

Petra Diamonds UK Treasury Limited
(Registration number 09519270)
Report and financial statements
for the year ended 30 June 2022

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Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

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Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Company information

Country of incorporation and domicile	United Kingdom
Directors	J Breytenbach R N Duffy
Registered office	15–17 Heddon Street, Third Floor London W1B 4BF
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Secretary	R Rowland-Clark

Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Directors' report

The directors present their report on the affairs of the company, together with the financial statements and auditor's report of Petra Diamonds UK Treasury Limited for the year ended 30 June 2022. In preparing this directors' report advantage has been taken of the small companies' exemption. The directors have also taken the exemption in not preparing a strategic report.

Nature of business

The company is focused on the provision of capital funding to related group companies.

Business review

The company generated a profit after tax of R1 251 916 378 (2021: R586 409 986).

The directors do not recommend the payment of a dividend for the year (2021: Rnil).

Directors

The directors, who served throughout the year, were as follows:

Directors

J Breytenbach

R N Duffy

Events after balance sheet date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report other than those events disclosed in note 11.

Financial risk management and objectives

The company's activities expose it to a number of financial risks including credit risk, cash flow risk, interest rate risk and liquidity risk. The company is not exposed to foreign exchange risk.

Cash Flow risk and interest rate risk

The company's activities expose it primarily to the financial risks of changes in interest rates.

Interest bearing assets accrue interest at a variable interest rate.

Credit risk

The company's principal financial assets are cash at bank and in hand and amounts due from group undertakings.

The company's credit risk is primarily attributable to its amounts due from group undertakings. The company manages this risk by assessing counter party credit worthiness.

The credit risk on liquid funds is limited because the counter parties are banks with high credit-ratings assigned by international credit-rating agencies

Liquidity risk

To maintain the liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the company maintains flexibility through the Petra Group negotiated credit lines and the review of future cash flows from counter party receivables.

The company is a guarantor for the Senior Lender Facilities as set out in note 10 and is dependent upon the Petra Group. Refer to the going concern disclosures below which highlight a material uncertainty that exists regarding the company's ability to continue as a going concern.

1. Going concern

The company has written confirmation of financial support from its ultimate holding company and is dependent on the Petra Group ("the Group") continuing as a going concern.

Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Directors' report

Background

The company is a wholly owned subsidiary of Petra Diamonds Limited (PDL), is a guarantor under the South African Lender Facilities held by the Petra Group. The company has written confirmation of financial support from its ultimate holding company and is reliant on the Petra Group ("the Group") to continue as a going concern.

The South African Lender Facilities of the Petra Group are secured by the assets of the company together with the assets of other companies within the Petra Group. The company's liquidity and ability to meet payments due as they arise is dependent upon the Petra Group's mining operations ability to generate sufficient operational free cash flow in order to settle all of the Group's obligations. Given the above and the letter of financial support, the company's going concern assessment is dependent on the Petra Group continuing as a going concern. Therefore, as part of its going concern assessment, the directors of the company have considered various factors, as set out below, which may impact the Petra Group to continue as a going concern.

Production

Production at the Group's Cullinan and Finsch mines were generally in line with guidance. The Petra Group's overall production also benefited 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 its Cullinan and Finsch Mines, which will extend their Life of Mine (LOM) 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, Cullinan'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 US\$13.8 million and significantly de-risking Williamson's own liquidity profile.

The market experienced robust price recovery and prices 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.

Russian invasion of Ukraine

Since the invasion of Ukraine by Russia in late February, there has been increasing macroeconomic uncertainty. The global economy has been severely affected by rising inflation owing to the increase in commodity and oil prices as a result of the war. This has been compounded by Pandemic-induced constraints on supply and the lockdown in China. Despite the significant global economic uncertainties resulting from the war in Ukraine, like-for-like rough diamond prices increased 41.5% during the period. Whilst the long-term fundamentals of the diamond market remain positive, some volatility in rough diamond pricing may be experienced whilst macroeconomic uncertainties remain. The directors are closely monitoring the war in Ukraine and sanctions on Russian companies and its impact on the global diamond market.

COVID-19

The Group's approach to managing COVID-19 has seen the Group not experiencing any interruptions to day-to-day operational/business activities specifically related to COVID-19 during the year. During FY2022, the Group successfully reverted to hosting all of its tenders for the South African goods in South Africa, while the Williamson goods continue to be auctioned in Belgium (as per its 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 (capital plus interest) and the term loan of ZAR893.2 million (capital plus interest).

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(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Directors' report

The Group entered into a new First Lien ZAR1.0 billion senior Revolving Credit Facility (RCF) facility with ABSA 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 (ICR) and minimum liquidity). This new facility has a longer tenure, with the facility expiring on 7 January 2026. As at 30 June 2022, the RCF remains undrawn, with the Group having access to the full ZAR1.0 billion.

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 and company favourably for the Going Concern period.

Forecast liquidity and covenants

The Petra 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 (1L) agreements entered into with ABSA, 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 Petra 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 from July 2022 to December 2023
- a 10% increase in Operating Costs from July 2022 to December 2023
- a US\$15.0 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\$15.0 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 Consolidated Net Debt to EBITDA covenant and the liquidity covenant remain healthy, while the RCF remains undrawn. It is therefore assumed that the RCF remains available, with the First Lien lender assumed to agree to an ICR covenant waiver, given that the Group does not expect to utilise the RCF for servicing of its interest obligations on its Senior Secured Second lien notes. Furthermore, the potential ICR breach may be mitigated by means of reducing the Group's gross debt by utilising existing cash reserves and/or marginally increasing the EBITDA for the preceding 12-month period.

Debt tender offer

In September 2022, the Group launched a tender offer to bondholders to purchase 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. As at the date of this report, the Group has, through this tender offer, reduced gross debt by US\$144.6 million. As per the Group's strategy, Petra will continue to consider opportunities to further optimise its debt structure.

The tender offer transaction will see Petra saving at least US\$14 million (and up to US\$17 million) per annum in interest expenses while it remains confident in the liquidity outlook to continue to fund ongoing capital programmes from existing and internally generated cash resources.

Petra Diamonds UK Treasury Limited

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Report and financial statements for the year ended 30 June 2022

Directors' report

Conclusion

The Petra 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 Petra Board confirms that it is satisfied that the Petra 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 Petra Board have concluded that the going concern basis in the preparation of the Group's financial statements is appropriate and that there are no material uncertainties that would cast doubt on the going concern basis of preparation.

Accordingly, and having updated their inquiries of the Petra Board and their own assessments to date, based on the above and the company's underlying dependence on the Petra Group's mining operations, the directors have concluded that the going concern basis of preparation remains appropriate for the company.

Directors' indemnities

The company has arranged qualifying third party indemnity insurance for the benefit of its directors which were in office during the period and the indemnity remains in force at the date of this report.


Auditors

Each of the persons who is a director at the date of approval of the report confirm that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the board on 17 November 2022 and signed on its behalf by:


J Breytenbach
Director

17 November 2022

Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Directors' responsibilities and approval

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether all accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Petra Diamonds UK Treasury Limited

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Petra Diamonds UK Treasury Limited ("the Company") for the year ended 30 June 2022 which comprise the profit and loss account, statement of comprehensive income, balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we

Independent auditor's report

have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We held discussions with Management to consider any known or suspected instances of non-compliance with laws and regulations or fraud identified by them;
- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, through discussion with Management and our knowledge of the industry;
- We considered the significant laws and regulations of the UK to be that relating to the industry, financial reporting framework and tax legislation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining an understanding of the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We considered the significant fraud risk areas to be management override of controls;
- We addressed the risk of management override of internal controls, including testing a risk based selections of journals and evaluating whether there was evidence of bias in Management's estimates that represented a material misstatement due to fraud. Specifically:
 - We tested the appropriateness of journal entries made through the year by applying specific criteria to detect possible irregularities and fraud;

Independent auditor's report

- We performed a detailed review of the Company's year-end adjusting entries and investigated any that appear unusual as to nature or amount and agreeing to supporting documentation;
- For significant and unusual transactions, particularly those occurring at or near year-end, we obtained evidence for the rationale of these transactions and the sources of financial resources supporting the transactions;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Macrae (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
17 November 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Petra Diamonds UK Treasury Limited

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Report and financial statements for the year ended 30 June 2022

Profit and loss account

	Notes	2022 R '000	2021 R '000
Other operating gains/(losses)	9	4	(11)
Movement in credit loss allowances	6	907 700	281 965
Administrative expenses		(242)	(139)
Operating profit	2	907 462	281 815
Interest receivable	3	344 454	304 595
Profit before taxation		1 251 916	586 410
Taxation	5	-	-
Retained profit for the year		1 251 916	586 410

The above results were derived from continuing operations.

The accounting policies on pages 15 to 20 and the notes on pages 21 to 26 form an integral part of these report and financial statements.

Petra Diamonds UK Treasury Limited

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Report and financial statements for the year ended 30 June 2022

Statement of comprehensive income

	Notes	2022 R '000	2021 R '000
Profit for the year		1 251 916	586 410
<i>Other comprehensive income</i>		-	-
Total comprehensive income		1 251 916	586 410

The above results were derived from continuing operations.

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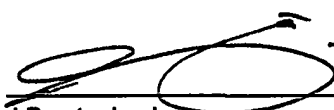
Report and financial statements for the year ended 30 June 2022

Balance sheet as at 30 June 2022

	Notes	2022 R '000	2021 R '000
Assets			
Debtors: amounts falling due after one year	6	4 450 770	3 198 886
Cash and cash equivalents		112	79
Total assets		4 450 882	3 198 965
Liabilities			
Creditors: amounts falling due within one year			
Trade and other payables		54	53
Total liabilities		54	53
Net assets		4 450 828	3 198 912
Capital and reserves			
Called-up share capital	7	137 126	137 126
Share premium account	8	2 605 396	2 605 396
Profit and loss account	8	1 708 306	456 390
Total shareholders' surplus		4 450 828	3 198 912

The report and financial statements of Petra Diamonds UK Treasury Limited were approved by the board of directors and authorised for issue on 17 November 2022.

They were signed on its behalf by:


J Breytenbach
Director

Petra Diamonds UK Treasury Limited

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Report and financial statements for the year ended 30 June 2022

Statement of changes in equity

	Called-up share capital R '000	Share premium R '000	Profit and loss account R '000	Total equity R '000
Balance at 01 July 2020	137 126	2 605 396	(130 020)	2 612 502
Profit for the year	-	-	586 410	586 410
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	586 410	586 410
Balance at 01 July 2021	137 126	2 605 396	456 390	3 198 912
Profit for the year	-	-	1 251 916	1 251 916
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1 251 916	1 251 916
Balance at 30 June 2022	137 126	2 605 396	1 708 306	4 450 828

The accounting policies on pages 15 to 20 and the notes on pages 21 to 26 form an integral part of the report and financial statements.

Petra Diamonds UK Treasury Limited

(Registration number 09519270)

Report and financial statements for the year ended 30 June 2022

Accounting policies

General information

Petra Diamonds UK Treasury Limited is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of the registered office is 15–17 Heddon Street, Third Floor, London, W1B 4BF.

These financial statements are presented in South African Rand because that is the currency of the primary economic environment in which the company provides funding and the company's share capital and debtors are South African Rand denominated.

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied during the periods, unless otherwise stated.

The company meets the definition of a qualifying entity under Financial Reporting Standard (FRS) 100 issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

Going concern

Background

The company is a wholly owned subsidiary of Petra Diamonds Limited (PDL), is a guarantor under the South African Lender Facilities held by the Petra Group. The company has written confirmation of financial support from its ultimate holding company and is reliant on the Petra Group ("the Group") to continue as a going concern.

The South African Lender Facilities of the Petra Group are secured by the assets of the company together with the assets of other companies within the Petra Group. The company's liquidity and ability to meet payments due as they arise is dependent upon the Petra Group's mining operations ability to generate sufficient operational free cash flow in order to settle all of the Group's obligations. Given the above and the letter of financial support, the company's going concern assessment is dependent on the Petra Group continuing as a going concern. Therefore, as part of its going concern assessment, the directors of the company have considered various factors, as set out below, which may impact the Petra Group to continue as a going concern.

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Production at the Group's Cullinan and Finsch mines were generally in line with guidance. The Petra Group's overall production also benefited 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 its Cullinan and Finsch Mines, which will extend their Life of Mine (LOM) 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.

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The market experienced robust price recovery and prices 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

Petra Diamonds UK Treasury Limited

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Report and financial statements for the year ended 30 June 2022

Accounting policies

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.

Russian invasion of Ukraine

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COVID-19

The Group's approach to managing COVID-19 has seen the Group not experiencing any interruptions to day-to-day operational/business activities specifically related to COVID-19 during the year. During FY2022, the Group successfully reverted to hosting all of its tenders for the South African goods in South Africa, while the Williamson goods continue to be auctioned in Belgium (as per its 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 (capital plus interest) and the term loan of ZAR893.2 million (capital plus interest).

The Group entered into a new First Lien ZAR1.0 billion senior Revolving Credit Facility (RCF) facility with ABSA 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 (ICR) and minimum liquidity). This new facility has a longer tenure, with the facility expiring on 7 January 2026. As at 30 June 2022, the RCF remains undrawn, with the Group having access to the full ZAR1.0 billion.

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 and company favourably for the Going Concern period.

Forecast liquidity and covenants

The Petra 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 (1L) agreements entered into with ABSA, 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 Petra 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 from July 2022 to December 2023
- a 10% increase in Operating Costs from July 2022 to December 2023
- a US\$15.0 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\$15.0 million and Operating Costs up 5%

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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 Consolidated Net Debt to EBITDA covenant and the liquidity covenant remain healthy, while the RCF remains undrawn. It is therefore assumed that the RCF remains available, with the First Lien lender assumed to agree to an ICR covenant waiver, given that the Group does not expect to utilise the RCF for servicing of its interest obligations on its Senior Secured Second lien notes. Furthermore, the potential ICR breach may be mitigated by means of reducing the Group's gross debt by utilising existing cash reserves and/or marginally increasing the EBITDA for the preceding 12-month period.

Debt tender offer

In September 2022, the Group launched a tender offer to bondholders to purchase 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. As at the date of this report, the Group has, through this tender offer, reduced gross debt by US\$144.6 million. As per the Group's strategy, Petra will continue to consider opportunities to further optimise its debt structure.

The tender offer transaction will see Petra saving at least US\$14 million (and up to US\$17 million) per annum in interest expenses while it remains confident in the liquidity outlook to continue to fund ongoing capital programmes from existing and internally generated cash resources.

Conclusion

The Petra 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 Petra Board confirms that it is satisfied that the Petra 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 Petra Board have concluded that the going concern basis in the preparation of the Group's financial statements is appropriate and that there are no material uncertainties that would cast doubt on the going concern basis of preparation.

Accordingly, and having updated their inquiries of the Petra Board and their own assessments to date, based on the above and the company's underlying dependence on the Petra Group's mining operations, the directors have concluded that the going concern basis of preparation remains appropriate for the company.

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to certain financial instruments, capital management, presentation of cash-flow statement, statements not yet effective and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Petra Diamonds Limited. The group accounts of Petra Diamonds Limited are available to the public and can be obtained as set out in note 12.

The principal accounting policies adopted are set out below.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable net of the direct costs of issuing the equity instruments.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

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Financial instruments

Classification

Financial assets and financial liabilities are recognised in the company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and subsequently at amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

Loans and borrowings

Other financial liabilities, including borrowings, are classified as financial liabilities subsequently measured at amortised cost.

Other financial liabilities are measured at initial recognition, at fair value plus transaction costs, if any.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans to / (from) group companies

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate

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Accounting policies

Financial instruments (continued)

to the gross carrying amount.

Impairment or reversal

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss (ECL) model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax law and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the company expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

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Tax (continued)

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Impairment charge or reversal of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The judgement is based upon factors including post-tax cashflows over the remaining LOM the life of mine ("LOM") plans of underlying operations and strategic plans taking into account past history, existing market conditions as well as qualitative and quantitative reasonable and supportable forward looking information.

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	2022 R '000	2021 R '000
2. Operating profit/(loss)		
Auditor's remuneration - external		
Audit services	137	-
Director's remuneration		
The directors are the only employees of the company. None of the directors have been paid remuneration or emoluments by the company during the current period. The remuneration of the directors for services to the group is disclosed in the Annual Report of Petra Diamonds Limited.		
3. Interest receivable		
Interest income		
Interest income on bank deposits	1	1
Interest receivable from fellow group undertakings	344 453	304 594
	344 454	304 595
4. Staff numbers		
The average number of persons employed by the company (including directors) during the year was as follows:		
Number of employees		
Administration	2	2
5. Taxation		
Analysis of tax charge in the year		
Current		
UK corporation tax on result for the year	-	-
Reconciliation of the tax expense		
The tax charge on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021: lower the standard rate of corporation tax in the UK) of 19% (2021: 19%).		
The tax charge for the year can be reconciled as follows:		
Accounting profit	1 251 916	586 410
Tax at the applicable tax rate of 19% (2021: 19%)	237 864	111 418
Tax effect of adjustments on taxable income		
(Income)/expenses not (taxable)/deductible for tax purposes	(172 463)	(53 573)
Tax effect of group relief received for no consideration	(65 401)	(57 845)
Tax charge for the year	-	-

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	2022 R '000	2021 R '000
6. Loans to (from) group companies		
Amounts due by group undertakings - Ealing Management Services (Proprietary) Limited	4 851 905	4 507 452
Amounts due by group undertakings - Petra Diamonds Limited	7 465	7 734
Expected credit loss allowance	(408 600)	(1 316 300)
An expected credit loss allowance of R408 600 000 (2021: R1 316 300 000) has been provided for against in respect of the Ealing Management Services (Proprietary) Limited loan owing to the company.		
	4 450 770	3 198 886

The directors consider that the above fair value of amounts due by group undertakings and other receivables classified as financial instrument loans and receivables approximate to their fair value.

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to amounts due by group undertakings and other receivables is disclosed in the financial risk management objectives and policies as detailed in the Directors' report.

The loans ranks on a second-priority basis in favour of the Petra Group's SA Lender Group, to satisfy the contingent obligations disclosed in note 10. The loan accrues interest at the prevailing South African prime interest rate and is not expected to be repaid within 12 months from period end.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and the 12-month approach, unless a specific risk exists, for other receivables.

The company applied IFRS 9 to measuring expected credit losses which uses a lifetime expected credit loss allowance for all amounts due from group undertakings as they are considered to be in Stage 3 'credit impaired' status under IFRS 9. When assessing the recoverability of the loan, management considered the following factors: the historical trading performance of the related party, the projected cashflows generated by the underlying operations and resultant payments towards intercompany loans, current recovery in diamond prices and market and the related party's payment history. Based on the afore-mentioned, and the impact of the Restructure (see note and 10) which has provided the Petra Group's operations with greater liquidity and significantly reduced financial obligations, management have reduced the credit loss allowance to R408 600 000 from R1 316 300 000 in FY 2021 representing a provision against the loan as current projections indicate a greater likelihood of the recovery of the loan owing to the company given the recovery of diamond prices, the rough diamond market and the impact of the Restructuring on the available cashflows of the company's fellow subsidiaries Cullinan Diamond Mine and Finsch Diamond Mine.

7. Share capital

Issued

Equity: 137 126 000 Ordinary shares of R1 each	137 126	137 126
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The company has one class of ordinary shares which carry no right to fixed income.

Called-up share capital represents the nominal value of shares that have been issued.

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	2022 R '000	2021 R '000
8. Reserves		
The company's other reserves comprise as follows:		
Share premium reserve		
The share premium reserve contains the premium arising on issue of equity shares.		
Profit and loss account		
The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.		
9. Other operating gains (losses)		
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	4	(11)

10. Contingencies

The debt facilities of the Petra Group are secured by the assets of the company together with the assets of other companies within the Petra Group. Further detail on the Petra Group's debt facilities and related securities is provided below:

(a) US\$336.7 million senior secured second lien notes

As part of the Debt Restructuring concluded in FY2021, a wholly owned subsidiary of the Petra Group, Petra Diamonds US\$ Treasury Plc issued debt securities consisting of US\$336.7 million five-year senior secured second lien loan notes, with a maturity date of 8 March 2026. The New Notes of US\$336.7 million were allocated as follows:

- US\$30.0 million allocated only to those Noteholders that subscribed, and funded that subscription, to the New Money, pro rata to their New Money contribution (the "New Money Noteholders");
- US\$150.0 million allocated only to those New Money Noteholders, pro rata to each holder's contribution to the New Money;
- US\$145.0 million allocated to all Noteholders (including the New Money Noteholders), pro rata to their holdings of existing Notes at the close of the Restructuring; and
- a further amount in New Notes as consideration to certain Noteholders, in remuneration for the commercial risks and other commercial considerations borne by those Noteholders whilst restricted for the purposes of negotiations with other stakeholders and work performed in connection with the Restructuring. The quantum of New Notes issued for this purpose was US\$11.7 million, which has been capitalised as part of the Notes liability and will be amortised over the term of the Notes.

The New 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 semiannually 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

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10. Contingencies (continued)

- 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\$18.5 million remains unamortised as at 30 June 2022. Interest of US\$50.3 million has been capitalised as at 30 June 2022.

(b) Senior secured lender debt facilities

Settlement of RCF, Term loan and a new Senior secured first lien lender debt facilities on more favourable terms

During June 2022, the Petra Group (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 ZAR1.0 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).

Amended Senior Lender Debt Facilities	30 June 2022 Facility amount	30 June 2021 Facility amount
ZAR Debt Facilities		
Working capital facility (WCF)	ZARnil	ZARnil
Revolving credit facility (RCF)*	ZAR1 000.0 million	ZAR509.6 million
Term loan facility	ZARnil	ZAR1 109.4 million
Foreign exchange hedging facilities	ZAR300 million	ZAR150 million
US\$ Debt Facilities (Senior secured second lien notes)		
Senior secured second lien notes	US\$336.7 million	US\$336.7 million

*At 30 June 2022, the new RCF was available and undrawn.

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10. Contingencies (continued)

The debt facilities are secured on a first priority basis to the SA Lenders by:

- the cession of all claims and shareholdings held, by the company and certain Petra Group companies, within the Petra Group;
- the cession of all South African bank accounts and all amount standing to the credit of such bank accounts held by the company and certain Petra Group companies;
- the cession of all claims against debtors and third parties in South Africa held by the company and certain Petra Group companies;
- the cession of all insurances including all insurance proceeds from all insurance cover, held by the company and certain Petra Group companies;
- the registration of notarial bonds over all the moveable assets at the Cullinan, Finsch and Koffiefontein mining operations;
- the registration of mortgage bonds over all the immoveable assets at the Cullinan, Finsch and Koffiefontein mining operations;
- the registration of mortgage bonds over the mining rights at the Cullinan, Finsch and Koffiefontein mining operations; and
- the subordination of all claims held by the company against any member of the Petra Group and any other creditor.

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

Covenant ratios

As part of the revised Term loan and RCF facilities entered into with ABSA in FY2022, the Group 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 Group's new covenant levels for the respective measurement periods are outlined below:

	30 June 2022	31 Dec 2022	30 June 2023	31 Dec 2023	30 June 2024	31 Dec 2024	30 June 2025	31 Dec 2025
Net Debt : EBITDA Leverage ratio (<i>maximum</i>)	4.00	4.00	3.50	3.50	3.25	3.25	3.00	3.00
Interest Cover Ratio (<i>minimum</i>)	1.85	1.85	2.50	2.50	2.75	2.75	3.00	3.00

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11. Events after the reporting period

The directors are not aware of any significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the financial statements, which significantly affect the financial position of the company or the results of its operations to the date of this report.

12. Controlling party

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is Petra Diamonds Limited, a company incorporated in Bermuda.

The parent undertaking of the largest group and smallest group, which includes the company and for which group accounts are prepared is Petra Diamonds Limited.

The consolidated accounts of the group are available to the public and obtainable from its registered office (Third Floor, 15–17 Heddon Street, London, W1B 4BF, United Kingdom) and from its website www.petradiamonds.com.

The company's immediate controlling party is Petra Diamonds US\$ Treasury Plc, a company incorporated in the United Kingdom.