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## **ASX Announcement**

26 February 2021

# **Investor Presentation – 2020 Full Year Results**

Coronado Global Resources Inc. (ASX: CRN) releases the following Investor Presentation for 2020 Full Year Results.

This announcement was authorised to be given to ASX by the Board of Coronado Global Resources Inc.

**– Ends –**

For further information please contact:

**Investors**

Aidan Meka

P: +61 428 082 954

E: ameka@coronadoglobal.com.au

**Investors**

Matt Sullivan

P: +61 412 157 276

E: msullivan@coronadoglobal.com.au

**Media**

Brett Clegg

Citadel Magnus

P: +61 487 436 985

### **About Coronado**

Coronado Global Resources is one of the world's largest producers of high-quality metallurgical coal. Through our market leading expertise, we operate some of the cleanest and lowest cost mines in the industry. Coronado employs approximately 1500 people and our operations are located in two of the largest and most productive metallurgical coal basins in the world: the Bowen Basin in Queensland, Australia, and the Central Appalachian region of the USA. Our mining operations are situated close to transportation infrastructure and we supply customers throughout the Asia-Pacific, India, the Americas and Europe. With a diversified production base and significant Reserves and Resources, Coronado is well placed to grow over many years. As a reliable supplier to the steel industry, we are dedicated to making a positive contribution to the global economy; and through our sustainable business practices, to the local economies and communities where we operate.

### **FORWARD-LOOKING STATEMENTS**

This announcement contains forward-looking statements concerning the Company business, operations, financial performance and condition, the coal, steel and other industries, as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Forward-looking statements may be identified by words such as "may," "could," "believes," "estimates," "expects," "intends," "considers", "forecasts", "targets" and other similar words. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that the Company expects or anticipates will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control, that are described in the Company's investor presentation filed with the ASX on or around the date of this announcement, as well as additional factors the Company may describe from time to time in other filings with the ASX and SEC. You may get such filings for free at the Company's website at [www.coronadoglobal.com.au](http://www.coronadoglobal.com.au). You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.



# 2020 Full Year Results Presentation

**GERRY SPINDLER**

Managing Director and CEO

**GERHARD ZIEMS**

Group Chief Financial Officer

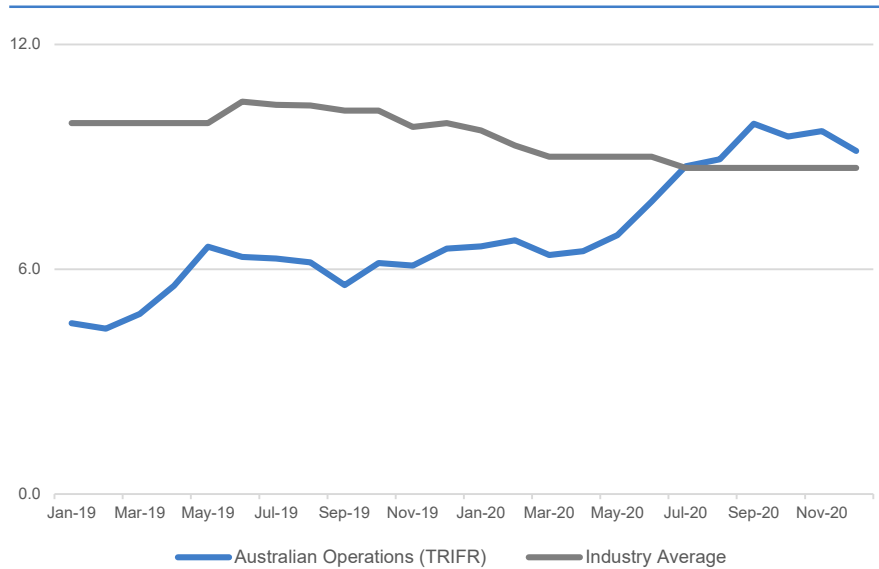
**26 February 2021**

*(All units in USD, unless otherwise noted)*

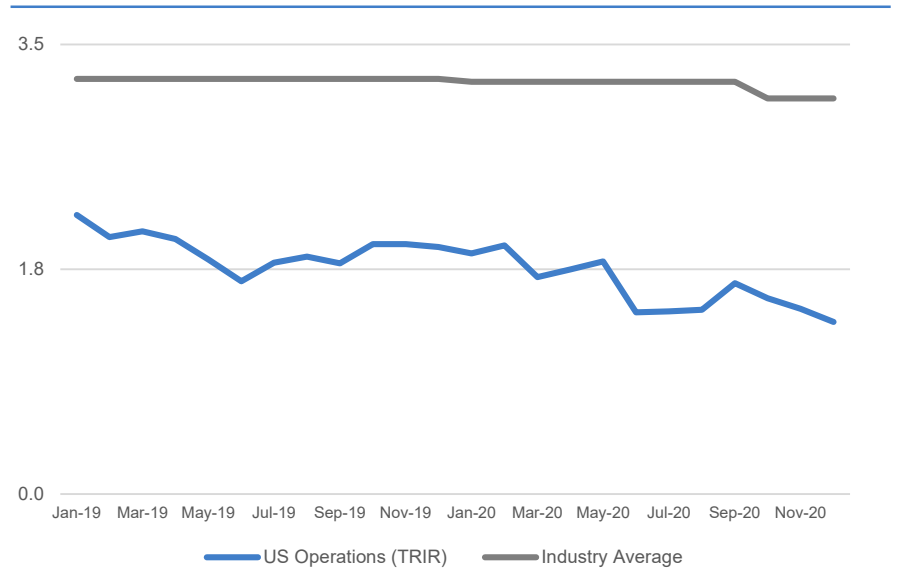
# FY20 Safety Performance

Our commitment to maintain a healthy and safe workplace is our number one priority. We safeguard our employees by providing appropriate training in best practice procedures, robust monitoring systems and safe working environments

## Australian Operations (TRIFR)<sup>a</sup>



## US Operations (TRIR)<sup>b</sup>



- a. Total Recordable Injury Frequency Rate (TRIFR), is the number of fatalities, lost time injuries, cases or substitute work and other injuries requiring medical treatment per million man hours worked on a rolling 12 months basis
- b. Total recordable incident rate (TRIR) is a mathematical computation that takes into account how many OSHA recordable incidents your company has per number of hours worked on a rolling 12 months basis

# COVID-19 Response

Focused management response resulted in a minimal impact to Coronado's employees and operations. Vaccination implementation across US operations helps to limited future impact

## Response

In managing the pandemic Coronado implemented the following initiatives:

- Improved sanitization across all sites
- Masks, social distancing and restricting visitors
- Developed formal response plan for employees exhibiting COVID-19 symptoms
- Training on sanitizing equipment and work areas
- Contact tracing
- Developed plans for rapid testing, tracking and communicating

## Impact

Coronado operations were indirectly impacted by the pandemic:

- Coronado lost 2,378 manshifts due to positive COVID-19 or quarantine
- Buchanan and Logan were idled during Q2, 2020

## Forward Look

Key focuses for Coronado:

- US operations have registered ~400 employees for the essential work vaccination
- 70 employees have already received at least their first dose of the vaccine
- Australian operations continue to operate under COVID-19 protocols
- Rollout of vaccinations to Australian workforce in accordance with Government timetable

# FY20 HIGHLIGHTS

GERRY SPINDLER  
MANAGING DIRECTOR AND CEO



# FY20 Highlights<sup>a</sup>



## Financial performance

- Reported FY20 Net Loss of \$226.5 million, down \$532.0 million (174.2%) compared to FY19
- Adjusted EBITDA<sup>b</sup> of \$53.8 million, down 91.5% compared to FY19 of \$634.2 million, impacted by lower sales volumes and reduced realised pricing
- Group mining cost of \$55.6 per tonne, 7.3% higher than FY19 as a result of lower production volumes
- Revenue of \$1,462.3 million, down 34.0% compared to FY19 of \$2,215.8 million, due to decreased realized pricing and lower sales volumes
- Net debt position of \$281.9 million as of December 31, 2020, comprising \$45.7 million of cash and \$327.6 million of drawn debt



## Operational performance

- ROM production of 25.2 Mt, down 18.1% compared to FY19.
- Saleable production of 17.0 Mt, 15.8% lower than FY19 due to operational impacts
- Sales volumes of 18.2 Mt, 9.0% lower than FY19 as a result of lower saleable production
- Group realized metallurgical coal pricing of \$90.5 per tonne, down 29.7% compared to FY19, as a result of soft market conditions
- Successfully returned US operating assets to near full capacity following the idle period in Q2, 2020

# FY20 Highlights (Cont.)



## Corporate

- Successfully executed two covenant waiver letters in May and August 2020 which waived the covenants testing under the Syndicated Facility Agreement (SFA) until 30 September 2021.
- Capital expenditure \$123.9 million in FY20 was down 32% on FY19 and 40% below original FY20 guidance which preserved capital during a period of uncertain economic conditions without impacting the ability of operations to respond to improved pricing
- Raised gross proceeds of ~\$180.0 million through a Placement and Institutional and Retail Entitlement Offer issuing CDIs on the ASX. Proceeds were used to repay debt, improving Coronado's liquidity position
- Xcoal overdue receivable as of December 31, 2020 was \$85.2 million, Coronado collected \$20.1 million during January and February 2021. The outstanding overdue balance was \$65.1 million as of February 25, 2021<sup>a</sup>.
- Curragh HME equipment sale and lease back concluded in January 2021, netting \$23.5 million (A\$30.2 million). Proceeds were used to repay debt and improve liquidity

# Managing the Downturn

Legend:	Implemented Initiatives
	New Initiatives
	Potential Future Initiatives

## COVID-19 Safety Protocols

Preventative measures implemented across all mines in Australia and the US to protect the health of our workforce

**COMPLETED**

## Restart US Operations

Buchanan and Logan resumed operation on 1 June after being idled on 30 March. Operating at lower levels that meet domestic and export contracts. Greenbrier remains idle

**COMPLETED**

## 2020 Capex Review

2020 capex reduced by 40% from original guidance range of US\$190 – 210 million. Curragh Expansion deferred until met coal prices normalize

**COMPLETED**

## Bank Covenant Waiver

Agreed with SFA lenders to waive compliance with the financial covenants until 28 February 2021

**COMPLETED**

## Equity Raising

Provides additional liquidity, improves credit metrics and increases free float (which sets the company up for potential index inclusion in the future)

**COMPLETED**

## Further Bank Covenant Waiver

Further agreed with SFA lenders to waive compliance with the financial covenants until 30 September 2021 and to release certain assets from existing security package

**COMPLETED**

## Inventory Management

Inventory levels are actively managed to achieve balance between stockpiling costs and meeting customers' demand, as well as positioning for a recovery in met coal prices

**COMPLETED**

## Production Right Sizing

Production rates have been analyzed to ensure operations can now responding to the current pricing environment

**COMPLETED**

## Other Liquidity Levers

Potential liquidity levers have been identified. Detailed review of the Company's capital structure

**ONGOING**

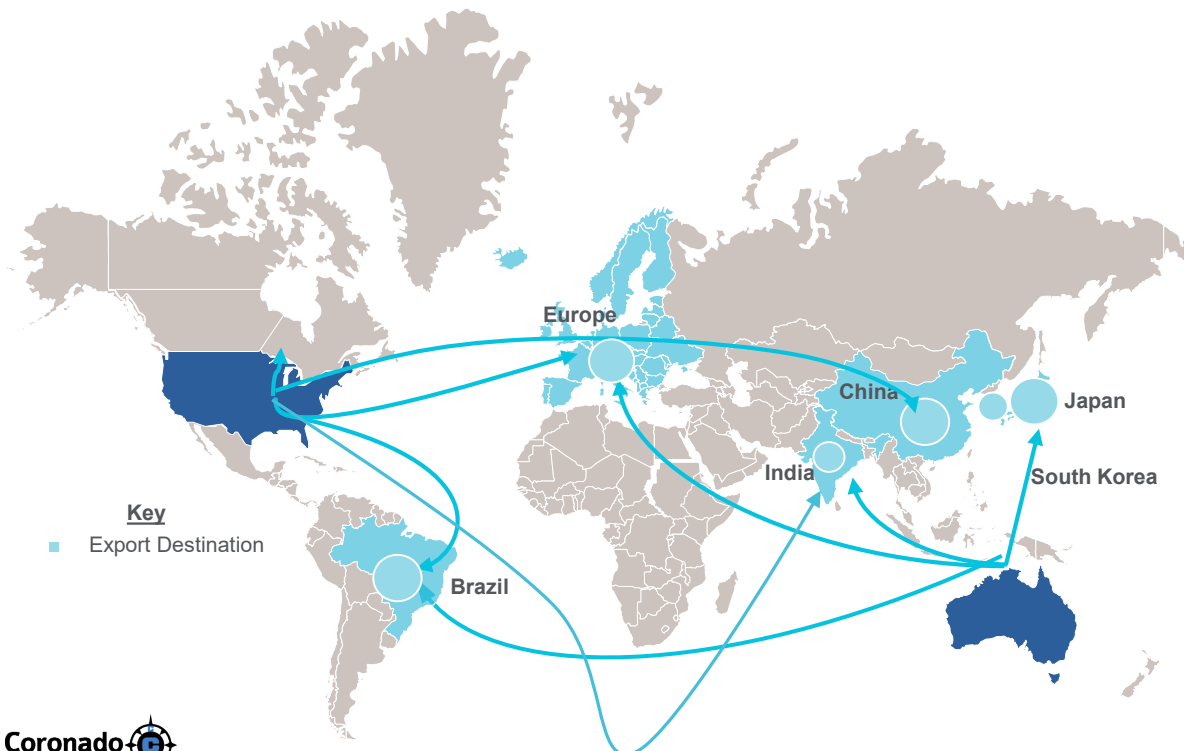




# Diversified Operations

Coronado is positioned to benefit from the arbitrage opportunity in the seaborne metallurgical coal market

## Coronado's Marketing Flow



CFR China Price<sup>a</sup>



From 2020 lows

High Vol A (FOB US)<sup>b</sup>



From 2020 lows

US metallurgical coals are selling above \$200 per tonne price on a China delivered basis. Buchanan is currently the main beneficiary of high demand from Chinese steel mills

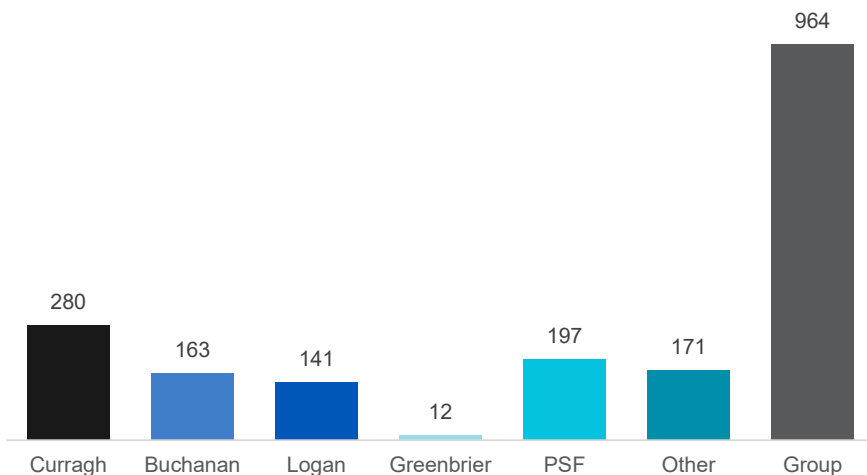
Coronado has the capability to capitalize on the current market dynamic due to its geographical diversification.

# Reserves & Resources (Mt)<sup>a</sup>

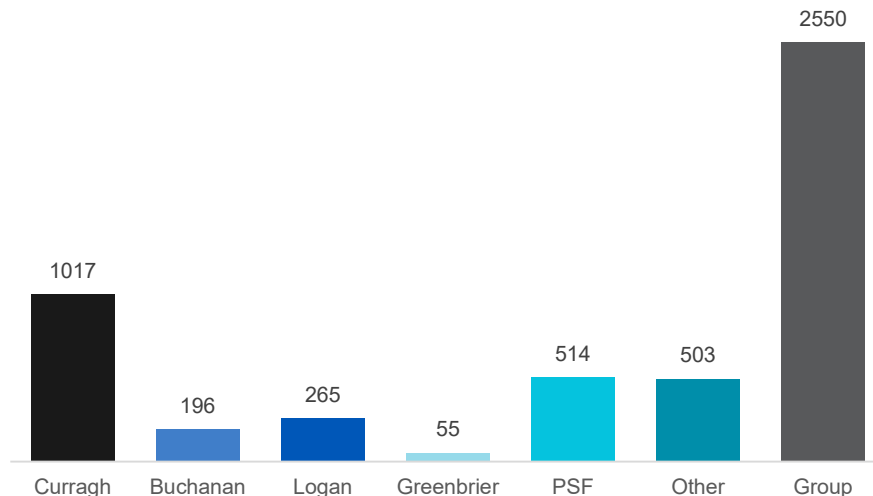
All operating assets have a minimum life greater than ~20 years

## Reserves and Resources (Mt) as December 31, 2020

### Reserves (Mt)



### Resources (Mt)



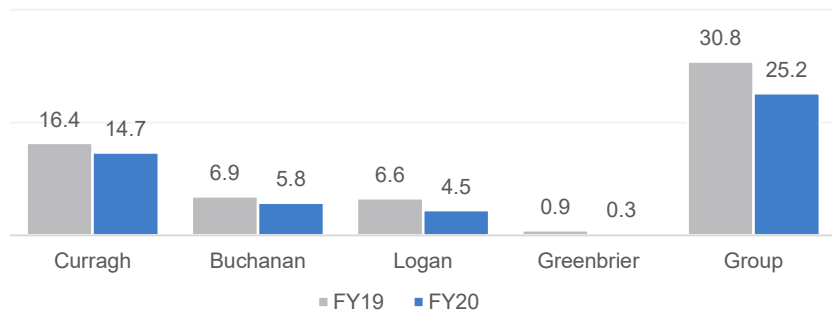
a.

Australian resources are estimated inclusive of 5.3% insitu moisture. United States resources are estimated on a dry basis. Refer also section headed 2020 JORC Resources and Reserve Statement also released on the ASX February 26, 2021.

# Group Operational Performance

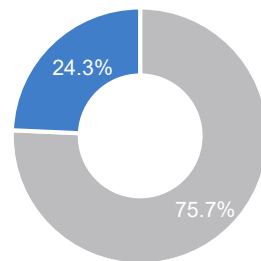
Reduced production as result of operational impacts at Australian and US assets

## ROM Production (Mt)

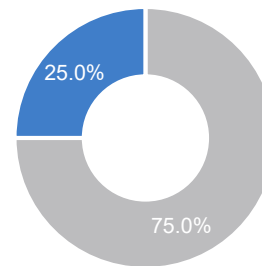


## Export Ratio (%)

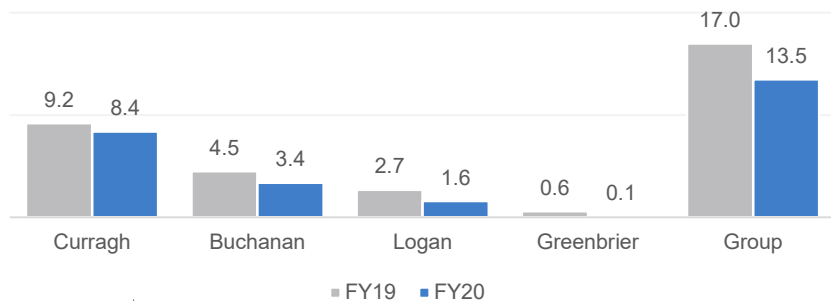
FY19



FY20

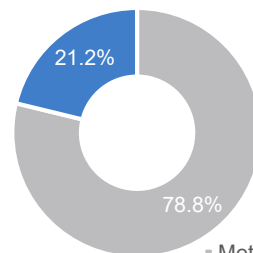


## Saleable Metallurgical Production (Mt)

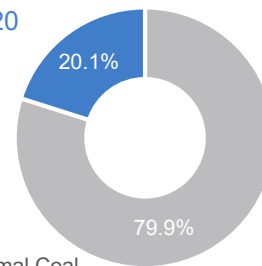


## Revenue Split by tonnage (%)

FY19



FY20













# FY20 FINANCIAL PERFORMANCE

**GERHARD ZIEMS**  
GROUP CHIEF FINANCIAL  
OFFICER

# FY20 financial metrics

Softer metallurgical coal market and lower saleable production impact profitability

	FY20	FY19		Variance
Production	17.0Mt	20.2Mt		3.2Mt
Sales Volumes	18.2Mt	19.9Mt		1.7Mt
Revenue	\$1,462.3m	\$2,215.8m		\$753.5m
EBITDA	\$53.8m	\$634.2m		\$580.4m
Net Income (Statutory)	(\$226.5m)	\$305.5m		\$532.0m
Group Metallurgical Realized Price	\$90.5/t	\$128.8/t		\$38.3/t
Group Mining Cost per tonne sold	\$55.6/t	\$51.8/t		\$3.8/t
Effective Tax Rate	20.9%	27.3%		6.4%

Sales volumes were impacted by idling of US Operations for two months in response to weaker demand incurred during COVID-19 economic downturn. Australian operations were impacted by the fatality and adverse weather conditions in H1 2020

Reduction in FY20 EBITDA primarily driven by softer market conditions resulting in a decrease in the average realized metallurgical coal price and lower sales volumes

FY20 Group mining cost per tonne sold increased by 7.3%, compared to FY19, due to lower saleable production.

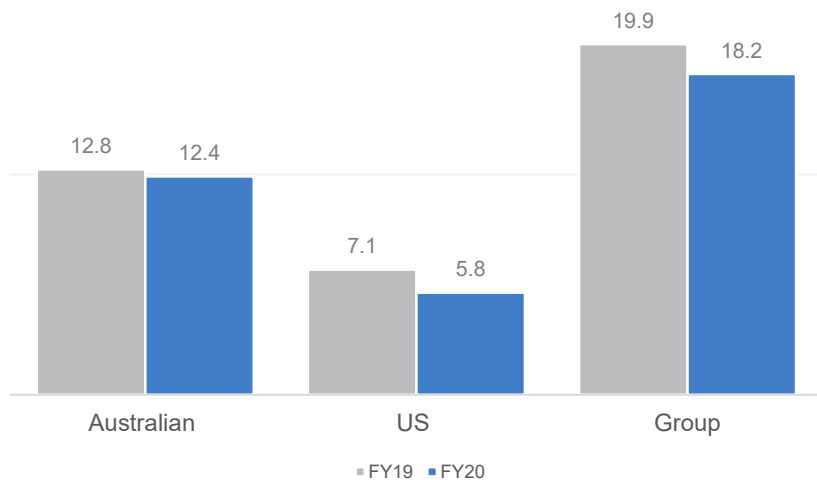
# Revenue performance

Soft market conditions and lower sales volume impact revenue generation

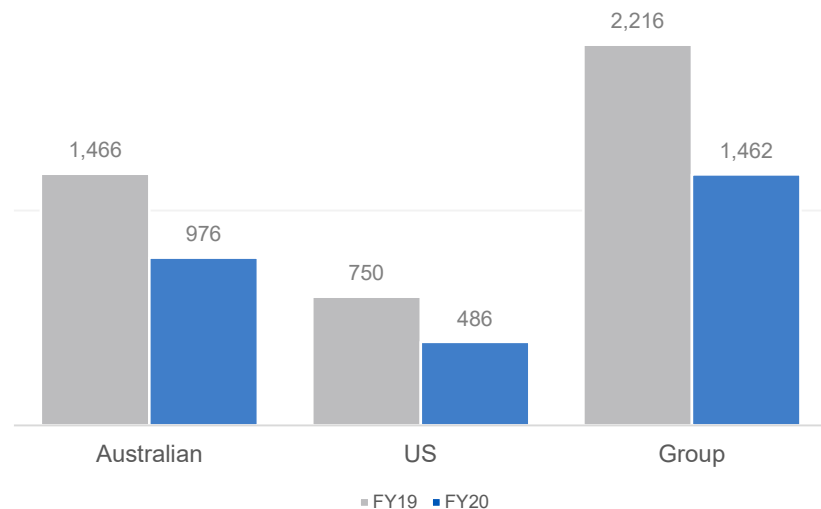
*Group sales volumes were down 1.7 Mt due to lower production stemming from the temporary suspension of mining activities at Curragh mine and idling of US operations in April and May 2020*

*Revenue of \$1,462 million, decreased 34.0% compared to FY19 as a result of lower sales volumes and a reduction in the average realized metallurgical coal price*

## Sales Volume (Mt)



## Revenue (US\$m)



# Realized pricing

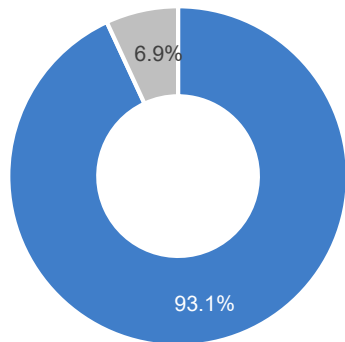
Weak metallurgical coal markets impacted realized pricing in FY20

Revenue generated from metallurgical coal sales was consistent with FY19

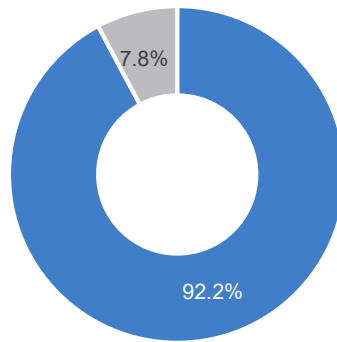
Subdued economic activity during FY20 impacted the demand for metallurgical coal resulting in Coronado's average realized metallurgical price declining 30% to \$90.5 per tonne

## Group Sales Mix by Revenue (%)

FY19

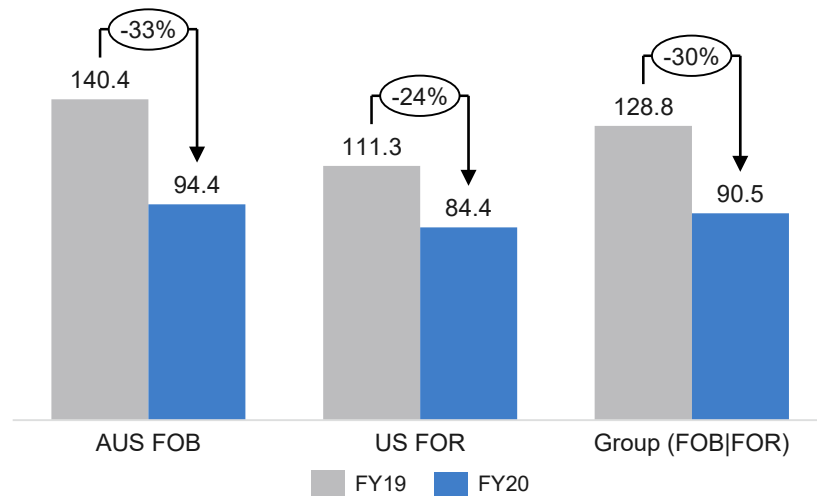


FY20



■ Metallurgical ■ Thermal

## Metallurgical coal realized price (US\$/t)



# FY20 EBITDA

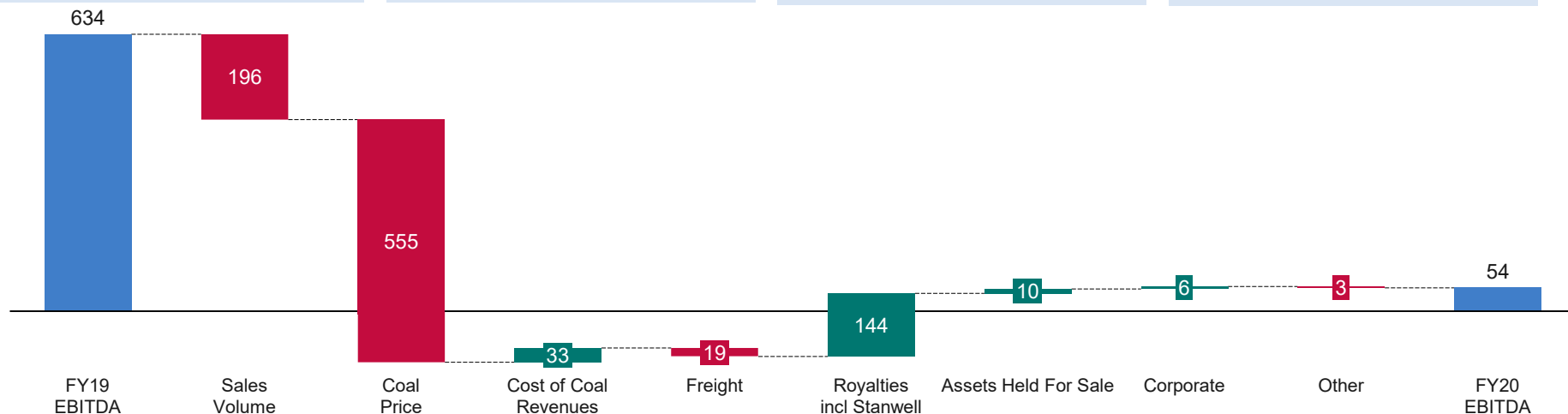
EBITDA impacted by lower sales volume and coal pricing, partially offset by lower costs and royalties

FY20 sales volume was impacted by operational impacts at both Australian and US operations resulting in 1.7Mt of lower sales compared to FY19

During FY20 the Platts PLV HCC (FOB Australia) index fell 27.9% to \$101/t during the period having a significant impact on realised pricing

Cost of Coal Revenues improved marginally by 3.1% compared to FY19. US operations reduced cost of coal revenues by \$106.0 million partially offset by an increase in costs at the Australian operations to mobilize additional fleet to recover lost production from H1 2020

Lower royalties were driven by lower average realized export pricing and lower volumes for FY20



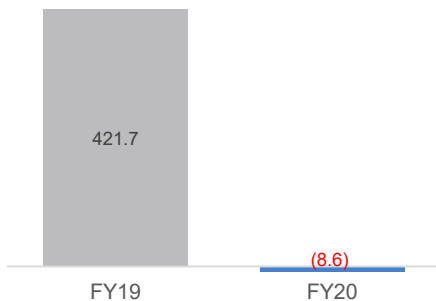


# Segment performance

Strong cost management by US operation anchor Coronado's FY20 EBITDA performance

## Australian Operations

EBITDA (US\$m):



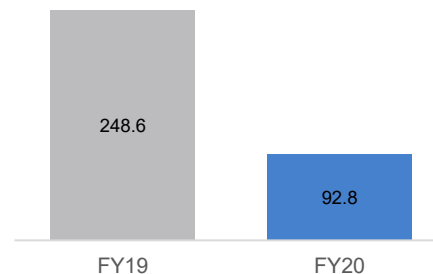
EBITDA Margin (%):

(0.9%)

### Performance drivers:

- EBITDA decreased by \$430.2 million to a loss of \$8.6 million
- Curragh's EBITDA was impacted by a 33.4% reduction in revenue as a result of lower sales volume and realized pricing.
- The reduction in EBITDA was positively impacted by \$59.9 million or 5.7% decrease in operating costs. The decrease was driven by lower royalties and Stanwell rebate

## US Operations



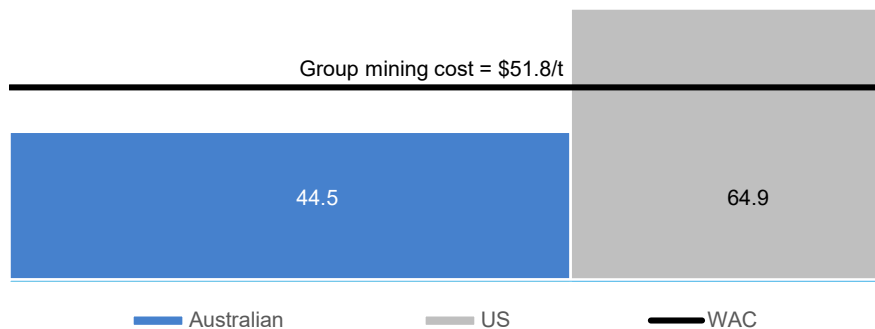
19.1%

- EBITDA decreased by \$155.8 million or 62.7% compared to FY19.
- This decrease was primarily driven by soft market conditions resulting in a lower realized pricing and sales volumes
- The decrease in coal revenues was positively offset by operating cost reducing by \$97.8 million in the period

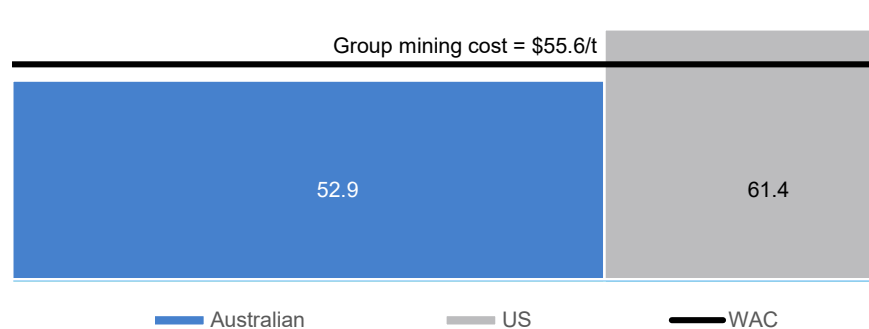
# Mining cost analysis on FOR basis\*

Group FY20 costs impacted by lower volumes at Australian Operations, US assets benefitted from strong cost management

## FY19 Mining Cost Curve (US\$/t)



## FY20 Mining Cost Curve (US\$/t)



Total cost of coal revenues was \$1,014.9 million, a decrease of \$32.5 million or 3.1% lower compared to FY19

US Operations decreased costs of coal revenues by \$106.0 million due to idling of US Operations in April and May 2020 in response to the COVID-19 pandemic and associated cost control measures implemented during the year

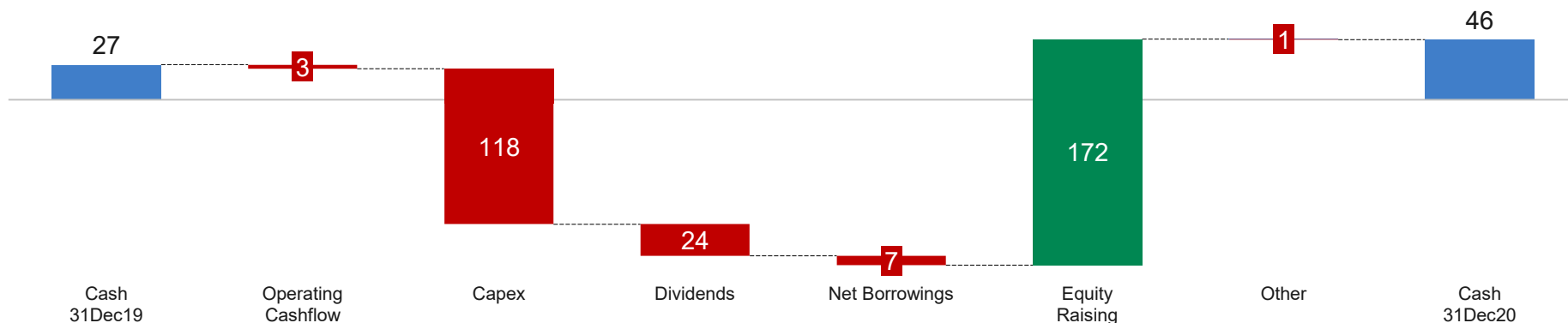
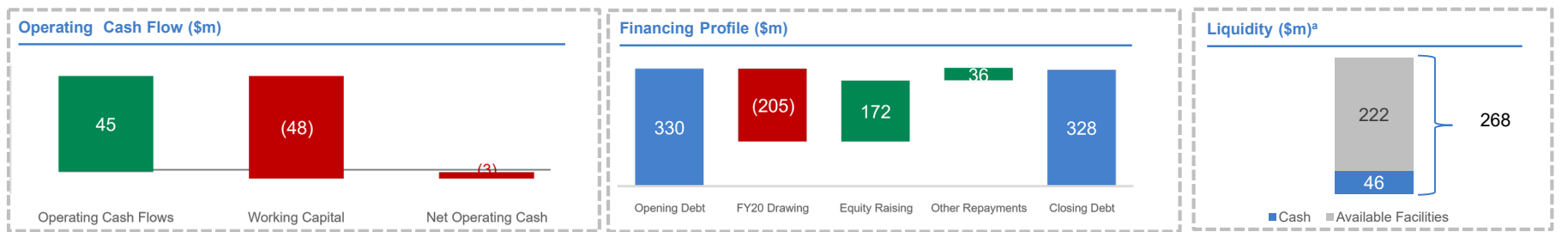
Australian operations increased cost of coal revenues by \$73.5 million driven primarily by the mobilization of additional fleet during the year to recover lost production from H1 2020



\* Mining costs are calculated on the basis of Cost of Coal Revenues divided by Total Sales Volume

# Cash flows and Balance Sheet

Sufficient liquidity supports Coronado during the downturn



# OPERATIONAL UPDATE

GERRY SPINDLER  
MANAGING DIRECTOR AND CEO



# Sustainability

Steel is a fundamental pillar of economic growth and metallurgical coal is essential to steel production

## 2020 Sustainability Overview

### Environmental

- We take our environmental obligations seriously and see good environmental management as a way to improve our business performance and ensure the long term sustainability of our operations

### Community Engagement

- Engagement and cooperation with the communities in which Coronado operates is a key enabler to being a safe, reliable and environmentally conscious business

### Financial

- Maintaining access to capital markets is fundamental to achieving that goal

### Transparent & Ethical Business Practices

- Coronado engages with all stakeholders in an open, transparent and ethical manner



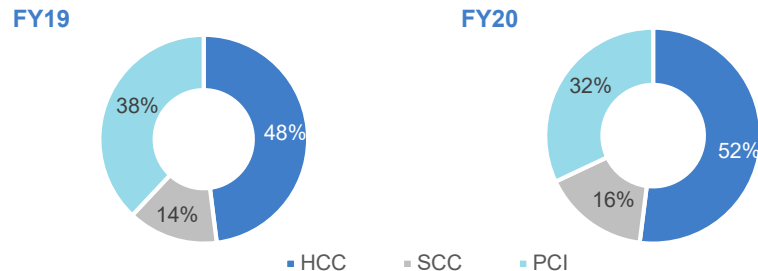
# Australian Operational Review

Curragh operations annualize ~13.2Mt in H2 2020 representing a strong operating turnaround from H1 2020

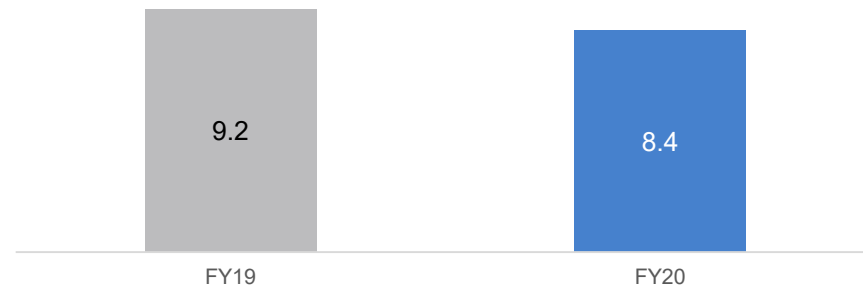
## Operational Highlights

- ROM Production declined by 10.3% to 14.7 Mt due to operational impacts during H1 2020, some lost tonnage was recovered by additional truck shovel fleets throughout the H2 2020
- Total saleable production reduced by 4.6% to 12.0 Mt as a result of lower ROM availability
- Sales volumes of 12.4 Mt, down 3.4% compared to FY19 driven by a decrease in saleable production, partially offset by a draw down in clean coal inventory
- Mix skewed to higher percentage of HCC to maximize revenue

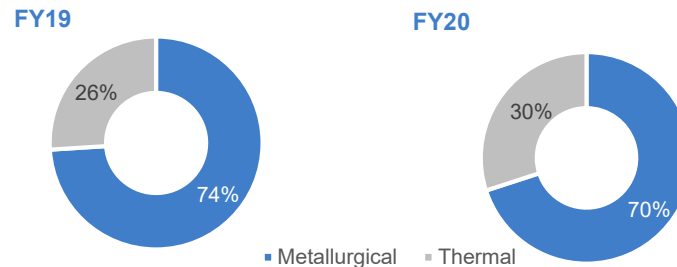
## Export Metallurgical Coal Sales Mix (%)



## Metallurgical Coal Production (Mt)



## Production Mix (%)



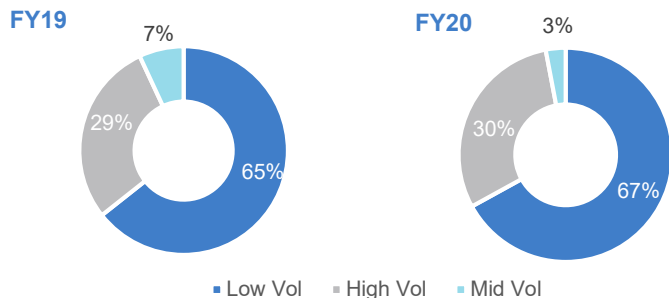
# US Operational Review

Strong cost focus offsets temporary idling of Buchanan & Logan in Q2 2020

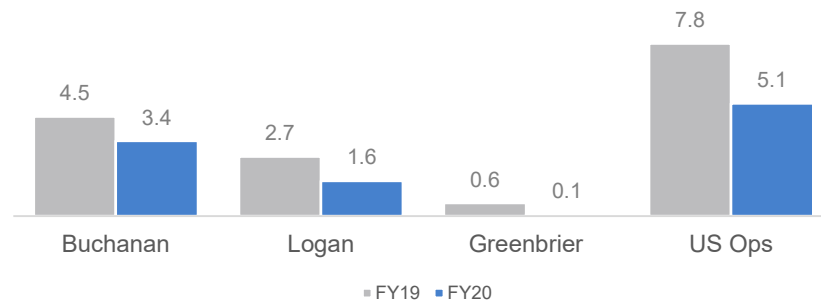
## Operational Highlights

- US operating performance was impacted by an idle period in April and May 2020 to manage inventory as a result of market constraints caused by COVID-19
- Buchanan return to full production through Q4, 2020 underpinned by increased export sales
- Logan increased production days during Q4, 2020 with fewer operating continuous miner units and maintained a balance with shipping demands
- Greenbrier was idled from April 2020 and a decision has been made to hold this asset for sale

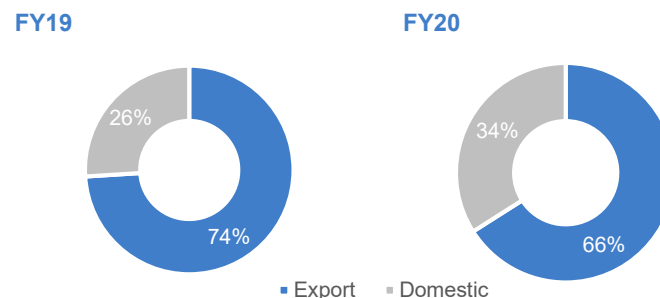
## Metallurgical Production Mix (%)



## Total Metallurgical Coal Production (Mt)



## Export Sales Ratio (%)



# METALLURGICAL COAL MARKET

GERHARD ZIEMS  
GROUP CHIEF FINANCIAL  
OFFICER

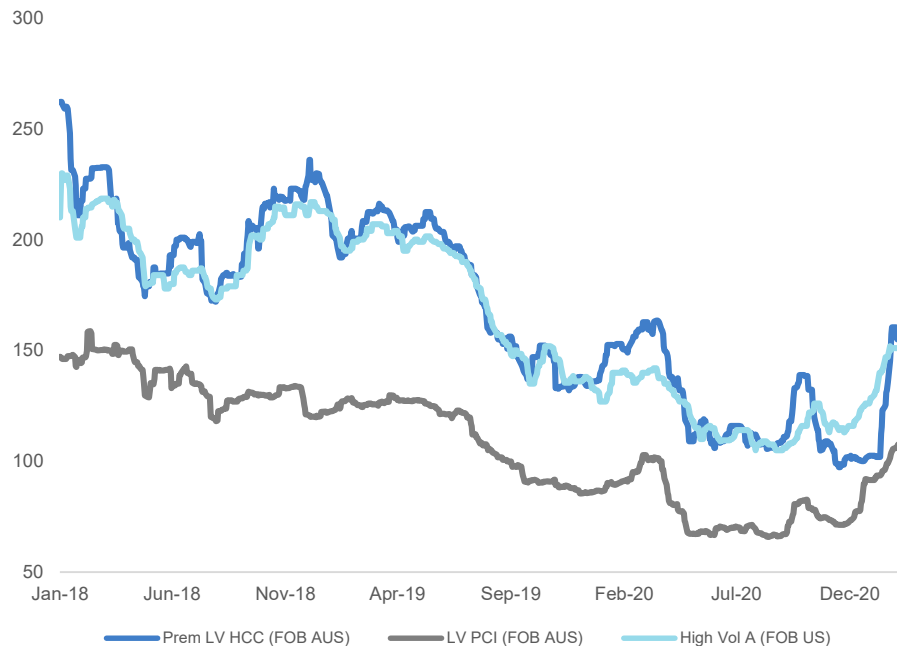




# Metallurgical coal market

Spot pricing improved 40% from December 2020 lows of \$101/t, stable pricing expected for 2021

## Seaborne Price (US\$/t)<sup>a</sup>



## Key Market Points

Global steel producers continue to ramp up production underpinned by the automotive and construction sectors

Blast furnace restarts accelerated in Q4 2020 with numerous steel mills returning to operation in Japan, South Korea, Europe and Brazil. Demand for steel in India has risen to near pre-lockdown levels

Steel demand in China has been supported primarily by large infrastructure investment, with signs of improvement in discretionary steel demand and property.

China's demand for Australian metallurgical coal is likely to remain subdued until a resolution to the trade dispute. North American metallurgical coal producers will be the beneficiary of this trade rebalancing

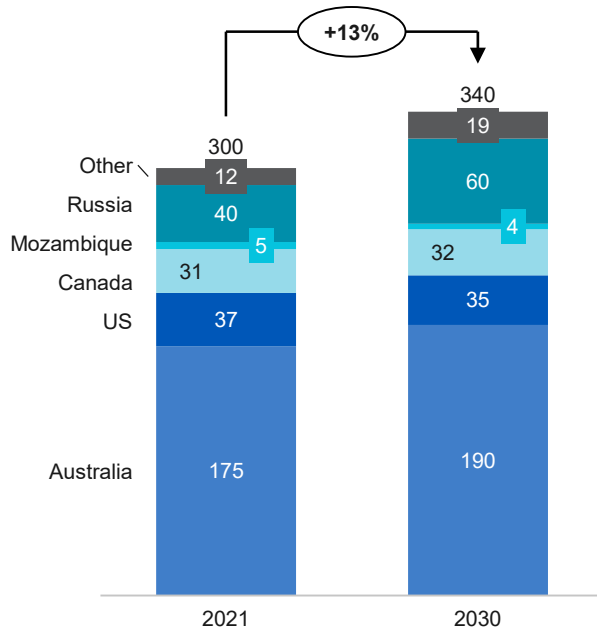
Demand for metallurgical coal will continue to improve in 2021 underpinned by increase investment in infrastructure driving consumption of steel products

Improved economic optimism will see continued increase in blast furnace utilization. Supply is expected to remain tight as mines in Australia recover from weather impacts

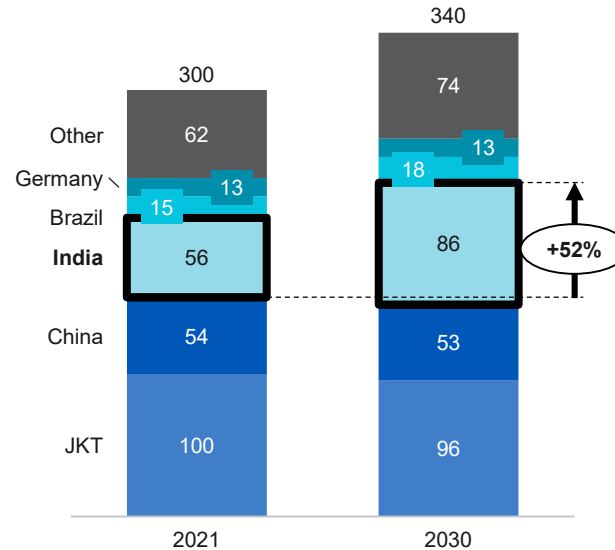
# Long Term Outlook for Metallurgical Coal

Demand for seaborne metallurgical coal is underpinned by the growth of India's blast furnace production over the next decade

## Metallurgical Coal Supply (Mt)<sup>a</sup>



## Metallurgical Coal Demand (Mt)<sup>a</sup>



India's seaborne metallurgical coal demand is set to grow at CAGR 4.9% from 2021 to 2030. This is supported by blast furnace production increasing from ~51Mt in 2021 to ~99Mt in 2030. Increased demand from India will assist in balancing the indexes reliance on China

Australia will continue to be the dominant producer in the supply of seaborne metallurgical coal. Supply is forecasted to increase from 175Mt in 2020 to 190Mt in 2030. Production is supported by a combination of brownfield expansion and greenfield development

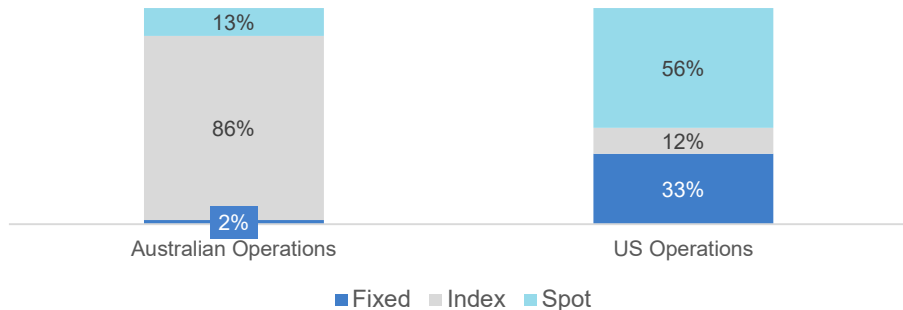
Growth in supply to underpin demand is likely to be impacted by three core issues:

- 1) access to financing for greenfield developments
- 2) permitting of projects
- 3) production of high-quality assets

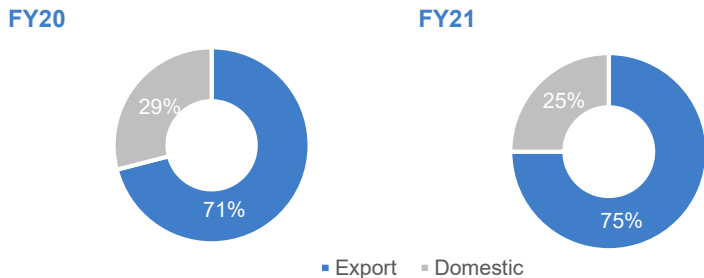
# 2021 Marketing

Coronado's operations are positioned to capitalize on the recovery in metallurgical coal markets

## 2020 Metallurgical Pricing Breakdown



## 2020 US Operations Export / Domestic Analysis



## 2020 Marketing Comments

Marginal increase in expected export sales in FY21 from US Operations

US Operations have entered into a combination of fixed, index and spot pricing for Low Vol and High Vol products

Confirmed US Domestic Pricing:

2.2 Mt at VWAP \$86.8 per tonne (FOR) expected for 2021

Australian Operations will continue to price metallurgical products on a lag rolling 3-month index linked basis

Australian Operations product mix is forecast to be broadly consistent with FY20

Demand from China for Buchanan is expected to remain strong in 2021. Coronado is forecasting to send ~2Mt into this market



# OUTLOOK

GERRY SPINDLER  
MANAGING DIRECTOR AND CEO

# Disciplined Focus for FY21

Coronado will have three core focuses in FY21 to reposition the business for growth

## FY21 Key Initiatives

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### Safety

Coronado will continue to implement safety initiatives to reduce injuries which include:

- higher level of investigation of recordable injuries
- increase inspections and audits to ensure compliance with safety and health standards by both employees and contractors

### Production

- Improved contractor performance at Australian operations to limit mine sequencing issues
- Review the expansion plan at Curragh inline with market recovery
- Stabilise production at Buchanan and Logan

### Financial

- Continued focus on cost and capital spend
- Progress non-core asset sales such as the Housing and Accommodation sales at Curragh mine
- Curragh main mining services agreement under renegotiation
- Detailed capital structure review

# FY2021 Guidance

	<b>Guidance Range</b>
Saleable Production (Mt)	18.0 – 19.0
Mining Cost per Tonne Sold (\$pt)	57.0 – 59.0
Capex (\$m)	135 - 155

# QUESTIONS



# Disclaimer

The material contained in this presentation is intended to be general background information on Coronado Global Resources (Coronado) and its activities.

The information is supplied in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in United States dollars unless otherwise indicated.

The presentation of certain financial information may not be compliant with financial captions in the primary financial statements prepared under US GAAP. Refer to Coronado's 2020 FORM 10-K for the twelve months ended December 31, 2020 available at [www.coronadoglobal.com.au](http://www.coronadoglobal.com.au) for details of the basis primary financial statements prepared under US GAAP.

This presentation contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations.

This report contains forward-looking statements concerning our business, operations, financial performance and condition, the coal, steel and other industries, as well as our plans, objectives and expectations for our business, operations, financial performance and condition. Forward-looking statements may be identified by words such as "may," "could," "believes," "estimates," "expects," "intends," "considers", "forecasts", "targets" and other similar words that involve risk and uncertainties. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the Company's control, that are described in our Annual Report on Form 10-k filed with the ASX and SEC on 25 February 2021 (US Time), as well as additional factors we may describe from time to time in other filings with the ASX and SEC. You may get such filings for free at our website at [www.coronadoglobal.com.au](http://www.coronadoglobal.com.au). You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.



# Disclaimer

Annual Statement of 2020 Coal Resources and Coal Reserves (the 2020 JORC Statement)

In this announcement, references to ore reserves (Reserves) are compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (JORC Code) and are measured in accordance with the JORC Code.

Information in this ASX Release relating to Coal Reserves and Coal Resources is extracted from information previously published by Coronado and available on the Coronado and ASX websites (2020 JORC Statement also released to the ASX on 26 February 2021). For details of the Coal Reserves and Coal Resources estimates and the Competent Persons statements, refer to relevant Australian and US Operations sections in the 2020 JORC Statement. Coronado confirms that it is not aware of any new information or data that materially affects the information included in the 2020 JORC Statement, and that all assumptions and technical parameters underpinning the estimates in the 2020 JORC Statement continue to apply and have not materially changed. Coronado confirms that the context in which the Competent Persons' findings are presented have not been materially modified from the 2020 JORC Statement.



# SUPPLEMENTARY INFORMATION

# Reconciliation of Non-GAAP measures

This report which incorporates a discussion of results of operations includes references to and analysis of certain non-GAAP measures (as described below) which are financial measures not recognized in accordance with U.S. GAAP. Non-GAAP financial measures are used by the Company and investors to measure operating performance.

Management uses a variety of financial and operating metrics to analyze performance. These metrics are significant factors in assessing operating results and profitability. These financial and operating metrics include: (i) safety and environmental metrics; (ii) Adjusted EBITDA, (iii) sales volumes and average realized price per Mt of metallurgical coal sold, which we define as metallurgical coal revenues divided by metallurgical sales volumes; (iv) average mining costs per Mt sold, which we define as mining costs divided by sales volumes; and (v) average operating costs per Mt sold, which we define as operating costs divided by sales volumes.

Reconciliations of certain forward-looking non-GAAP financial measures, including market guidance, to the most directly comparable GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and the financial impact of items impacting comparability and the periods in which such items may be recognized. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

# Reconciliation of Non-GAAP measures

Consolidated Balance Sheet (US\$ Thousands)	December 31, 2020	December 31, 2019
<b>Assets</b>		
Current assets:		
Cash and restricted cash	45,736	26,553
Trade receivables, net	175,206	133,297
Related party trade receivables, net	81,970	86,796
Income tax receivable	20,325	897
Inventories	110,135	162,170
Other current assets	44,006	44,109
Assets held for sale	52,524	-
<b>Total current assets</b>	<b>529,902</b>	<b>453,822</b>
Non-current assets:		
Property, plant and equipment, net	1,521,508	1,632,788
Right of use asset – operating leases, net	19,498	62,566
Goodwill	28,008	28,008
Intangible assets, net	4,217	5,079
Deposits and reclamation bonds	8,425	12,227
Deferred income tax assets	24,654	2,852
Other non-current assets	12,264	17,512
<b>Total assets</b>	<b>2,148,476</b>	<b>2,214,854</b>

Consolidated Balance Sheet (US\$ Thousands)	December 31, 2020	December 31, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	74,651	64,392
Accrued expenses and other current liabilities	234,526	238,788
Income tax payable	-	29,760
Asset retirement obligations	6,012	10,064
Contingent royalty consideration	-	688
Contract obligations	40,295	36,935
Lease liabilities	8,414	29,685
Other current financial liabilities	7,129	5,894
Liabilities held for sale	16,719	-
<b>Total current liabilities</b>	<b>387,746</b>	<b>416,206</b>
Non-current liabilities:		
Asset retirement obligations - non-current	116,132	121,710
Contract obligations - non-current	185,823	204,877
Deferred consideration liability	216,513	174,605
Interest bearing liabilities	327,625	330,000
Other financial liabilities - non-current	-	1,546
Lease liabilities - non-current	20,582	48,165
Contingent royalty consideration - non-current	-	855
Deferred income tax liabilities	64,366	47,973
Other non-current liabilities	22,826	976
<b>Total liabilities</b>	<b>1,341,613</b>	<b>1,346,913</b>
<b>Total stockholders' equity</b>	<b>806,863</b>	<b>867,941</b>



# Reconciliation of Non-GAAP measures

## Consolidated Income Statement

December 31, 2020

December 31, 2019

(US\$ Thousands)

Coal revenues	1,289,010	1,705,442
Coal revenues from related parties	134,589	468,897
Other revenues	38,663	41,409
<b>Total revenues</b>	<b>1,462,262</b>	<b>2,215,748</b>
Cost of coal revenues (exclusive of items shown separately below)	1,014,879	1,047,359
Depreciation, depletion and amortization	191,189	176,461
Freight expenses	185,863	166,729
Stanwell rebate	103,039	175,318
Other royalties	84,891	157,016
Selling, general, and administrative expenses	30,352	36,062
<b>Total costs and expenses</b>	<b>1,610,213</b>	<b>1,758,945</b>
<b>Operating income</b>	<b>(147,951)</b>	<b>456,803</b>
Interest expense, net	(50,585)	(39,294)
Impairment of assets	(78,111)	-
Provision for discounting and credit losses	(9,298)	-
Other, net	(608)	2,649
<b>(Loss) Income before tax</b>	<b>(286,553)</b>	<b>420,158</b>
Income tax benefit (expense)	60,016	(114,681)
<b>Net (loss) income</b>	<b>(226,537)</b>	<b>305,477</b>



# Reconciliation of Non-GAAP measures

Consolidated Statement of Cash Flows (US\$ Thousands)	December 31, 2020	December 31, 2019
Cash flows from operating activities:		
Net (loss) income	(226,537)	305,477
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:		
Depreciation, depletion and amortization	197,162	176,461
Impairment of assets	78,111	-
Amortization of right of use asset - operating leases	13,285	24,403
Amortization of deferred financing costs	5,546	4,497
Non-cash interest expense	22,410	19,885
Amortization of contract obligations	(33,172)	(34,794)
Loss on disposal of property, plant and equipment	131	(1,238)
(Decrease) increase in contingent royalty consideration	(1,543)	(13,646)
Gain on operating lease derecognition	(1,184)	-
Equity-based compensation expense	1,637	321
Deferred income taxes	(11,247)	14,803
Reclamation of asset retirement obligations	(2,859)	(3,456)
Change in estimate of asset retirement obligation	(5,973)	-
Provision for discounting and credit losses	9,298	-
Changes in operating assets and liabilities:		
Accounts receivable - including related party receivables, net	(38,025)	20,205
Inventories	53,652	(67,388)
Other current assets	(1,921)	(5,062)
Accounts payable	6,833	21,351
Accrued expenses and other current liabilities	(27,829)	(4,336)
Operating lease liabilities	(15,329)	(25,877)
Change in other liabilities	(25,446)	45,820
<b>Net cash (used in) provided by operating activities</b>	<b>(3,000)</b>	<b>477,426</b>

Consolidated Statement of Cash Flows (US\$ Thousands)	December 31, 2020	December 31, 2019
Cash Flows From Investing Activities:		
Capital expenditures	(117,856)	(183,283)
Proceeds from the disposal of property, plant, and equipment	-	145
Purchase of deposits and reclamation bonds	(2,302)	(1,074)
Redemption of deposits and reclamation bonds	6,030	482
<b>Net cash used in investing activities</b>	<b>(114,128)</b>	<b>(183,730)</b>
Cash Flows From Financing Activities:		
Proceeds from interest bearing liabilities and other financial liabilities, net of debt discount	216,953	474,223
Debt issuance costs and other financing costs	(2,955)	(4,293)
Principal payments on interest bearing liabilities and other financial liabilities	(221,414)	(148,583)
Principal payments on finance lease obligations	(2,481)	(1,308)
Payment of contingent purchase consideration	-	(15,002)
Dividends paid	(24,162)	(408,046)
Shareholders'/Members' contributions (distributions), net	-	(288,020)
Proceeds from stock issuance, net	171,585	-
<b>Net cash provided by (used in) financing activities</b>	<b>137,526</b>	<b>(391,029)</b>
<b>Net (decrease) increase in cash and restricted cash</b>	<b>20,398</b>	<b>(97,333)</b>
Effect of exchange rate changes on cash and restricted cash	(1,215)	(995)
Cash and restricted cash at beginning of period	26,553	124,881
<b>Cash and restricted cash at end of period</b>	<b>45,736</b>	<b>26,553</b>
Supplemental disclosure of cash flow information:		
Cash payments for interest	23,538	5,235
Cash paid for taxes	1,955	67,863

# Reconciliation of Non-GAAP measures

Adjusted EBITDA reconciliation	For the year ended December 31, 2020	For the year ended December 31, 2019
<b>(US\$ Thousands)</b>		
Net (loss) Income	(226,537)	305,477
Add: Depreciation, depletion and amortization	191,189	176,461
Add: Interest expense (net of income)	50,585	39,294
Add: Other foreign exchange (losses) gains	1,175	(1,745)
Add: Income tax expense	(60,016)	114,681
Add: Impairment of assets	78,111	-
Add: Losses on idled assets held for sale	9,994	-
Add: Provision for discounting and credit losses	9,298	-
<b>Adjusted EBITDA</b>	<b>53,799</b>	<b>634,168</b>

Mining Costs per tonne reconciliation	For the year ended December 31, 2020	For the year ended December 31, 2019
<b>(US\$ Thousands)</b>		
Total costs and expenses	1,610,213	1,758,945
Less: Selling, general and administrative expense	(30,352)	(36,062)
Less: Depreciation, depletion and amortization	(191,189)	(176,461)
Total operating costs	1,388,672	1,546,422
Less: Other royalties	(84,891)	(157,016)
Less: Stanwell rebate	(103,039)	(175,318)
Less: Freight expenses	(185,863)	(166,729)
Less: Other non-mining costs	(23,880)	(28,920)
Total mining costs	990,999	1,018,439
Sales Volume excluding non-produced coal (MMt)	17.8	19.6
<b>Average mining costs per Mt sold</b>	<b>\$55.6/t</b>	<b>\$51.8/t</b>

# Reconciliation of Non-GAAP measures

## Realized Pricing reconciliation

For the year ended December 31, 2020

(US\$ Thousands, except for volume data)

	Australia	United States	Consolidated
Total Revenues	976,369	485,893	1,462,262
Less: Other revenues	34,143	4,520	38,663
Total coal revenues	942,226	481,373	1,423,599
Less: Thermal coal revenues	105,681	5,151	110,832
Metallurgical coal revenues	836,545	476,222	1,312,767
Volume of Metallurgical coal sold (Mt)	8.9	5.6	14.5
<b>Average realized price per Mt of Metallurgical coal sold</b>	<b>\$94.4/t</b>	<b>\$84.4/t</b>	<b>\$90.5/t</b>

For the year ended December 31, 2019

(US\$ Thousands, except for volume data)

	Australia	United States	Consolidated
Total Revenues	1,465,957	749,791	2,215,748
Less: Other revenues	35,669	5,740	41,409
Total coal revenues	1,430,288	744,051	2,174,339
Less: Thermal coal revenues	102,867	47,510	150,377
Metallurgical coal revenues	1,327,421	696,541	2,023,962
Volume of Metallurgical coal sold (Mt)	9.5	6.3	15.8
<b>Average realized price per Mt of Metallurgical coal sold</b>	<b>\$140.4/t</b>	<b>\$111.3/t</b>	<b>\$128.8/t</b>



# Reconciliation of Non-GAAP measures

## Mining Costs per tonne reconciliation

For the year ended December 31, 2020

(US\$ Thousands, except for volume data)

	Australia	United States	Other / Corporate	Total
Total costs and expenses	1,082,640	496,462	31,111	1,610,213
Less: Selling, general and administrative expense	-	-	(30,352)	(30,352)
Less: Depreciation, depletion and amortization	(97,563)	(92,867)	(759)	(191,189)
Total operating costs	985,077	403,595	-	1,388,672
Less: Other royalties	(71,317)	(13,574)	-	(84,891)
Less: Stanwell rebate	(103,039)	-	-	(103,039)
Less: Freight expenses	(153,064)	(32,799)	-	(185,863)
Less: Other non-mining costs	(17,544)	(6,336)	-	(23,880)
Total mining costs	640,113	350,886	-	990,999
Sales Volume excluding non-produced coal (MMt)	12.1	5.7	-	17.8
<b>Average mining costs per tonne sold</b>	<b>\$52.9/t</b>	<b>\$61.4/t</b>	<b>-</b>	<b>\$55.6/t</b>

# Reconciliation of Non-GAAP measures

## Mining Costs per tonne reconciliation

For the year ended December 31, 2019

(US\$ Thousands, except for volume data)

	Australia	United States	Other / Corporate	Total
Total costs and expenses	1,132,790	590,131	36,024	1,758,945
Less: Selling, general and administrative expense	(495)	-	(35,567)	(36,062)
Less: Depreciation, depletion and amortization	(87,272)	(88,757)	(432)	(176,461)
Total operating costs	1,045,023	501,374	25	1,546,422
Less: Other royalties	(136,858)	(20,158)	-	(157,016)
Less: Stanwell rebate	(175,318)	-	-	(175,318)
Less: Freight expenses	(148,769)	(17,960)	-	(166,729)
Less: Other non-mining costs	(23,458)	(5,462)	-	(28,920)
Total mining costs	560,620	457,794	25	1,018,439
Sales Volume excluding non-produced coal (MMt)	12.6	7.0	-	19.6
<b>Average mining costs per tonne sold</b>	<b>\$44.5/t</b>	<b>\$64.9/t</b>	<b>-</b>	<b>\$51.8/t</b>

# CONTACTS

## Investors:

Matt Sullivan

P: +61 412 157 276

E: [msullivan@coronadoglobal.com.au](mailto:msullivan@coronadoglobal.com.au)

## Investors:

Aidan Meka

P: +61 428 082 954

E: [ameka@coronadoglobal.com.au](mailto:ameka@coronadoglobal.com.au)

## Media:

Brett Clegg

P: +61 487 436 985