

Geo Energy Resources

MEDIA RELEASE

27 February 2023

**GEO ENERGY REPORTS RECORD REVENUE OF US\$733.5 MILLION AND
DECLARES FINAL DIVIDEND OF S\$0.04 PER SHARE, BRINGING TOTAL
DIVIDEND FOR 2022 TO S\$0.09 PER SHARE; WELL-POSITIONED FOR
ACQUISITIONS BASED ON STRONG CASH BALANCE OF US\$234.1
MILLION AND MINIMAL DEBT**

2022 Highlights

- The Group achieved another record year as revenue surged to US\$733.5 million for 2022, up 14% year-on-year ("y-o-y"). This was driven by the higher average selling price ("ASP") of US\$72.14 per tonne for 2022, compared to US\$56.42 per tonne for 2021.
- Coal sales volume declined slightly to 10.2 million tonnes in 2022 (2021: 11.4 million tonnes), as a result of export ban in January 2022 and prolonged extreme rainfall during the year.
- Supported by the higher ASP, cash profit from coal mining for 2022 averaged at US\$29.04 per tonne, higher than US\$25.05 per tonne for 2021.
- The Group also reported its highest EBITDA of US\$284.4 million, compared to US\$270.9 million for 2021. The EBITDA margin stood at 38.8% for 2022.
- The Group made a full allowance for expected credit loss ("ECL") of US\$15.4 million on the receivables arising from advance payments for coal purchase and refundable deposit to acquire interest in two mining concessions in 2019. As a result, the Group reported net profit of US\$163.6 million for 2022, a decrease of 9% from US\$179.1 million for 2021.
- The Group is proposing a final dividend of S\$0.04 per share in 2022. Together with the first three interim dividends declared and paid, total dividends for 2022 was S\$0.09 per share, equivalent to a 57.0% pay-out ratio on its 2022 net earnings and a dividend yield of 27.7% based on share price as at 31 December 2022.
- Coal continues to be the largest and cheapest energy source globally and plays a vital role in balancing the energy supply shortage amidst ongoing Russia-Ukraine war and supply chain disruptions. Consequently, coal prices are expected to hold up well in 2023.
- With its strong cash balance of US\$234.1 million and minimal debt as at 31 December 2022, the Company is in a strong position for acquisition opportunities.

Commenting on the financial performance and business outlook for the Group, Mr Charles Antonny Melati, Executive Chairman and Chief Executive Officer of Geo Energy said:

"2022 saw an uncertainty on the global energy markets as geopolitical situations, and Russia's invasion of Ukraine led to a sharp turnaround in traditional trade flows for the energy market. Energy prices increased sharply, and demand remained strong throughout 2022.

2022 also marked the 10th year anniversary since Geo Energy was listed on the SGX Mainboard. By transitioning from a mining services provider to a coal asset owner, Geo Energy has managed to maximise the opportunities provided by rising coal prices and delivered record performances in 2021 and 2022.

The Group demonstrated resilience despite temporary coal export ban by the Indonesian government in January 2022 and operational challenges resulting from prolonged extreme rainfall during the year. The Group reported a record revenue of US\$733.5 million

for 2022, up 14% from US\$641.9 million for 2021 and a record EBITDA of US\$284.4 million for 2022, up 5% from US\$270.9 million for 2021.

Net profit was US\$163.6 million for 2022, slightly down from US\$179.1 million for 2021. This was due to full allowance for ECL of US\$15.4 million made on receivables arising from advance payments for coal purchase and refundable deposit to acquire interest in two mining concessions in 2019. However, the Group endeavours to continue discussions with the counterparty for an amicable settlement arrangement.

The Group's balance sheet position continues to be strong with cash and bank balances of US\$234.1 million as of 31 December 2022, providing us with additional flexibility amidst volatile economic environment as well as make acquisitions if the right opportunities arise.

We are proposing a final one-tier tax exempt dividend of S\$0.04 per share for 2022. Inclusive of the interim dividends declared and paid during the year, the Group's total dividends for 2022 was S\$0.09 per share, equivalent to 57.0% dividend pay-out ratio and 27.7% dividend yield based on share price at 31 December 2022. During the year, the Company bought back 11.2 million shares, which were held as treasury shares.

Despite a decrease in ICI4 price to US\$73.42 per tonne as at 24 February 2023, the global coal industry is still expected to remain strong in 2023. The increase in coal supply is restricted by lack of financing due to environmental concerns over the industry. Due to the lack of alternative price-competitive energy sources, coal remains as the preferable option to supplement global energy imbalance¹.

The Group plans to increase production and sale of coal from its BEK mine, and further develop its STT mine, including exploration drilling, after receiving the required IPPKH and permits. Commencement of operations are planned thereafter, before 2024 if conditions permit.

Sustainability initiatives continue to remain as the main focus of the Group's activities. We make strategic decisions with social and environmental considerations, as well as make donations to various societies to help the needy and improve the communities' standard of living through the construction of new homes and improvement of old ones.

We would also like to thank our employees and stakeholders for their contributions in achieving a record financial performance in 2022. Going forward, we shall work closely together to build on our 2022's performance. We are targeting value-accretive acquisitions for the Group, and we will make an announcement in accordance to SGX listing rules when such development materialises."

End

ABOUT GEO ENERGY RESOURCES LIMITED (Bloomberg Ticker: GERL SP)

Geo Energy Resources Limited ("Geo Energy") is a major Indonesian coal producer with an established track record in operating coal mines, coal production and selling coal throughout the region. Geo Energy commenced its business in 2008 as a coal mining services provider and became a listed company on the Mainboard of the SGX in 2012, under the stock code: RE4 and is part of the Singapore FTSE-ST index.

Since then, Geo Energy has transitioned from being primarily a coal mining services provider to a coal producer that subcontracts its coal mining operations. This transition has allowed the Group to change the business model from operating as a relatively small-scale mining services provider in an environment of high capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets, working in collaboration with world-class business partners.

¹ Indonesia sees record coal exports of more than 500 million tonnes in 2023, 30 January 2023

The Group's investment strategy is mainly focused on acquisition of new mining concessions to increase production quantity and at the same time diversify its sources of coal. The Group owns four mining concessions through its wholly owned subsidiaries PT Bumi Enggang Khatulistiwa, PT Sungai Danau Jaya, PT Tanah Bumbu Resources and PT Surya Tambang Tolindo in Kalimantan, Indonesia.



For more information, please visit www.geocoal.com.

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