REVENUE OF US$152 MILLION AND NET PROFIT OF US$40 MILLION DESPITE TEMPORARY COAL EXPORT BAN IN JANUARY, DECLARES AN INTERIM DIVIDEND OF S$0.02 PER SHARE

1Q2022 RESULTS PRESENTATION

12 MAY 2022

TUNG KUM HON
CEO/DIRECTOR

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1Q2022 Operational and Financial Performance

Revenue of US$152.0 million, EBITDA of US$61.3 million and net profit of US$40.5 million, despite the ban on coal export in January 2022

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1Q2022 Highlights

3 Months – 31 Mar 2022

Key Performance Indicators

Increases in ASP (60%) and production cash cost (58%), both in line with higher ICI4 as certain costs are linked to index prices.

Note: ICI4 coal price as at 10 May 2022 – US$89.68 per tonne.

Key Operating Matrix

	1Q2021 (A)	2Q2021	3Q2021	4Q2021	1Q2022 (B)	% change (B – A) / (A)
In Mt						
Sales volume	2.9	2.4	2.6	3.4	**2.4**	(17)
Production volume - FG	2.9	2.4	2.6	3.0	**2.5**	(14)
In US$ / tonne						
Average ICI4[(1)]	41.84	53.71	72.28	93.44	**82.31**	97
Average selling price (ASP)[(1)]	38.85	43.53	58.51	79.42	**62.34**	60
Production cash cost	23.14	29.57	32.71	38.72	**36.63**	58
Cash profit	15.71	13.96	25.80	40.70	**25.71**	64

Mt: Million tonne

(1) Increased difference in ASP vs ICI4 due to surge in ICI4 coal prices against the 25% Domestic Mandatory Obligations (DMO) sales in Indonesia to PLN capped at US$38/tonne for 4,200 GAR coal

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1Q2022 Highlights

3 Months – 31 Mar 2022

Key Performance Indicators

Q1 Revenue of US$152M, despite the temporary coal export ban in January.

12-mth trailing EBITDA was US$287M and 1Q2022 FCF was US$19M.

Key Financials

In US$M	1Q2021 (A)	2Q2021	3Q2021	4Q2021	1Q2022 (B)	% change (B – A) / (A)
Income Statement						
Revenue	114.5	105.8	153.6	268.0	**152.0**	33
EBITDA	44.8	32.7	65.8	127.6	**61.3**	37
12-mth trailing EBITDA	87.7	106.9	165.5	270.9	**287.4**	228
Net profit	28.5	20.0	45.5	85.1	**40.50**	42
Cash flows						
CAPEX	0.1	0.7	1.2	2.5	**0.5**	235
Free cash flow (FCF) [1]	29.7	25.2	59.9	153.9	**19.3**	(35)

M: Million

(1) Free cash flow is calculated as net cash from operating activities less net cash used in investing activities

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1Q2022 Highlights

3 Months – 31 Mar 2022

Key Performance Indicators

Early redemption of US$ Bond in Oct 2021, resulting in US$5M savings in future financing cost.

Equity increased to US$389M compared to market capitalisation of US$489M as at 31 Mar 2022.

Cash and bank balance as at 31 Mar 2022 increased to US$209M.

Key Financials

In US$M, unless otherwise stated	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021 (A)	31 Mar 2022 (B)	% change (B – A) / (A)
Balance Sheet						
Total debt (1)	62	62	65	4	**4**	(2)
Cash and bank balance	82	84	127	191	**209**	10
Net cash	20	22	62	187	**205**	10
Equity	247	53	293	349	**389**	11

M: Million

(1) Total debt is calculated as the aggregate of the Group's borrowings, lease liabilities and US$ Bond (including interest payable)

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1Q2022 Highlights

3 Months – 31 Mar 2022

Key Performance Indicators
Higher cash profit and net profit margins.

EPS up by 42% and NAV up by 56%.

Key Financial Ratios

	1Q2021	1Q2022
Cash Profit (US$/tonne)	15.71	25.71
Cash Profit Margin (%)	40.4	41.2
Net Profit Margin (%)	24.9	26.6
Net Asset Value - Group (SG cents) [1]	23.8	37.2
Earnings per Share [1] [2]:		
Basic (SG cents)	2.7	3.9
Diluted (SG cents) [3]	2.7	3.9

(1) Numbers were translated using the 31 March 2021 and 2020 of US$:S$ exchange rates of 1.3530 and 1.3470 respectively.
(2) The calculation for the basic EPS is based on the weighted average number of ordinary shares in issue during the respective financial period. The calculation for the diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.
(3) The employee stock option issued by the Group has a dilutive effect as the average market price of ordinary shares during the period exceeded the exercise price of the employee stock option.

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1Q2022 Highlights

3 Months – 31 Mar 2022

Key Performance Indicators

Optimised capital structure and enhanced shareholders' return, with significant increase in TSR and dividend yield.

Undervalued with an Enterprise Value of only US$284M compared to its JORC VALMIN Valuation of US$726M and cash of US$209M.

Key Financial Ratios

	31 Mar 2021	31 Mar 2022
12-month trailing EBITDA (US$M)	87.7	287.4
Net Cash (US$M)	20.4	205.4
Debt / Equity (times)	0.3	0.01
Total Shareholders' Return (%)(1)	20.0	73.8
Dividend Yield (%)(2)	6.0	14.1
Enterprise Value (US$M)(3)	156.2	284.0
Enterprise Value / 12-month trailing EBITDA (times)(3)	1.78	0.99
Revenue per Employee (US$M)	0.6	0.8

M: Million

(1) Based on share price as at 10 May for 2022 and 2021, inclusive of the final dividends paid and interim dividends declared during the respective period.

(2) Yield periods pertain to 1 January to 10 May for 2022 and 2021. Yield for 2022 includes interim dividend of S$0.02 per share declared for 1Q2022 and final dividend of S$0.05 per share declared for 4Q2021 (paid on 10 May 2022). Yield for 2021 includes final dividend of S$0.008 per share declared for 4Q2020 (paid on 14 May 2021) and interim dividend of S$0.005 per share declared for 1Q2021 (paid on 16 June 2021).

(3) Based on market capitalisation and share price as of 31 March for 2022 and 2021.

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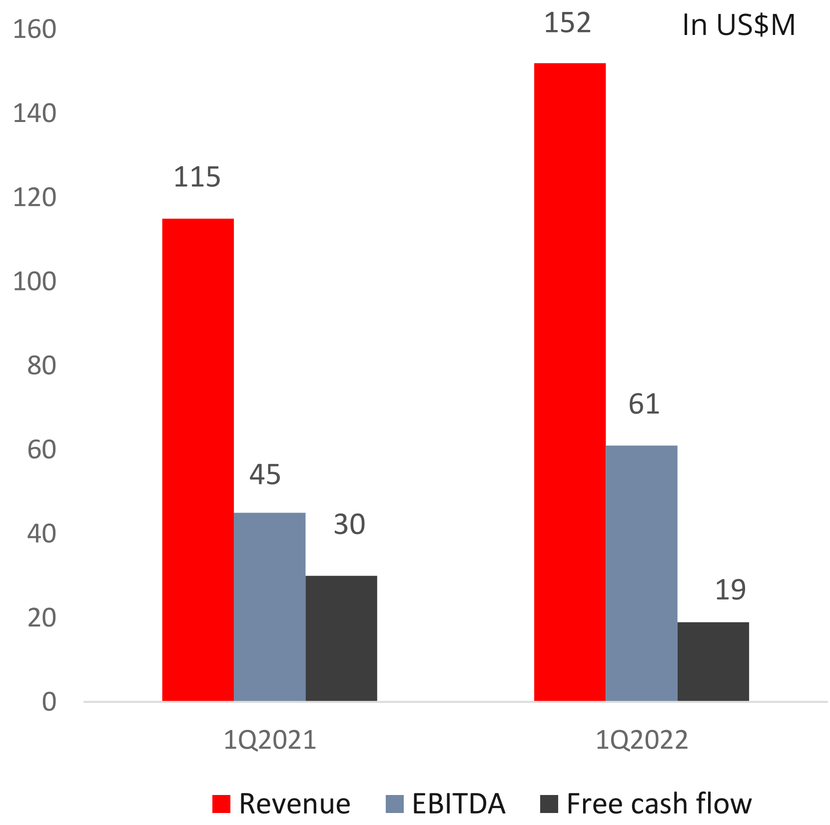
1Q2022 Highlights

3 Months – 31 Mar 2022

- **Revenue increased by 33% to US$152M** from US$115M in 1Q2021, driven by **higher average selling price**.
- **12-month trailing EBITDA increased by 228% to US$287M** from US$88M in 1Q2021 due to increased cash profit, which was more than 60% higher than that in 1Q2021.
- **Free cash flow in 1Q2022 decreased by US$11M** from US$30M in 1Q2021, driven mainly by increase in trade receivables as sales picked up following the temporary export ban resulting in large balance as at period end.

M: Million

Financial Highlights



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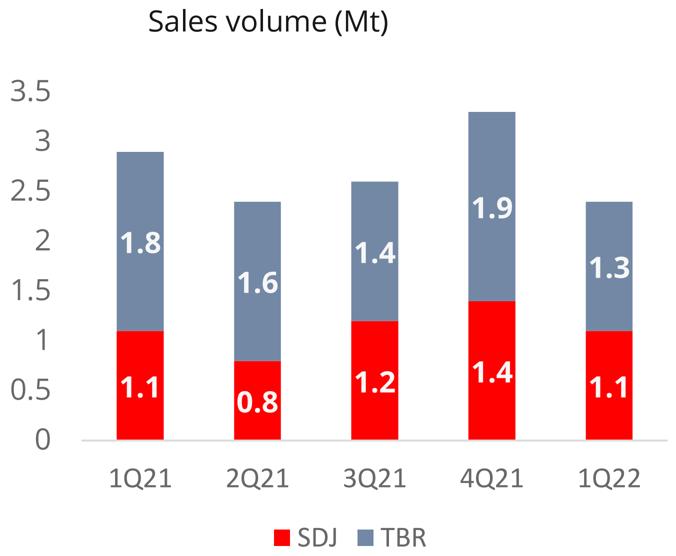
1Q2022 Highlights

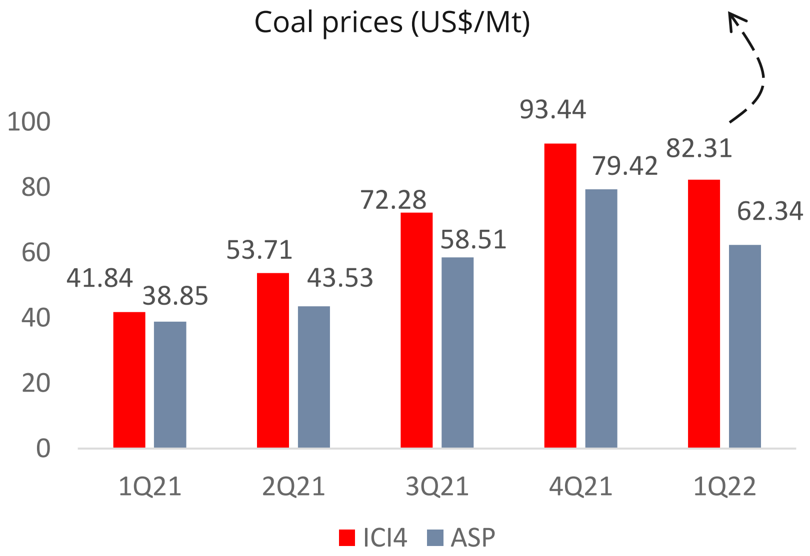
3 Months – 31 Mar 2022

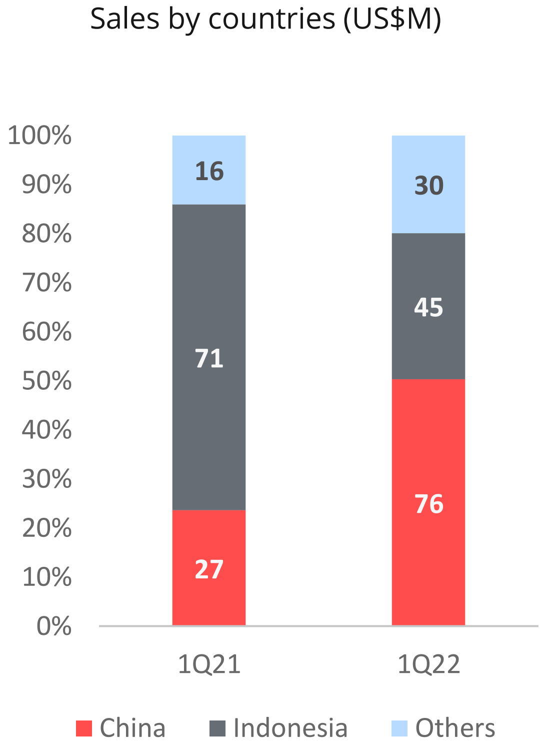
ICI4 vs ASP due to lower DMO ASP fixed by PLN at US$38/Mt

ICI4 coal price as at 10 May 2022 was US$89.68 per tonne, up US$7.37 per tonne from 1Q2022

Revenue







M: Million Mt: Million tonnes

1Q2022 Highlights

- The Group sold a total of 2.4 million tonnes of coal during the quarter, comprising 1.1 million tonnes of 4,200 GAR coal from the SDJ coal mine and 1.3 million tonnes from the TBR coal mine. This was a 17% decrease from 2.9 million tonnes in 1Q2021 due to the coal export ban by the Indonesian government in the beginning of 2022. The ban has since been lifted in late January 2022.

- Despite the export ban, **revenue increased by 33% from US$114.5 million in 1Q2021 to US$152.0 million**, mainly due to the higher ASP in 1Q2022. The average ICI4 was US$82.31 per tonne in 1Q2022, almost doubled that of US$41.84 per tonne in 1Q2021.

- **Cash profit for coal mining for 1Q2022 averaged at US$25.71 per tonne** (1Q2021: US$15.71 per tonne), mainly driven by the higher ASP that was 60% higher than that of 1Q2021.

- **EBITDA for 1Q2022 was US$61.3 million** (1Q2021: US$44.8 million) with an EBITDA margin of 40%, driven by the robust cash profit.

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1Q2022 Highlights

- **Net profit was US$40.5 million** (1Q2021: US$28.5 million), driven by higher operating profit and lower finance costs from the full redemption of the Senior Notes in October 2021.

- **The Company is declaring an interim dividend for 1Q2022 of S$0.02 per share, representing 51% of the net earnings for 1Q2022**. Including the final dividend for year ended 31 December 2021 of S$0.05 per share paid on 10 May 2022, this represents a dividend yield of 14% based on the Company's share price of S$0.495 per share as of 11 May 2022.

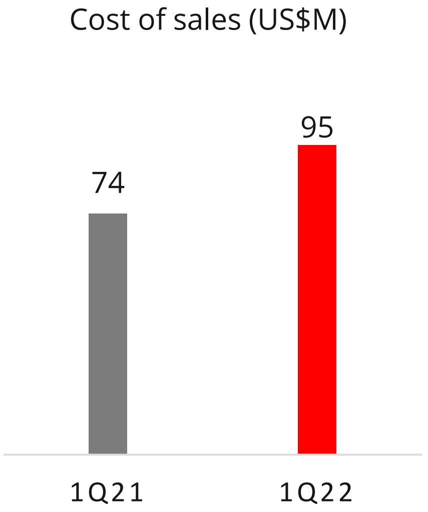
- From **1 April 2022 up to 12 May 2022** (Business Update), we have delivered over **1.2 million tonnes of coal sales**, achieving a **revenue of close to US$110 million and EBITDA of US$55 million**. We expect a strong result for 2Q2022 as we ramp up production while coal prices are high.

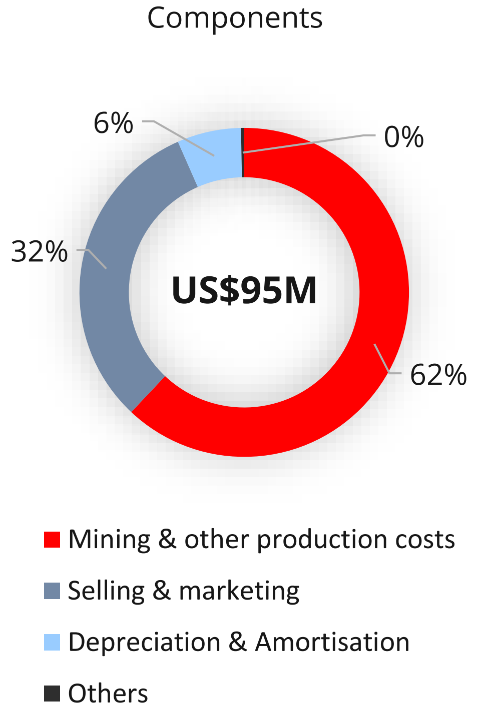
1Q2022 Highlights

3 Months – 31 Mar 2022

Cost of Sales

- **Production cash cost increased by 58%** to US$36.63 per tonne due to certain of the Group's costs linked to coal price.
- **Increase in total cost of sales** (1Q2022 : US$95M; 1Q2021 : US$74M) driven by higher costs linked to increase in ICI4.
- Depreciation & amortisation slightly decreased by US$0.3M from 1Q2021 mainly due to lower sales volume, offset by the additions to right-of-use assets relating to OB disposal areas in 2H2021.





M: Million

1Q2022 Highlights

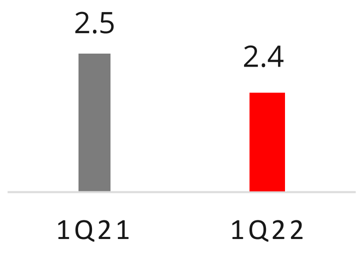
3 Months – 31 Mar 2022

- **Slight decrease in G&A** due to lower depreciation expense following early termination of office rental in Nov 2021.
- Higher net other income in 1Q2022 mainly due to lower forex loss.
- **Lower finance costs mainly due to full redemption of outstanding US$ Bond** in Oct 2021.

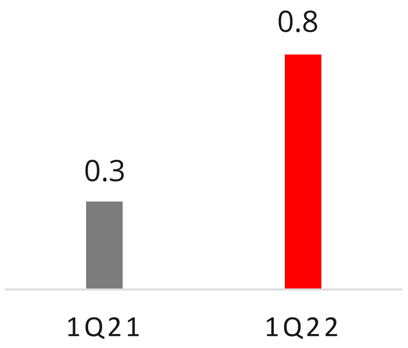
M: Million

Other Income / Expenses

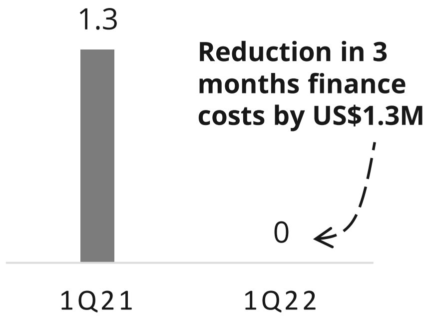
General and Administration expenses (US$M)



Other income (net) (US$M)



Finance costs (US$M)



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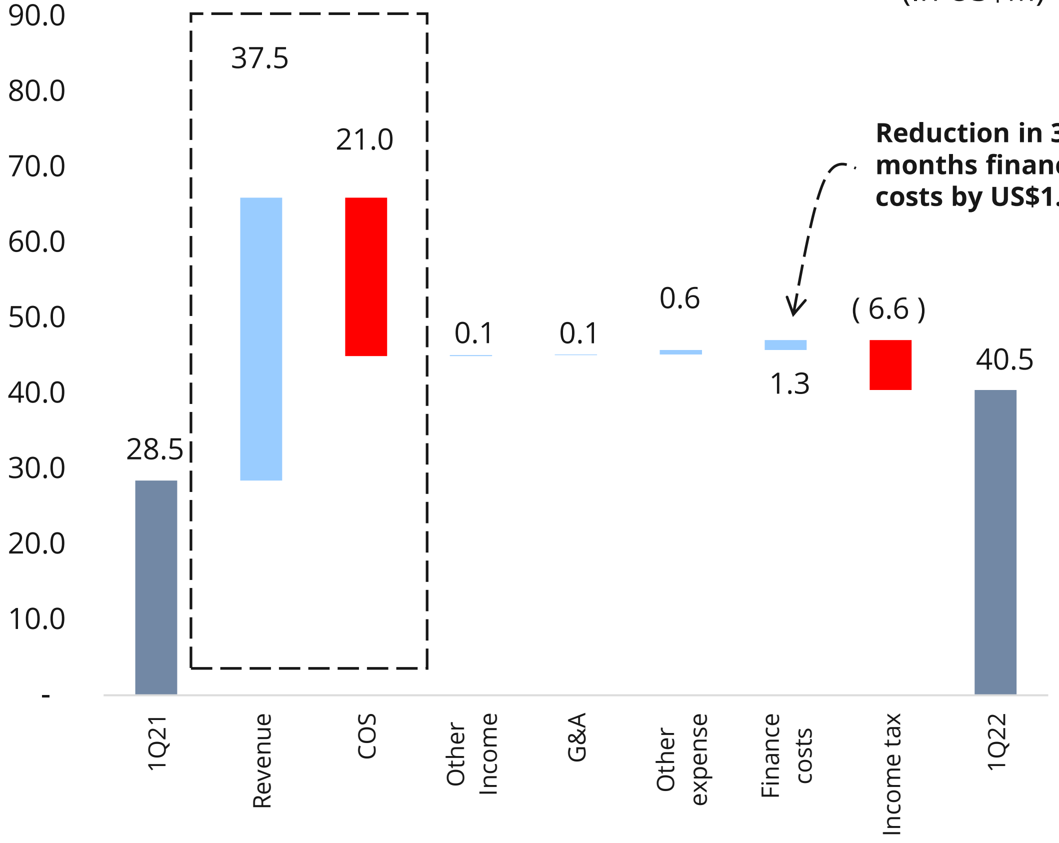
1Q2022 Highlights

3 Months – 31 Mar 2022

- **Increase in net profit to US$40M from US$29M in 1Q2021.** The higher tax is mainly due to increase in profit from operations for the period, driven by the higher cash profit.

Net Profit

(In US$M)



M: Million

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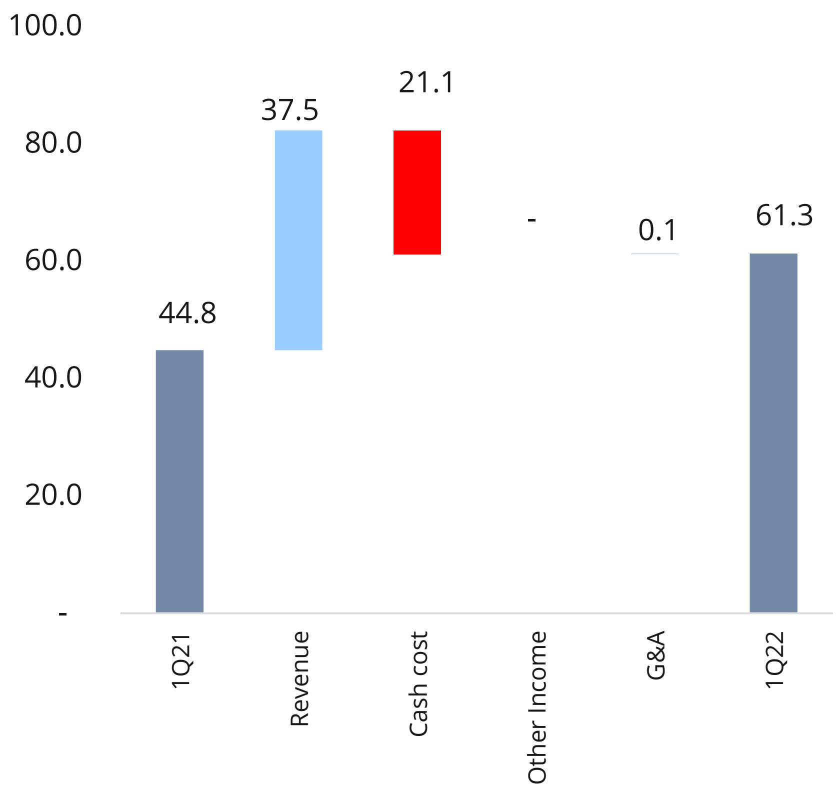
1Q2022 Highlights

3 Months – 31 Mar 2022

- **EBITDA increased from US$45M in 1Q2021 to US$61M in 1Q2022,** largely driven by the increase in revenue following the increase in ICI4 prices, slightly offset by higher cash cost of production.

EBITDA

(In US$M)



M: Million

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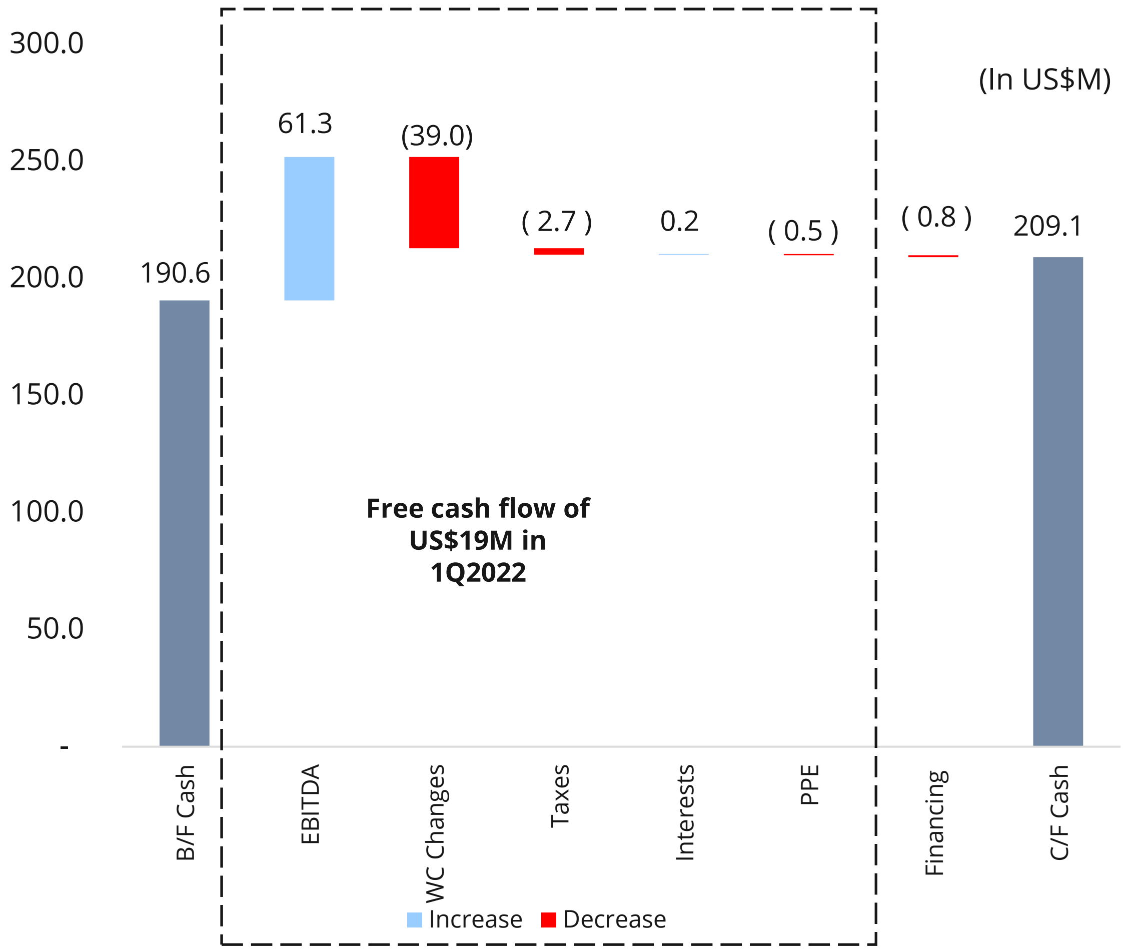
1Q2022 Highlights

3 Months – 31 Mar 2022

- **Cash and bank balances increased to US$209M** from US$191M as at 31 Dec 2021, driven by EBITDA offset against changes in working capital (high Trade AR balance as at 31 Mar 2022), taxes paid of US$2.7M and share repurchases of US$0.8M.

M: Million

Cash Flow



Share Performance

12-Month Total Shareholders Return (TSR)
of 185%

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Share Performance

Key Data

Closing (10 May 2022)	**S$ 0.495**	Day Range	**S$0.485 – S$0.510**
52 Week Range	**0.200 – 0.580**	Market Cap	**S$697.4M**
Shares Outstanding	**NA**	Public Float	**41.95% (2)**
BETA	**NA**	Rev. Per Employee	**US$0.8M(3)**
P/E Ratio(5)	**3.21**	EPS	**S$0.039(3)**
Yield(1)	**14%**	Dividend	**S$0.02**
Ex-Dividend Date	**28 Apr 2022**	Short Interest	**NA**
% of Float Shorted	**NA**	Average Volume	**12.4M**

Total Shareholders' Return(1)

5 Day	**14%**
1 Month	**3%**
3 Month	**43%**
YTD(4)	**74%**
1 Year	**185%**

(1) Includes interim dividend of S$0.02 per share declared for 1Q2022 and final dividend of S$0.05 per share declared for 4Q2021 (paid on 10 May 2022)
(2) As at 15 March 2022, as per Geo's Annual Report 2021
(3) For 3 months ended 31 March 2022
(4) Based on share price on 1 January 2022 and 10 May 2022, inclusive of the final dividend paid and interim dividend declared during the period
(5) Based on annualised 1Q2022 EPS

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Industry Outlook

Industry Outlook

Coal Market

- Expected to remain strong amid supply disruption from the ongoing conflict in Ukraine.
- The average estimates for the Newcastle coal price index were raised to US$150 per tonne in 2022 and US$125 per tonne in 2023, to reflect strong coal prices in the first quarter resulting from Indonesia's coal export ban, the Ukraine conflict, as well as already-elevated prices caused by China's 2021 power crunch.
- Higher coal prices are likely supported by China resuming coal imports in 2022 as coal import likely the best alternative energy procurement especially with the risk of war and prolonged high gas prices.
- Indonesia's coal production will likely grow on improving weather from the second quarter, and this could address the current coal shortages.
- India plans to import 10.5 million tonnes of coal in coming months to arrest widespread power cuts, which could lead to a further increase in global prices, which are already trading near record highs due to fears of a supply crunch following the European Commission's decision to ban coal imports from Russia after its invasion of Ukraine.

Source:
The Business Times Article, 11 April 2022 - https://www.businesstimes.com.sg/asean-business/indonesia-coal-miners-likely-to-gain-from-rising-prices-supply-disruptions

Industry Outlook

Green Energy

- The modern energy politics continue to focus on aspiration to achieve carbon neutrality. Coal and natural gas are the main fuels for electricity generation.
- The global energy demand will increase by 14% by 2050, while the International Energy Agency's (IEA's) 2021 Net-Zero models a reduction by 10% by 2030 to reach net-zero emissions.
- Policies that focus only on combustion but leave out the true and full life cycle emissions of all types from mining, processing, transportation, and utilization, will lead to environmental surprises and potentially very large economic costs.
- Investors should not favour natural gas over coal for electricity production but should support all reliable energy systems in a manner which avoids an energy crisis, including variable renewable energy systems.

Source:
Article on Climate Impacts in today's Energy Systems (version 03/2022), by Dr Lars Schernikau, an energy economist, investor and commodity traders

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Thank You

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