



**Geo Energy Delivers
Record Half-Year Results
by Leveraging Onto the
Strong Momentum of
the Coal Market**

1H2021 Results Briefing

**Tung Kum Hon
CEO/Director**

**Singapore
20 Aug 2021**

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 and/or the offering memorandum dated 27 September 2017 in relation to the US\$300 million 8.00% senior notes due 2022 offering by Geo Coal International Pte. Ltd., a wholly-owned subsidiary of Geo Energy. 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.



1H2021 Financial Performance

A strong operational and financial performance, with record revenue of US\$220.3 million, EBITDA of US\$77.5 million, 418% rise in operating profit to US\$66.0 million, and net earnings of US\$48.5 million

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1H2021 Highlights

6 Months - 30 June 2021

Key Performance Indicators

Increases in ASP (36%) and production cash cost (9%), both in line with higher ICI4 as certain costs are linked to index prices.

Note: ICI4 coal price as at 18 August 2021 – US\$71.45 per tonne

Key Operating Matrix

| | 1H2019 | 2H2019 | 1H2020 (A) | 2H2020 | 1H2021 (B) | % change (B – A) / (A) |
|-----------------------------|--------|--------|---------------|--------|--------------------------|------------------------------|
| In Mt | | | | | | |
| Sales volume | 3.5 | 3.9 | 5.0 | 5.7 | 5.4 | 7 |
| Production volume - FG | 3.9 | 3.7 | 5.1 | 5.8 | 5.3 | 3 |
| In US\$ / tonne | | | | | | |
| Average ICI4 | 36.52 | 33.58 | 30.61 | 27.96 | 47.78 | 56 |
| Average selling price (ASP) | 33.88 | 33.48 | 30.16 | 25.88 | 40.97¹ | 36 |
| Production cash cost | 28.41 | 30.41 | 23.86 | 19.67 | 26.05 | 9 |
| Cash profit | 5.47 | 3.07 | 6.30 | 6.21 | 14.92 | 137 |

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

1H2021 Highlights

6 Months - 30 June 2021

Key Performance Indicators

Revenue of US\$220 million. 12-mth trailing EBITDA was US\$107 million.

FCF in 1H2021 of US\$55 million.

Note: 1H2020 included gain on repurchases of US\$ Bonds of US\$75 million.

Key Financials

| In US\$M | 1H2019 | 2H2019 | 1H2020 (A) | 2H2020 | 1H2021 (B) | % change (B – A) / (A) |
|-----------------------------------|--------|--------|-----------------|--------|---------------|---------------------------------|
| Income Statement | | | | | | |
| Revenue | 118 | 131 | 161 | 146 | 220 | 37 |
| EBITDA | 16 | 7 | 28 | 29 | 78 | 181 |
| 12-mth trailing EBITDA | 41 | 23 | 35 | 57 | 107 | 208 |
| Net profit | (8) | (40) | 67 ¹ | 29 | 49 | (27) |
| Cash flows | | | | | | |
| CAPEX | 1.6 | (1.5) | 1.4 | 0.5 | 8.0 | 451 |
| Free cash flow (FCF) ² | 27.4 | (51.1) | 27.4 | 22.3 | 54.9 | 100 |

M: Million

¹ Includes US\$75 million gain on the US\$ Bonds repurchases

² Free cash flow is calculated as net cash from operating activities less net cash used in investing activities

1H2021 Highlights

6 Months - 30 June 2021

Key Performance Indicators

Low debt at US\$62 million and net cash position. Cash and bank balance increased to US\$84 million.

Cash as at 8 August 2021 was US\$113.7 million.

Key Financials

| In US\$M, unless otherwise stated | 30 Jun 2019 | 31 Dec 2019 | 30 Jun 2020 | 31 Dec 2020 (A) | 30 Jun 2021 (B) | % change (B – A) / (A) |
|---|-------------|-------------|-------------|-----------------|-----------------|------------------------|
| Balance Sheet | | | | | | |
| Total debt ¹ | 299 | 284 | 134 | 60 | 62 | 3 |
| Cash and bank balance | 200 | 139 | 78 | 53 | 84 | 59 |
| Net debt (cash) | 99 | 145 | 56 | 7 | (22) | nm |
| Net debt (cash) / EBITDA ² (times) | 2.5x | 6.3x | 1.6x | 0.1x | (0.2x) | nm |
| Equity | 163 | 123 | 190 | 218 | 253 | 16 |

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

² 12-month trailing EBITDA

nm – not meaningful M: Million

1H2021 Highlights

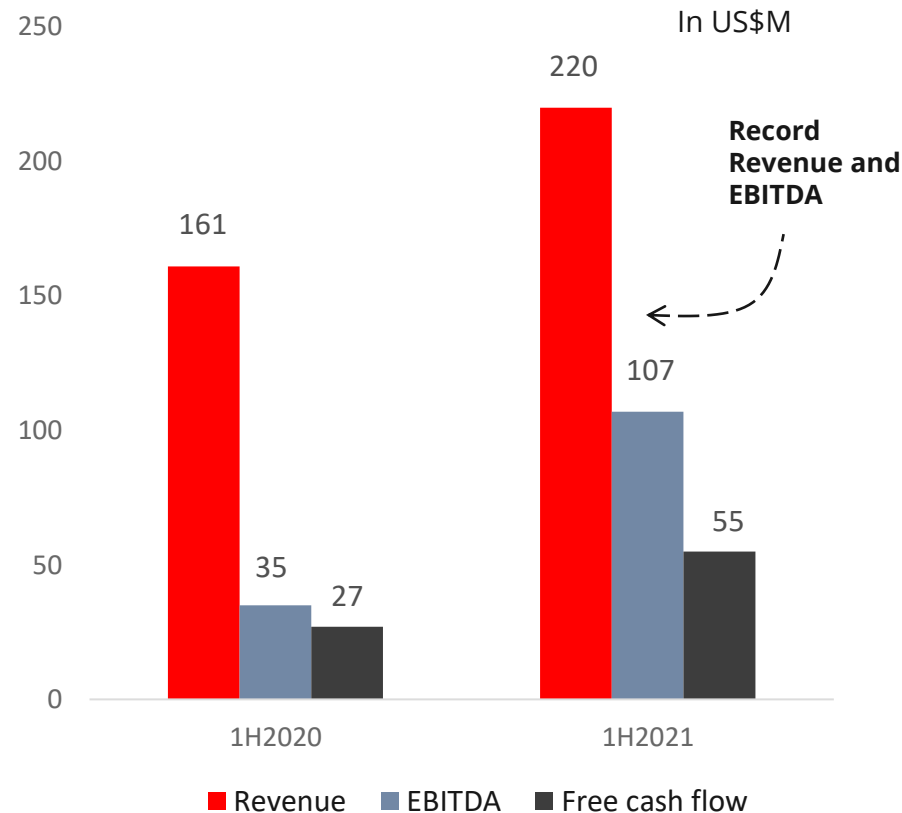
6 Months - 30 June 2021

- **Revenue increased by 37% to US\$220 million** from US\$161 million in 1H2020, driven by **higher average selling price**.
- **12-month trailing EBITDA increased by 208% to US\$107 million** from US\$35 million in 1H2020 due to increased cash profit, which more than doubled the cash profit in 1H2020.
- **Free cash flow in 1H2021 increased to US\$55 million** from US\$27 million in 1H2020, driven mainly by cash generated from operations.

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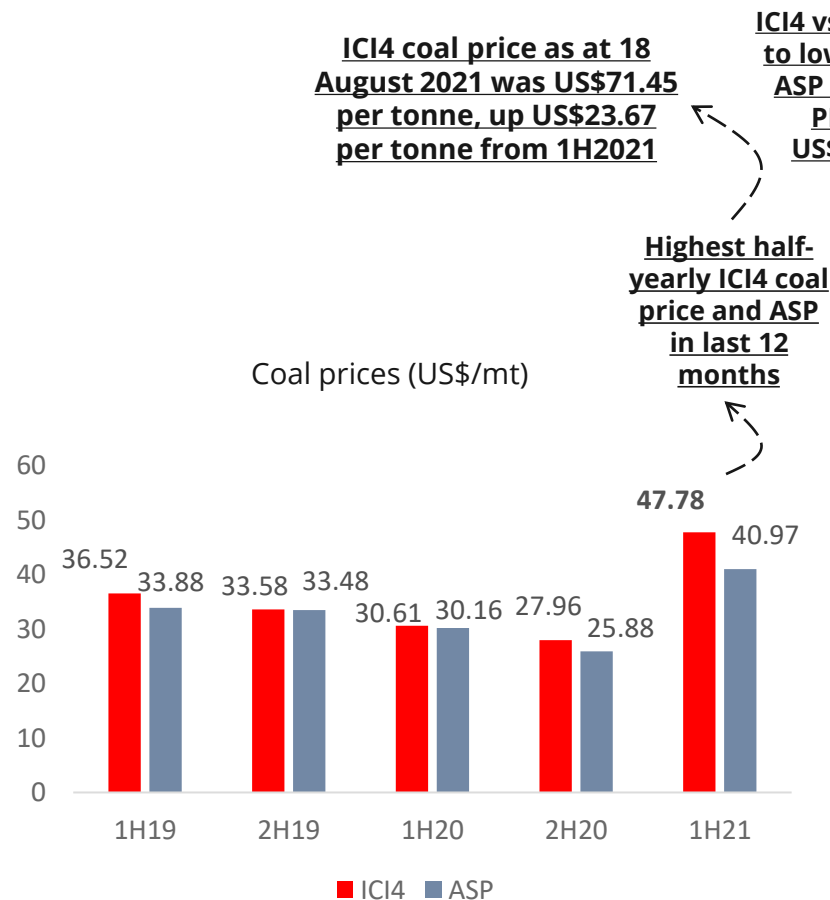
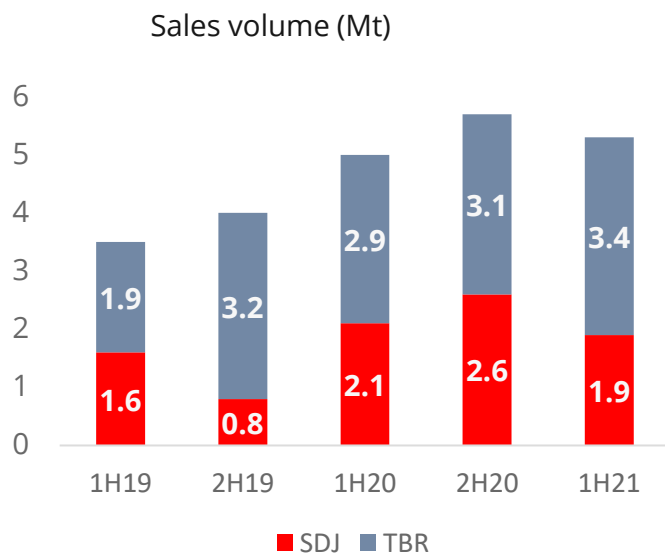
M: Million

Financial Highlights



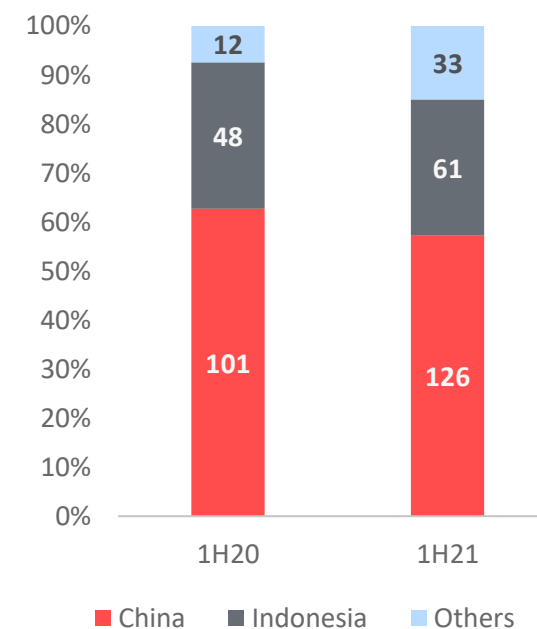
1H2021 Highlights

6 Months - 30 June 2021



Revenue

Sales by countries (US\$M)



M: Million Mt: Million tonnes

1H2021 Highlights

6 Months - 30 June 2021

Revenue

- **Revenue increased by 37% to US\$220 million** in 1H2021 from US\$161 million in 1H2020.
- **Delivered 5.4 million tonnes of coal** in 1H2021 with an **average selling price per tonne of US\$40.97**.
- Average **ICI4 coal price was US\$47.78 per tonne in 1H2021, up from US\$30.61 per tonne** in 1H2020. **ICI4 coal price as at 18 August 2021 was US\$71.45 per tonne, up US\$23.67 from 1H2021**.
- **China and Indonesia remain the Group's core markets**, contributing 57% and 27% respectively to the Group's total revenue in 1H2021 (1H2020: 63% and 30% respectively).
- Revenue coming from other regions increased from 8% in 1H2020 to 15%, mainly coming from South Korea (1H2021: US\$15 million; 1H2020: US\$10 million)

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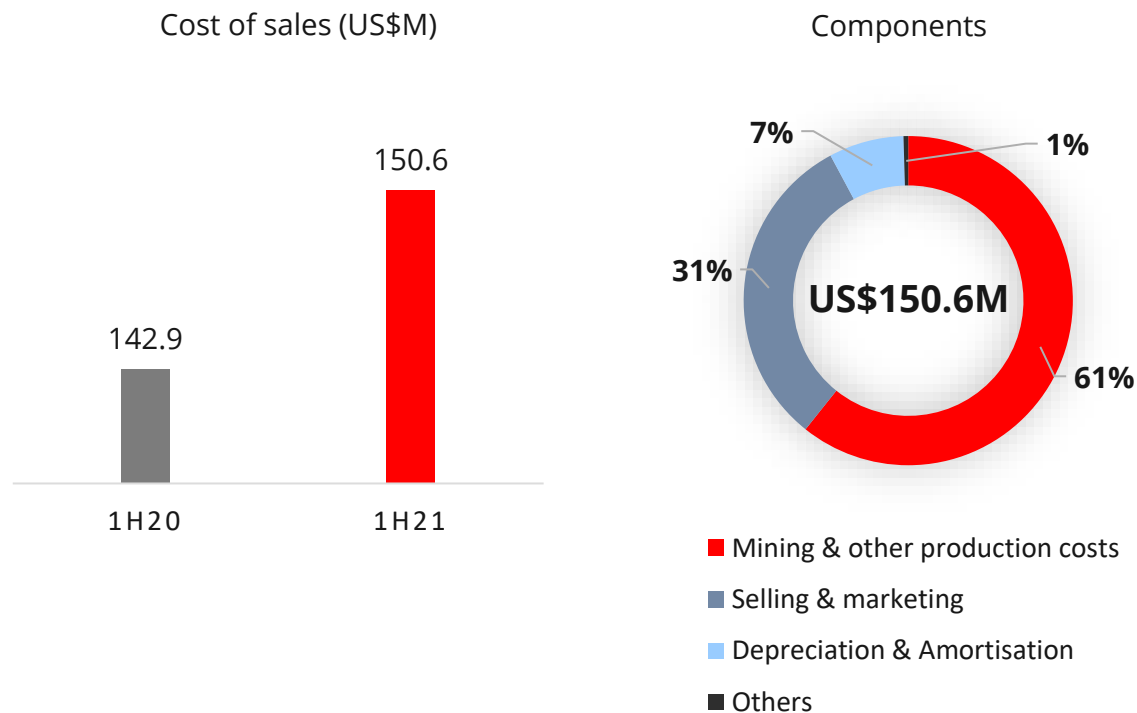
1H2021 Highlights

6 Months - 30 June 2021

- **Production cash cost increased by 9% to US\$26.05 per tonne** due to certain of the Group's costs linked to coal price, partially offset by lower SR (Strip Ratio) mining at SDJ & TBR mines, excluding 10% VAT in 2021.
- **Increase in total cost of sales** (1H2021 : US\$151 million; 1H2020 : US\$143 million) due to higher sales volume and costs linked to increase in ICI4.
- Depreciation & amortisation decreased to US\$11 million from US\$14 million in 1H2020 mainly due to increase in the SDJ & TBR's coal reserve in 2020.

M: Million

Cost of Sales



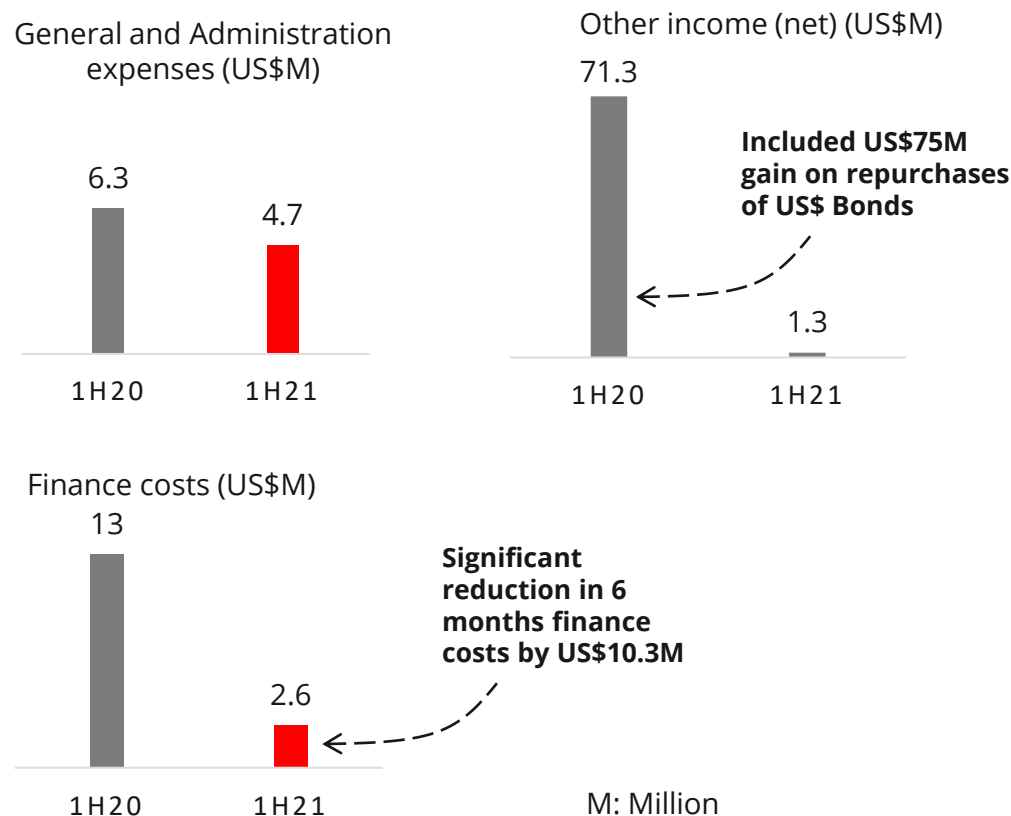
1H2021 Highlights

6 Months - 30 June 2021

- **Reduction in G&A** due to lower professional fees and staff costs.
- High net other income in 1H2020 mainly due to US\$75 million gain on repurchases of US\$ Bonds.
- **Lower finance costs mainly due to lower outstanding US\$ Bonds of US\$59 million** (30 Jun 2020: US\$133 million), and the accelerated amortisation of transaction costs recorded during repurchases in 1H2020.

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Other Income / Expenses



1H2021 Highlights

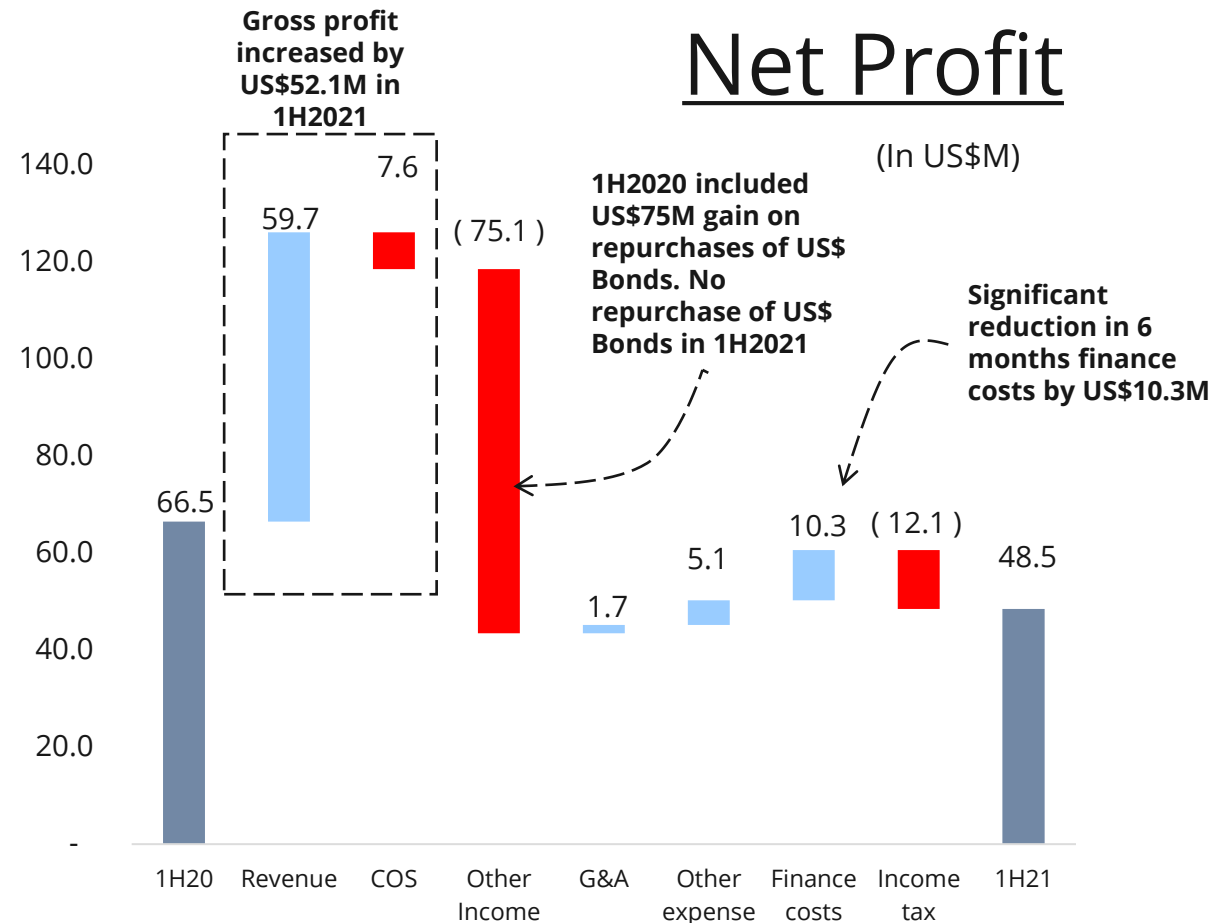
6 Months - 30 June 2021

- **Significant increase in Operating profit to US\$66 million from US\$13 million in 1H2020.**
Net profit in 1H2020 included the US\$75 million gain on the US\$ Bonds repurchases. The higher tax is mainly due to increase in operating profit for the period.

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Net Profit

(In US\$M)



1H2021 Highlights

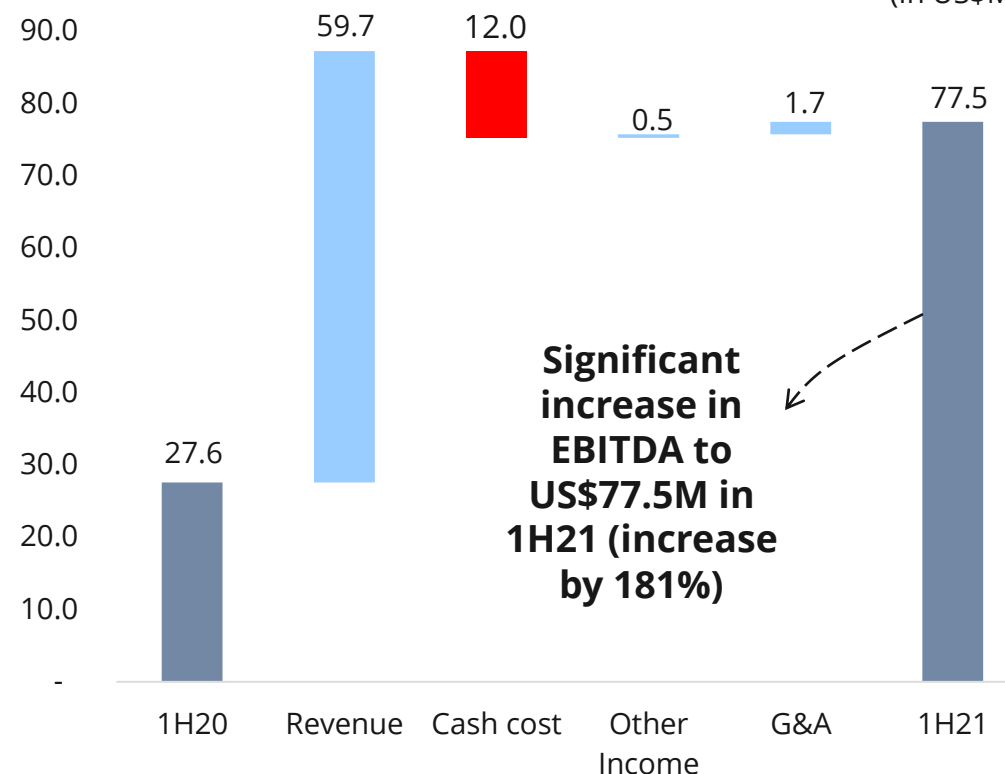
6 Months - 30 June 2021

- **EBITDA increased from US\$28 million in 1H2020 to US\$78 million** 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 at US\$107 million.**

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EBITDA

(In US\$M)

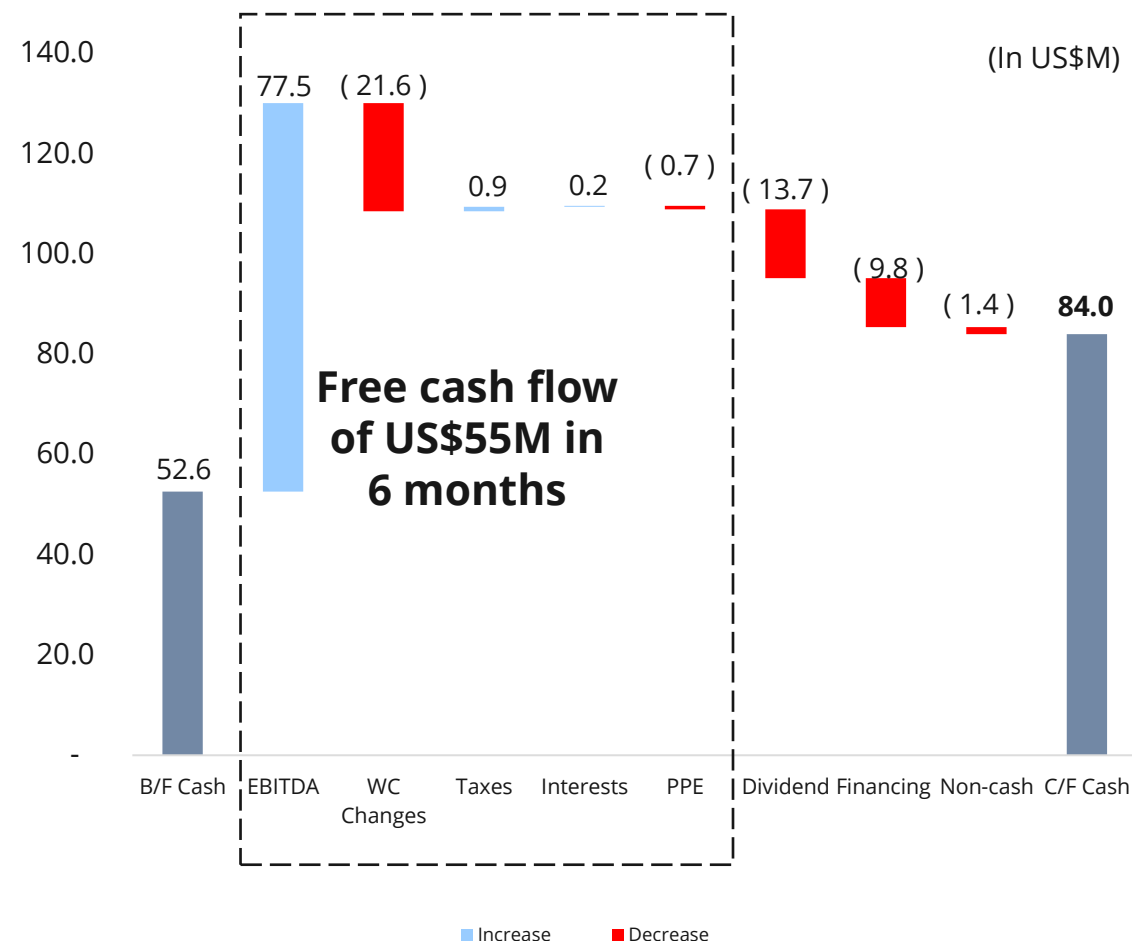


1H2021 Highlights

6 Months - 30 June 2021

- **Cash and bank balances increased to US\$84 million** from US\$53 million as at 31 Dec 2020, driven by the high EBITDA, after US\$13.7 million dividends paid and changes in working capital arising from US\$11.8 million repayment of prepayment from offtakers, US\$6.5 million increase in inventory, and investment in overburden disposal area of US\$13.2 million for increased production in the second half of 2021.
- **Cash as at 8 August 2021 was US\$113.7 million.**

Cash Flow



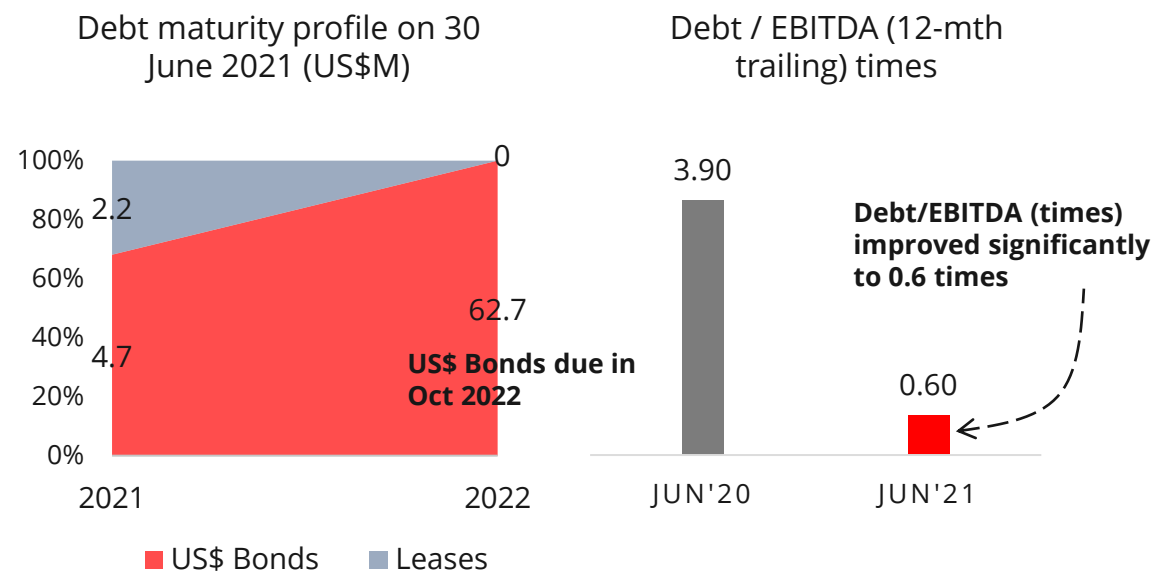
M: Million

1H2021 Highlights

6 Months - 30 June 2021

- The Group's debt comprises **US\$ Bonds of US\$63 million (including interests) due in Oct 2022** and leases.
- The Group was in a **net cash position (Debt less cash) of US\$22 million** as at 30 June 2021.
- **Debt/EBITDA (times) improved significantly** from 3.9 times to 0.6 times as at 30 June 2021.
- **FCCR (Fixed Charge Coverage Ratio) increased** from 1.7 times to 58.8 times in 1H2021.

Debt Profile



M: Million

Share and Bond Prices

**8 Months Total Shareholders Return (TSR) of 36%
and US\$ Bonds 1 Year Yield of 94%**

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Share Price Performance

Key Data

| | |
|--------------------------|----------------------------|
| Closing (18 August 2021) | Day Range |
| S\$ 0.235 | S\$0.230 – S\$0.240 |
| 52 Week Range | Market Cap |
| 0.080 – 0.270 | S\$328.8M |
| Shares Outstanding | Public Float |
| 1.40B | 38.45%² |
| BETA | Rev. Per Employee |
| NA | US\$2.6M |
| P/E Ratio | EPS |
| 5.11 | S\$0.046 |
| Yield ¹ | Dividend |
| 8% | S\$0.005 |
| Ex-Dividend Date | Short Interest |
| 9 June 2021 | NA |
| % of Float Shorted | Average Volume |
| NA | 2.39M |

Total Shareholders' Return³

| | |
|---------|---------------|
| 5 Day | -4.9% |
| 1 Month | 12.4% |
| 3 Month | 19.9% |
| YTD | 35.7% |
| 1 Year | 114.1% |

Geo Energy Resources Ltd

0.24 SGD

18 August 2021



¹ Yield includes interim dividend of S\$0.005 per share declared for 2Q2021, 1Q2021 interim dividend of S\$0.005 per share paid on 17 June 2021 and the final dividend of S\$0.008 per share paid on 17 May 2021

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

³ Total Shareholders' Return includes the final dividend and interim dividend paid during the period, and the interim dividend declared for 2Q2021



Bond Price Performance

- The price of our **US\$ Bonds** has performed well, increasing by 86% from US\$49 on 18 August 2020 to US\$91 on 18 August 2021, following the optimisation of our capital structure and the upgrade of our credit ratings, based on the Group improved liquidity position and the falling away of the put option after fulfilling the coal reserve requirements of 80 million tonnes and the extension of mining licenses of the SDJ and TBR mines to beyond 2025.



18 August 2021

Ask Yield to Maturity (% p.a) ⓘ
17.262

Ask Yield to Worst (% p.a) ⓘ
17.262

Indicative Ask Price USD ⓘ
90.829

Bond Complexity
Moderate

Bid Yield to Maturity (% p.a) ⓘ
20.521

Bid Yield to Worst (% p.a) ⓘ
20.521

Indicative Bid Price USD ⓘ
87.898

Investor Profile
**Speculative /
Distressed**

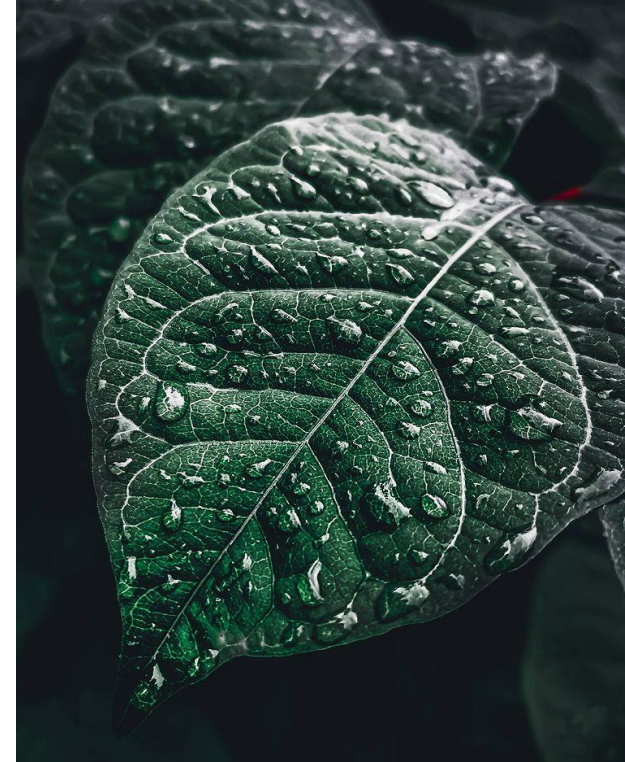
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Others

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ESG

- COVID-19 situation in Indonesia has escalated quickly and has proven to be a massive concern for the country. The safety, health and wellbeing of our Indonesia based staff and workers is our top most priority.
- To support the country's fight against the pandemic, we **donated** IDR 3 billion to The Indonesian Young Entrepreneurs Association **for purchase of food essentials and vaccine** to be distributed to Central Jakarta and Eastern Jawa, Indonesia where there are urgently needed given the rising COVID-19 cases.
- As part of the wider sustainability effort, we **working on the ground and village level** to improve the living standards of the communities and **sponsored** D2M run event conducted by **Diabetes Singapore**. We **continue our support** to the **SIT Bursary** that provides direct support to financially disadvantaged students.
- As part of climate change initiatives, **we are strategically reviewing and optimising our assets portfolio**, which may include **divestments to build a sustainable business for the future**.



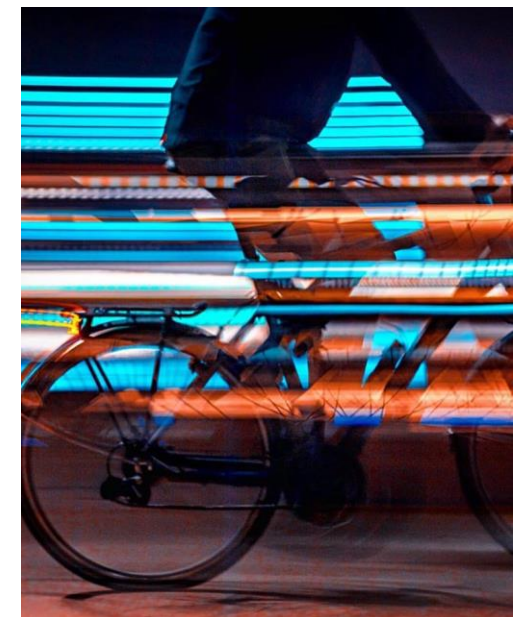
Industry Outlook

- Indonesian Miners continue to enjoy the additional export demand from China, amidst the continuity of ban on Australian coal. Aside from China, demand from Asia-Pacific markets have also remained strong and hence, propelled prices upward. **ICI4 prices were at US\$71.45 per tonne as at 18 August 2021, the highest since 2008 and significantly higher than \$44.90 per tonne at the start of 2021, and is expected to be high to 4Q2021.** The July coal HBA reference price was set by the ESDM at \$115.35 per tonne, the highest in nearly a decade.
- Indonesian exports have been slow due to **rising COVID-19 infections** among coal producers which have **impacted the supply side**. Therefore, a rising demand situation along with a tight supply environment will continue to buoy prices higher in the future.
- **Indonesia's MEMR has increased the national coal production target for 2021 by 75Mt to 625Mt on expectations of continued strong demand.** Leveraging on this opportunity, **we have applied for an increase in the RKAB (Work Plan and Budget) for SDJ and TBR production quota**, as we seek to achieve our production target set for 2021 ie. 11-12 million tonnes.

Source: Argus Media - Indonesian coal producers upbeat despite Covid-19, 12 July 2021; McCloskey Coal Report, Issue 511, 28 May 2021; McCloskey Coal Report, Issue 514, 9 July 2021

Going Forward

1. We expect a **stronger and better 2H2021 results performance** with:
 - planned **higher production volume in 2H2021**.
 - an **increase in the production quotas (RKAB) in 2021** for both SDJ and TBR coal mines, with SDJ's increase approved and TBR's approval expected in the next few weeks.
 - **Coal prices in a super-cycle, with ICI4 prices at US\$71.45 per tonne as at 18 August 2021**, and expected to remain strong for the rest of 2021 due to the strong demand from China upon reopening its economy coupled with restrictions in Australian coal.
2. We expect a **much higher cash position in 2H2021 and may call and redeem all our outstanding US\$60 million bonds before maturity** (due 4 October 2022) and save US\$5 million in annual bond interest.
3. As part of climate change initiatives, we are **strategically reviewing our assets portfolio and are currently conducting a valuation, which may include divestments and diversifying into renewables supply chain** to build a sustainable business for the future.
4. **We may consider a share buy-back as our shares** are currently undervalued and trading at its net asset value with an annualised P/E ratio of 2x or less.



Thank You



For more Information, please visit
www.geocoal.com



Who We Are

- Geo Energy Resources Limited is a major Indonesian coal producer, established since 2008, with offices in Singapore and Jakarta, Indonesia and coal mines in Kalimantan, Indonesia. It is one of the **market leaders for the 4,200 GAR eco-friendly coal**, which has **low ash** and **low sulphur** characteristics that are increasingly in demand due to climate concerns.
- Geo Energy has a nimble and cost competitive business model, owning quality coal assets with its **cash cost profile among the top 5%** of coal producers in the world¹ due to its infrastructure distance and low strip ratio. Geo Energy mitigates its volume risks by working with **world class mining contractor** (BUMA) and **offtake partners** (Macquarie Bank and Trafigura).
- Geo Energy is listed in the Singapore Stock Exchange in 2012 (Stock code: RE4), with a management team that has over 50 years of experience in the coal industry, trading, mining and operating mines, accounting, financial management, treasury & M&A. **Majority of Geo Energy's Board of Directors is independent, including Jim Rogers, who is globally renowned financial commentator and successful international investor.**
- The Group are recipients of **various prestigious awards**, including being one of the **Singapore Fastest Growing Companies 2021** (The Straits Times and Statista) based on the strong revenue growth between 2016 and 2019, as well as the **IR Magazine Awards South East Asia 2020** for investor relations and **Singapore Business Review Listed Companies Awards 2020** (Metal & Mining category) for sustainability efforts.

