

## Our Business Model

# Delivering long-term value to our stakeholders

By unearthing the world's most beautiful product as responsibly and efficiently as possible, we will contribute to the sustainability of our industry and deliver long-term value to each of our stakeholders.

### WHAT WE DO

#### Project appraisal

Central to our approach is the identification of the right assets, where we can add value.

#### How we differentiate

- Petra's technical team has decades of specialist experience in the appraisal and valuation of diamond orebodies.
- The Company is able to produce the full range of diamonds from its portfolio.
- Petra focuses on well-defined and understood orebodies with the potential to generate significant cashflow and structures its operations with the long-term viability of the project in mind.

#### Mining and development

Petra's operations are focused on 'hard rock' kimberlite pipe orebodies.

#### How we differentiate

- Safety is our number one priority and ingrained in everything we do.
- Hard rock orebodies can generally provide for much better predictability and long-term planning than alluvial deposits.
- Strong operations team, with significant experience in the management, mining and development of diamond orebodies.
- Adaptable culture with a team able to meet and overcome challenges as they arise, as evidenced by the efficient response to operating under COVID-19 restrictions.
- Focus on driving efficiencies via Project 2022 and the re-engineering projects initiated at Finsch and Koffiefontein.

#### Processing

Ore is passed through the processing plant to extract the diamonds from the rock.

#### How we differentiate

- Petra is focused on value production, rather than volume.
- Plant processes are set to optimise revenue generation from each individual mine's orebody, by focusing on where the value lies within its diamond population.
- We embrace innovation and continually stay abreast of the latest diamond mining and processing technologies.
- Security is enhanced through maintaining automated, 'hands-off' processes.

#### Sorting and sales

Rough diamonds are sorted into parcels and then sold through a competitive tender process.

#### How we differentiate

- Petra has always run its own diamond sales in a cost-effective manner, having developed marketing and sales expertise in-house, and therefore does not pay any sales commission to a third party.
- Petra utilises the competitive tender process for its sales, thereby providing a competitive pricing environment.
- Petra's South African production is normally sold in Johannesburg, thereby encouraging local participation and beneficiation, and its Tanzanian production is sold in Antwerp. However, the Company had to maintain its flexible approach to sales in FY 2021, as a result of COVID-19, with more sales than usual taking place in Antwerp due to travel restrictions limiting client access to South Africa.
- Petra's mines, particularly Cullinan, produce world-class diamonds, including very high-quality large white diamonds and incredibly rare blue diamonds.
- Petra evaluates ways to maximise the value of Exceptional Stones, including via dedicated standalone tenders, and on occasion sells such stones, or other high-value gem-quality stones, into partnerships whereby it can receive a portion of the uplift in value from the polished proceeds.

## Inputs and their benefits to Petra

### Responsible leadership

- Sustainable operations
- Uphold the high value placed on diamonds

### People and skills

- Company culture
- Project 2022
- Productive workforce
- Specialist skills

### High-quality assets

- Significant resources
- Diverse product range

### Financial capital

- Responsible capital allocation
- Access to diversified sources of capital

### Relationships

- Mutually beneficial partnerships
- Effective internal and external stakeholder engagement
- Licence to operate

### Energy and water

- Sustainable access to energy and water

### Technology and equipment

- Extension of mine lives
- Optimisation of operations

## Stakeholder value creation

### Employees

- Focus on safety
- Culture of empowerment
- Skills development
- Itumeleng Petra Diamonds Employee Trust
- Employee wellbeing initiatives

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### Customers

- Quality and consistent product offering
- Confirmed provenance and heritage

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### Host Governments/regulators

- Taxes and royalty payments
- Positive impacts on our countries of operation

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### Shareholders/noteholders/lenders

- Free cashflow generation
- Future returns to investors

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### Local communities

- Job opportunities and socio-economic upliftment
- Efficient and responsible use of natural resources
- Promoting environmental awareness
- Community health initiatives
- Active stakeholder engagement and independent mechanism for community grievances

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### Suppliers

- Opportunities for local businesses and suppliers
- Policy of sustainable local procurement and supplier development

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