



Noble Resources

Unaudited Q1 2023 Results

May 2023

Executive Summary

Executive Summary

Q1 2023

Trading Performance

- Despite the conflicts in Eastern Europe continues to overshadow the world economy, China's reopening from Covid-19 restrictions and the decline in energy prices have contributed to a modest improvement in the global outlook. Noble Resources, however, have been performing well since the beginning of the year. **Both Energy Coal and Met Coke and Coal had outperformed** with overall **Q1 2023 management target achieved** and exceeded considerably well above target.
- Adjusted operating income from supply chains⁽¹⁾ for the month of March at US\$11 million (vs. plan US\$14 million) and adjusted EBITDA at US\$3 million (vs. plan US\$9 million). Overall, Q1 2023 adjusted operating income from supply chains and adjusted EBITDA was US\$81 million (vs. plan US\$44) and US\$57 million (vs. plan US\$27 million), respectively. **Both well ahead of management target.**
- **Lower volumes against plan** as a result of weak demand in major coal markets in tandem with the weakening of coal price indices across the board.

Liquidity and Cash

- Working capital balance of US\$70 million at 31 March 2023, US\$26 million higher than 31 December 2022.
- **Solid cash position** of US\$488 million, an increase of US\$10 from 31 December 2022.
- Net debt \$nil as total cash exceeds total debt by US\$121 million.
- **Material headroom** on net debt financial covenant.

(1) Adjusted operating income excludes non-cash elements and items outside of underlying performance.

Executive Summary (cont'd)

Q1 2023

Selling, Administrative and Operating (“SAO”) expenses

- **SAO in line with management target** adjusted SAO for Q1 2023 lower than the same period in 2022 due to lower bonus accrual as a result of softer performance for specific business during the quarter.

Significant Developments

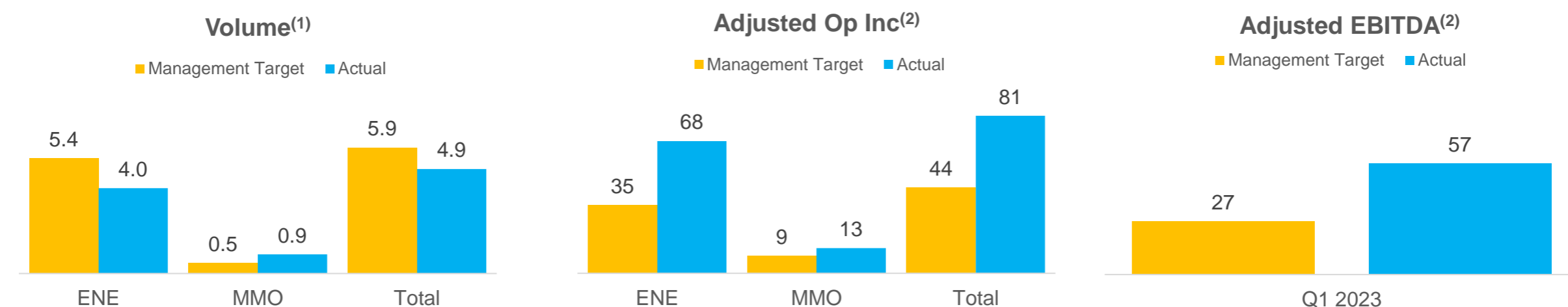
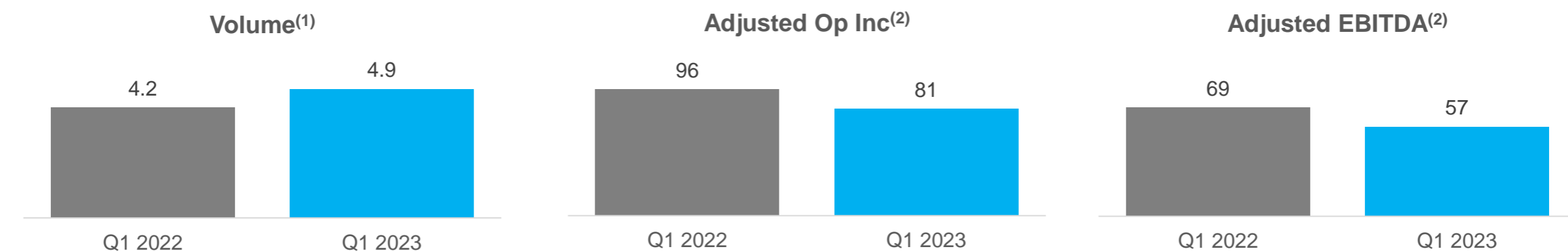
- **Extension of Trade Finance Facility and Hedging Support Facility** – Noble Resources has agreed with the relevant lenders to an amendment and extension until March 2024 of its existing trade facility and hedging support facility totaling US\$400 million.
- **New Trade Finance Facility** – Noble Resources has secured a 364-day renewable US\$300 million trade finance facility that allows for the issuance of trade finance instruments including letters of credit and bank guarantees.
- **Other Trade Finance Update** – Good progress and sizeable term sheets signed with well-rated banks.
- **People Update** – On boarded new CRO and PR/Sustainability Manager in January 2023.

Financial Results

Financial Highlights (cont'd)

Q1 2023

Noble Resources (million tonnes/US\$ million)



Noble Resources by the Numbers

Volumes ⁽¹⁾ 4.9 million tonnes	Revenue 923 US\$ million	Adjusted Op Inc ⁽²⁾ 81 US\$ million	Adjusted EBITDA ⁽²⁾ 57 US\$ million
SAO ⁽⁴⁾ 25 US\$ million	Cash equivalents 488 US\$ million	Debt 367 US\$ million	Net Debt ⁽³⁾ NIL US\$ million

1) Excludes Energy Coal marketing tonnes.

2) Adjusted operating income and EBITDA exclude non-cash elements and items outside of underlying performance.

3) Cash exceeds total debt by \$121m as at 31 March 2023.

4) No restructuring costs in Q1 31 March 2023.

Financial Highlights (cont'd)

Q1 2023

- Volumes were 4.9 million tonnes, higher than the same period of previous year despite weaker demand in major coal markets leading to lower coal prices across the board. Lower volume in Q1 2022 driven by Indonesia ban on thermal coal for export in Jan 2022 and Mongolia border closures in most of 2022 due to China zero-Covid policy .
- Q1 2023 adjusted operating income from supply chains of US\$81 million and adjusted EBITDA of US\$57 million predominately driven by solid performance in our Energy Coal and Met Coke and Coal business.
- Lower adjusted SAO expenses compared to the same period of prior year mainly due to lower bonus accrual as a result of softer performance for specific business during the quarter.
- Cash balances of US\$488 million and net debt nil as at 31 March 2023. Cash exceeds total debt by US\$121m.

Noble Resources (million tonnes/US\$ millions)	Q1 2023	Q1 2022	Noble Resources (US\$ millions)	31 Mar 2023	31 Dec 2022
Volumes ⁽¹⁾	4.9	4.2	Cash equivalents	488	479
Operating income from supply chains	83	92	Debt	367	368
Adjusted operating income from supply chains ⁽²⁾	81	96	Net Debt ⁽³⁾	NIL	NIL
Adjusted SAO ⁽⁴⁾	25	30			
Adjusted EBITDA ⁽²⁾	57	69			

(1) Excludes Energy Coal marketing tonnes.

(2) Adjusted for non-cash elements and items outside of underlying performance.

(3) Cash exceeds total debt by \$121m and \$111m, respectively at 31 March 2023 and 31 December 2022.

(4) Excludes restructuring costs of \$10m in Q1 2022. No restructuring costs in Q1 31 March 2023.

Income Statement Summary

Q1 2023

(US\$ millions / million tonnes)	Q1 2023	Q1 2022
Volume (million tonnes) ⁽¹⁾	4.9	4.2
Revenue	923	848
Operating income from supply chains	83	92
Profit/(loss) on supply chain assets	(1)	2
Share of profits/(losses) of joint ventures & associates	(7)	2
Total operating income	75	96
Other income net of other expenses	(1)	(5)
Selling, administrative and operating expenses ⁽²⁾	(25)	(40)
Profit before interest and tax	49	51
Finance income	1	2
Finance costs	(25)	(27)
Profit/(loss) before tax	25	26
Taxation	(0)	(1)
Net profit/(loss) for the period	25	25
Adjusted EBITDA	57	69

(1) Excludes Energy Coal marketing tonnes.

(2) 2022 includes restructuring costs (2023: \$nil)

Adjusted EBITDA⁽¹⁾

Q1 2023

(US\$ millions)	Q1 2023	Q1 2022
Profit before interest and tax	49	51
Depreciation	1	2
EBITDA	50	53
Impairment /(reversal of impairment)	(0)	4
Share of P&L of JVs & associates	7	(2)
Expected credit loss on amounts due from other receivables	-	4
Gain on vessel novation adjustment	-	(0)
Restructuring costs (one-off)	-	10
Adjusted EBITDA	57	69

(1) Adjusted measure.

Cash Bridges

Q1 2023

US\$ million	Q1 2023	Notes
Opening balance	479	1
Adjusted EBITDA	57	
Other operating activities	1	2
Net leases & Capex	(1)	
Interest and facilities fees paid	(17)	3
Change in WC		
▪ Trade receivables	210	} 4
▪ Trade payables	(207)	
▪ Inventory	(12)	
▪ MtM	11	5
▪ Prepays & deposits	(33)	6
Other/rounding	1	7
Closing balance	488	8

1. \$479m opening balance comprising restricted cash of \$143m and unrestricted cash of \$336m
2. Mostly interest income received and tax refund/(paid)
3. Trade finance facility fees paid and bank interests
4. Net outflow of \$(9)m

5. Non-cash EBITDA. Expect to unwind in future quarters.
6. Net increase in prepay balances mainly driven by Energy Coal and Oil as a result of an increase in trade prepays with certain trade counterparties, partially offset by loan settlement.
7. Includes exchange difference and net bank debts movement
8. \$488 million closing balance comprising restricted cash of \$137m and unrestricted cash of \$351m

Noble Resources Trading Holdings Limited

Balance Sheet at 31 March 2023 (unaudited)

IFRS view (US\$'M)	Dec 2022	Δ	Mar 2023
Non-current assets	134	(11)	123
Current assets	583	(179)	404
Cash and cash equivalents	479	10	488
Current liabilities	(544)	205	(338)
Non-current liabilities	(3)	0	(3)
Capital Employed	649	25	674
Loan	(368)	0	(367)
Equity	282	25	307
<i>Equity Ratio %</i>	43%		46%

Noble Resources Trading Holdings Limited (cont'd)

Balance Sheet at 31 March 2023 (unaudited)

US\$'000	31-Dec-22	Change	31-Mar-23
NON-CURRENT ASSETS			
Property, plant and equipment	34,778	(898)	33,880
Intangible assets	2,900	-	2,900
Investments in joint ventures	14,276	(6,411)	7,865
Investments in associates	19,474	(2,063)	17,411
Equity instruments at FVOCI	12,473	(10)	12,463
Long term loans	3,816	(1,910)	1,906
Deferred tax assets	46,578	(46)	46,532
Total non-current assets	134,295	(11,338)	122,957
CURRENT ASSETS			
Cash and cash equivalents	478,689	9,626	488,315
Trade receivables	394,187	(207,471)	186,716
Prepayments, deposits and other receivables	76,056	38,485	114,541
Fair value gains on commodity and other derivative financial instruments	64,641	(22,280)	42,361
Inventories	44,601	12,314	56,915
Tax recoverable	3,371	115	3,486
Total current assets	1,061,545	(169,211)	892,334
CURRENT LIABILITIES			
Trade and other payables and accrued liabilities	458,011	(191,180)	266,831
Provision	22,428	(2,997)	19,431
Fair value losses on commodity and other derivative financial instruments	55,452	(10,989)	44,463
Lease liabilities	1,982	(59)	1,923
Bank debts	1,000	-	1,000
Tax payable	5,922	(187)	5,735
Total current liabilities	544,795	(205,412)	339,383
NET CURRENT ASSETS	516,750	36,201	552,951
TOTAL ASSETS LESS CURRENT LIABILITIES	651,045	24,863	675,908
NON-CURRENT LIABILITIES			
Lease liabilities	2,946	(383)	2,563
Bank debts long term	10,500	(250)	10,250
Secured term loan	356,067	-	356,067
Total non-current liabilities	369,513	(633)	368,880
NET ASSETS	281,532	25,496	307,028

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