sales and an additional US$1.1 million from our first partnership stone sale. The drivers of this revenue growth were the year-on-year 41.5% increase in like-for-like diamond prices and record recovery and sale of Exceptional Stones, totalling US$89.1 million (FY 2021: US$62.0 million).

The 11% reduction in rough diamonds sold reflects the particularly high volumes sold in FY 2021, mostly off-tender, as the inventory build-up after the initial COVID-19 outbreak was released.

Adjusted EBITDA rose 103% to US$264.9 million with an Adjusted EBITDA margin of 45% reflecting the strong revenue growth and positive operational leverage, supported by the recovery of Exceptional Stones.

The 91% improvement in operating free cash flow generation has been supported by the Project 2022 initiatives. Over the three years since its commencement the Project has contributed US$265.4 million of net free cash flow benefits, exceeding our revised target of delivering net free cash flow of between US$100 million and US$150 million.

This cash generation means that we lowered our consolidated net debt to US$40.6 million as at 30 June 2022, down from US$228.2 million as at 30 June 2021.

Safe and efficient production

	FY 22	FY 21[1]	Variance
LTIFR	0.23	0.44	-48%
LTIs	15	25	-40%
Ore processed (Mt)	11.7	8.1	+44%
Diamonds recovered (carats)	3,353,670	3,240,312	+3%
Adjusted mining and processing costs (US$m)	307.1	276.1	+11%
Capital expenditure (US$m)	52.2	22.8	+129%

Note1: For comparative purposes, the FY 21 production and cost figures have been restated to include Williamson as it is no longer a discontinued operation

We strive to achieve a zero-harm working environment. Petra has focused on improving safety performance through remedial actions and behaviour-based intervention programmes. As a result, we have improved the Lost Time Injury Frequency Rate (LTIFR) by 48% to pre-pandemic levels, and Lost Time Injuries (LTIs) by 40% which were of low severity and mostly behavioural in nature. We continue the roll-out of COVID-19 vaccinations for employees and 64% of the workforce in South

Africa and 15% of the workforce in Tanzania have been vaccinated. The vaccination rate in South Africa is well ahead of the national average of 51%.

The vast majority of the 44% increase in ore processed is attributable to Williamson recommencing operations in August 2021 following a 17-month period of care and maintenance. Williamson ore is lower grade in comparison to our South African mines and this translated into a 3% increase in diamonds recovered, within our guidance range.

Project 2022 has, as part of the focus on cash generation, been highly effective in addressing both operational efficiencies as well as the efficiency of our operational and capital expenditure. We have created a Business Improvement function to ensure that the systems and processes developed as part of Project 2022, which concluded this Year, will continue to deliver benefits and seek out further improvement opportunities. Supporting this culture of continuous improvement, our new operating model has clarified lines of accountability and further empowers our people.

Cash on-mine costs and G&A costs were in line with guidance. The 11% increase in adjusted mining and processing costs was principally due to the resumption of operations at Williamson during the first quarter of the Year, the stronger average ZAR/USD exchange rate and inflationary increases.

Group capex of US$52.2 million was below guidance following delayed delivery of certain capital items planned for FY 2022 due to increased lead-times. As a result, around US$12 million of capex that was due to be incurred in FY 2022 is now expected to be incurred in FY 2023. US$34.5 million of the FY 2022 capital spend was expansionary capex and the vast majority of total capex was invested at the Cullinan and Finsch Mines (US$35.0 million and US$12.0 million respectively).

Load shedding and energy reform in South Africa

The recent increase in load shedding in South Africa is currently having minimal impact on our operations. Our excess processing capacity at both Cullinan Mine and Finsch allows us to reduce our processing energy draw to meet the prescribed load curtailment requirements whilst maintaining mining at full production and catching up on processing when conditions return to normal.

The regulator in South Africa has increased the allowance for self-generation without requiring a generation licence to a maximum of 100 MW. This has opened up opportunities for high energy-users to integrate renewables on their own sites and Petra is actively looking at options that are optimal from a financing and partnering perspective that would enable us to integrate renewables into our energy mix, lower our cost of energy, secure our energy supply and support our target of achieving net zero GHG emissions by 2050 or earlier.

Extending our mine plans

Resources

Petra manages one of the world’s largest gross diamond resources (inclusive of reserves) of 226.6 Mcts, supporting a potential mine life well beyond the current mine plans. The 2% reduction compared to 230.64 Mcts in 30 June 2021, was predominantly due to depletions resulting from mining at all our assets in FY 2022.

Petra’s gross diamond reserves decreased 10% to 29.97 Mcts (30 June 2021: 33.33 Mcts) primarily due to mining depletions with minor changes in mine plans and Williamson remaining on care and maintenance until August 2021.

Life extension projects approved during the Year

As announced previously, the Board approved extension projects at our major South African mines, the Cullinan and Finsch Mines, during the Year.

- At the Cullinan Mine we will establish a CC1 East sub-level cave, on the same level as the current C-Cut operation, extending the mine plan to 2031. The capital investment is estimated at US$173 million over the life of the project and is expected to deliver a project internal rate of return (IRR) of more than 30% and incremental project NPV of more than US$70 million. Capital expenditure began during the Year and production is expected to begin in FY 2024, ramping up to a steady state in FY 2026.
- At Finsch, we will extend the mine below the current area, creating a Lower Block 5 3-level sub-level cave, extending the mine plan to 2030. The capital investment is estimated at US$216 million and the IRR is also expected to be in excess of 30% with incremental NPV of more than US$90 million. Capital expenditure for this project will commence during FY 2023 and we expect production to commence in FY 2025.
- The capex involved in these projects is expected to be self-funded.

There are further opportunities beyond these mine extension plans, given the significant scale of the orebodies at the Cullinan, Williamson and Finsch Mines.

Diamond market remains buoyant despite uncertainties

Despite significant global economic uncertainties resulting from the war in Ukraine, like-for-like rough diamond prices increased 41.5% for the Year, driven in particular by record jewellery retail demand in the US. Overall we saw strength of demand across our product mix, both in white and coloured gem-quality stones, with some increased demand for smaller diamonds in the final tender of the Year in June.

Tender 1 FY 2023, announced today

We have achieved strong sales in the first tender of FY 2023, realising US$102.9 million due to a high proportion of high-value gem-quality single stones particularly from the Cullinan Mine. This has resulted in a 21% increase in our average realised price against Tender 6 in FY 2022, more than offsetting the 4.5% softening of like-for-like prices.

The supportive structural supply deficit in the diamond market

Growth in demand was driven by mid-stream inventory restocking and continued strong jewellery retail sales associated with a delayed wedding boom and a growing trend in diamonds being given as meaningful gifts post COVID-19. While the diamond market is strong, macroeconomic uncertainties caused by the rise in inflation are a potential dampener of demand.

Global supply is expected to remain broadly flat for the next ten years at between 115 and 125 Mcts. This is driven by the reduction in the number of producing mines, the long lead-times for open-pit mines to transition to underground mining, as well as the very limited investment in exploration. Given that less than 1% of kimberlites discovered are economic, we do not expect this to change in the medium term.

Sustainability performance to benefit from new Sustainability Framework

	FY 22	FY 21[1]	Variance
Carbon intensity ($tCO_{2\text{-e/ct}}$)	0.139	0.126	+10%
Energy intensity (kWh/t)	38.1	46.1	-17%
Water intensity (M^3/t)	1.0	0.55	+82%
Women in the workforce (%)	20	20	flat
Staff turnover (%)	9.8	9.6	+2%
Training spend (US$m)	6.1	5.8	+5%
Social spend (US$m)	0.9	0.7	+29%

Note 1: FY 21 metrics are affected by Williamson being on care and maintenance

The comparability of FY 2022 and FY 2021 performance is distorted by the resumption of the open-pit operations at Williamson in August 2021.

Petra is embedding its new Sustainability Framework so that environmental, social and governance improvements are further integrated throughout our operations. Targets will be published in our FY 2022 Sustainability Report in October.

Petra remains committed to reducing our GHG profile and to generate zero emissions on a net basis for Scopes 1 and 2 (emissions from sources we own and control directly and those through the energy we purchase) by 2050, although we aspire to reach this goal by 2040 or earlier. Our emissions profile is heavily weighted to our Scope 2 emissions which comprise 97% of total emissions in South Africa, and 92% including Tanzania. We will announce targets for 2030 in the FY 2022 Annual and Sustainability Reports to be published in October. Our Scope 3 reductions will be pursued once our Scope 1 and 2 roadmap has been developed. Our Climate Change Adaptation Strategy is being updated in accordance with TCFD requirements.

Framework Agreement with the Government of Tanzania and MOU with Caspian

In December 2021, Petra announced that it had entered into two agreements with the objective of reducing its exposure to Tanzania while still retaining control of Williamson.

The Framework Agreement between Petra and the Government of Tanzania will become effective after a number of conditions are satisfied, including obtaining various government approvals. The agreement, which will result in the reduction of Petra's indirect shareholding in Williamson Diamonds Limited (WDL) from 75% to 63% and establish a sustainable future for Williamson, is progressing and is now expected to become effective in the first half of FY 2023.

Petra expects to further reduce its indirect shareholding in WDL from 63% to 31.5% via a sale to Caspian Limited but with Petra retaining a controlling interest in WDL as Petra have the controlling vote on the WDL Board via its controlling interest in the intermediate holding company. The transaction remains subject to the parties first agreeing definitive transaction agreements and then obtaining all necessary government, regulatory and lender approvals which are also expected to be obtained in the first half of FY 2023.

Independent Grievance Mechanism and community projects at Williamson

Petra has implemented remedial programmes and initiatives and is establishing the Independent Grievance Mechanism (IGM) to address the historical allegations of human rights abuses at Williamson. The second phase of engagements with the Government of Tanzania and local stakeholders on the IGM has been completed and the focus is now on updating the IGM processes and appointing the various organs that will make up the IGM, with the current target for the IGM to become operational remaining Q4 of CY 2022.

While the IGM is still being finalised, a mechanism has been set up to enable community members to confidentially and securely register alleged historical human rights grievances. This mechanism continues to receive grievances, with a significant amount of grievances having been registered to date. As the IGM is not yet operational (and therefore unable to start investigating these grievances), it is too early to evaluate the merits of these grievances.

A number of other initiatives are being put in place to provide sustainable benefits to the communities located close to the mine, funded by the £1 million Escrow account established by Petra. Having completed all planned activities in Q1 CY 2022, the Gender Based Violence initiative is now training young men as champions and first responders and setting up survivor self-help groups within the surrounding communities. The medical services project has been expanded to provide further services, including surgery, medication and psychological support. Feasibility studies for income generating projects (agriculture businesses and artisanal mining) are also progressing and a radio programme to improve awareness and understanding of the IGM and community projects amongst the local community has been set up.

More information on the IGM, the community projects and illegal incursions into the Williamson mine lease area can be found on Petra's website at: https://www.petradiamonds.com/our-operations/our-mines/williamson/allegations-of-human-rights-abuses-at-the-williamson-mine/.

The Board

As previously announced, Jon Dudas joined the Board as an independent Non-Executive Director effective from 1 March 2022, further strengthening the Board through his broad experience across the mining and resources sectors, in operations, general management, information technology, finance and strategy.

Also, as previously announced, Matthew Glowasky stepped down from the Board as a non-independent, Non-Executive Director on 17 May. His appointment became effective in March 2021, following completion of the Restructuring pursuant to a Nomination Agreement between Petra and Monarch. While Monarch does not currently intend to nominate a director to replace Mr Glowasky, it retains its right to do so.

OPERATIONS REVIEW

Cullinan Mine – strong performance and extension work under way

Cullinan Mine – South Africa	FY 22	FY 21	Variance
Sales			
Revenue (US$m)	322.4	250.6	+29%
Diamonds sold (carats)	1,899,011	2,261,058	-16%
Average price per carat (US$)	169	111	+52%
Total production			
Tonnes treated (tonnes)	4,865,065	5,060,339	-4%
Diamonds produced (carats)	1,814,975	1,943,942	-7%
Grade[1]			
ROM (cpht)	36.2	38.2	-5%
Tailings (cpht)	49.6	41.0	+21%
Segment result[2] (US$m)	154.4	76.8	+101%
Costs and capex			
On-mine cash cost per total tonne treated (ZAR/t)	312	260	+20%
Total capex (US$m)	35.0	16.8	+108%

1. *Petra is not able to precisely measure the ROM / tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades*
2. *The segment result includes depreciation of US$52.5 million*

At the Cullinan Mine we came in at the upper end of our production guidance ranges on all criteria except tailings. Diamonds produced were 7% below last year's, largely as a result of the convergence in Tunnel 41 early in the Year, and the planned depletion of a mining block which had contributed to production in FY 2021. The convergence has now been effectively mitigated and factored into our guidance.

The Cullinan Mine's revenue increased 29% to US$322.4 million due to a 52% increase in the average price achieved per carat and the US$75.2 million realised for Exceptional Stones. Together, these more than offset the 16% reduction in diamonds sold, which was mainly the result of a higher volume of sales in FY 2021 caused by the release of the inventory build-up during the COVID-19 crisis into the market. Additional revenue of US$1.1 million was generated from Petra's 50% share of profit from the sale of polished stones cut from the 18.30ct Type II blue diamond sold as a partnership stone in August 2021.

The convergence of Tunnel 41 in the C-Cut impacted 18 of a total of 187 draw points. Remedial action was focused on arresting convergence by reinforcing the affected pillars and protecting the tunnel, so that access can be re-established once the area has been stabilised. We continue to monitor it to determine when we will be able to re-access this tunnel.

Grade was in line with guidance, notwithstanding the decline towards the end of the Year due to a change in the composition of ore within the C-Cut block cave resulting in a higher proportion of lower-grade and greater-density ore. We are monitoring these changes together with options to mitigate the grade differential.

During the Year, the efficiency of the X-Ray Luminescence technology (XRL), introduced in FY 2021, to reduce the risk of damage to larger stones in our processing circuit, was tested through the addition of a modular X-Ray Transmission (XRT) unit. This unit recovered only 11 additional diamonds of low value, validating the decision to use XRL technology in the recovery process.

The on-mine unit cash cost per total tonne treated increased to ZAR312/t due to inflationary increases, increased social expenditure and direct costs previously included under Group G&A

costs. FY 2022 capex was US$35.0 million, the majority of which was spent on the commencement of the newly approved CC1 East mine extension project. The balance included spend on the projects already underway in the current mining area, development of a crusher, and improved long-term accessibility in an area of the C-Cut.

Guidance

FY 2023 to FY 2025 production, cost and capex guidance for the Cullinan Mine remain unchanged.

- Our production guidance for FY 2023 is between 4.1 and 4.3 Mt ROM material to be treated, and ROM grade of between 36.5 and 38.5cpht, including the ore from the portions of the current mining area, the C-Cut, that is lower grade and higher in density.
- Tailings production is expected to increase to between 0.56 and 0.59 Mt material treated. ROM production will be prioritised, supplemented by low volumes of recovery tailings. The economic evaluation of the Cullinan Mine's substantial tailings resource will be monitored continuously and could be included in future mine plans dependent on market conditions and the pricing of smaller diamonds.
- The on-mine cash cost for FY 2023 guidance is between ZAR1,413 and ZAR1,486 million in real terms.
- We are guiding FY 2023 capex of between US$72 and US$79 million. In addition to sustaining capex, it primarily relates to underground development of the new CC1 East production areas of our extension project, explained above.
- We expect to commence mining from the higher grade CC1 East section from FY 2024.

Finsch – managing cost and production profile

Finsch – South Africa	**FY 22**	**FY 21**	**Variance**
Sales			
Revenue (US$m)	165.7	123.4	+34%
Diamonds sold (carats)	1,402,654	1,602,312	-12%
Average price per carat (US$)	118	77	+53%
Total production			
Tonnes treated (tonnes)	2,732,982	2,311,195	+18%
Grade - ROM[1] (cpht)	46.7	53.5	-13%
Diamonds produced (carats)	1,275,323	1,237,219	+3%
Segment result[1] (US$m)	34.8	(0.5)	+7060%
Costs and capex			
On-mine cash cost per total tonne treated (ZAR/t)	493	536	-8%
Total capex (US$m)	12.0	4.0	+200%

1 The segment result includes depreciation of US$24.4 million

While the previously reported waste ingress at Finsch has been largely mitigated through the implementation of enhanced drill and blast and draw controls, this requires continuous management. We saw steady production in the final quarter of the Year leading to an overall increase of 3%, just below guidance.

Finsch revenue increased 34% to US$165.7 million due to a 53% increase in the average price per carat which more than offset a 12% reduction in diamonds sold. As with the Cullinan Mine, this reduction was mainly the result of a higher volume of sales in FY 2021 which was caused by the inventory build-up during the COVID-19 pandemic being released into the market.

The Business Re-engineering (BRE) project recommendations being implemented at Finsch are designed to match its cost base to the revised production levels, taking into account waste ingress issues.

Finsch has already reduced on-mine cash unit costs by 8% to ZAR493/t due to the cost curtailment measures undertaken as part of the BRE project and increased production volumes.

FY 2022 capex was US$12.0 million which was mainly spent on underground projects. The expansion to the new 78 Level Phase 2 project has commenced, with ramp-up to full production in progress. In addition, capital has been spent on early mobilisation to de-risk the new Lower Block 5 3-Level sub-level cave project.

Guidance

FY 2023 to FY 2025 production, cost and capex guidance for Finsch remain unchanged , although lower grades experienced at Finsch in Q4 FY 2022 have continued into Q1 of this year, with ongoing monitoring and mitigation plans to address this waste dilution. We will continue to implement the BRE project recommendations to align costs with production.

- FY 2023 production is planned at between 2.9 and 3.0 Mt ROM including tonnage from the new section and with waste ingress being continually monitored. Tailings production is expected to be c.0.6 Mt of treated material.
- Finsch's underground ROM grade is expected to remain within guidance of between 43.6 and 46.0 cpht. While tailings production after FY 2023 does not form part of the current mine plan, lower grade tailings material remains available to supplement Finsch's underground operations in the future. The total on-mine cash cost for FY 2023 is guided at between ZAR1,293 and ZAR1,359 million in real terms. We are continuing to implement the BRE project outcomes to enhance margins at Finsch.
- FY 2023 capex is guided at between US$65 and US$71 million, primarily relating to the new Lower Block 5 3-Level sub-level cave project which was approved during the Year.
- We expect underground development to commence during FY 2023 with production from the new Sub-Level Cave in FY 2025.

Williamson - resumed production in Q1 FY 2022

Williamson – Tanzania	**FY 22**	**FY 21[1]**
Sales		
Revenue (US$m)	75.9	4.6
Diamonds sold (US$m)	197,756	30,339
Average price per carat (US$)	384	150
Total production		
Tonnes treated (tonnes)	3,591,099	0
Grade (cpht)	6.4	0
Diamonds produced (carats)	228,070	0
Segment result[2] (US$m)	22.2	(14.3)
Costs and capex		
On-mine cash cost per total tonne treated (US$/t)	13.9	0
Total capex (US$m)	3.3	0.3

Note 1: Williamson was on care and maintenance during FY 2021
2 The segment result includes depreciation of US$5.0 million

Operations at Williamson recommenced in August 2021, having been on care and maintenance from April 2020. FY 2022 was a year of improving the performance of the mine after this 17-month period of shutdown and the operations are now fully ramped up.

Williamson's production and grade were in line with guidance. Revenue was US$75.9 million, compared with US$4.6 million in FY 2021 when the only diamond sales were the final parcel recovered prior to the mine being placed on care and maintenance. We benefitted from the recovery of an exceptional 32.32 carat pink diamond which was sold for US$13.8 million in the December 2021 tender.

The on-mine cash unit cost of US$13.9/t was in line with guidance. FY 2022 capex was US$3.3 million, which included the costs of preparing the mine for reopening and sustaining the operations.

Guidance

The focus will be the continued stabilisation of operations following the period of care and maintenance, including increasing throughput and diamond recovery, while ensuring waste-stripping is undertaken at the required rate.

FY 2023 to FY 2025 production, cost and capex guidance remain unchanged for Williamson.

- We are guiding between 5.2 and 5.5 Mt of ROM material to be treated during FY 2023 which reflects the fully ramped up production.
- The total on-mine cash cost for FY 2023 is guided at between US$66 and US$69 million in real terms.
- Capex guidance for FY 2023 is approximately US$9 million and relates to sustaining capital largely associated with waste stripping and fines-residue infrastructure.

Koffiefontein - approaching the end of its mine plan

Koffiefontein – South Africa	FY 22	FY 21	Variance
Sales			
Revenue (US$m)	21.5	27.9	-23%
Diamonds sold (carats)	36,950	66,650	-45%
Average price per carat (US$)	581	419	+39%
Total production			
Tonnes treated (tonnes)	466,957	754,369	-38%
Diamonds produced (carats)	35,302	59,151	-40%
Grade (cpht)[1]	7.6	7.8	-3%
Segment result[1] (US$m)	(13.8)	(8.1)	-70%
Costs and capex			
On-mine cash cost per total tonne treated (ZAR/t)	1,106	651	+70%
Total capex (US$m)	0.6	1.7	-65%

1 Segment result includes depreciation US$0.3 million, Williamson US$5.0 million

Koffiefontein's production metrics, except grade, were below guidance. Revenue decreased 23% to US$21.5 million as the 39% increase in the average price per carat was more than offset by the 45% decline in the number of diamonds sold.

As Koffiefontein approaches the end of its mine plan in 2025, Petra is exploring options for a responsible exit. We are evaluating non-binding expressions of interest, received post year-end for the mine. If a sales transaction does not eventuate, Petra will evaluate its options and continue to operate the mine responsibly.

The BRE project at Koffiefontein, which is independent of the disposal process, aims to provide for sustainable operations until the mine's closure and has resulted in a labour reduction process to align the operation with the reduced tonnage profile. This process was concluded and the mine started on a new shift configuration with the reduced labour structure on 30 June 2022.

The on-mine cash unit cost increased to ZAR1,106/t, mainly due to decreased tonnages and inflationary increases. FY 2022 capex was US$0.6 million and this was spent mainly on the completion of a workshop underground.

Guidance

FY 2023 to FY 2025 production, cost and capex guidance is maintained and takes into account the lower production and cost profile we have put in place.

- The total on-mine cash cost for FY 2023 is guided at between ZAR415 and ZAR437 million in real terms.
- FY 2023 capex guidance is between c.US$1 and US$2 million, primarily relating to sustaining costs.

FINANCIAL RESULTS

SUMMARY RESULTS (unaudited)

	Year ended 30 June 2022 ("FY 2022") US$ million	Restated Year ended 30 June 2021 ("FY 2021") [15] US$ million
Revenue	585.2	406.9
Adjusted mining and processing costs[1]	(307.1)	(276.1)
Other direct income	(0.8)	6.8
Profit from mining activity[2]	**277.3**	**137.6**
Other corporate income	0.6	—
Adjusted corporate overhead	(13.0)	(7.4)
Adjusted EBITDA[3]	**264.9**	**130.2**
Depreciation and Amortisation	(85.3)	(80.8)
Share-based expense	(1.1)	(0.5)
Net finance expense	(36.6)	(67.2)
Adjusted profit/(loss) before tax	**141.9**	**(18.3)**
Tax expense (excluding taxation credit / charge on impairment charge and unrealised foreign exchange gain / (loss))[12]	(39.9)	(7.2)
Adjusted net profit/(loss) after tax[4]	**102.0**	**(25.5)**
Impairment reversal / (charge) – operations and other receivables[5]	19.6	(38.4)
Impairment of BEE loans receivable – expected credit loss release [6]	—	5.8
Gain on extinguishment of Notes net of unamortised costs	—	213.3
Profit on disposal of subsidiary[7]	—	14.7
Recovery / (costs) and fees relating to investigation and settlement of human rights abuse claims	0.8	(12.7)
Provision for unsettled and disputed tax claims	—	(19.5)
Net unrealised foreign exchange (loss) / gain	(36.5)	74.6
Taxation credit / (charge) on unrealised foreign exchange (loss) / gain[12]	2.2	(19.9)
Taxation credit on impairment charge	—	4.2
Net profit after tax	**88.1**	**196.6**
Earnings per share attributable to equity holders of the Company – USc		
Basic profit per share	**35.53**	**260.70**
Adjusted profit / (loss) per share[8]	**42.93**	**(36.20)**

	Unit	As at 30 June 2022 (US$ million)	As at 30 June 2021 (US$ million)
Cash at bank – (including restricted amounts)	US$m	288.2	173.0
Diamond debtors	US$m	37.4	38.3
Diamond inventories[13]	US$m /Cts	52.7 453,380	56.5 637,676
US$336.7m loan notes (issued March 2021)[9]	US$m	366.2	327.3
Bank loans and borrowings[10]	US$m	—	103.0

Consolidated Net debt[11]	US$m	40.6	228.2
Bank facilities undrawn and available[10]	US$m	61.5	7.7
Consolidated net debt : Adjusted EBITDA		0.15x	1.75x

The following exchange rates have been used for this announcement: average for FY 2022 US$1:ZAR15.22 (FY 2021: US$1:ZAR15.41); closing rate as at 30 June 2022 US$1:ZAR16.27 (30 June 2021: US$1:ZAR14.27).

***Notes*:**

The Group uses several non-GAAP measures above and throughout this report to focus on actual trading activity by removing certain non-cash or non-recurring items. These measures include adjusted mining and processing costs, profit from mining activities, adjusted EBITDA, adjusted net profit after tax, adjusted earnings per share, adjusted US$ loan note, net debt and consolidated net debt for covenant measurement purposes. As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies. The Board believes that such alternative measures are useful as they exclude one-off items such as the impairment charges and non-cash items to provide a clearer understanding of the underlying trading performance of the Group.

1. *Adjusted mining and processing costs are mining and processing costs stated before depreciation.*
2. *Profit from mining activities is revenue less adjusted mining and processing costs plus other direct income.*
3. *Adjusted EBITDA is stated before depreciation, amortisation of right-of-use asset, share-based expense, net finance expense, tax expense, impairment reversal/charges, expected credit loss release/ (charge), gain on extinguishment of Notes net of unamortised costs, profit on disposal of subsidiary, costs and fees relating to investigation and settlement of human rights abuse claims, provision for unsettled and disputed tax claims and net unrealised foreign exchange gains and losses.*
4. *Adjusted net profit/(loss) after tax is net profit/(loss) after tax stated before impairment reversal/charge, expected credit release (loss) provision, gain on extinguishment of Notes net of unamortised costs, costs and fees relating to investigation and settlement of human rights abuse claims, profit on disposal net unrealised foreign exchange gains and losses, and excluding taxation (charge) credit on net unrealised foreign exchange gains and losses and excluding taxation credit on impairment charge.*
5. *Impairment reversal of US$19.6 million (30 June 2021: US$38.4 million charge) was due to the Group's impairment review of its operations and other receivables. Refer to note 15 below for further details.*
6. *Reversal of impairment of BEE loans receivable of US$nil (30 June 2021: US$5.8 million) is due to the Group's expected credit loss assessment of its BEE loans receivable. Refer to note 11 below for further details.*
7. *The profit on disposal of subsidiary of US$14.7 million in FY2021 includes the reclassification of foreign currency translation reserve, net of tax of Sekaka Diamonds (Pty) Ltd.*
8. *Adjusted EPS is stated before impairment charge, expected credit release (loss) provision, gain on extinguishment of Notes net of unamortised costs, profit on disposal of subsidiary, acceleration of unamortised costs on restructured loans and borrowings, costs and fees relating to investigation and settlement of human rights abuse claims, provision for unsettled and disputed tax claims, net unrealised foreign exchange gains and losses, and excluding taxation (charge) credit on net unrealised foreign exchange gains and losses and excluding taxation credit/charge on impairment reversal/charge.*

   The comparative basic profit per share and adjusted profit per share have been adjusted to give effect to the share consolidation of one new share for every 50 existing shares completed on 29 November 2021 with the Company's resultant issued share capital now consisting of 194,201,785 ordinary shares of 0.05 pence each.
9. *The US$336.7 million loan notes have a carrying value of US$366.2 million (FY2021: US$327.3 million) which represents the gross capital of US$336.7 million of notes, plus accrued interest and net of unamortised transaction costs capitalised, issued following the capital restructuring (the "Restructuring") completed during March 2021. Refer to detailed Debt Restructuring Note 18.*
10. *Bank loans and borrowings represent amounts drawn under the Group's refinanced South African banking facility with ABSA, completed in June 2022. As at 30 June 2022 the new facility with ABSA comprises a ZAR1 billion (US$61.5 million) revolving credit facility which remains undrawn and available.*

    During the Year, the South African banking facilities held with the Group's previous consortium of South African lenders were settled and cancelled, comprising of the revolving credit facility of ZAR404.6 million (US$24.9 million) (capital plus interest) and the term loan of ZAR893.2 million (US$54.9 million) (capital plus interest).
11. *Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash, less diamond debtors plus BEE partner bank facilities. In FY2021 Williamson was classified as held for sale, if Williamson was consolidated as at 30 June 2021 consolidated net debt would have reduced by cash and cash equivalents held by Williamson of US$9.2 million to US$219.0 million.*
12. *Tax (expense) / credit is the tax (expense) / credit for the Period excluding taxation credit / (charge) on impairment charge and unrealised foreign exchange gain / (loss) generated during the Period, such exclusion more accurately reflects resultant Adjusted net profit / (loss).*
13. *Williamson's diamond inventory includes the 71,654.45 carat parcel of diamonds blocked for export during August 2017, with a carrying value of US$12.5 million. In terms of the framework agreement reached with the Government*

of Tanzania, as announced on 13 December 2021, the proceeds from the sale of this parcel will be allocated to Williamson.

14. *Operational free cashflow is defined as cash generated from operations less acquisition of property, plant and equipment.*
15. *The results for FY2021 has been restated with the operating results of Williamson which were previously classified under loss on discontinued operations, for further detail refer to note 17.*

Revenue

Total revenue for FY 2022 amounted to US$585.2 million (FY 2021: US$406.9 million), comprising revenue from rough diamond sales of US$584.1 million (FY 2021: US$406.9 million) and additional revenue from profit share agreements of US$1.1 million (FY 2021: nil).

FY 2022 revenue from rough diamond sales increased 44% to US$584.1 million (FY 2021: US$406.9 million) driven by sales from a higher than average number of Exceptional Stones contributing US$89.1 million during the Year (FY 2021: US$62.0 million); supported by the strong diamond market, and a 41.5% increase in like-for-like diamond prices.

Mining and processing costs

The mining and processing costs for FY 2022 comprised on-mine cash costs as well as other operational expenses. A breakdown of the total mining and processing costs for the Year is set out below.

	On-mine cash costs[1]	Diamond royalties	Diamond inventory and stockpile movement	Group technical, support and marketing costs[2]	Adjusted mining and processing costs	Depreciation[3]	Total mining and processing costs (IFRS)
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
FY 2022	272.3	14.6	0.5	19.7	307.1	84.4	391.5
FY 2021[4]	208.9	3.2	42.2	21.8	276.1	80.0	356.1

Notes:

1. *Includes all direct cash operating expenditure at operational level, i.e. labour, contractors, consumables, utilities and on-mine overheads.*
2. *Certain technical, support and marketing activities are conducted on a centralised basis.*
3. *Includes amortisation of right-of-use assets under IFRS 16 of US$2.3 million (FY 2021: US$0.6 million) and excludes exploration and corporate / administration.*
4. *For comparative purposes, the FY 2021 figures include Williamson as it is no longer held for sale at 30 June 2022.*

Absolute on-mine cash costs in FY 2022 increased by c.30% compared to FY 2021 and in line with expectations, due to:

- The effect of translating ZAR denominated costs at the South African operations at a stronger ZAR/USD average exchange rate (1.4% increase)
- Williamson mine resuming production in FY 2022 after being on care and maintenance throughout FY 2021 and changes in volumes at South-African operations (18.3% increase);
- Other cost movements, due to increased social expenditure and costs previously included under Group technical, support and marketing costs (1.2% increase)
- Inflationary increases (c.6.8% increase), the impact of electricity costs (0.9% increase) and annual labour increases and voluntary separation pay-outs (1.4% increase)

Royalties increased to US$14.6 million (FY 2021: US$3.2 million) due to increased profits net of capex across the SA operations resulting in higher royalty percentages, as defined in the royalty legislation of South Africa and Williamson recommencing operations during the Year.

Profit from mining activities

Profit from mining activities increased 102% to US$277.3 million (FY 2021: US$137.6 million), mainly due to improved diamond pricing and the contributions from Exceptional Stones.

Adjusted corporate overhead – general and administration
Corporate overhead (before depreciation and share based payments) increased to US$13.0 million for the Year (FY 2021: US$7.4 million) mainly attributable to the increase in corporate governance structures, strategic developments and Board appointments introduced during the Year.

Adjusted EBITDA
Adjusted EBITDA, being profit from mining activities less adjusted corporate overhead, increased 103% to US$264.9 million (FY 2021: US$130.2 million), representing an adjusted EBITDA margin of 45% (FY 2021: 32%) driven by the stronger diamond market and resultant improved diamond pricing coupled with the contribution from Exceptional Stones.

Depreciation and amortisation
Depreciation and amortisation for the Period increased to US$85.3 million (FY 2021: US$80.8 million), mainly due to production recommencing at Williamson.

Impairment reversal / charge
As a result of the impairment reviews carried out at the Cullinan, Finsch, Koffiefontein and Williamson Mines, and the Group's other receivables during the Year, the Board recognised an overall net impairment reversal of US$19.6 million (FY 2021: US$38.4 million impairment charge), comprising:

US$ million **Asset class**	**FY 2022**	**FY 2021**
Reversal of impairment - property, plant & equipment (Refer note 15)	21.4	—
Impairment - property, plant & equipment (Refer note 15)	(0.3)	(38.7)
Impairment (charge)/reversal - other current receivables (refer note 15)	(1.5)	0.3
	19.6	(38.4)

Impairment reviews carried out at the Cullinan, Finsch, and Williamson Mines' operational assets did not result in an impairment charge or reversal during the Year (FY 2021: US$38.7 million). Asset level impairments at Koffiefontein amount to US$0.3 million (FY 2021: US$38.7 million in respect of Finsch, Koffiefontein and Williamson), of the Group's carrying value of property, plant and equipment of US$608.2 million (FY 2021: US$764.5 million) pre-impairment. There was an impairment reversal of US$21.4 million relating to an IFRS 5 impairment adjustment for Williamson as the results for Williamson have been re-consolidated.

Impairment of BEE loans receivable – expected credit loss provision
The Group has applied the expected credit loss impairment model to its BEE loans receivable. In determining the extent to which expected credit losses may apply, the Group assessed the future free cashflows to be generated by the mining operations based on the current mine plans. This assessment indicated a net credit loss reversal / charge of US$nil (FY 2021: US$5.8 million expected credit loss reversal); refer to note 2 for further detail.

Net financial (expense)/income
Net financial expense of US$73.1 million (FY 2021: US$220.7 million income) comprises:

US$ million	**FY 2022**	**FY 2021**
Net realised foreign exchange gain / (loss) on settlement of forward exchange contracts	12.6	(6.1)
Interest received on bank deposits	1.3	0.7
Net interest receivable / (payable) on the BEE partner loans and amortisation of lease liabilities in accordance with IFRS 16	1.8	(3.0)
Net gain on extinguishment of Notes	—	213.3
Offset by:		
Interest on the Group's debt and working capital facilities	(45.3)	(51.5)
Unwinding of the present value adjustment for Group rehabilitation costs	(5.4)	(4.6)
Acceleration of unamortised bank facility and Notes costs	(1.6)	(2.7)
Net unrealised foreign exchange (losses) / gains	(36.5)	74.6
Net financial (expense) / income	**(73.1)**	**220.7**

Tax credit / charge
The tax charge of US$37.8 million (FY 2021: US$23.0 million) comprising deferred tax charge of US$30.4 million (FY 2021: US$22.7 million) and a net current tax charge of US$7.4 million (FY 2021: US$0.3 million).

The Consolidated Income Statement deferred tax charge for the Year reflects movements in deferred tax of US$35.5 million (30 June 2021: US$3.4 million) in respect of property, plant and equipment and associated capital allowances, US$2.5 million deferred tax credit (30 June 2021: US$2.8 million) relating to provisions and a US$2.6 million deferred tax credit (30 June 2021: US$nil) due to the change in the South African corporate tax rate from 28% to 27% reducing the deferred tax liabilities recognised at the Finsch and Cullinan Mines at Year end.

The net current tax charge of US$7.4 million (30 June 2021: US$0.3 million includes a current tax charge of US$7.6 million at Finsch for the Year (FY 2021: US$nil million).

Profit on disposal of subsidiary including associated impairment, net of tax
In FY 2021, the profit on disposal of subsidiary including associated impairment, net of tax of US$14.7 million relates to the Group's disposal of its interests in Sekaka, its exploration operations in Botswana, and is made up of a US$0.3 million disposal consideration, net profit of US$1.3 million for the Period 1 July 2020 to the 30 November 2020 disposal date and the recycling of the foreign currency translation reserve of US$13.3 million, offset by a net asset disposal amount of US$0.2 million. Refer to Note 16 for further detail.

Williamson
At the end of FY 2021, the Board had decided to review its strategic options at Williamson and the asset was classified as an asset held for sale.

In terms of the IFRS requirements to measure the assets of a disposal group at the lower of carrying amount and fair value less costs to sell, the determination of the fair value is complex and subject to considerable judgement. Based on management's best estimate of the fair value at 30 June 2021, the following amounts were recognised as a result of that reclassification:

- An impairment charge of US$21.4 million in respect of property, plant and equipment
- A US$11.2 million charge attributable to Williamson's net loss for FY 2021
- A US$19.5 million provision for unsettled and disputed tax claims arising from the ordinary course of business

During H1 FY 2022, the Group entered into a Framework Agreement with the Government of Tanzania regarding the Williamson mine which will reduce Petra's indirect shareholding from 75% to 63%. Petra also entered into a non-binding Memorandum of Understanding ("MoU") to sell 50% less one share of the entity that holds Petra's shareholding in Williamson ("WDL") to Caspian Limited. Upon completion of the transactions contemplated by the MoU and the capital restructuring in the Framework Agreement becoming effective (expected in H1 FY 2023), Petra and Caspian will each indirectly hold a 31.5% stake in WDL, but with Petra retaining a controlling interest in WDL, and the Government of Tanzania holding the remaining 37%. These agreements are in line with Petra's objective of reducing its exposure in Tanzania while retaining control, through its controlling interest in the entity that holds Petra's shares in WDL. The Williamson mine is therefore no longer classified as an asset held for sale in FY 2022 and was reconsolidated into the Group results for FY 2022. As a result the Group also reversed a Group level impairment charge relating to Williamson, previously recognised under IFRS 5, of US$21.4 million. Refer to Note 17 for additional detail.

Earnings per share
Basic profit per share from continuing operations of USc35.53 was recorded (FY 2021: USc260.70, including gain on extinguishment of Notes).

Adjusted profit per share from continuing operations (adjusted for impairment charges, taxation credit on net unrealised foreign exchange losses and net unrealised foreign exchange gains and losses) of USc42.93 was recorded (FY 2021: USc36.20 loss (adjusted for impairment charges, taxation charge on net unrealised foreign exchange gains and net unrealised foreign exchange gains and losses)).

The comparative basic profit per share and adjusted profit per share have been adjusted to give effect to the share consolidation of one new share for every 50 existing shares completed on 29 November 2021, with the Company's resultant issued share capital now consisting of 194,201,785 ordinary shares of 0.05 pence each.

Operational free cash flow
During the Year, operational free cash flow of US$230.0 million (FY 2021: US$120.1 million before restructuring fees of US$15.5 million) reflects the impact from the sale of a high number of Exceptional Stones and stronger diamond prices. This strong cash flow performance was positively impacted by:

- US$7.6 million inflow (FY 2021: US$12.1 million outflow) cash finance expenses net of finance income and net realised foreign exchange gains/(losses).

This was offset by:

- Restructuring fees settled during the Year of US$nil (FY 2021 US$29.9 million)
- Income tax paid of US$7.8 million (FY 2021: US$0.3 million inflow)
- US$3.5 million dividend paid to BEE partners (FY 2021: US$7.0 million advances to BEE partners, largely related to servicing of BEE bank debt, with the advances recoverable against future BEE partner distributions)

Cash and Diamond Debtors
As at 30 June 2022, Petra had cash at bank of US$288.2 million (FY 2021: US$163.9 million). Of these cash balances, US$271.9 million was held as unrestricted cash (FY 2021: US$147.8 million), US$15.5 million was held by Petra's reinsurers as security deposits on the Group's cell captive insurance structure (with regards to the Group's environmental guarantees) (FY 2021: US$15.3 million) and US$0.8 million was held by Petra's bankers as security for other environmental rehabilitation bonds lodged with the Department of Mineral Resources and Energy in South Africa (FY 2021: US$0.8 million).

Diamond debtors at 30 June 2022 were US$37.4 million (FY 2021: US$38.3 million).

Loans and Borrowings
The Group had loans and borrowings (measured under IFRS) at Year end of US$366.2 million (FY 2021: US$430.3 million) comprised of US$366.2 million Notes (includes US$50.3 million accrued interest and unamortised transaction costs of US$15.2 million), bank loans and borrowings of US$nil (FY 2021: US$103.0 million). Bank debt facilities undrawn and available to the Group at 30 June 2022 were US$61.5 million (FY 2021: US$7.7 million).

Consolidated net debt at 30 June 2022 was US$40.6 million (FY2021: US$228.2 million).

Covenant Measurements attached to banking facilities
The Company's revised EBITDA-related covenants associated with its restructured banking facilities are as outlined below:

- To maintain a net debt : EBITDA ratio tested semi-annually on a rolling 12-month basis
- To maintain an Interest Cover Ratio (ICR) tested semi-annually on a rolling 12-month basis
- To maintain minimum 12 month forward looking liquidity requirement that consolidated cash and cash equivalents (excluding diamond debtors) shall not fall below US$20.0 million

The Company's new covenant levels for the respective measurement periods are outlined below:

	FY22 H2	FY23 H1	FY23 H2	FY24 H1	FY24 H2	FY25 H1	FY25 H2	FY26 H1
Consolidated net debt : EBITDA Leverage ratio (*maximum*)	4.00	4.00	3.50	3.50	3.25	3.25	3.00	3.00
Interest Cover Ratio (*minimum*)	1.85	1.85	2.50	2.50	2.75	2.75	3.00	3.00

For further detail on the restructuring of the SA Lender facilities refer to Note 8 below.

Going concern considerations
The Board has reviewed the Group's forecasts with various sensitivities applied, for the 18 months to December 2023, including both forecast liquidity and covenant measurements. As per the First Lien agreements, the liquidity and covenant measurements exclude contributions from Williamson's trading results and only recognises cash distributions payable to Petra upon forecasted receipt, or Petra's funding obligations towards Williamson upon payment. The review took into account the Groups intention to purchase up to US$150 million of the Senior Secured Second Lien Notes due in 2026 through a tender offer to bondholders.

The Board has given careful consideration to potential risks identified in meeting the forecasts under the review period. The following sensitivities have been performed in assessing the Group's ability to operate as a going concern (in addition to the Base Case) at the date of this report:

- A 10% decrease in forecast rough diamond prices from July 2022 to December 2023
- A 10% strengthening in the forecast South African Rand (ZAR) exchange rate against the US Dollar from July 2022 to December 2023
- A 10% increase in operating costs from July 2022 to December 2023
- A US$15 million reduction in revenue contribution from Exceptional Stones
- A production disruption sensitivity assuming no carat production across the Group for two weeks in February 2023 (could be due to extreme weather conditions or supply chain disruptions or any other unexpected event)
- Combined sensitivity: Prices down 10% and ZAR stronger by 10%, reduced contribution from Exceptional Stones and operating costs up 5%

Under all the cases, the forecasts indicate that the Group's liquidity outlook over the 18-month period to December 2023 remains strong, even when applying the above sensitivities to the base case forecast.

The forward-looking covenant measurements associated with the new First Lien (1L) facility do not indicate any breaches during the 18-month review period for the base case as well as all the above sensitivities, except for the combined sensitivity, which shows a covenant breach for the required ICR in the December 2023 measurement period. While the ICR is projected to be breached in this combined sensitivity, neither the Net Debt : EBITDA covenant nor the liquidity covenant is projected to be breached, while the revolving credit facility (RCF) remains undrawn. It is therefore assumed that the RCF remains available on the expectation that the 1L lender will agree to an ICR covenant waiver given that the Group does not expect to utilise the RCF for servicing of its Second Lien (2L) interest obligations. Furthermore, this potential ICR breach may be cured by means of reducing of our gross debt by utilising existing available cash reserves and/or marginally increasing our projected EBITDA for the preceding 12-month period.

As a result, the Board concluded that there are no material uncertainties that would cast doubt on the Company continuing as a going concern. See ‘Basis of preparation including going concern’ in the Financial Statements for further information.

Capex
Total Group capex for the Year increased to US$52.2 million (FY 2021: US$23.8 million), comprising:
- US$34.5 million expansion capex (FY 2021: US$16.9 million)
- US$17.7 million sustaining capex (FY 2021: US$6.9 million).

Capex (US$m)	**FY 2022**	**FY 2021**
Cullinan	35.0	16.8
Finsch	12.0	4.0
Williamson	3.3	0.3
Koffiefontein	0.6	1.7
Subtotal – capex incurred by operations	**50.9**	**22.8**
Corporate	1.3	1.0
Total Group capex	**52.2**	**23.8**

Dividend

No dividend was declared for FY 2022 (FY2021: US$nil).

PRINCIPAL BUSINESS RISKS

The Group is exposed to a number of risks and uncertainties which could have a material impact on its long-term development, and performance and management of these risks is an integral part of the management of the Group.

A summary of the risks identified as the Group's principal external, operating and strategic risks (in no order of priority), which may impact the Group over the next twelve months, is listed below.

Risk	Risk appetite	Risk rating	Nature of risk	Change in FY 2022
External Risks				
1. Rough diamond price	High	Medium	Long term	**Lower** – like for like diamond prices increased 41.5% (FY 2021: 9%) during FY 2022 which was largely attributable to mid-stream inventory restocking and continued strong jewellery retail sales. Lower global diamond production also resulted in a more positive outlook for the diamond market whilst macroeconomic uncertainties caused by rising interest rates and inflation are potential dampeners of demand.
2. Currency	High	Medium	Long term	**No change** – whilst initially stable, the ZAR/USD exchange rate experienced significant volatility during FY 2022, closing the Year at 16.27 ZAR/USD, compared to 14.27 ZAR/USD on 30 June 2021. The impact of the war in Ukraine benefitted the Rand, though over the longer term the Rand is expected to weaken as South Africa's inflation rate remains high.
3. Country and political	High	Medium	Long term	**Lower** – while the risk of political instability remains in South Africa, the outcomes of the ruling party's policy conference were positive and markets were encouraged by party support for the President's proposals. After the South African High Court judgement in favour of the Minerals Council SA, the DMRE has indicated it will seek legislative amendments of the Mineral and Petroleum Resources Development Act which could reverse aspects of the judgement, in particular the legal status of the Mining Charter. In Tanzania, the risk of political instability remains lower under the new President and following entry by Petra into a Framework Agreement with the Government that is yet to become effective
4. COVID-19 pandemic (operational impact)	Medium	Medium	Short to medium term	**Lower** COVID-19 restrictions in South Africa and Tanzania have been gradually lifted during the Year due to the decreasing numbers of individuals contracting the virus which led, in South Africa, to the termination of the national state of emergency. The emphasis has shifted to continuing the promotion of the administration of vaccinations, including booster shots, as this remains the best protection against COVID-19.
Strategic Risks				
5. Group Liquidity	Medium	Medium	Short to medium term	**Lower** – a combination of higher diamond prices, robust production levels in line with guidance and record proceeds from the sale of Exceptional Stones contributed to increased revenue, strong free cash flow and a reduction in net debt to US$40.6 million as at 30 June 2022, thereby significantly strengthening the balance sheet. The Company also completed the refinancing of its first lien debt facility which will deliver some US$5 million in savings over the next two years as a result of reduced utilisation and more favorable terms than the previous facility.
6. Licence to operate: regulatory and social impact & community relations	Medium	Medium	Long term	**No change** – Petra continued to comply in all material respects with relevant laws and regulations in the countries in which it operates. In FY 2022, local operations conducted 451 (FY 21: 658) social engagements which included internal (employees and committees) and external (Government, communities, forums and SMMEs) engagements. Stakeholder engagement plans (SEPs)

				continue to be reviewed and updated to increase value-add engagements at Government and community levels. Following the Company's May 2021 announcement on the alleged human rights breaches in Tanzania, Petra has continued to progress the design and implementation of the IGM for Williamson. This has involved extensive stakeholder engagements with all levels of Government and the local community to create awareness of the IGM process and to obtain initial feedback on how the IGM is envisaged to operate. The current target is for the IGM to become operational during Q2 CY 2023. The Company has also progressed a number of projects to provide sustainable benefits to the communities located close to the Williamson mine which include (1) a medical support project, (2) an artisanal and small-scale mining project, (3) an agribusiness development initiative, (4) improved delineation of the Williamson mine boundaries, including access to the mine lease area for the collection of firewood and (5) an awareness initiative in respect of sexual and gender-based violence.
Operating Risks				
7. Mining and production	Medium	Medium	Long term	**Lower** – positive throughput improvements supported by Project 2022 (which completed in June 2022) continued to yield good results. Group production for FY 2022 increased by 3% in line with guidance, largely owing to the resumption of mining at Williamson. Production at the Cullinan Mine during Q4 FY 2022 was lower due to the depletion of the current CC1E mining area and a difference in the make-up of kimberlite in the C-Cut. When compared with FY2021, production at the Finsch Mine stabilised in the second half of FY 2022, although ROM grade was 13% lower as a result of waste dilution despite the implementation of controls which were continuously monitored. Group production guidance for FY2023 to FY 2025 remains unchanged at this stage.
8. ROM grade and product mix volatility	Medium	Medium	Short term	**No change** – the current mining blocks at the South African operations are reaching maturity and while the current orebody footprints are still large enough to deliver relative consistency and product mix, increasing levels of variability in terms of ROM Grade and product mix can be expected going forwards which will be mitigated by the ramp up of the new mining blocks at CDM and FDM.
9. Labour relations	Medium	Medium	Short to medium term	**No change** – stable labour relations were experienced during FY 2022. The Company reached agreement with NUM on a new three-year wage agreement for employees in the Paterson A and B Bands at the South African operations. The Company also concluded a three-year wage agreement for employees on the Paterson C-Lower Band with both NUM and UASA at the SA operations. Review of the collective bargaining agreement at WDL is ongoing with the majority union (TAMICO).
10. Safety	Medium	Medium	Short to medium term	**Lower** – Petra's safety performance saw a 40% reduction in Lost Time Injuries (LTIs) to 15 for the Year and a corresponding 48% improvement in the Lost Time Injury Frequency Rate for the Year. The only metric on which Petra's performance deteriorated was in respect of Non-Lost Time Injuries, which saw an increase of 11% but this was against a backdrop of (i) an increased number of LTIs incurred in FY 2021 versus the low number of incurred NLTIs in FY 2021 and (ii) an increased number of shifts worked in FY 2022 which meant Petra's Non-Lost Time Injury Frequency Rate improved by 7%. The Cullinan Mine in particular, had an exceptional year, celebrating a LTI-free year on 25 April 2022.
11. Environment	Medium	Medium	Long term	**No change** – implementation of waste management procedures and the setting of annual objectives to improve waste management has resulted in higher waste recycling (25% more waste was recycled in FY 2022 than in the previous year) and lowered the risk caused by landfilling. On land rehabilitation, Petra has positively transformed 120 hectares of previously disturbed land during FY 2022. The implementation of annual objectives for improved water

				efficiency has seen Petra reach internal water recycling figures averaging 80% over the last four years.
12. Climate Change	High	Medium	Long term	**No change** – the Group's Climate Change Adaption Policy and strategy is currently in year 3 of the 5 year implementation plan. Petra uses the World Bank Climate Change Knowledge Portal ("CCKP") to estimate physical climate change impacts on, and opportunities for, our operations. Petra has initiated various climate change projections and scenarios analysis to determine the impact on its operations in the short, medium and long term. During FY 2022, mitigating action plans were developed for the top rated climate change risks that have been identified. Climate related disclosures were further aligned to the Taskforce on Climate Related Financial Disclosure (TCFD) recommendations. Petra will produce its second TCFD report as part of its annual reporting process for FY 2022.
13. Supply Chain Governance	Medium	Medium	Short to medium term	**Higher** – a comprehensive review of the Supply Chain function's operating structure and people competencies in line with Petra's business strategy is currently underway. Processes and systems across the Supply Chain function are further being reviewed with the aim of improving internal controls and governance. A new Third Party Due Diligence Policy and Procedure and online platform is currently being finalised to ensure that supplier risks relating to bribery & corruption, sanctions, trade restrictions and human rights violations are adequately identified and mitigated accordingly.
14. Capital Projects	Medium	High	Short to medium term	**Higher** – the CC1E SLC and Lower Block 5 3-level SLC expansion projects at the Cullinan and Finsch Mines were approved by the Board in FY 2022 and as a result various governance initiatives have been launched to ensure efficient and effective management of these projects, including the identification and management of key project risks. The Executive, Investment Committee and Board continue to regularly monitor progress of both projects, including tracking of spend against budgets and progress against the approved baseline schedules.

Richard Duffy
Chief Executive Officer
13 September 2022

Notes

The following definitions have been used in this announcement:

a. *Exceptional Stones: diamonds with a valuation and selling price of US$5m or more per stone*
b. *cpht: carats per hundred tonnes*
c. *Kcts: thousand carats*
d. *Kt: thousand tonnes*
e. *LTI: lost time injury*
f. *LTIFR: lost time injury frequency rate*
g. *Mcts: million carats*
h. *Mt: million tonnes*
i. *FY: financial year*
j. *CY: calendar year*
k. *Q: quarter of the financial year*
l. *ROM: run-of-mine (i.e. production from the primary orebody)*
m. *SLC: sub level cave*
n. *m: million*

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

US$ million	Notes	**(Unaudited) Year ended 30 June 2022**	(Restated - audited) Year ended 30 June 2021[1]
Revenue		**585.2**	406.9
Mining and processing costs		**(391.5)**	(356.1)
Other direct income		**(0.8)**	6.8
Corporate expenditure including settlement costs	5	**(14.1)**	(40.8)
Other corporate income		**0.6**	—
Impairment reversal / (charge) of non-financial assets	15	**21.1**	(38.7)
Impairment (charge) / reversal other receivables	15	**(1.5)**	0.3
Impairment of other receivables – expected credit loss release	15	**—**	5.8
Total operating costs		**(386.2)**	(422.7)
Profit on disposal of subsidiary including associated impairment, net of tax	16	**—**	14.7
Financial income	6	**19.0**	81.6
Financial expense	6	**(92.1)**	(74.2)
Gain on extinguishment of Notes net of unamortised costs	6	**—**	213.3
Profit before tax		**125.9**	219.6
Income tax charge		**(37.8)**	(23.0)
Profit for the Year		**88.1**	196.6
Attributable to:			
Equity holders of the parent company		**69.0**	187.1
Non-controlling interest		**19.1**	9.5
		88.1	196.6
Profit per share attributable to the equity holders of the parent during the Year:			
Continuing operations:			
Basic earnings per share – USc	13	**35.53**	260.70
Diluted earnings per share – USc	13	**35.53**	260.70

[1] The condensed consolidated income statement for FY2021 has been restated with the operating results of Williamson which were previously classified under loss on discontinued operations, for further detail refer to note 17 and the basic and diluted profit per share have been restated and adjusted for the 50 for 1 share consolidation which became effective in November 2021, in accordance with IAS 33 Earning per Share, refer to note 13 for further detail.

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

US$ million	**(Unaudited) Year ended 30 June 2022**	(Restated - audited) Year ended 30 June 2021
Profit for the Year	**88.1**	196.6
Exchange differences on translation of the share-based payment reserve	**(0.3)**	0.2
Exchange differences on translation of foreign operations[1]	**(46.8)**	64.2
Exchange differences on non-controlling interest[1]	**(0.4)**	(1.2)
Total comprehensive income for the Year	**40.6**	259.8
Total comprehensive income and expense attributable to:		
Equity holders of the parent company	**21.9**	251.5
Non-controlling interest	**18.7**	8.3
	40.6	259.8

[1] These items will be reclassified to the consolidated income statement if specific future conditions are met.

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

US$ million	Notes	**(Unaudited) 30 June 2022**	(Audited) 30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	7	**633.2**	696.8
Right-of-use assets		**21.9**	1.2
BEE loans and receivables	11	**44.6**	46.6
Other receivables		**2.6**	—
Total non-current assets		**702.3**	744.6
Current assets			
Trade and other receivables		**49.8**	50.7
Inventories		**70.6**	59.9
Cash and cash equivalents (including restricted amounts)		**288.2**	163.8
Total current assets		**408.6**	274.4
Non-current assets classified as held for sale	17	**—**	59.6
Total assets		**1,110.9**	1,078.6
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**145.7**	145.7
Share premium account		**959.5**	959.5
Foreign currency translation reserve		**(448.9)**	(402.1)
Share-based payment reserve		**1.9**	1.8
Other reserves		**(0.8)**	(0.8)
Accumulated losses		**(183.6)**	(253.3)
Attributable to equity holders of the parent company		**473.8**	450.8
Non-controlling interest		**4.7**	(10.5)
Total equity		**478.5**	440.3
Liabilities			
Non-current liabilities			
Loans and borrowings	8	**353.9**	400.0
Lease liabilities		**19.2**	0.5
Provisions		**97.7**	71.3
Deferred tax liabilities		**71.3**	48.9
Total non-current liabilities		**542.1**	520.7
Current liabilities			
Loans and borrowings	8	**12.3**	30.3
Lease liabilities		**3.2**	0.5
Trade and other payables		**74.8**	49.1
Provisions		**—**	4.2
Total current liabilities		**90.3**	84.1
Liabilities directly associated with non-current assets classified as held for sale	17	**—**	33.5
Total liabilities		**632.4**	638.3
Total equity and liabilities		**1,110.9**	1,078.6

In FY2021, the Company disclosed the net assets of the Williamson mine under non-current assets held for sale and liabilities directly associated with non-current assets held for sale in the Statement of Financial Position. As at 30 June 2022 the Williamson assets and liabilities have been re-consolidated, for further detail refer to note 17.

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

US$ million	Notes	**(Unaudited) Year ended 30 June 2022**	(Restated - audited) Year ended 30 June 2021[1]
Profit before taxation for the Year		**125.9**	219.6
Depreciation of property plant and equipment		**82.8**	76.2
Amortisation of right-of-use asset		**2.5**	4.6
Unrealised gain on lease liability		**—**	(3.7)
Impairment (reversal) / charge – non financial assets	15	**(21.1)**	38.7
Impairment (reversal) / charge– other receivables	15	**1.5**	(0.3)
Impairment of BEE loans receivable – expected credit loss (release) / charge	11	**—**	(5.8)
Gain on extinguishment of Notes net of unamortised costs	6	**—**	(213.3)
Profit on disposal of subsidiary	16	**—**	(14.7)
Movement in provisions		**1.6**	24.3
Dividend received		**(0.6)**	—
Financial income	6	**(19.0)**	(81.6)
Financial expense	6	**92.1**	74.2
Loss/(profit) on disposal of property, plant and equipment		**1.5**	(0.6)
Share based payment provision		**1.1**	0.5
Operating profit before working capital changes		**268.3**	118.1
Increase in trade and other receivables		**(7.1)**	(26.9)
Increase in trade and other payables		**24.5**	5.5
(Increase) / decrease in inventories		**(1.7)**	42.8
Cash generated from operations		**284.0**	139.5
Net realised gains / (losses) on foreign exchange contracts		**12.6**	(6.1)
Finance expense		**(6.3)**	(6.7)
Income tax (paid) / received		**(7.8)**	0.3
Net cash generated from operating activities		**282.5**	127.0
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(54.0)**	(19.4)
Proceeds from sale of property, plant and equipment		—	0.3
Loan repayment from / (advanced to) BEE partners		**0.2**	(7.0)
Dividend paid to BEE partners		**(3.5)**	—
Dividend received from BEE partners		**0.6**	—
Repayment from KEMJV		**2.5**	—
Finance income		**1.3**	0.7
Net cash utilised in investing activities		**(52.9)**	(25.4)
Cash flows from financing activities			
Cash transaction costs settled – Debt Restructuring		**—**	(29.9)
Cash paid on lease liabilities		**(0.7)**	(0.7)
Increase in borrowings		**—**	30.0
Repayment of borrowings		**(98.2)**	(7.4)
Net cash generated from financing activities		**(98.9)**	(8.0)

Net increase in cash and cash equivalents	**130.7**	93.6
Cash and cash equivalents at beginning of the Year	**156.9**	53.6
Effect of exchange rate fluctuations on cash held	**(15.7)**	9.7
Cash and cash equivalents at end of the Year[2]	**271.9**	156.9

[1] The condensed consolidated statement of cash flows for FY2021 has been restated with the operating results of Williamson which were previously classified under loss on discontinued operations, for further detail refer to note 17.

[2] Cash and cash equivalents in the Consolidated Statement of Financial Position includes restricted cash of US$16.3 million (30 June 2021: US$16.1 million) and unrestricted cash of US$271.9 million (30 June 2021: US$147.7 million (excludes unrestricted cash attributable to Williamson of US$9.2 million)).

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

(Unaudited) US$ million	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Accumulated losses	Attributable to the parent	Non-controlling interest	Total equity
At 1 July 2021	145.7	959.5	(402.1)	1.8	(0.8)	(253.3)	450.8	(10.5)	440.3
Profit for the Year	—	—	—	—	—	69.0	69.0	19.1	88.1
Other comprehensive (expense) / income	—	—	(46.8)	(0.3)	—	—	(47.1)	(0.4)	(47.5)
Dividend paid to Non-controlling interest shareholders	—	—	—	—	—	—	—	(3.5)	(3.5)
Equity settled share based payments	—	—	—	1.1	—	—	1.1	—	1.1
Transfer between reserves - equity settled share based payments	—	—	—	(0.7)	—	0.7	—	—	—
At 30 June 2022	145.7	959.5	(448.9)	1.9	(0.8)	(183.6)	473.8	4.7	478.5

PETRA DIAMONDS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

(Audited) US$ million	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Accumulated losses	Attributable to the parent	Non-controlling interest	Total equity
At 1 July 2020	133.4	790.2	(453.0)	1.1	(0.8)	(440.4)	30.5	(18.8)	11.7
Profit for the Year	—	—	—	—	—	187.1	187.1	9.5	196.6
Other comprehensive income / (expense)	—	—	64.2	0.2	—	—	64.4	(1.2)	63.2
Recycling of foreign currency translation reserve on disposal of Sekaka	—	—	(13.3)	—	—	—	(13.3)	—	(13.3)
Equity settled share based payments	—	—	—	0.5	—	—	0.5	—	0.5
Allotments during the Year:									
- Ordinary shares – Debt for equity issue (net of US$12.3 million issue costs)	12.3	169.3	—	—	—	—	181.6	—	181.6
At 30 June 2021	145.7	959.5	(402.1)	1.8	(0.8)	(253.3)	450.8	(10.5)	440.3

NOTES TO THE CONDENSED CONSOLIDATED PRELIMINARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Petra Diamonds Limited (the "Company"), a limited liability company listed on the Main Market of the London Stock Exchange, is registered in Bermuda with its Group management office domiciled in the United Kingdom. The Consolidated Interim Financial Statements of the Company for the year ended 30 June 2022 comprise the Company and its subsidiaries, joint operations and associates (together referred to as the "Group").

2. ACCOUNTING POLICIES

This preliminary report, which is unaudited, does not include all the notes of the type normally included in an annual financial report. This condensed report is to be read in conjunction with the Annual Report for the year ended 30 June 2021, and any public announcements made by the Group during the reporting period. The annual financial report for the year ended 30 June 2021 was prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS's") and the accounting policies applied in this condensed preliminary report are consistent with the polices applied in the annual financial report for the year ended 30 June 2021 unless otherwise noted. The preliminary report has been prepared in accordance with accounting policies compliant with International Financial Reporting Standards as adopted by the European Union.

Basis of preparation including going concern

The twelve-month period to 30 June 2022 delivered US$264.9 million in EBITDA and US$230.0 million in operational free cash flow for the Group, while Consolidated Net Debt reduced from $228.2 million as at 30 June 2021 to US$40.6 million at 30 June 2022.

Production

Production at both CDM and FDM were generally in line with guidance. The Group's overall production also benefitted with the restart of operations at Williamson during Q1 FY2022 following an 18-month period of care and maintenance, with Williamson ramping up towards steady-state operations. During the Year, the Group also announced expansion capital projects at both the Cullinan and Finsch Mines, which will extend their Life of Mine plans to 2031 and 2030 respectively. The expansion project at Cullinan Mine is progressing well, while the expansion project at Finsch is slightly behind schedule on account of delay in delivery of long-lead items given the global disruption in supply chains experienced over the past 6 months. Both projects, however, remain within guidance for cost and schedule, as mitigation steps have been identified and being implemented to catch-up on the schedule delays at Finsch.

Diamond prices and diamonds market

Diamond prices strengthened over FY 2022, with a 41.5% increase on a like-for-like basis compared to the preceding twelve-month period. In addition, CDM's run of Exceptional Stone recovery and sales continued with a total of US$75.2 million realised in the Year. Williamson also benefited from the sale of an exceptional pink diamond at its first tender after restarting operations, yielding $13.8 million and significantly de-risking Williamson's own liquidity profile.

The market witnessed robust price recovery and are now close to prices last seen during pre-COVID-19 levels. In general, the market is supported by a fundamental supply deficit, with robust demand recovery experienced post COVID-19. While some of the price recovery may have been helped by sanctions on Russian goods, it appears that these goods have continued to flow into the market. From a demand perspective, the Chinese lockdown has moderated demand for certain categories of polished goods, while the rising inflation and interest rate cycles may impact disposable income and therefore further moderate/reduce short-term demand for diamonds. This may lead to some short-term price volatility, but the medium-long term supply/demand fundamentals are expected to support the diamond price outlook.

Williamson framework agreement and MOU

The Group announced reaching a framework agreement with the Government of Tanzania in December 2021, which sets out key principles on the economic benefit sharing amongst shareholders, treatment of outstanding VAT balances, as well as agreement reached on the blocked parcel of diamonds and settlement of historic disputes, amongst others. This agreement should provide important fiscal stability for the mine and its investors and is expected to become effective during the first half of FY2023, pending completion of certain suspensive conditions. At the same time, Petra also announced entering into a Memorandum of Understanding (MOU) with Caspian Ltd to sell 50% less 1 share of Petra's stake in Williamson to this Tanzanian company for a purchase consideration of US$15 million, which is also expected to be effective in the first half of FY2023.

COVID-19

Petra's approach to managing COVID-19 has seen the Group not experiencing interruptions to our day-to-day operational/business activities specifically related to COVID-19 during the Year. During FY2022, we successfully reverted to hosting all of our tenders for our South African goods in South Africa, while the Williamson goods continue to be auctioned in Belgium (as per our normal tender process for Williamson goods).

South African banking facilities

During the Year, the South African banking facilities held with the Group's previous consortium of South African lenders were settled and cancelled, comprising of the revolving credit facility of ZAR404.6 million (US$24.9 million) (capital plus interest) and the term loan of ZAR893.2 million (US$54.9 million) (capital plus interest).

The Group entered into a new ZAR 1 billion senior Revolving Credit Facility (RCF) facility in June 2022. The Group will benefit from reduced interest rates compared to the previous facilities coupled with more appropriate leverage-based covenants (Net Debt : EBITDA, Interest Cover Ratio and minimum liquidity). This new facility has a longer tenure, with the facility expiring on January 7, 2026. As at June 30, 2022, the RCF remains undrawn, with the Group having access to the full ZAR 1 billion (US$ 61.5 million).

The factors above, coupled with the further significant progress towards stabilising the Group's balance sheet and strengthening cash reserves as at the date of this report positions the Group well for this Going Concern period.

Forecast liquidity and covenants

The Board has reviewed the Group's forecasts with various sensitivities applied for the 18 months to December 2023, including both forecast liquidity and covenant measurements. As per the First Lien agreements, the liquidity and covenant measurements exclude contributions from Williamson's trading results and only recognises cash distributions payable to Petra upon forecasted receipt, or Petra's funding obligations towards Williamson upon payment.

Debt tender offer

The Group intends to reduce its gross debt through a tender offer to bondholders to purchase up to US$150 million of the Senior Secured Second Lien Notes due in 2026 in line with our stated intent to further optimise our capital structure through a reduction of gross debt. If completed, the transaction will see Petra saving up to US$15 million per annum in interest expenses while we remain confident in our liquidity outlook to continue to fund our ongoing capital programmes from existing and internally generated cash resources.

The Board has given careful consideration to potential risks identified in meeting the forecasts under the review period. The following sensitivities have been performed in assessing the Group's ability to operate as a going concern (in addition to the Base Case) at the date of this report:

- a 10% decrease in forecast rough diamond prices from July 2022 to Dec 2023
- a 10% strengthening in the forecast South African Rand (ZAR) exchange rate from July 2022 to Dec 2023
- a 10% increase in Operating Costs from July 2022 to Dec 2023
- a US$15 million reduction in revenue contribution from Exceptional Stones
- a production disruption sensitivity assuming no carat production across the Group's operations for a period of two weeks in February 2023 (could be due to extreme weather conditions or supply chain events or any other unexpected event)

- Combined sensitivity: Prices down 10% and ZAR stronger by 10% and Exceptional Stones contributions reduced by US$15 million and Operating Costs up 5%

Under all the cases, the forecasts indicate the Group's liquidity outlook over the 18-month period to December 2023 remains strong, even when applying the above sensitivities to the base case forecast.

The forward-looking covenant measurements associated with the new First Lien facility do not indicate any breaches during the 18-month review period for the base case as well as all the above sensitivities, except for the worse case combined sensitivity, which shows a covenant breach for the required interest cover ratio in the December 2023. While the ICR is projected to be breached in this combined sensitivity, both the Net Debt : EBITDA covenant and the liquidity covenant remain healthy, while the RCF remains undrawn. It is therefore assumed that the RCF remains available, with the 1L lender assumed to agree to an ICR covenant waiver, given that the Group does not expect to utilise the RCF for servicing of its 2L interest obligations. Furthermore, this potential ICR breach may be cured by means of reducing of our gross debt by utilising our cash reserves and/or marginally increasing our EBITDA for the preceding 12-month period.

Conclusion

The Board is of the view that the longer-term fundamentals of the diamond market remain sound and that the Group will continue to benefit from the recently embedded new operating model throughout the review period and beyond.

Based on its assessment of the forecasts, principal risks and uncertainties and mitigating actions considered available to the Group in the event of downside scenarios, the Board confirms that it is satisfied the Group will be able to continue to operate and meet its liabilities as they fall due over the going concern period to December 2023. Accordingly, the Board have concluded that the going concern basis in the preparation of the financial statements is appropriate and that there are no material uncertainties that would cast doubt on that basis of preparation.

New standards and interpretations applied

The IASB has issued new standards, amendments and interpretations to existing standards with an effective date on or after 1 July 2021 which are not considered to have a material impact on the Group during the Period under review.

New standards and interpretations not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after 1 July 2022 or later periods. The only standard which is anticipated to be significant or relevant to the Group is:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to IAS 1, which are intended to clarify the requirements that an entity applies in determining whether a liability is classified as current or non-current. The amendments are intended to be narrow scope in nature and are meant to clarify the requirements in IAS 1 rather than modify the underlying principles. The amendments include clarifications relating to:

- how events after the end of the reporting period affect liability classification;
- what the rights of an entity must be in order to classify a liability as non-current;
- how an entity assesses compliance with conditions of a liability (e.g. bank covenants); and
- how conversion features in liabilities affect their classification.

The amendments were originally effective for periods beginning on or after 1 January 2022 which was deferred to 1 January 2023 by the IASB in July 2020. Earlier application is permitted but Amendments to IAS 1 has not yet been endorsed for application by the European Union.

Significant assumptions and judgements:

The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets and liabilities, reported revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the interim financial statements. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results of the Group in future reporting periods are discussed below.

Key estimates and judgements:

Impairment reviews

The Group prepares impairment models and assesses mining assets for impairment or reversals of previous impairments. While conducting an impairment test of its assets using recoverable values using the current life of mine plans, the Group exercised judgement in making assumptions about future rough diamond prices, foreign exchange rates, volumes of production, ore reserves and resources included in the current life of mine plans, future development and production costs and factors such as inflation and discount rates. Changes in estimates used can result in significant changes to the 'Consolidated Income Statement' and 'Statement of Financial Position'.

Cullinan, Finsch, Koffiefontein and Williamson

The impairment tests for the Cullinan and Finsch Mines indicated no further impairment charges or reversals to be recognised. The impairment test for Koffiefontein indicated an impairment of US$0.3 million on a carrying value of the Group's property, plant and equipment of US$608.2 million (pre-impairment). This follows US$17.3 million recognised at 30 June 2021 (comprising Finsch impairment of US$15.1 million and Koffiefontein impairment of US$2.2 million) on a carrying value of the Group's property, plant and equipment of US$711.8 million (pre-impairment) at the time of recognition. The Group also recognised an impairment reversal of US$21.4 million relating to an IFRS 5 impairment adjustment for Williamson as the results for Williamson have been re-consolidated in FY2022. For further details of the inputs, assumptions and sensitivities in the impairment model, refer to note 15.

Recoverability and ownership of diamond parcel in Tanzania

The Group holds diamond inventory valued at US$12.5 million (30 June 2021: US$10.6 million) in the Statement of Financial Position in respect of the Williamson mine's confiscated diamond parcel. The diamond inventory parcel was written up from the net realisable value of prior periods to cost during the current year. The recommencing of operations and the sales tenders at Williamson during the Year provided additional information for management to assess the value of the diamond parcel and was the basis used to revalue the diamond parcel to the lower of cost or net realisable value. During FY 2018, an investigation into the Tanzanian diamond sector by a parliamentary committee in Tanzania was undertaken to determine if diamond royalty payments were being understated. In connection with this, Petra announced on 11 September 2017 that a parcel of diamonds (71,654.45 carats) from the Williamson mine in Tanzania (owned 75% by Petra and 25% by the Government of the United Republic of Tanzania ("GoT")) had been blocked for export to Petra's marketing office in Antwerp.

The assessment of the recoverability of the diamond parcel required significant judgement. In making such a judgement, the Group considered the Framework Agreement that was signed with the GoT on 13 December 2021, confirmation was received from the GoT in FY 2018 that they held the diamond parcel of 71,654.45 carats, ongoing discussions held with the GoT, an assessment of the internal process used for the sale and export of diamonds confirming such process is in full compliance with legislation in Tanzania and the Kimberley Process, and legal advice received from the Group's in-country attorneys which supports the Group's position.

The Framework Agreement which refers to the diamond parcel as the "Government Diamond Parcel" sets out that the proceeds from the sale of the Parcel will flow to Williamson Diamonds Limited ("WDL").

While a resolution has not yet been reached with regards to the mechanism to sell the parcel of diamonds that was blocked from export, based on the above judgements and assessment thereof, management remain confident that based on the signed Framework Agreement, and the legal advice received from the Group's in-country attorneys, the diamond parcel will be made available for future sale, and that WDL will derive future economic benefit from the sales proceeds.

Recoverability of VAT in Tanzania

The Group has VAT receivable of US$2.7 million (30 June 2021: US$0.7 million) in respect of the Williamson mine, all of which are past due and have therefore been classified, after provision including amounts related to providing for a time-value of money inclusive of risk adjustments for various factors, as non-current given the potential delays in receipt.

The VAT receivable as at 30 June 2022, can be split into three identifiable component time periods as set out below:

US$ million	VAT Receivable	Provision	Written off	Carrying value
July 2017 to June 2020	26.9	—	(26.9)	—
Pre July 2017 and Post June 2020	8.6	(6.0)	—	2.6
	35.5	(6.0)	(26.9)	2.6

July 2017 to June 2020

A further US$26.9.million (30 June 2021: US$26.9 million) of VAT is receivable which relates to VAT under the legislation, effective from July 2017 to 30 June 2020.

In prior periods management considered the amendment to the VAT legislation for the period July 2017 to July 2020 and based on legal advice and the confirmed application of the legislation by the TRA considered that the input VAT was not recoverable and a full provision was recorded in prior periods. Further to this, the Framework Agreement provisions do not allow for offsetting of these historically disputed amounts and as such the full US$26.9 million has been written off. There has been no income statement impact as a result of this write-off as the US$26.9 million was fully provided for in prior periods.

Pre July 2017 and Post June 2020

An amount of US$8.6 million (30 June 2021: US$2.6 million) of VAT is receivable for the period pre July 2017 and subsequent to 1 July 2020. During FY2021, the Group received US$10.0 million in VAT refunds from the Tanzanian Revenue Authority in respect of the pre July 2017 period and US$1.2 million was disallowed by the Tanzanian Revenue Authority.The Group is considering various alternatives in pursuing payment in accordance with legislation. A provision of US$6.0 million, given the uncertainty around the timing of receipts of the amount outstanding, has been provided for against the US$8.6 million receivable resulting in a carrying value of US$2.6 million.

While the remaining pre July 2017 and post 1 July 2020 VAT balance is considered receivable, significant uncertainty exists regarding the timing of receipt. A discount rate of 14.00% has been applied to the expected cash receipts inclusive of estimated country credit risk. A 1% increase in the discount rate would increase the provision by US$0.04 million and a one year delay would increase the provision by US$0.1 million.

The provision against the VAT balance is US$6.0 million (30 June 2021: US$28.8 million). The provision relates to US$6.0 million that is recorded against the pre July 2017 and post June 2020 amount. The full disputed July 2017 to June 2020 amount of US$ US$26.9 million, which was fully provided for as at 30 June 2021 has been written off. During the Year, an impairment charge of US$4.1 million (30 June 2021: US$0.7 million (impairment reversal recognised in the Loss on discontinued operations)) was recognised in the Consolidated Income Statement.

BEE receivables – expected credit loss provision

The Group has applied the expected credit loss impairment model to its BEE loans receivable. In determining the extent to which expected credit losses may apply, the Group assessed the future free cashflows to be generated by the mining operations, based on the current mine plans. In assessing the future cashflows, the Group considered the diamond price outlook and the probability of reaching an offset agreement. Based on the assessment, the analysis generated an expected credit loss charge/reversal totalling US$nil (30 June 2021: US$5.8 million expected credit loss reversal), comprising of US$nil provision charge/reversal in respect of the Cullinan and Finsch Mines (30 June 2021: US$5.8 million provision comprising of US$6.1 million provision reversal in respect of the Cullinan and Finsch Mines and US$0.3 million expected credit loss provision in respect of Koffiefontein).

Life of mine and ore reserves and resources

There are numerous risks inherent in estimating ore reserves and resources and the associated current life of mine plan. The life of mine plan is the current approved management plan for ore extraction that considers specific resources and associated capital expenditure. The life of mine plan frequently includes less tonnes than the total reserves and resources that are set out in the Group's Resource Statement and which management may consider to be economically viable and capable of future extraction.

Management must make a number of assumptions when making estimates of reserves and resources, including assumptions as to exchange rates, rough diamond and other commodity prices, extraction costs, recovery and production rates. Any such estimates and assumptions may change as new information becomes available. Changes in exchange rates, commodity prices, extraction costs, recovery and production rates may change the economic viability of ore reserves and resources and may ultimately result in the restatement of the ore reserves and resources and potential impairment to the carrying value of the mining assets and life of mine plans.

The current life of mine plans are used to determine the ore tonnes and capital expenditure in the impairment tests. Ore reserves and resources, both those included in the life of mine and certain additional tonnes which form part of reserves and resources considered to be sufficiently certain and economically viable, also impact the depreciation of mining assets depreciated on a unit of production basis. Ore reserves and resources, outside the current mine plan further impact the estimated date of decommissioning and rehabilitation.

Restructuring (30 June 2021)

Transaction costs associated with the restructuring exercise were apportioned to the listed debt, equity issued and ZAR banking facilities based on the value of each element at the date of restructuring.

Williamson Diamond Mine (30 June 2022)

At 30 June 2021, the accounting treatment of Williamson as an AHFS was in line with the conditions required under IFRS 5 Asset Held for Sale and Discontinued Operations.

During the current Year, an amended MOU was entered into with Caspian. Per the amended MOU, the Put Option in the Draft MOU was removed and PDL will now sell 50% less one share in the entity that holds Petra's shares in WDL to Caspian. With the amendment to the MOU an assessment was required to determine if Williamson still met the asset held for sale criteria or if Williamson (through the proposed shareholding structure in the MOU) should be reconsolidated into the results of the Group. Consideration was also given on the long-term intention of Williamson remaining in the Group for the foreseeable future.

IFRS 10 Consolidated Financial Statements sets out the criteria required for a company to consolidate an entity in which it has an investment or interest in. A company determines whether it is a parent by assessing whether it controls one or more investees, considering all relevant facts, circumstances and rights (through voting rights) to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An investor controls an investee if and only if the investor has all of the following elements:

- power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Management considered the terms of the MOU where the Company will retain a 50% plus one share shareholding in the entity that holds Petra's shares in WDL which entity will have a right to appoint three directors to WDL's Board, thus having the ability to use its power to affect the decision making and the strategy of WDL. The Framework Agreement sets out a change in the shareholdings in WDL whereby the Government of Tanzania (GoT) shall receive a 16% free carry interest, as required by local legislation, while GoT's existing 25% shareholding, as well as Petra's existing 75% shareholding will dilute to 21% and 63% respectively. The structure of the WDL Board comprises 5 Board members, comprising three appointments by the entity that holds Petra's shares in WDL and the remaining two Board members being GoT representatives. Petra will, through its control of the entity that holds Petra's shares in WDL, therefore control WDL.

Based on the Group meeting the requirements of control under IFRS 10 and the intention that the Group will not dispose of its remaining interest in Williamson in the near future, Williamson is longer considered to be an asset held for sale at 30 June 2022 and has been reconsolidated into the Group results for the Year refer to note 17 for further detail.

Taxation

The Group operates in South Africa and Tanzania, and accordingly it is subject to, and pays annual income taxes under the various income tax regimes in the countries in which it operates. From time to time the Group is subject to a review of its income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Group's business conducted within the country involved. Management evaluates each of the assessments and recognises a provision based on its best estimate of the ultimate resolution of the assessment, through either negotiation or through a legal process.

Other key estimates and judgements

In addition to the key estimates and judgements disclosed above, the following estimates and judgements have not significantly changed from those disclosed in the FY 2021 Annual Report and will be discussed in further detail in the FY 2022 Annual Report:

- Provision for rehabilitation
- Inventory and inventory stockpile
- Depreciation
- Pension and post-retirement medical fund schemes
- Net investments in foreign operations

3. DIVIDENDS

No dividends have been declared in respect of the Year under review (30 June 2021: US$nil).

4. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's operating and geographical segments:
Mining – the extraction and sale of rough diamonds from mining operations in South Africa and Tanzania.
Corporate – administrative activities in the United Kingdom.
Beneficiation – beneficiation activities in South Africa.
Exploration assets in Botswana were disposed of during FY 2021 via the sale of the Group's interest in Sekaka Diamonds Exploration (Pty) Ltd.

Segments are based on the Group's management and internal reporting structure. Management reviews the Group's performance by reviewing the results of the mining activities in South Africa, Tanzania and reviewing the results of reviewing the corporate administration expenses in the United Kingdom. Each segment derives, or aims to derive, its revenue from diamond mining and diamond sales, except for the corporate and administration cost centre.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Segment results are calculated after charging direct mining costs, depreciation and other income and expenses. Unallocated items comprise mainly interest-earning assets and revenue, interest-bearing borrowings and expenses and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period. Eliminations comprise transactions between Group companies that are cancelled on consolidation. The results are not materially affected by seasonal variations. Revenues are generated from tenders held in South Africa and Antwerp for external customers from various countries, the ultimate customers of which are not known to the Group.

4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities			Tanzania - Mining activities	United Kingdom	South Africa		
***								
US$ million	**Cullinan**	**Finsch**	**Koffiefontein**	**Williamson**	**Corporate and treasury**	**Beneficiation[4]**	**Inter-segment**	**Consolidated**
	2022	2022	2022	2022	2022	2022	2022	2022
Revenue[1]	322.4	165.7	21.5	75.9	—	2.2	(2.5)	585.2
Segment result[2]	154.4	34.8	(13.8)	22.2	(14.1)	0.4	(4.3)	179.6
Impairment charge – operations	—	—	(0.3)	21.4	—	—	—	21.1
Impairment reversal / (charge) – other receivables	—	—	—	(4.1)	2.6	—	—	(1.5)
Other direct income / (loss)	(0.7)	(0.4)	0.2	0.1	0.6	—	—	(0.2)
Operating profit / (loss)[3]	153.7	34.4	(13.9)	39.6	(10.9)	0.4	(4.3)	199.0
Financial income								19.0
Financial expense								(92.1)
Income tax charge								(37.8)
Non-controlling interest								(19.1)
Profit attributable to equity holders of the parent company								69.0
Segment assets	463.9	229.8	6.0	123.2	3,575.2	5.1	(3,292.3)	1,110.9
Segment liabilities	384.0	111.2	17.1	75.1	2,430.1	5.9	(2,391.0)	632.4
Capital expenditure	35.0	12.0	0.6	3.3	1.6	—	(0.3)	52.2

[1] The Group's revenue comprises the sale of rough diamonds and polished stones. The sale of rough diamonds contributed US$584.1 million (30 June 2021: US$406.6 million) with polished stones contributing US$3.3 million (30 June 2021: US$0.3 million). Included within the US$3.3 million polished stones contribution is US$1.1 million from a profit share agreement.

[2] Total depreciation of US$82.8 million included in the segmental result comprises depreciation incurred at the Cullinan Mine US$52.5 million, Finsch US$24.4 million, Koffiefontein US$0.3 million, Williamson US$5.0 million and Corporate and treasury US$0.6 million.

[3] Operating profit is equivalent to revenue of US$585.2 million less total costs of US$386.2 million as disclosed in the Consolidated Income Statement.

[4] The beneficiation segment represents Tarorite, a cutting and polishing business in South Africa, which can on occasion cut and polish select rough diamonds.

4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities			Tanzania - Mining activities	Botswana	United Kingdom	South Africa		
US$ million	Cullinan	Finsch	Koffiefontein	Williamson	Exploration[4]	Corporate and treasury	Beneficiation[3]	Inter-segment	Consolidated
	2021	2021	2021	2021	2021	2021	2021	2021	
Revenue	250.6	123.5	27.9	4.6	—	—	0.3	—	406.9
Segment result[1]	76.8	(0.5)	(8.1)	(14.3)	—	(21.2)	(1.6)	(1.6)	29.5
Impairment charge – operations	—	(15.1)	(2.2)	(21.4)	—	—	—	—	(38.7)
Impairment charge – other receivables	—	—	—	0.7	—	(0.4)	—	—	0.3
Impairment of BEE loans receivable – expected credit loss release	—	—	—	—	—	5.8	—	—	5.8
Expenditure for unsettled and disputed tax claims	—	—	—	(19.5)	—	—	—	—	(19.5)
Other direct income	0.6	1.0	0.1	5.1	—	—	—	—	6.8
Operating profit / (loss)[2]	77.4	(14.6)	(10.2)	(49.4)	—	(15.8)	(1.6)	(1.6)	(15.8)
Financial income									81.6
Financial expense									(74.2)
Gain on extinguishment of Notes and unamortised costs									213.3
Profit on disposal of subsidiary									14.7
Income tax charge									(23.0)
Non-controlling interest									(9.5)
Profit attributable to equity holders of the parent company									187.1
Segment assets	559.0	249.9	6.9	59.6	—	3,488.7	4.5	(3,290.0)	1,078.6
Segment liabilities	559.2	119.7	22.1	33.5	—	2,134.7	5.5	(2,236.4)	638.3
Capital expenditure	16.8	4.0	1.7	0.3	—	1.0	—	—	23.8

[1] Total depreciation of US$76.2 million included in the segmental result comprises depreciation incurred at the Cullinan Mine of US$52.2 million, Finsch of US$23.0 million, Koffiefontein US$ 0.1 million, Williamson US$0.3 million and Corporate and treasury of US$0.6 million.

[2] Operating loss is equivalent to revenue of US$406.9 million less total costs of US$422.7 million as disclosed in the Consolidated Income Statement.

[3] The beneficiation segment represents Tarorite, a cutting and polishing business in South Africa, which on occasion cuts and polishes select rough diamonds.

[4] In FY 2021, Petra sold its exploration assets in Botswana to Botswana Diamonds PLC via the sale of its interest in Sekaka Diamonds Exploration (Pty) Ltd, refer to note 16 for further detail.

US$ million	2022	Restated 2021
5. CORPORATE EXPENDITURE		
Corporate expenditure includes:		
Depreciation of property, plant and equipment	**0.6**	0.6
Amortisation of right-of-use asset	**0.2**	0.3
London Stock Exchange and other regulatory expenses	**1.5**	1.5
Unsettled and disputed tax claims at Williamson[1]	**—**	19.5
Settlement (reversal) / costs – human rights claims at Williamson[2]	**(0.8)**	12.7
Share-based expense – Directors and management	**1.1**	0.5
Other staff costs	**5.1**	2.3
Total staff costs	**6.2**	2.8

[1] During FY2021 the Company provided for costs in respect of unsettled and disputed tax claims in respect of Williamson as set out in the Framework Agreement.
[2] During FY2021, the settlement costs for the human rights claims at Williamson comprised US$4.8 million for the part settlement of the claimant's legal costs and for distribution to the claimants and US$1.3 million to invest in programmes dedicated to providing sustainable support to the communities living around the Williamson mine as a condition of the Settlement. The Company incurred and provided for additional total costs of US$6.6 million relating to this matter, the majority of which relate to legal, consultant, investigation and expert fees.
[3] Included in corporate expenditure and mining and processing costs for FY2021 are COVID-19 TERS payments received from the South African government of US$0.3 million and US$1.4 million respectively. No COVID-19 TERS payments were received during FY2022.

6. FINANCING (EXPENSE) / INCOME

US$ million	2022	Restated 2021
Net unrealised foreign exchange gains	**—**	74.6
Interest received on BEE loans and other receivables	**4.1**	5.4
Interest received bank deposits	**1.3**	0.7
Realised foreign exchange gains on the settlement of foreign loans and forward exchange contracts	**13.6**	0.9
Financial income	**19.0**	81.6
Gross interest on senior secured second lien notes, bank loans and overdrafts	**(45.3)**	(51.5)
Other debt finance costs, including BEE loan interest, facility fees and IFRS 16 charges	**(2.3)**	(8.4)
Unwinding of present value adjustment for rehabilitation costs	**(5.4)**	(4.6)
Net unrealised foreign exchange losses[1]	**(36.5)**	—
Acceleration of unamortised bank facility and Notes costs	**(1.6)**	(2.7)
Realised foreign exchange losses on the settlement of foreign loans and forward exchange contracts	**(1.0)**	(7.0)
Financial expense	**(92.1)**	(74.2)
Loss on substantial modification of Notes[2]	**—**	(7.7)
Gain on extinguishment of Notes – debt for equity conversion[2]	**—**	221.0
Net gain on extinguishment of Notes	**—**	213.3
Net financial (expense) / income	**(73.1)**	220.7

[1] .The Group predominantly enters into hedge contracts where the risk being hedged is the volatility in the South African Rand, Pound Sterling and US Dollar exchange rates affecting the proceeds in South African Rand of the Group's US Dollar denominated diamond tenders. The fair value of the Group's hedges as at the end of the Period are based on Level 2 mark-to-market valuations performed by the counterparty financial institutions. The contracts are all short dated in nature and mature within the next 12 months. A weakening of the South African Rand against the US Dollar from ZAR14.27 (30 June 2021) to ZAR16.27 (30 June 2022) resulted in an unrealised loss of US$36.5 million (30 June 2021: US$77.1 million unrealised gain) comprising a unrealised gain on foreign exchange contracts held at Year end of US$0.7 million (30 June 2021: US$12.4 million unrealised gain) and losses on inter-group foreign denominated loans of US$37.2 million (30 June 2021: US$64.7 million unrealised gain); and a net realised foreign exchange

gain of US$12.6 million (30 June 2021: US$6.1 million realised loss) in respect of foreign exchange contracts closed during the Year is included in the net finance and expense amount.

[2] The loss on substantial modification and gain on extinguishment of Notes in FY2021 arose from the Debt Restructuring completed by the Group on 10 March 2021.

7. PROPERTY, PLANT AND EQUIPMENT

The net movement in property, plant and equipment for the Period is a decrease of US$63.6 million (30 June 2021: US$21.0 million increase). This is primarily as a result of:

- the movement in the US$/ZAR foreign exchange rate resulting in a foreign exchange decrease on Rand based assets of US$83.4 million (30 June 2021: US$136.8 million increase);
- an increase in property, plant and equipment from capital expenditure of US$52.2 million (30 June 2021: US$23.8 million),
- the transfer of the Williamson assets from non-current assets held for sale of US$31.2 million, net of IFRS 5 adjustment (30 June 2021: US$31.3 million transfer to non-current assets held for sale);
- an increase in the rehabilitation asset of US$nil (30 June 2021: US$6.4 million (due to the Cullinan Mine's estimated period to decommissioning reducing from 45 years to 25 years reflecting updated scoping studies for future development outside of its current approved mine plan));
- a reversal of IFRS 5 adjustment in respect of the Williamson assets of US$21.4 million (30 June 2021: US$21.4 million impairment charge);
- depreciation of US$82.8 million (30 June 2021: US$75.9 million);
- the impairment of the Koffiefontein assets of US$0.3 million (30 June 2021: US$17.3 million (Finsch and Koffiefontein)); and
- assets of US$1.9 million (30 June 2021: US$0.1 million) disposed of during the Year.

8. LOANS AND BORROWINGS

US$ million	**30 June 2022**	30 June 2021
Non-current liabilities		
Loans and borrowings – Senior secured second lien notes	**353.9**	327.3
Loans and borrowings – Senior secured lender debt facilities	**—**	72.7
	353.9	400.0
Current liabilities		
Loans and borrowings – Senior secured second lien notes	**12.3**	—
Loans and borrowings – senior secured lender debt facilities	**—**	30.3
	12.3	30.3
Total loans and borrowings - bank facilities	**366.2**	430.3

a) US$336.7 million Senior Secured Second Lien Notes

As part of the Debt Restructuring, a wholly owned subsidiary of the Company, Petra Diamonds US$ Treasury Plc, issued debt securities consisting of US$336.7 million five-year senior secured second lien loan notes ("Notes"), with a maturity date of 8 March 2026. The Notes are guaranteed by the Company and by the Group's material subsidiaries and are secured on a second lien basis on the assets of the Group's material subsidiaries. The Notes carry a coupon from:

- 9 March 2021 to 31 December 2022 of 10.50% per annum, which is capitalised to the outstanding principal amount semi-annually in arrears on 31 December and 30 June of each year;
- 1 January 2023 to 30 June 2023 of 10.50% per annum on 37.7778% of the aggregate principal amount outstanding, which is capitalised to the outstanding principal amount semi-annually in arrears on 31 December and 30 June of each year and 9.75% per annum on 62.2222% of the aggregate principal amount outstanding which is payable in cash semi-annually in arrears on 31 December and 30 June of each year;

- 1 July 2023 to 31 December 2025 of 9.75% per annum on the aggregate principal amount outstanding which is payable in cash semi-annually in arrears on 31 December and 30 June of each year; and
- 1 January 2026 to 8 March 2026 (final coupon payment) of 9.75% per annum on the aggregate principal amount outstanding which is payable in cash

The costs associated with issuing the Notes of US$20.7 million have been capitalised against the principal amount and US$15.2 million remains unamortised as at year end (30 June 2021: US$19.4 million). Interest of US$50.3 million (30 June 2021: US$11.1 million) had been accrued as at 30 June 2022.

Further details about the Notes (including security) have been included in the Group's FY 2022 Annual Report.

b) Senior Secured Lender Debt Facilities

During June 2022, the Group restructured its existing banking facilities providing for more favourable terms than the Group's current first lien facilities and resulting in Absa Corporate and Investment Banking ("Absa") becoming the Group's banking partner under the new banking facilities.

A new Revolving Credit Facility ("RCF") with Absa replaces the existing RCF and term lending arrangements with the previous South African lender syndicate comprising Absa, Nedbank, RMB and NinetyOne. The new terms include, *inter alia*:

- improved structure with a single ZAR1 billion RCF replacing the existing amortising term loan of ZAR1.2 billion and the ZAR408.8 million RCF;
- more appropriate covenant package resulting in improved headroom and flexibility on the balance sheet;
- extended tenure for the RCF with a maturity date of December 2025 and a more usual bullet payment at maturity; and
- reduced financing costs with improved margin and commitment fees. The costs associated with restructuring of the banking facilities of US$0.5 million has been expensed in the Consolidated Income Statement under net finance charges.

The revised terms under the RCF are:

- maturity date December 2025 with a 60 day buffer between the redemption of the Notes and the maturity of the RCF;
- to maintain a Net Debt : EBITDA ratio tested semi-annually on a rolling 12-month basis;
- to maintain an Interest Cover Ratio tested semi-annually on a rolling 12-month basis, which if breached will give rise to an event of default under the new bank facilities; and
- interest rate of SA JIBAR + 4.15% per annum (with the margin to be reconsidered annually based on Petra's credit metrics with a view of further optimising the margin to be achieved).

The Group's debt and hedging facilities are detailed in the table below:

Senior Lender Debt Facilities	**2022 Facility amount**	2021 Facility amount
ZAR Debt Facilities:		
ZAR Lenders RCF	**ZAR1.0 billion**	ZAR560 million
ZAR Lenders Term loan	**ZAR nil**	ZAR1.2 billion
Absa/RMB – FX Hedging facilities	**ZAR300 million**	ZAR150 million

The terms and conditions of the Group facilities are detailed in the Group's FY 2022 Annual Report.

The facilities are secured on the Group's interests in the Cullinan, Finsch and Koffiefontein Mines.

As at date of this report, the RCF was undrawn and ZAR1.0 billion (US$61.5 million) remained available for drawdown. On 24 January 2022, the Company paid ZAR404.6 million (US$24.9 million) (capital plus interest) to settle the old RCF and on 18 March 2022 the Company paid ZAR893.2 million (US$54.9 million) (capital plus interest to settle the Term Loan.

Covenant ratios

As part of the revised RCF facility entered into with ABSA in FY2022, the Company is required:

- to maintain a Net Debt : EBITDA ratio tested semi-annually on a rolling 12-month basis; and
- to maintain an Interest Cover Ratio tested semi-annually on a rolling 12-month basis and
- to maintain minimum 12 month forward looking liquidity requirement that consolidated cash and cash equivalents (excluding diamond debtors) shall not fall below US$20.0 million.

The Company's new covenant levels for the respective measurement periods are outlined below:

	FY22 H2	FY23 H1	FY23 H2	FY24 H1	FY24 H2	FY25 H1	FY25 H2	FY26 H1
Consolidated net debt : EBITDA Leverage ratio (*maximum*)	4.00	4.00	3.50	3.50	3.25	3.25	3.00	3.00
Interest Cover Ratio (*minimum*)	1.85	1.85	2.50	2.50	2.75	2.75	3.00	3.00

Refer to the Financial Review for further commentary regarding the covenants.

c) BEE Partner debt facilities

The BEE Partner debt facilities have been restructured and formed part of the Term Loan in FY2021.

9. COMMITMENTS

As at 30 June 2022, the Company had committed to future capital expenditure totalling US$49.5 million (30 June 2021: US$10.2 million), mainly comprising the Cullinan Mine US$25.2 million (30 June 2021: US$8.1 million), Finsch US$23.7 million (30 June 2021: US$1.5 million), Koffiefontein US$0.3 million (30 June 2021: US$0.6 million) and Williamson US$0.3 million (30 June 2021: US$nil).

10. RELATED PARTY TRANSACTIONS

The Group's related party BEE partners, Kago Diamonds (Pty) Ltd ("Kago Diamonds") and its gross interests in the mining operations of the Group are disclosed in the table below.

Mine	Partner and respective interest as at 30 June 2022 (%)	Partner and respective interest as at 30 June 2021 (%)
Cullinan	Kago Diamonds (14%)	Kago Diamonds (14%)
Finsch	Kago Diamonds (14%)	Kago Diamonds (14%)
Koffiefontein	Kago Diamonds (14%)	Kago Diamonds (14%)

The Itumeleng Petra Diamonds Employee Trust ("IPDET") holds a 12% interest in each of the Group's South African operations, with Petra's commercial BEE Partners holding the remaining 14% interest through their respective shareholdings in Kago Diamonds, in which Petra has a 31.46% interest. The effective interest percentages attributable to the remaining operations for the Group's shareholders is 78.4%.

The non-current loans receivable, non-current loans payable, finance income and finance expense, due from and due to the related party BEE partners and other related parties, including dividends paid are disclosed in the table below:

US$ million	2022	2021
Non-current receivable		
Kago Diamonds[1]	**26.6**	33.5
	26.6	33.5
Current trade and other receivables		
KEM JV[2]	**3.7**	9.7
Impairment provision[2]	**(2.0)**	(8.4)
	1.7	1.3

	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Finance income		
Kago Diamonds	**2.1**	3.7
	2.1	3.7
Finance expense		
Kago Diamonds	**—**	3.8
	—	3.8
Dividend paid		
Kago Diamonds[3]	**1.3**	—
	1.3	—

[1] The movement in the Kago Diamonds receivable of US$6.9 million (30 June 2021: US$38.6 million) is mainly attributable to amounts advanced to Kago Diamonds during the Year totalling US$nil (30 June 2021: US$3.8 million), a foreign exchange decrease of US$4.1 million (30 June 2021: US$15.4 million increase) and offset by the reversal of prior year expected credit loss provision of US$nil million (30 June 2021: US$4.2 million reversal) and the loan payable of US$nil (30 June 2021: US$62.1 million) by the Group to Kago against the Kago receivable.

[2] Included in current trade and other receivables are amounts advanced to KEM JV in respect of a working capital facility and equipment finance facility of US$1.7 million (30 June 2021: US$1.0 million) and the balance of the KEM JV purchase consideration of US$nil (30 June 2021: US$0.3 million). During FY2022 the Group received payments of US$2.5 million (FY 2021 US$nil) from the KEM JV as settlement of the outstanding purchase consideration this also resulted in an expected credit loss reversal of US$2.9 million (FY2021: US$nil) during the Year. The Group has applied the expected credit loss impairment model to the KEM JV receivables, taking into account various factors, and the expected credit loss was deemed to be US$2.0 million (30 June 2021: US$8.4 million).

[3] During the Year, Finsch declared and paid a dividend out of profits generated in FY2021 to its shareholders. The BEE partners received a total net dividend payment of US$2.5 million comprising Kago US$1.3 million and IPDET US$1.2 million.

Kago Diamonds is one of the BEE partners which obtained bank financing from ABSA, RMB and Ninety-One (the “BEE Lenders”) to acquire its interests in the Cullinan and Finsch MInes. The Group had previously provided a guarantee to the BEE Lenders for repayment of loans advanced to the Group’s BEE Partners, however during FY2021 as part of the Debt Restructuring, the BEE Partner debt facilities were restructured which formed part of the Group’s Term Loan (refer to note 8 for further detail).

11. BEE LOANS RECEIVABLE

BEE Loans Receivable

The non-current BEE loans receivable represents those amounts receivable from the Group’s BEE Partners (Kago Diamonds and the IPDET) in respect of advances historically provided to the Group’s BEE Partners to enable them to discharge interest and capital commitments under the BEE Lender facilities, advances to the BEE Partners to enable trickle payment distributions to both Kago Diamonds shareholders and to the beneficiaries of the IPDET (Petra Directors and Senior Managers do not qualify as beneficiaries under the IPDET Trust Deed), and financing of their interests in the Koffiefontein mine. In addition, US$42.0 million (30 June 2021: US$45.4 million) has been recorded as part of the gross receivable (before expected credit loss provisions) in respect of amounts to be reimbursed to the Group in respect of the guarantee under the BEE Lender facilities. Judgment was required in determining the extent to which reimbursement is applicable based on the terms of the agreements, South African legislation and discussions with the BEE partners.

As a result of historical delays in the Cullinan Mine plant ramp-up and the Finsch SLC ramp-up, the Group has historically and through the Period elected to advance the BEE Partners' funds using Group treasury to enable the BEE Partners to service their interest and capital commitments under the BEE Lender facilities (refer below). These BEE receivables, including interest raised, will be recoverable from the BEE Partners' share of future cashflows from the underlying mining operations.

As part of the in principle agreement reached during the Period as part of the Restructuring, Petra will assume the BEE Lender facility obligations under the terms outlined in note 8.

As part of the Debt Restructuring in FY2021, Petra has assumed the BEE Lender facility obligations under the terms outlined in notes 8 and 18.
For detail on expected credit loss provision and reversal associated with the BEE loans receivable refer to note 2.

US$ million	**1 July 2021 - 30 June 2022**	1 July 2020 - 30 June 2021
As at 1 July	**46.6**	137.0
Foreign exchange movement on opening balance	**(5.9)**	30.7
Discretionary advance – capital and interest commitment (BEE Lender facility)	**—**	4.7
Discretionary advance – distributions to beneficiaries	**—**	2.0
Interest receivable	**4.1**	5.2
Reversal of BEE loans receivable – expected credit loss provision	**—**	5.8
Repayment of loan from BEE partner	**(0.2)**	—
BEE payable restructuring – offset against BEE receivable	**—**	(138.8)
As at 30 June	**44.6**	46.6

BEE loans payable

BEE loans payable represent those loans advanced by the BEE partners to the Group to acquire their interest in the Cullinan and Finsch Mines. Details of the movements are set out below.

US$ million	**1 July 2021 - 30 June 2022**	1 July 2020 - 30 June 2021
As at 1 July	**—**	108.6
Foreign exchange movement on opening balance	**—**	23.2
Interest payable	**—**	7.0
BEE payable restructuring – offset against BEE receivable	**—**	(138.8)
As at 30 June	**—**	—

12. SHARES ISSUED

During the Year, the Company's shareholders approved at the FY2021 Annual General Meeting a 50 for 1 Share Consolidation.

Admission of the Company's New Ordinary Shares took place on 29 November 2021. As a result of the Share Consolidation, the Company's shares in issue comprise of 194,201,785 ordinary shares of 0.05 pence each.

In FY2021, as part of the Restructuring and subsequent to the approval by shareholders at a special general meeting held on 13 January 2021, the Company allotted 8,844,657,929 Ordinary Shares to the Noteholders valued at US$194.0 million (comprising Ordinary shares valued at US$12.3 million and share premium of US$181.7 million before capitalised costs), based on the share price at 9 March 2021 (the date upon which all implementation steps for the Debt Restructuring were met). The allotment was pursuant to the Debt for Equity Conversion, announced on 22 December 2020, which resulted in the Noteholders holding 91% of the enlarged share capital of the Company in the following proportions:

- 56.0% of the enlarged share capital was issued to all Noteholders, including the New Money Noteholders, pro rata to their holdings of existing Notes at the close of the Restructuring (to the extent any Noteholder did not take up their equity entitlement, such entitlement was allocated to the remaining Noteholders who did not opt out of their equity entitlement, on a pro rata basis); and
- 35.0% of the enlarged share capital was issued to the New Money Noteholders only, pro rata to their contribution of the New Money (to the extent any such Noteholders did not take up their equity entitlement, such entitlement was allocated to the remaining Noteholders who contributed to the New Money and who did not opt out of their equity entitlements, on a pro rata basis).

As a consequence of the Debt for Equity Conversion, 9% of the Company's enlarged share capital remains with the previous shareholders (subject to dilution as a result of standard management equity incentive arrangements). The costs associated with the allotment of the new ordinary shares of US$12.3 million were capitalised against share premium. For additional information regarding the Restructuring refer to note 18.

13. EARNINGS PER SHARE

	Total	Total
	2022	2021
	US$	US$
Numerator		
Profit for the Year	**68,995,537**	187,021,893
Denominator		
	Shares	Shares
Weighted average number of ordinary shares used in basic EPS		
Brought forward	**9,710,089,272**	865,431,343
Effect of shares issued during the Year	**—**	2,721,433,209
Effect of 50 for 1 share consolidation November 2021	**(9,515,887,487)**	(3,515,127,261)
Carried forward	**194,201,785**	71,737,291
	Shares	Shares
Dilutive effect of potential ordinary shares	**—**	—
Weighted average number of ordinary shares in issue used in diluted EPS	**194,201,785**	71,737,291
	USc	USc
Basic profit per share – USc	**35.53**	260.70
Diluted profit per share – USc	**35.53**	260.70

The number of potentially dilutive ordinary shares, in respect of employee share options, Executive Director and Senior Management share award schemes is nil (30 June 2021: nil).

For the 12 months ending 30 June 2021, the basic and diluted profit per share have been restated and adjusted for the 50 for 1 share consolidation which became effective in November 2021, in accordance with IAS 33 Earning per Share.

14. ADJUSTED EARNINGS PER SHARE (non-GAAP measure)

In order to show earnings per share from operating activities on a consistent basis, an adjusted earnings per share is presented which excludes certain items as set out below. It is emphasised that the adjusted earnings per share is a non-GAAP measure. The Petra Board considers the adjusted earnings per share to better reflect the underlying performance of the Group. The Company's definition of adjusted earnings per share may not be comparable to other similarly titled measures reported by other companies.

	Total 2022 US$	Total 2021 US$
Numerator		
Profit for the Year	**68,995,537**	187,021,893
Net unrealised foreign exchange loss / (gain)	**34,851,735**	(59,819,931)
Present value discount – Williamson VAT receivable	**4,076,760**	(763,537)
Profit on disposal of subsidiary	**—**	(14,696,171)
Impairment (reversal) / charge - operations*	**(21,206,735)**	34,989,716
Impairment (reversal) / charge – other receivables	**(2,544,704)**	439,236
Reversal of BEE loans receivable – expected credit loss provision	**—**	(5,824,201)
Taxation charge / (credit) on unrealised foreign exchange (gain) / loss	**(1,618,908)**	17,228,580
Taxation credit on impairment charge*	**—**	(3,308,166)
Gain on extinguishment of Notes	**—**	(213,349,503)
Transaction costs – acceleration of unamortised costs on restructured loans and borrowings	**1,628,757**	**—**
Transaction costs (reversal) / expense – Human rights settlement agreement and provisions for unsettled and disputed tax claims	**(816,270)**	31, 110,891
Adjusted loss for the Year attributable to parent	**83,366,172**	(25,971,193)

*Portion attributable to equity shareholders of the Company

	Shares	Shares
Denominator		
Weighted average number of ordinary shares used in basic EPS		
As at 1 July	**9,710,089,272**	865,431,343
Effect of shares issued during the Year	**—**	2,721,433,209
Effect of 50 for 1 share consolidation November 2021	**(9,515,887,487)**	(3,515,127,261)
Carried forward	**194,201,785**	71,737,291

	Shares	Shares
Dilutive effect of potential ordinary shares	**—**	—
Weighted average number of ordinary shares in issue used in diluted EPS	**194,201,785**	71,737,291

	USc	USc
Adjusted basic profit / (loss) per share – USc	**42.93**	(36.20)
Adjusted diluted profit / (loss) per share – USc	**42.93**	(36.20)

For the 12 months ending 30 June 2021, the basic and diluted profit per share have been restated and adjusted for the 50 for 1 share consolidation which became effective in November 2021, in accordance with IAS 33 Earning per Share.

15. IMPAIRMENT CHARGE

The current market conditions in the global rough diamond market, volatility of and variability in product mix are all factors impacting the rough diamond prices achieved by Petra during the Year, resulting in management taking a critical review of the Group's business models and operational assets. The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be further impaired or an impairment reversal may apply, its recoverable amount is estimated. The recoverable amount is determined on a fair value less cost to develop basis.

The operations of the Cullinan, Finsch, Koffiefontein and Williamson Mines are held at recoverable value as a result of FY2021 impairments. During the Year under review, the Group reviewed the carrying value of its investments, loan receivables and operational assets for indicators of impairment. Following the assessment, no further impairment of property, plant and equipment was considered appropriate for the Cullinan, Finsch and Williamson Mines, nor was any impairment reversal considered appropriate in the current Year. The Group recognised an asset level impairment charge of US$0.3 million being managements' estimate of the decrease in the value of the Koffiefontein assets. The Group also reversed a Group level impairment charge relating to Williamson, previously recognised under IFRS 5, of US$21.4 million as Williamson is no longer considered an asset held for sale.
The Group recognised a consolidated income statement charge of US$4.1 million comprising management's estimate of the recoverability of the Tanzania VAT receivable, an impairment charge of US$0.3 million related to other receivables and an impairment reversal of US$2.9 million of the KEM JV receivable.
.

Impairment (US$ million)	Asset class	Carrying value pre impairment	Impairment	Carrying value post impairment
Impairment operations:				
Cullinan	Property, plant & equipment	419.9	—	419.9
Finsch	Property, plant & equipment	157.9	—	157.9
Koffiefontein	Property, plant & equipment	1.1	(0.3)	0.8
Williamson	Property, plant & equipment	29.3	21.4	50.7
Sub-total		608.2	21.1	629.3
Impairment – non-financial receivables:				
Other – current receivable	KEM JV receivable (refer to note 10)	(1.2)	2.9	1.7
Other – current receivable	Other receivables	0.3	(0.3)	—
Other – non-current	Tanzania VAT receivable (refer to note 2)	6.8	(4.1)	2.7
Sub-total		5.9	(1.5)	4.4
Total		614.1	19.6	633.7

30 June 2021
The operations of the Cullinan, Finsch and Koffiefontein Mines were held at recoverable value as a result of FY 2020 impairments. During FY 2021, the Group reviewed the carrying value of its investments, loan receivables and operational assets for indicators of impairment. Following the assessment, impairment of property, plant and equipment was considered appropriate for Finsch and Koffiefontein. No impairment was considered necessary for the Cullinan Mine, nor was any impairment reversal considered appropriate in the current year. The Group recognised a consolidated income statement charge of US$17.3 million being the amount required to write down management's estimate of recoverable value of the Finsch and Koffiefontein assets. Williamson was classified as Held for Sale as at 30 June 2021 (refer to note 17).

Impairment (US$ million)	Asset class	Carrying value pre impairment	Impairment	Carrying value post impairment

Impairment operations:				
Cullinan	Property, plant & equipment	497.9	—	497.9
Finsch	Property, plant & equipment	210.6	(15.1)	195.5
Koffiefontein	Property, plant & equipment	3.3	(2.2)	1.1
Williamson	Property, plant & equipment (refer note 17)	52.7	(21.4)	31.3
Sub-total		764.5	(38.7)	725.8
Impairment – non-financial receivables:				
Other – current	Tanzanian VAT receivable reversal (refer note 2)	—	0.7	0.7
Other – current	Other receivables	0.6	(0.4)	0.2
Sub-total		0.6	0.3	0.9
Total		765.1	(38.4)	726.7

Cullinan, Finsch, Koffiefontein and Williamson impairment considerations and assumptions

The Group performs impairment testing on an annual basis of all operations and when there are potential indicators of impairment. The impairment testing performed resulted in impairments of the Koffiefontein and Williamson assets. The key assumptions used in determining the recoverable value calculations, determined on fair value less cost to develop basis, are listed in the table below:

Group assumptions for 30 June 2022 and 30 June 2021:

Key assumptions	Explanation
Current mine plan and recoverable value of reserves and resources	Economically recoverable reserves and resources are based on management's expectations based on the availability of reserves and resources at mine sites and technical studies undertaken in house and by third party specialists. The end of life of mine based on current mine plans for the operations are as follows: Cullinan Mine: FY 2031 (FY 2021: FY 2031) Finsch: FY 2030 (FY 2021: FY 2030) Koffiefontein: FY 2025 ((FY 2021: FY 2023) Williamson: FY 2030 Resources remaining after the current mine plans have not been included in impairment testing for the operations.
Current mine plan reserves and resources	Cullinan Mine: Current mine plan over the next nine years; total resource processed 36.4 Mt (FY 2021: Current mine plan over the next nine years; total resource processed 38.6 Mt). Finsch: Current mine plan over the next eight years; total resource processed 23.2 Mt (FY 2021: Current mine plan over the next nine years; total resource processed 26.8 Mt). Koffiefontein: Current mine plan over the next three years; total resource processed 1.9 Mt (FY 2021: Current mine plan over the next three years; total resource processed 2.2 Mt). Williamson: Current mine plan over the next eight years, total resource processed 43.3 Mt (FY2021: Williamson was on care and maintenance).
Current mine plans – capital expenditure	Management has estimated the timing and quantum of the capital expenditure based on the Group's current mine plans for each operation. There is no inclusion of capital expenditure to enhance the asset beyond exploitation of the current mine plan orebody.
Residual Value	Cullinan Mine: Management included a residual value of property, plant and equipment to be used beyond the current mine plan, given the significant resource base estimated to be available at the end of the current mine plan. No residual values were included in the impairment assessments of the other mining operations.
Diamond prices	The diamond prices used in the impairment test have been set with reference to recently achieved pricing and market trends, and long-term diamond price escalators are informed by industry views of long-term market supply/demand fundamentals. Given the current market uncertainty, the assessment of short-term diamond prices and the rate and extent of pricing recovery, together with the longer-term pricing escalators, represented a critical judgement The 30 June 2022 impairment testing models starting price assumptions have been adjusted to reflect the improved pricing achieved during the Year when compared to the 30 June 2021

	impairment models. Diamond prices (excluding Exceptional Stones) have been assumed to remain unchanged during FY2023, then increase by 3.9% from FY2024 onwards. The long-term models incorporate normalised diamond price escalation of 1.9% above a long-term US inflation rate of 2.0% per annum from FY 2024 to FY 2030. Estimates for the contribution of Exceptional Diamonds sold for more than US$5.0 million each are determined with reference to historical trends. Based on the historical trends, management have increased the contribution from Exceptional Stones at the Cullinan Mine from US$25.0 million to US$35.0 million per annum. The 30 June 2021 impairment testing models starting price assumptions have been updated to reflect the improved pricing achieved during the Year when compared to the 30 June 2020 impairment models. Diamond prices have been assumed to increase from FY 2022 and then 4.4% from FY 2024, returning to pricing levels achieved before the impact of COVID-19, representing an increase of 25-30% from pricing achieved at the lowest point during FY2020. The long-term models incorporate normalised diamond price escalation of 1.9% above a long-term US inflation rate of 2.5% per annum from FY 2025 to FY 2030. Estimates for the contribution of Exceptional Diamonds sold for more than US$5.0 million each are determined with reference to historical trends.
Discount rate	A ZAR discount rate of 13.0% (30 June 2021: 12.0%) was used for the South African operations in and a USD discount rate of 14.00% (30 June 2021: 13.50%) for Williamson. Discount rates calculated based on a nominal weighted average cost of capital including the effect of factors such as market risk and country risk as at the Year end. USD and ZAR discount rates are applied based on respective functional currency of the cash generating unit. As Williamson was held for sale as at 30 June 2021, the discount rate was applied to cashflows expected from a disposal transaction.
Cost inflation rate	Long-term inflation rates of 3.5%–7.5% (30 June 2021: 3.5%–7.8%) above the long-term US$ inflation rate were used for opex and capex escalators. Management have taken into account the current short-term pressures in the inflation environment and the impact on Opex and capex costs, allowing for the inflation rate to normalise over the longer-term.
Exchange rates	Exchange rates are estimated based on an assessment of current market fundamentals and long-term expectations. The US$/ZAR exchange rate range used for all South African operations commenced at ZAR16.04 (30 June 2021: ZAR14.50) for FY2023 reflecting the current volatility, inflationary pressures and quantitative tightening by Central banks, and ZAR16.24 for FY2024 and thereafter devaluing at 3.5% per annum. Given the volatility in the USD/ZAR exchange rate and the current levels of economic uncertainty, the determination of the exchange rate assumptions required significant judgement.
Valuation basis	Discounted present value of future cash flows.
Williamson	During the Year, Williamson recommenced production. For impairment testing at Williamson, management have used the above assumptions. During FY2021, Williamson was classified as an asset held for sale, for further detail refer to note 17.

Sensitivity analysis

The impact of applying reasonable downside sensitivities under the base case, on the key inputs based on management's assumptions at 30 June 2022 is noted below:

	Additional Impairment charge			
(US$ million)	Cullinan	Finsch	Koffiefontein	Williamson
Base case				
Increase in discount rate by 2%	9.2	20.2	13.3	0.5
Reduction in pricing by 5% over current mine plan	44.1	44.5	36.4	19.8
Reduction in short-term production by 10%	10.9	12.6	32.4	n/a
Increase in Opex by 5%	22.0	23.3	32.4	24.3
Reduction in Exceptional Stones contribution by US$10.0 million per annum	41.4	n/a	n/a	n/a
Strengthening of the ZAR from US$/ZAR16.04 to US$/ZAR15.23	n/a	0.6	32.4	n/a

16. DISPOSAL OF OPERATION (30 June 2021)

a) Disposal of Botswana (exploration)

During FY 2021, the Company disposed of its exploration assets in Botswana via the sale of 100% of its holding in Sekaka Diamonds Exploration (Pty) Limited ("Sekaka") to Botswana Diamonds PLC for a total consideration of US$300,000 and a 5% royalty on future diamond revenues should any of the prospects within the exploration licences be brought into production. Refer to note 36 of FY2021 Annual Report for details.

The profit on disposal of subsidiary of US$14.7 million comprises a US$0.3 million disposal consideration, net profit of US$1.3 million for the Period 1 July 2020 to the 30 November 2020 disposal date, and the recycling of the foreign currency translation reserve of US$13.3 million, offset by a net asset disposal amount of US$0.2 million.

17. WILLIAMSON

a) Framework Agreement

On 13 December 2021, the Company signed an agreement in principle with the Government of Tanzania relating to the Williamson operations. Williamson resumed operations and sales during the Year, having been on care and maintenance since April 2020.

The Framework Agreement provides for a capital restructuring of the Williamson Diamonds Limited ("WDL"), the entity that owns the Williamson Mine, including the 16% free carried interest that the Government of Tanzania is entitled to receive in WDL and its shareholder loans under Section 10 of the Tanzanian Mining Act, 2017 and Regulation 10 of the Tanzanian Mining (State Participation) Regulations, 2020. The capital restructuring will include:

- a WDL share issue with the effect of reducing Petra's indirect shareholding from 75% to 63% and consequently increasing the Government of Tanzania's shareholding from 25% to 37%;
- a contribution to the Government of Tanzania of 16% of the principal outstanding value of the Group's shareholder loans payable by WDL, with the remaining 84% of such principal outstanding loans continuing to be owed to the Group; and
- the transfer of the WDL shares held by the Group to another member of the Petra Group (either Petra itself or a special purpose subsidiary). Petra have registered Mwadui Mining Holdings Ltd, a subsidiary registered in the United Kingdom, for this purpose.

With respect to the reorganisation of the parties' legal interests in WDL, the Framework Agreement also provides for an overall 55:45 economic benefit sharing ratio between the Government of Tanzania and Petra in relation to future economic benefits from the Williamson Mine. This arrangement is intended to capture the parties' entitlements as shareholders as well as, with respect to the Government of Tanzania, the revenue it collects from WDL arising from taxes, royalties, duties, fees and other fiscal levies ("Government Imposed Charges"). The Framework Agreement also provides that WDL shall be entitled to off-set its undisputed unpaid and overdue VAT receivables against future Government Imposed Charges, whereby such Government Imposed Charges will be off-set and treated as paid for the purposes of the economic benefit sharing ratio.

The Framework Agreement provides that Petra and the Government of Tanzania will provide financial assistance for the restart of operations at the Williamson Mine. The Government of Tanzania has agreed to allocate the sales proceeds of the 71,654.45 carat diamond parcel from the Williamson Mine that was previously confiscated and blocked for export. The original value of this parcel was assessed in September 2017 at approximately US$15 million, as previously disclosed, although Petra has not had the parcel independently valued.

The Framework Agreement records an important US$20.0 million settlement between the parties concerning long-standing historic disputes with the Government of Tanzania. In FY2021, as at 30 June 2021 the Group raised a provision of US$19.5 million (adjusted for time-value of money) in respect of the aforementioned settlement. This settlement payment shall be made in instalments, with the first instalment of US$5.0 million to be paid when the Framework Agreement becomes effective and upon receipt of proceeds by WDL from the sale of the confiscated diamond parcel. The subsequent annual instalments of the settlement amount are to be made annually at amounts as determined by WDL's board of directors.

The Framework Agreement is subject to a number of conditions, including Tanzanian regulatory approvals and the consent of Petra's South African lender group, and is therefore not yet effective as at 30 June 2022. Petra is entering into the Framework Agreement with the Government of Tanzania in the latter's capacity principally as a regulator and collector of taxes in Tanzania. However, the Government of Tanzania is also a related party to Petra for the purposes of the UK Listing Rules, due to the Government's shareholding in WDL. The Framework Agreement could not become legally binding on the parties until approval was obtained from Petra's shareholders. On 9 February 2022, Petra received shareholder approval of the Framework Agreement. Notwithstanding, the Government of Tanzania's right to a 16% free carried interest under the Tanzanian Mining Act, 2017 is an entitlement as a matter of Tanzanian law, and is not of itself ultimately subject to any approval or condition in any respect. Accordingly, Petra acknowledges that arrangements to reflect this will need to be implemented regardless of the Framework Agreement becoming effective.

Memorandum of Understanding with Caspian Limited ("MOU")

On 15 December 2021, the Company announced that it had signed a non-binding Memorandum of Understanding ("MoU") to sell 50% less one share of the entity that holds the Group's shareholding in Williamson Diamonds Limited ("WDL"), along with a pro rata portion of shareholder loans owed by WDL, to Caspian Limited or its nominee ("Caspian") for a total consideration of US$15.0 million. Caspian is the long-term technical services contractor at the Williamson Mine.

Upon completion of the transactions contemplated by the MoU and the capital restructuring in the aforementioned Framework Agreement becoming effective, Petra and Caspian will each indirectly hold a 31.5% stake in WDL but Petra retains a controlling interest in Williamson.

Caspian's purchase will be funded through the settlement of US$11.1 million of past technical services payments owed by WDL to Caspian, including services rendered during the recent restart of operations following the care and maintenance period, with the remaining amount being funded by Caspian rendering US$3.9 million of technical services to WDL in order to ramp-up operations at the Williamson Mine.

The sale of the 50% less 1 share stake in the entity that holds Petra's shares in WDL is subject to the parties obtaining all necessary Governmental, regulatory and lender approvals, including approvals from the Tanzanian Mining Commission, the Tanzanian Fair Competition Commission and The Bank of Tanzania, and a binding ruling from the Tanzania Revenue Authority on the tax treatment of the transaction. The parties are seeking to obtain such approvals by the end of Q1 FY 2023.

As at 30 June 2021, the criteria for classification as Asset Held for sale was met. Refer to (b) below for FY2021 disclosures). Subsequently, the signing of the MOU will result in Petra retaining its controlling interest in WDL and will see Petra consolidating WDL's operating and financial results, with an appropriate recognition of non-controlling interest attributable to both Caspian and the Government of Tanzania. As neither agreement mentioned above is effective as at 30 June 2022, WDL has been consolidated in the same proportions as prior to its Held for Sale classification being 75% Petra and 25% Government of Tanzania.

b) Asset Held for Sale (30 June 2021)

As at 30 June 2021, the assets and liabilities of the Williamson operation (being Petra's 75.0% interest) were classified as held for sale in the Statement of Financial Position at 30 June 2021, in accordance with IFRS 5. The financial results of the Williamson operation for FY2021 were disclosed in the Consolidated Income Statement in Loss on discontinued operation. These have been restated for the year ending 30 June 2022. The Williamson mining operation is a separate operating segment for the purposes of the Group's segmental reporting.

i) Net assets of Williamson:

US$ million	**Book value prior to reclassification of as held for sale**	**Impairment**	**30 June 2021**
Mining property, plant and equipment	52.7	(21.4)[1]	31.3
Non-current trade and other receivables	0.7	—	0.7
Trade and other receivables	2.9	—	2.9
Inventory	15.5	—	15.5
Cash and cash equivalents	9.2	—	9.2
Non-current assets held for sale	**81.0**	**(21.4)**	**59.6**
Environmental liabilities, provisions and other non-current trade and other payables	(22.9)	—	(22.9)
Trade and other payables and provisions	(10.6)	—	(10.6)
Non-current liabilities associated with non-current assets held for sale	**(33.5)**	**—**	**(33.5)**
Net assets	**47.5**	**(21.4)**	**26.1**

ii) Result of Williamson:

US$ million	**1 July 2020 – 30 June 2021**	1 July 2019 – 30 June 2020
Revenue	**4.6**	52.5
Cost of sales	**(13.8)**	(68.7)
Gross loss	**(9.2)**	(16.2)
Impairment charge – operations	**—**	(34.6)
Impairment reversal / (charge) - other receivables	**0.7**	(6.8)
Provisions for unsettled and disputed tax claims	**(19.5)**	—
Financial income	**—**	0.6
Financial expense	**(2.7)**	(0.8)
Loss before tax	**(30.7)**	(57.8)
Income tax charge	**—**	(0.2)
Loss after tax before impairment charge	**(30.7)**	(58.0)
Impairment charge[1]	**(21.4)**	—
Net loss for the Year	**(52.1)**	(58.0)
Attributable to:		
- Equity holders of the parent	**(52.1)**	(58.0)
- Non-controlling interest	**—**	—
	(52.1)	(58.0)

The US$21.4 million impairment loss recorded on the Williamson assets represented the difference between the assets measured at the lower of their carrying amount and fair value less costs to sell considering the best available information at the present time with reference to ongoing discussions with a potential investor. The impairment charge of US$21.4 million was recognised to reduce assets of Williamson to equal the fair value less costs to sell.

c) **Consolidated balance reconciliation - Williamson (30 June 2022)**

US$ million	Consolidated (excluding WDL) 30 June 2022	Williamson 30 June 2022	Consolidated (including WDL) 30 June 2022
ASSETS			
Non-current assets			
Property, plant and equipment	582.5	50.7	633.2
Right-of-use assets	1.6	20.3	21.9
BBE loans and receivables	44.6	—	44.6
Other receivables	—	2.7	2.7
Total non-current assets	**628.6**	**73.7**	**702.3**
Current assets			
Trade and other receivables	37.3	12.5	49.8
Inventories	45.1	25.5	70.6
Cash and cash equivalents (including restricted amounts)	259.4	28.8	288.2
Total current assets	**341.8**	**66.8**	**408.6**
Total assets	**970.4**	**140.5**	**1,110.9**
EQUITY AND LIABILITIES			
Equity			
Share capital	145.7	—	145.7
Share premium account	959.5	—	959.5
Foreign currency translation reserve	(449.5)	0.6	(448.9)
Share-based payment reserve	1.9	—	1.9
Other reserves	(0.8)	—	(0.8)
Accumulated losses	(248.2)	64.6	(183.6)
Attributable to equity holders of the parent company	108.6	65.2	473.8
Non-controlling interest	4.7	—	4.7
Total equity	**413.3**	**65.2**	**478.5**
Liabilities			
Non-current liabilities			
Loans and borrowings	353.9	—	353.9
Lease liabilities	(1.7)	20.9	19.2
Provisions	69.6	28.1	97.7
Deferred tax liabilities	71.3	—	71.3
Total non-current liabilities	**493.2**	**49.0**	**542.1**
Current liabilities			
Loans and borrowings	12.3	—	12.3
Lease liabilities	0.4	2.8	3.2
Trade and other payables	51.3	23.5	74.8
Total current liabilities	**64.0**	**26.3**	**90.3**
Total liabilities	**557.2**	**75.3**	**632.4**
Total equity and liabilities	**970.4**	**140.5**	**1,110.9**

US$ million	Consolidated (excluding WDL) 1 July 2021 – 30 June 2022	Williamson 1 July 2021 – 30 June 2022	Consolidated (including WDL) 1 July 2021 – 30 June 2022
Revenue	509.3	75.9	585.2
Mining and processing costs	(339.3)	(52.2)	(391.5)
Other direct income	(0.9)	0.1	(0.8)
Corporate expenditure including settlement costs	(14.1)	—	(14.1)
Other corporate income	0.6	—	0.6
Expenditure for unsettled and disputed tax claims	—	—	—
Impairment (charge) / reversal of non-financial assets	(0.3)	21.4	21.1

Impairment (charge) / reversal other receivables	2.6	(4.1)	(1.5)
Impairment of BEE loans receivable – expected credit loss release	—	—	—
Total operating costs	**(351.4)**	**(34.8)**	**(386.2)**
Profit on disposal including associated impairment, net of tax	—	—	—
Financial income	17.5	1.5	19.0
Financial expense	(90.6)	(1.5)	(92.1)
Profit before tax	**84.8**	**41.1**	**125.9**
Income tax charge	(37.8)	—	(37.8)
Profit for the Period	**47.0**	**41.1**	**88.1**
Attributable to:			
Equity holders of the parent			69.0
Non-controlling interest			19.1
			88.1

18. EVENTS AFTER THE REPORTING PERIOD

Petra has announced its intention to reduce its gross debt through a tender offer to bondholders to purchase up to US$150 million of the Senior Secured Second Lien Notes due in 2026 in line with its stated intent to further optimise its capital structure through a reduction of gross debt.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) the preliminary financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit of the Group for the Year;

b) the preliminary management report for the Year includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (DTR 4.1.8 R and 4.1.9 R).

By order of the Board

Richard Duffy
Chief Executive Officer

13 September 2022