

**A RECORD YEAR WITH REVENUE OF
US\$641.9 MILLION, NET PROFIT OF
US\$179.1 MILLION AND TOTAL
DIVIDENDS OF S\$0.09 PER SHARE**

**2021
RESULTS' BRIEFING**

**TUNG KUM HON
CEO/DIRECTOR**

Forward Looking Statements

This announcement contains statements that are, or may be deemed to be, “forward looking statements” which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", “seeks”, "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", “projects”, "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", “shall”, "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited (“Geo Energy”). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. There is no certainty or assurance as at the date of this announcement that any transaction disclosed in this announcement will proceed or be completed or that no changes will be made to the terms thereof. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy’s Annual Report 2020. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities. Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group.



2021 Operational and Financial Performance

A record operational and financial performance, with record revenue of US\$641.9 million, EBITDA of US\$270.9 million, profit from operations of US\$234.1 million as net profit surges to US\$179.1 million

Geo Energy is greatly undervalued with an Enterprise Value of only US\$162 million compared to its JORC VALMIN Valuation of US\$726 million and cash of US\$191 million

GEO

2021 Highlights

Key Performance Indicators

Increases in ASP (102%) and production cash cost (45%), both in line with higher ICI4 as certain costs are linked to index prices.

4Q2021 cash profit up by 58% to US\$40.70 per tonne from US\$25.80 per tonne in 3Q2021.

Note: ICI4 coal price as at 23 Feb 2022 – US\$76.57 per tonne.

Key Operating Matrix

	2H2020	FY2020 (A)	2H2021	FY2021 (B)	% change Y-o-Y (B – A) / (A)	% change Q-o-Q (4Q2021 vs 3Q2021)
In Mt						
Sales volume	5.7	10.7	6.0	11.4	7	29
Production volume - FG	5.9	11.0	5.6	10.9	(1)	17
In US\$ / tonne						
Average ICI4 ¹	27.96	29.29	83.25	65.85	125	29
Average selling price (ASP) ¹	25.88	27.89	70.27	56.42	102	36
Production cash cost	19.67	21.64	36.14	31.37	45	18
Cash profit	6.21	6.25	34.13	25.05	301	58

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

Mt: Million tonnes

2021 Highlights

Key Performance Indicators

Significant increase in revenue to US\$642M driven by higher coal price with highest record EBITDA and FCF of US\$271M and US\$273M, respectively.

4Q2021 revenue was US\$268M, up by 74% from 3Q2021. Highest record net profit in a quarter of US\$85M, up by 87% from 3Q2021.

Key Financials

In US\$M	2H2020	FY2020 (A)	2H2021	FY2021 (B)	% change Y-o-Y (B - A) / (A)	% change Q-o-Q (4Q2021 vs 3Q2021)
Income Statement						
Revenue	146.1	306.8	421.6	641.9	109	74
EBITDA	29.4	57.0	193.4	270.9	375	94
12-mth trailing EBITDA	57.0	57.0	270.9	270.9	375	64
Net profit	28.6 ¹	95.1 ¹	130.6	179.1	88	87
Cash flows						
CAPEX	(6.4)	(7.8)	0.2²	(0.6)²	(92)	nm
Free cash flow (FCF) ³	22.1	49.5	217.7	272.6	450	164

M: Million

¹ Include gain on the US\$ Bond repurchases of US\$31M for 2H2020 and US\$107M for FY2020

² Includes a refund of Advances Paid for Purchases of PPE following cancellation of agreement

³ Free cash flow is calculated as net cash from operating activities less net cash used in investing activities

2021 Highlights

Key Performance Indicators

Repurchases and early redemption of US\$ Bond, resulting in US\$14M reduction in 2021 finance cost and US\$5M savings in future financing cost.

Equity increased to US\$349M compared to market capitalisation of US\$429M as at 23 Feb 2022.

Cash and bank balance as at 31 Dec 2021 increased to US\$191M.

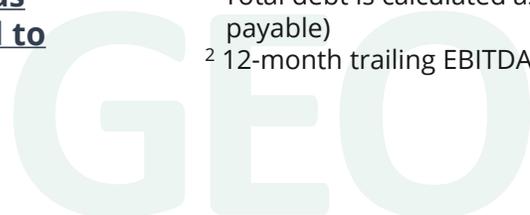
Key Financials

In US\$M, unless otherwise stated	31 Dec 2020 (A)	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021 (B)	% change (B - A) / (A)
Balance Sheet						
Total debt ¹	60	62	62	65	4	(94)
Cash and bank balance	53	82	84	127	191	262
Net debt (cash)	7	(20)	(22)	(62)	(187)	nm
Net debt (cash) / EBITDA ² (times)	0.1x	(0.2x)	(0.2x)	(0.4x)	(0.7x)	nm
Equity	218	247	253	293	349	60

nm - not meaningful M: Million

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

² 12-month trailing EBITDA



2021 Highlights

Key Performance Indicators

Significant increase in cash profit and net operating profit margins.

EPS close to doubled and NAV up by 61%.

Key Financial Ratios

	2H2020	2H2021	2020	2021
Cash Profit Margin (%)	24.0	48.6	22.4	44.4
Net Operating (Loss) Profit Margin (%)	(1.9)	31.0	(3.7)	27.9
Net Profit Margin ⁽¹⁾ (%)	19.6	31.0	31.0	27.9
Net Asset Value - Group (SG cents) ⁽²⁾	20.69	33.39	20.69	33.39
Earnings per Share ⁽²⁾ ⁽³⁾ :				
Basic (SG cents)	2.69	12.50	8.99	17.18
Diluted (SG cents) ⁽⁴⁾	2.69	12.48	8.99	17.15

- (1) The net profit margin in 2H2020 and 2020 included the gain on the repurchases of the US\$ Bond.
- (2) Numbers were translated using the 31 December 2021 and 2020 of US\$:S\$ exchange rates of 1.3546 and 1.3251 respectively.
- (3) 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.
- (4) 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.

2021 Highlights

Key Performance Indicators

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

Geo Energy is greatly undervalued with an Enterprise Value of only US\$162M compared to its JORC VALMIN Valuation of US\$726M and cash of US\$191M.

Revenue per employee doubled, reflecting the value-accretive nature of the Group's business.

Key Financial Ratios

	31 Dec 2020	31 Dec 2021
12-month trailing EBITDA (US\$M)	57.0	270.9
Net Debt (Cash) (US\$M)	7.8	(186.9)
Net Debt (Cash) / EBITDA (times)	0.1	(0.7)
Debt / Equity (times)	0.3	0.01
Total Shareholders' Return (%) ⁽¹⁾	32	124
Dividend Yield (%) ⁽²⁾	4	27
Enterprise Value (US\$M)⁽³⁾	202.1	162.1
Enterprise Value / 12-month trailing EBITDA (times) ⁽³⁾	3.5	0.6
Revenue per Employee (US\$M)	1.6	3.2

- (1) Based on share price as at 31 December 2021 and 2020, inclusive of the interim dividends paid and final dividend proposed during the respective periods.
- (2) Yield periods pertain to 1 January to 31 December for 2021 and 2020. Yield for 2021 includes final dividend of S\$0.05 per share proposed, interim dividends of S\$0.03 per share declared for 3Q2021, S\$0.005 per share for each of 1Q2021 and 2Q2021 (paid on 26 Nov, 16 Jun and 1 Sep 2021, respectively). Yield for 2020 comprised final dividend of S\$0.008 per share proposed, which was subsequently approved and paid on 14 May 2021.
- (3) Based on market capitalisation and share price as of 31 December for 2021 and 2020 and net debt.

M: Million

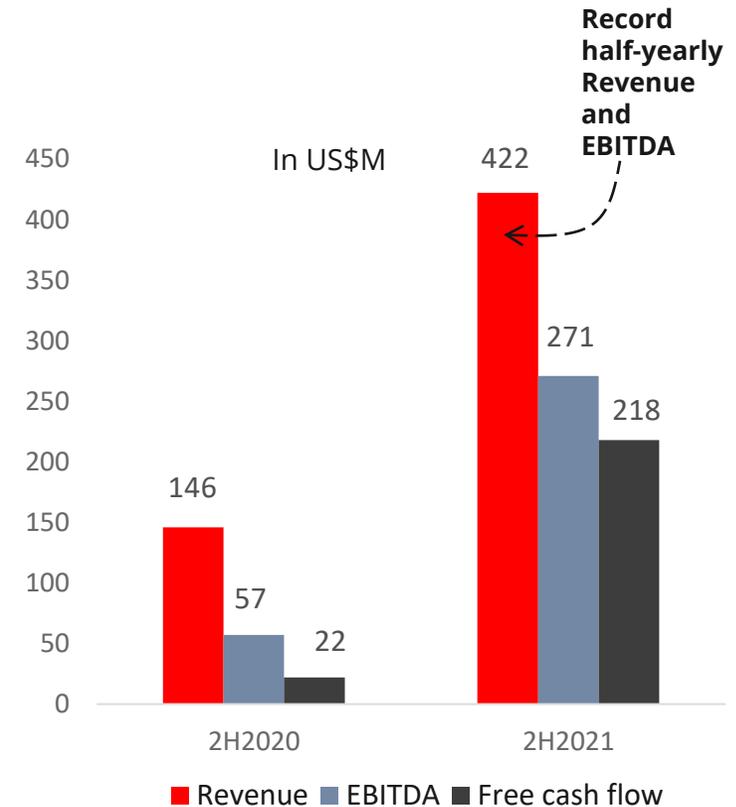
2H2021 Highlights

6 Months - 31 Dec 2021

- **Revenue increased by 188% to US\$422M** from US\$146M in 2H2020, driven by higher average selling price.
- **12-month trailing EBITDA increased by 375% to US\$271M** from US\$57M in 2H2020 due to increased cash profit, which was close to 4.5x higher than the cash profit in 2H2020.
- **Free cash flow in 2H2021 increased to US\$218M** from US\$22M in 2H2020, driven mainly by cash generated from operations.



Financial Highlights

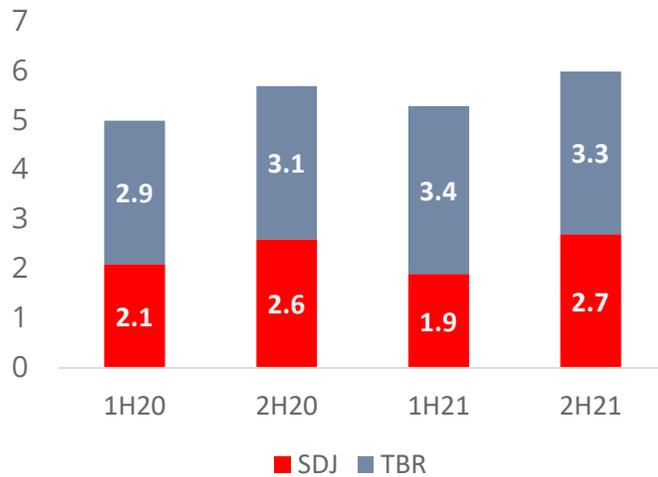


M: Million

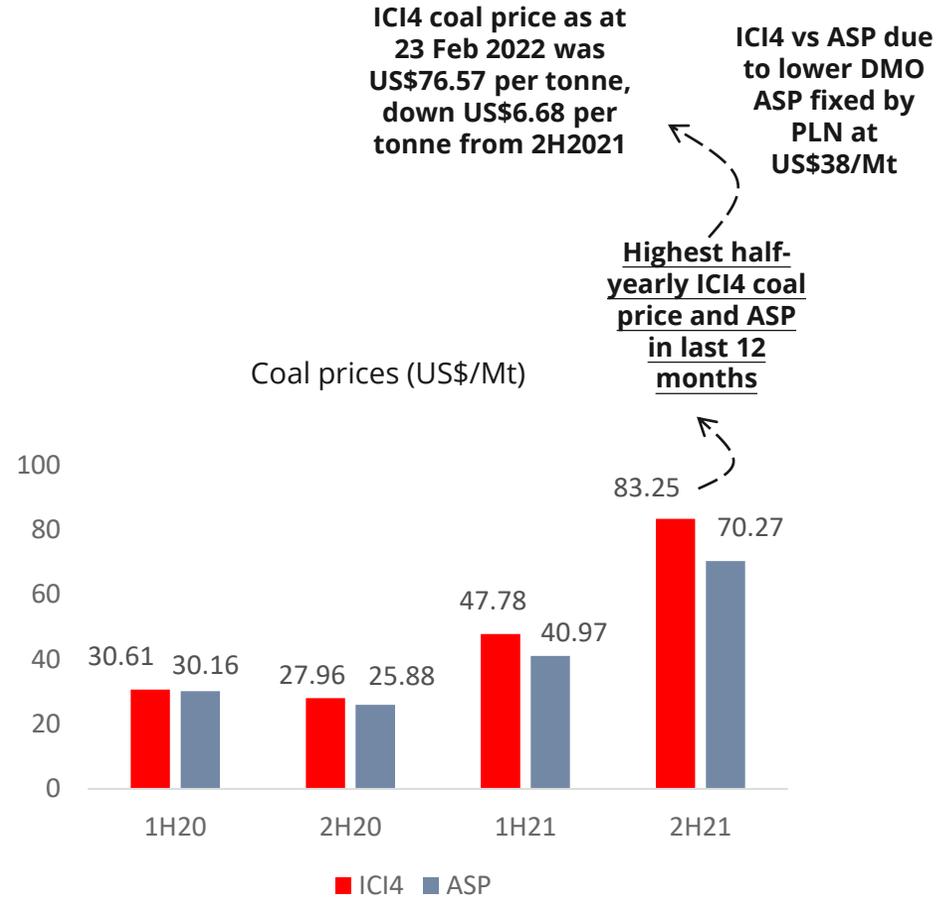
2H2021 Highlights

6 Months - 31 Dec 2021

Sales volume (Mt)

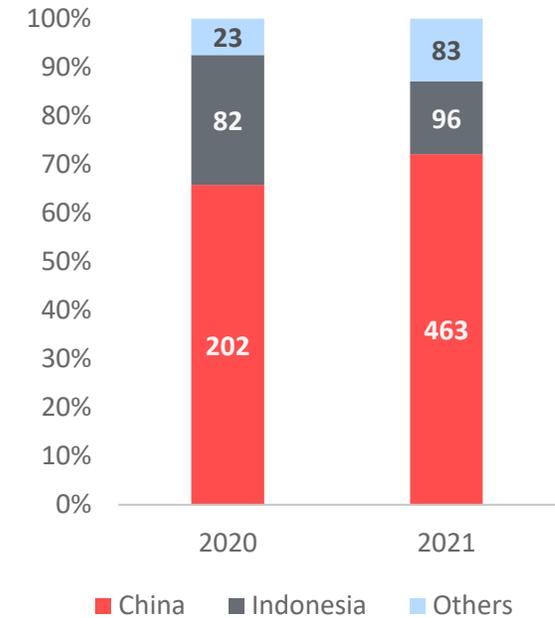


Coal prices (US\$/Mt)



Revenue

Sales by countries (US\$M)



M: Million Mt: Million tonnes

2021 Highlights

- The Group achieved **record revenue of US\$641.9 million, an increase of 109% from 2020**, due to the increase in sales volume and higher average selling price (“ASP”). The average ICI4 was US\$65.85 per tonne in 2021, compared to US\$29.29 per tonne in 2020.
- The Group **delivered coal sales of 11.4 million tonnes in 2021**, comprising 4.6 million tonnes and 6.7 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, and another 0.1 million tonnes of 3,400 GAR coal from the BEK coal mine. This was higher than 10.7 million tonnes in 2020.
- **Cash profit from coal mining for 2021 averaged at US\$25.05 per tonne** (2020: US\$6.25 per tonne), driven by the higher ASP but offset by the higher production cash cost as the Group’s cost structure links certain costs to the coal index prices.
- **EBITDA for 2021 was a record US\$270.9 million** (2020: US\$57.0 million) **at a margin of 42%, and the net profit from operations of US\$179.1 million** was a complete turnaround from the net loss from operations of US\$11.5 million in 2020, excluding the gain on repurchases of US\$ Bonds.

2021 Highlights

- The Group made **an early redemption of all outstanding US\$ Bonds on 10 October 2021 of US\$60.4 million** at a premium at 102% of its issued price and saved US\$4.8M in annual financing costs.
- On 8 December 2021, the Group announced a **VALMIN JORC valuation of its coal reserves at US\$726 million as at 31 August 2021.**
- The Company is recommending a final dividend of S\$0.05 per share in 2021, subject to the approval of shareholders at its forthcoming annual general meeting. This brings the **total dividends for 2021 to S\$0.09 per share or US\$93.5 million, equivalent to a 52% pay-out ratio on its 2021 net earnings, with a dividend yield of 22% based on share price as at 23 February 2022 of S\$0.41 per share.**
- **52-week Total Shareholders' Return (TSR) was a record 176%** against the FTSE Straits Times Index (STI) of 16%.¹

¹ TSR is based on share price as at 23 February 2022 and FTSE Straits Times Index was extracted from MarketWatch, 23 February 2022

2H2021 Highlights

6 Months - 31 Dec 2021

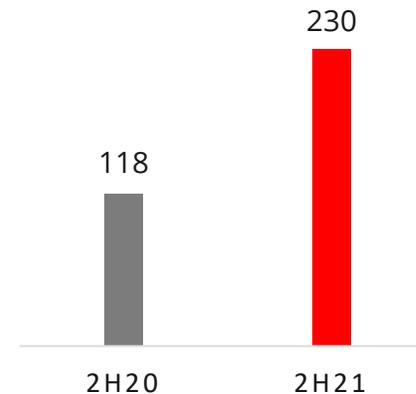
- **Production cash cost increased by 84% to US\$36.14 per tonne due to certain of the Group's costs linked to coal price**, partially offset by fee adjustments to certain costs following negotiations with our vendors, and excluding 10% VAT in 2021.
- **Increase in total cost of sales** (2H2021 : US\$230M; 2H2020 : US\$118M) driven by higher costs linked to increase in ICI4.
- Depreciation & amortisation increased to US\$14M from US\$7M in 2H2020 mainly due to higher sales volume and additions to right-of-use assets relating to OB disposal areas.

M: Million

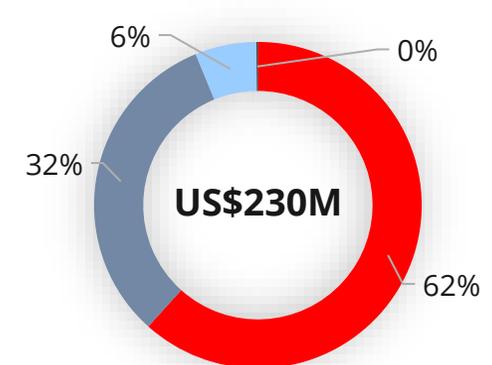


Cost of Sales

Cost of sales (US\$M)



Components



- Mining & other production costs
- Selling & marketing
- Depreciation & Amortisation
- Others

2H2021 Highlights

6 Months - 31 Dec 2021

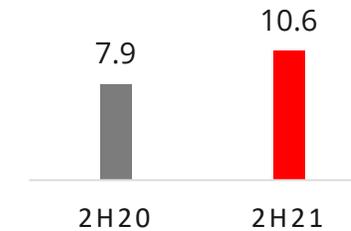
- **Increase in G&A** due to staff bonuses given following the strong financial performance of 2021.
- Lower net other income in 2H2021 mainly due to **US\$31M gain on repurchases of US\$ Bond recorded in 2H2020.**
- **Lower finance costs mainly due to lower outstanding US\$ Bond of US\$59M throughout 9M2021,** and the accelerated amortisation of transaction costs recorded during repurchases in 9M2020. The remaining outstanding US\$ Bond has been fully redeemed in Oct 2021.

M: Million

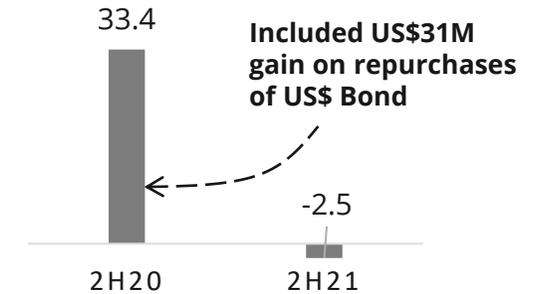


Other Income / Expenses

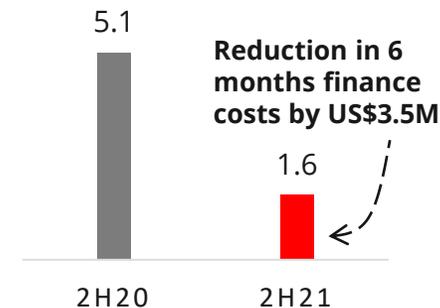
General and Administration expenses (US\$M)



Other income/expense (net) (US\$M)



Finance costs (US\$M)



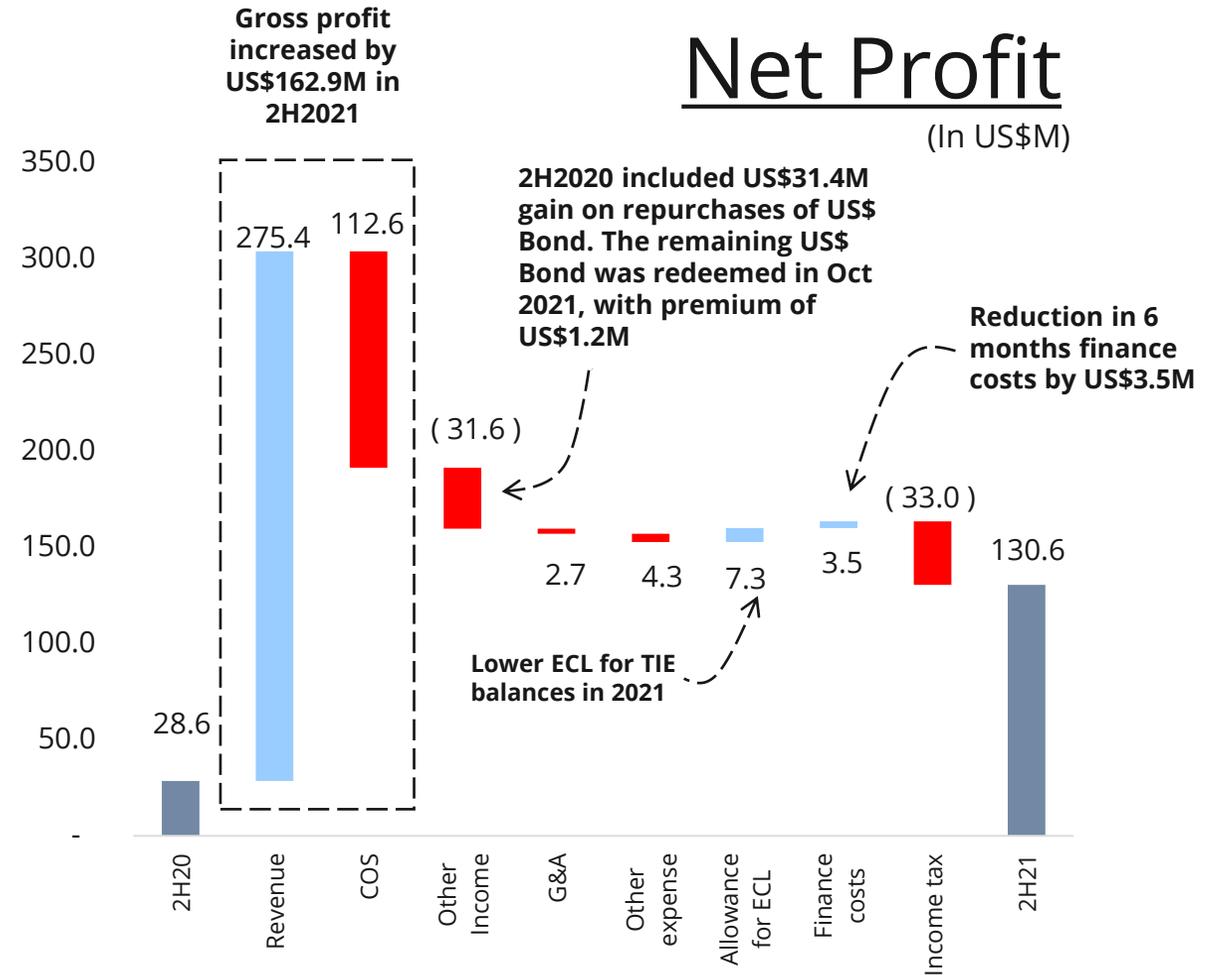
2H2021 Highlights

6 Months - 31 Dec 2021

- **Significant increase in net profit to US\$131M from US\$29M in 2H2020.** The higher tax is mainly due to increase in profit from operations for the period as the gain on repurchases of US\$ Bond in 2H2020 was capital in nature and non-taxable.



M: Million



2H2021 Highlights

6 Months - 31 Dec 2021

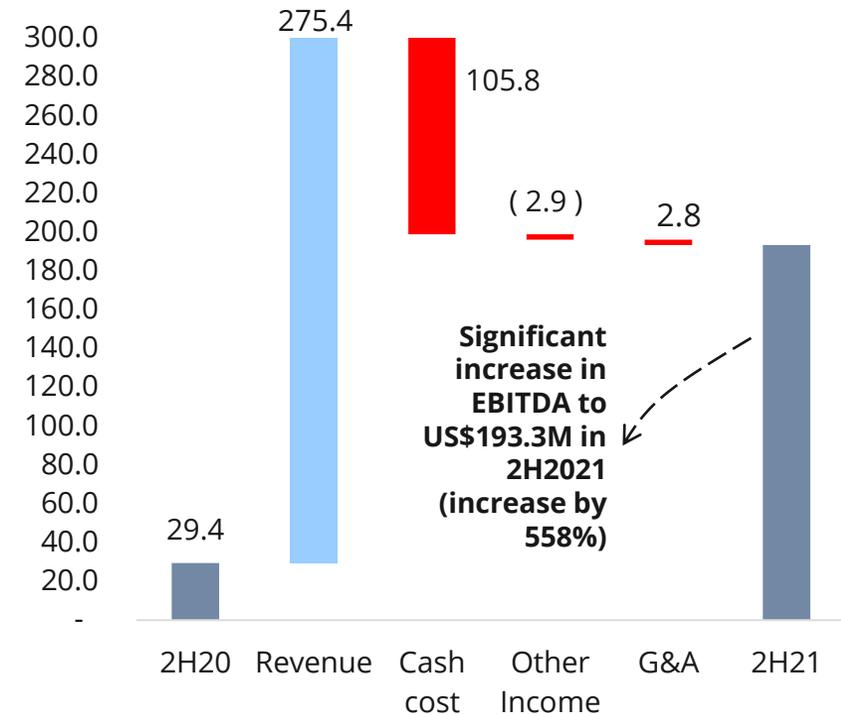
- **EBITDA increased from US\$29M in 2H2020 to a record US\$193M in 2H2021**, largely driven by the increase in revenue following the increase in ICI4 prices, slightly offset by higher cash cost of production.
- **12 months trailing EBITDA was the highest at a record US\$271M.**

M: Million



EBITDA

(In US\$M)



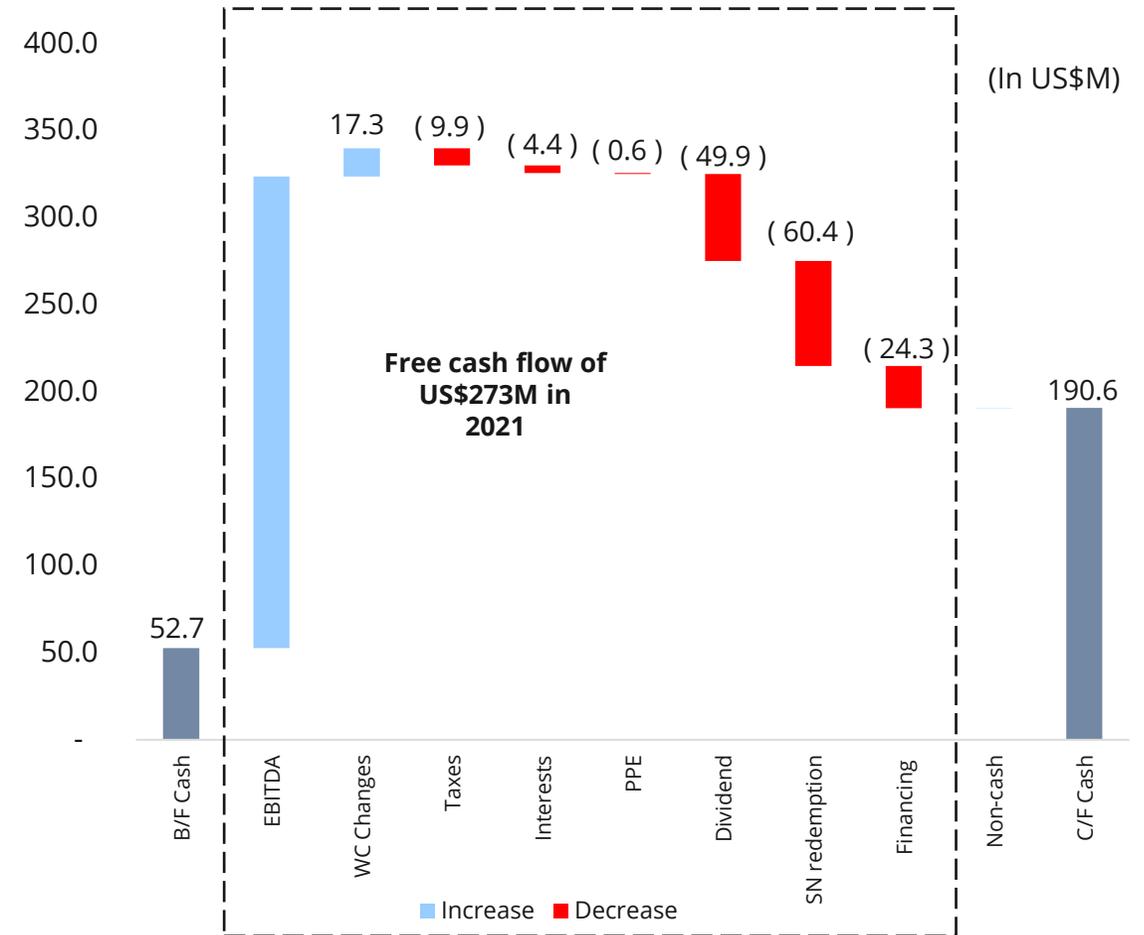
2021 Highlights

- **Cash and bank balances increased to US\$191M** from US\$53M as at 31 Dec 2020, driven by the high EBITDA offset against US\$49.9M dividends paid, early redemption of US\$ Bond of US\$60.4M as well as changes in working capital (which included US\$25.0M repayment of prepayment from offtakers).
- The Group also paid US\$24.3M in other financing expenses, which is mainly the leasing of the overburden disposal area to cater to the increased production in the second half of 2021 and share buybacks of US\$2.2M, netted against proceeds from share issuance of US\$2.9M.

M: Million



Cash Flow



Share Performance

12 Months Total Shareholders Return (TSR)
of 176%

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Share Price Performance

Key Data

Closing (23 Feb 2022) S\$ 0.410	Day Range S\$0.400 – S\$0.415
52 Week Range 0.166 – 0.420	Market Cap S\$577.3M
Shares Outstanding NA	Public Float 38.45%²
BETA NA	Rev. Per Employee US\$3.2M³
P/E Ratio 2.39	EPS S\$0.1718³
Yield ¹ 22%	Dividend S\$0.05
Ex-Dividend Date 29 Nov 2021	Short Interest NA
% of Float Shorted NA	Average Volume 7.52M

Total Shareholders Return¹

5 Day	22%
1 Month	41%
3 Month	75%
YTD ⁴	163%
1 Year	176%

Geo Energy Resources Ltd

0.410 SGD 23 February 2022



¹ Include final dividend of S\$0.05 per share proposed for 2021 and total 2021 interim dividends of S\$0.04 per share paid during the year

² As at 15 March 2021, as per Geo's Annual Report 2020

³ For 12 months ended 31 December 2021

⁴ Based on share price on 1 January 2021 and 23 February 2022, inclusive of the 2021 interim dividends paid and final dividend proposed

Industry Outlook

According to an International Energy Agency report, coal consumption and production are expected to remain at elevated levels in next few years and not be replaced by renewable energy in the near future

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Industry Outlook

Coal Market

- The quick rebound in coal demand in 2021 caused a mismatch between demand and supply as coal production failed to keep pace and grow in tandem. Coal production is set to rise to its highest ever levels in 2022 on the back of strong demand and normalise going forward.
- China thermal market faces uncertainties over price direction after the Lunar New Year holiday - seaborne prices have surged while China's domestic prices have been under pressure over concerns of possible price interventions.
- Indonesian thermal prices firm as supply remained tight amid stronger spot demand following the lifting of coal export ban on 28 January 2022.
- The temporary ban is due to the critical low inventories at domestic power plants in Indonesia, which could lead to widespread blackouts within the country. Indonesia's exports resumed as the export ban was lifted for miners who fulfilled their DMO in 2021 and are understood to have committed sufficient tonnage to local coal buyers in 2022 and this includes SDJ, TBR and BEK coal mines.

MCC Indonesian FOB markers

A supplement to McCloskey Coal Report

18 February 2022

Source: Coal 2021: Analysis and forecast to 2024, December 2021 (International Energy Agency; McCloskey Coal Report, Issue 528, 4 February 2022; Nikkei Asia, 31 January 2022; Macquarie's China Commodities Weekly Report, 24 January 2022

Industry Outlook

Coal Analysis and Forecast to 2024

- China and India account for two-thirds of the coal consumption in the world, which will greatly influence the global trend in next few years. In 2021, the coal consumption increased 4% in China, 13% in India, and 17% in the United States.
- Coal demand expected to reach an all-time high in 2022 and continue until 2024, with emerging and developing economies being the driving force. The expected global economy recovery, higher power demand due to cold winter and hot summer, and adverse weather conditions might curtail coal supply.
- The continued uncertainty around Australian coal ban by China, Indonesian miners continue to enjoy the high import demand from China.

Source: Coal 2021: Analysis and forecast to 2024, December 2021 (International Energy Agency)

Industry Outlook

Green Energy

- Global coal consumption remains strong in 2022 despite some countries have announced Net Zero Carbon Emissions targets in 2050-2060. According to an International Energy Agency report, coal consumption and production are expected to remain at elevated levels in next few years and not be replaced by renewable energy in the near future.
- Rating agency states that investors prefer coal miners with plans to diversify away from thermal coal production and with strong ESG considerations.



Source: Coal 2021: Analysis and forecast to 2024, December 2021 (International Energy Agency);
Fitch Rating, 29 November 2021

Thank You



For more Information, please visit
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