



## PetraDiamonds

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LSE: PDL

### Sales results for Tender 5 FY 2023

Richard Duffy, Chief Executive Officer of Petra Diamonds (Petra), said:

*“Petra’s fifth tender for FY 2023 yielded US\$42.1m and, in line with others in the market, saw a softening in demand following stronger sales in our fourth tender cycle which closed in March 2023. As a result, like-for-like<sup>1</sup> prices for the goods sold declined compared to Tender 4 and were marginally lower compared to Tender 3. We withheld parcels with a combined weight of 75.9 kcts of gem and near-gem quality goods throughout all size ranges in expectation of an improved pricing environment in May and June. Prices offered on these parcels reflected bidding at prices below our own estimates.*

*A total of 468.8 kcts of goods from both the Cullinan Mine and Finsch were sold, yielding US\$42.1 million. The softer demand is attributed to inventory levels in the midstream and extended shutdowns by certain manufacturers following the recent Indian holidays. With the extended holidays set to end in the coming weeks, demand is expected to improve and the withdrawn parcels will be offered for sale at Petra’s Antwerp facilities during May and June 2023. This approach reflects Petra’s strategy of maintaining flexibility at its tenders to optimise pricing.*

*We continue to see a supportive diamond market in the medium to longer-term as a result of the structural supply deficit, despite the volatility seen in this current sale.”*

Petra announces the results of Tender 5 of FY 2023, at which 468,817 carats were sold for a total of US\$42.1 million from Petra’s South African operations. This cycle includes one Exceptional Stone<sup>2</sup>, a 354.04ct near-gem quality stone that sold for US\$5.6 million from our Cullinan Mine. Parcels containing 75,880 cts were withdrawn, which are now planned to be sold in May and June 2023. These parcels contain predominantly higher valued diamonds, resulting in heavily diluted average prices for both the Cullinan Mine and Finsch. No sales for either Koffiefontein or Williamson were recorded in this cycle given the suspension of operations at both mines.

Rough diamond sales results for the respective periods are set out below:

	Tender 5 FY23 May-23	Tender 4 FY23 Mar-23	Variance T5 FY23 vs T4 FY23	Tender 5 FY22 May-22	YTD FY 2023 Tenders 1-5	YTD FY 2022 Tenders 1-5
Diamonds sold (carats)	<b>468,817</b>	505,398	-7%	635,806	2,246,869	2,966,875
Sales (US\$ million)	<b>42.1</b>	72.1	-42%	86.1	320.6	491.4
Average price (US\$/ct) <sup>1,2</sup>	<b>90</b>	143	-37%	136	143	166
Revenue from Exceptional Stones (US\$ million)	<b>5.6</b>	7.0	-20%	5.7	12.6	89.1

*Note 1: Parcels containing 75,880 cts were withdrawn that contain predominantly higher valued goods. As a result, the average price was heavily diluted for the actual goods sold thus far in this cycle*

*Note 2: Based on bids received and reserve prices for the withheld parcels, Petra estimates the overall realised price for the cycle, including withdrawn parcels, to be between US\$105 and US\$115 per carat.*

<sup>1</sup> 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

<sup>2</sup> Petra classifies “Exceptional Stones” as rough diamonds which sell for US\$5 million or more each

## Sales

The results of Tender 5 bring FY 2023 YTD revenue from rough diamond sales to US\$320.6 million, including US\$12.6 million from Exceptional Stone sales, compared to US\$491.8 million in the first five tenders of FY 2022, which included a US\$89.1 million contribution from Exceptional Stones. The lower volumes sold in the first five tenders of FY 2023 relative to the equivalent tenders last year is driven by lower production from the South African operations, the shutdown of Koffiefontein during H1 FY 2023 and reduced production from Williamson pending the restart planned for Q1 FY 2024.

Mine by mine average prices for the respective periods are set out in the table below:

US\$/carat	Tender 5 FY23 May-23	Tender 4 FY23 Mar-23	Tender 5 FY22 May-22	YTD FY 2023 Tenders 1-5	YTD FY 2022 Tenders 1-5	FY 2022 12 months to 30 June 2022
Cullinan Mine <sup>1,2</sup>	99	154	111	143	172	169
Finsch <sup>2</sup>	81	121	122	110	114	118
Williamson <sup>1</sup>	n/a	n/a	341	280	437	384
Koffiefontein	n/a	461	431	452	578	581

*Note 1: Prices for both Cullinan Mine and Williamson include proceeds from the sale of Exceptional Stones.*

*Note 2: Based on bids received and reserve prices for the withheld parcels, Petra estimates the overall realised price for the cycle, including withdrawn parcels, to be between US\$110 and US\$115 per carat for Cullinan Mine, and between US\$105 and US\$110 per carat for Finsch.*

## Like-for-like prices

Like-for-like rough diamond prices for goods sold declined by 13.0% on Tender 4 FY 2023 driven by double-digit decreases in the prices of size categories smaller than 2 carats, while 2 to 10.8 carat goods saw prices softening by 3 to 5 percent. Like-for-like prices were marginally down by 1.4% against Tender 3, while prices increased by some 8.9% compared to Tender 5 of FY 2022. YTD prices are up by 3.1% compared to the equivalent five tenders of FY 2022.

## Product mix

The balance of price movements are attributable to product mix, with a lower contribution from Cullinan's single stones in this cycle, partly offset by the sale of the US\$5.6 million Exceptional Stone, while Finsch's product mix remained in line with previous cycles.

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

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## About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in three underground mines in South Africa (Finsch, Cullinan Mine and Koffiefontein) 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 which supports the potential for long-life operations.

Petra strives to conduct all operations according to the highest ethical standards and only operates in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan 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](http://www.petradiamonds.com).