



PT. BAYAN RESOURCES Tbk.

***First Quarter 2021
Update Presentation***



Overview

1Q21

- **Overall YTD March 2021 actual performance exceeded the Budget and 4Q20 across all financial matrix.**
- **2021 has started well and currently is forecast to be a very strong year as market prices have increased significantly and are currently forecast to remain strong throughout the remainder of the year.**
- **1Q21 was the highest EBITDA generated ever in Bayan's history due to the higher ASP and lower costs.**
- **Due to 1Q21 performance, the Company issued revised guidance on 5th April 2021 to more fully reflect its current expectations for the remainder of 2021.**



Bayan's Financial and Operational Performance

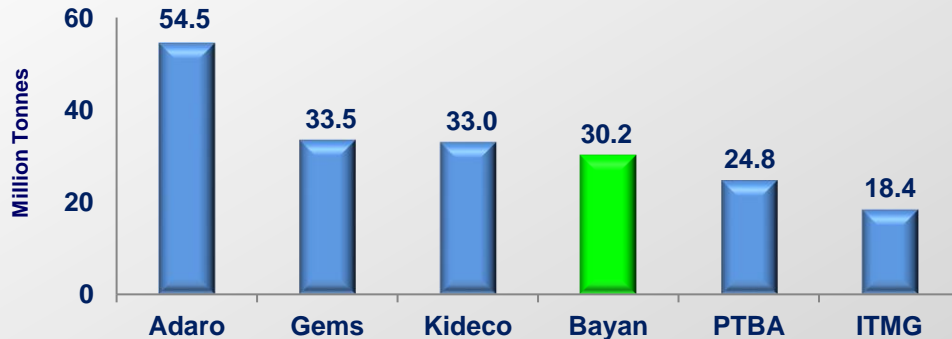
	2019	2020	1Q20	1Q21
Financial Performance (In Million USD)				
Revenue	1,391.6	1,395.1	326.3	501.0
Gross Profit	489.4	462.9	90.3	283.1
EBITDA	374.4	356.7	66.9	254.8
Net Profit After Tax * ¹	234.2	344.5	40.2	177.3
Financial Ratios				
Gross Profit Margin (%)	35.2%	33.2%	27.7%	56.5%
EBITDA Margin (%)	26.9%	25.6%	20.5%	50.9%
Net Profit Margin (%)	16.8%	24.7%	12.3%	35.4%
Net Debt to EBITDA (x)	0.5	0.1	0.5	Net Cash
Operational Statistics				
Overburden Removal (MBCM)	161.5	120.9	35.2	34.0
Strip Ratio (x) - based on production volume	5.1	4.0	4.8	3.8
Coal Production (MT)	31.9	30.2	7.3	9.0
Sales Volume (MT)	29.2	36.3	7.3	10.6
Average Selling Price (US\$/MT)	47.6	38.4	44.6	47.3
Average Cash Costs (US\$/MT)	35.0	28.8	35.6	23.3

*¹ 2020 Includes reversal of impairment provision net USD 165.8 million.



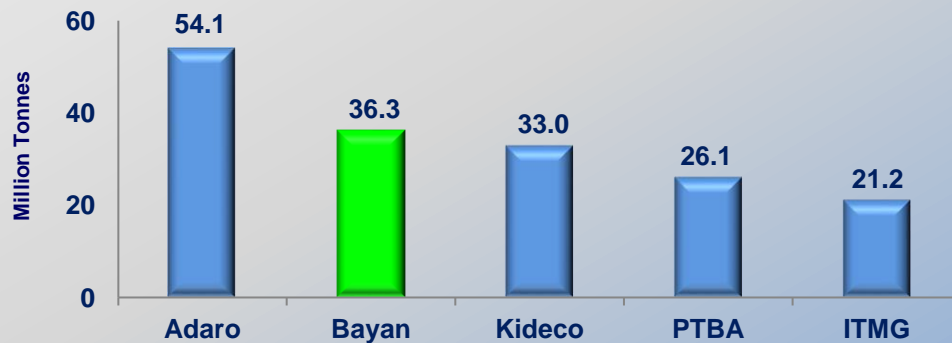
One of the Largest Coal Producers

2020 Production



Source: Company Filings, Company Data

2020 Sales Volume



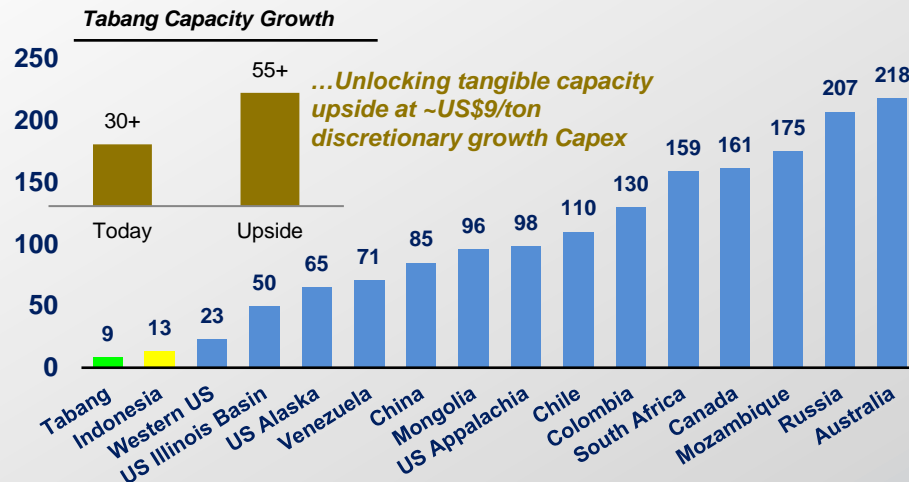
Source: Company Filings, Company Data

- Bayan is one of the top five coal producers by volume and 2nd in terms of sales volumes in Indonesia.
- Bayan's sales volume will remain at similar levels to 2020 levels until the new coal haul road to the Mahakam River and barge loading facilities is completed in 2022.
- This will unleash Bayan's next level of expansion to more than 50 mtpa.



Low Cost Incremental Growth

Capex Intensity by Country ⁽¹⁾



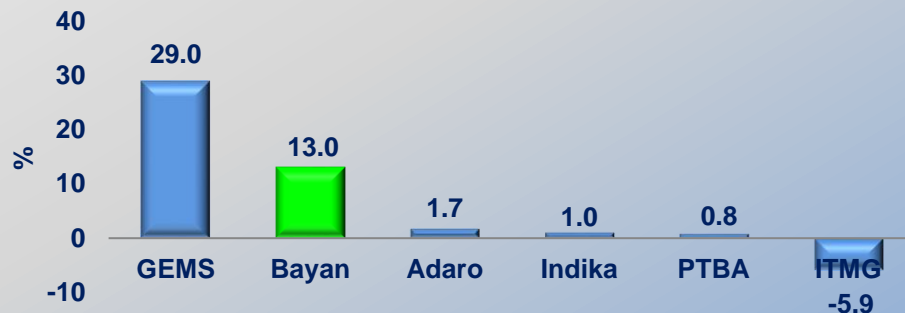
Source: Wood Mackenzie

Notes

(1) Based on 2012 real dollars

(2) US\$238m Capex divided by an incremental 25+ Mtpa production / sales capacity

2017 - 2020 CAGR (Production)



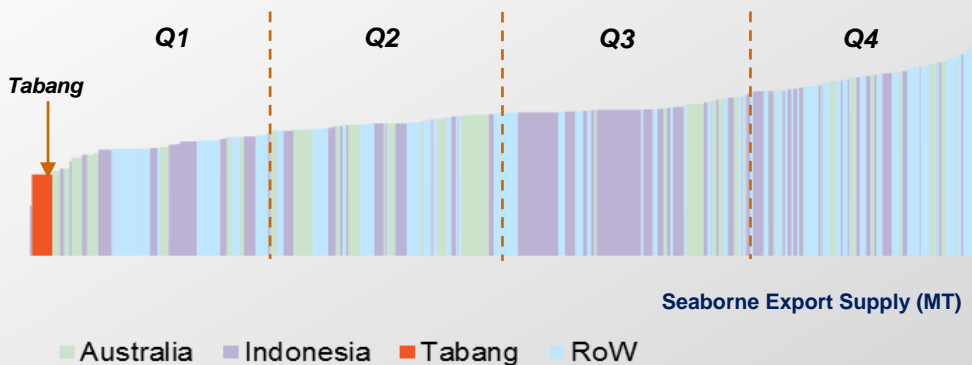
Source: Company Filings, Company Data

- Construction of the new haul road commenced in December 2019 and is progressing on schedule.
- Despite the impacts of the COVID-19 pandemic, our new coal haul road and barge loading facility is still targeted to be brought into operation by end 2022 which will add additional capacity of 25-30 million MT to our existing capacity.
- Total Budgeted capex in the region of USD 330 million (2020-2023) for the Group, of which USD 238 million is expansionary capex tied to the Tabang Project.



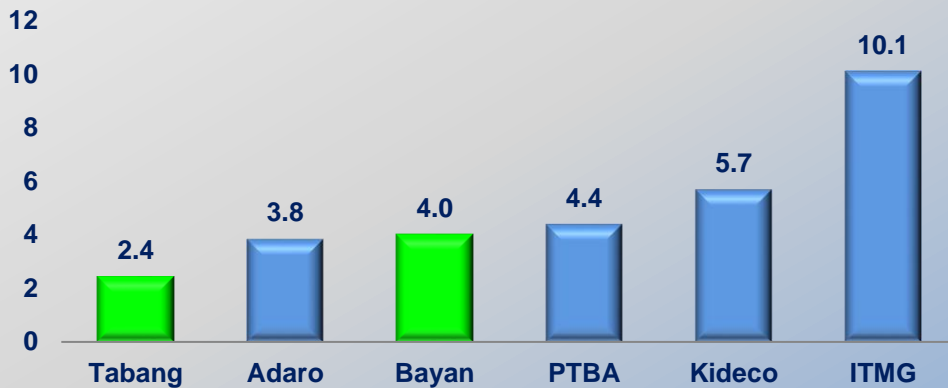
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

2020 Strip Ratio



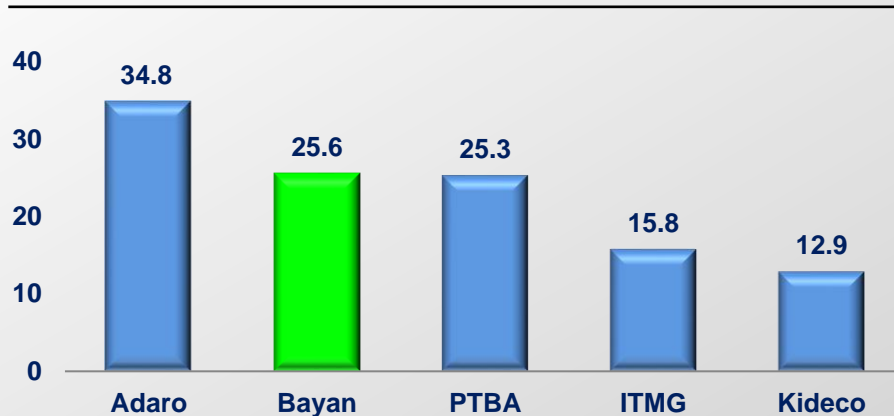
Source: Company Filings, Company Data

- Tabang is independently rated as one of the world's lowest cost energy-adjusted producers.
- Tabang has large reserves and a very low Life of Mine (LOM) stripping ratio of 3.6.
- A new JORC reserves statement is due to be issued in 2021.
- Tabang has one of the lowest average stripping ratios in Indonesia.



And One of the Highest Margin Producers in Indonesia

2020 EBITDA Margin (%)

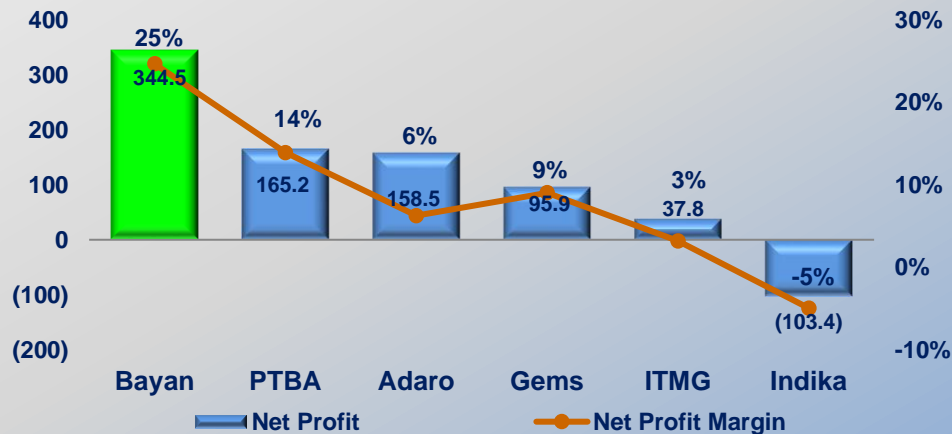


Source: Company Filings, EBITDA estimated using Company Data

➤ Over the last few years Bayan has transformed itself into one of the highest margin producers in Indonesia.

➤ This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.

2020 Net Profit and Net Profit Margin (%)



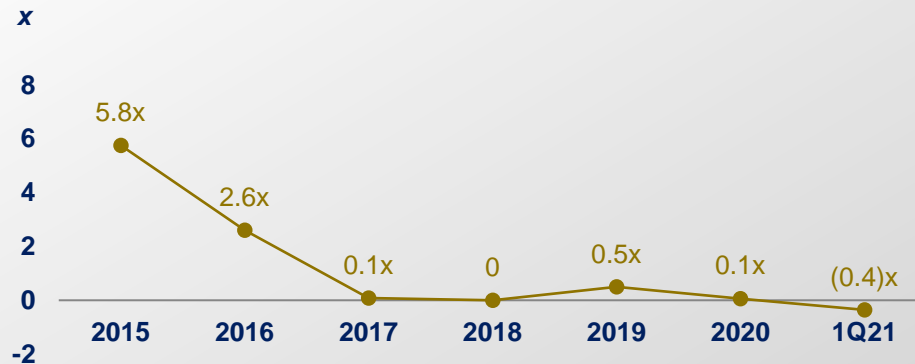
Source: Company Filings, Company Data

➤ Net profit margins are anticipated to continue to outperform the industry norms due to the low cost base, low royalty rates and lower corporate tax than first Gen CCOW's.

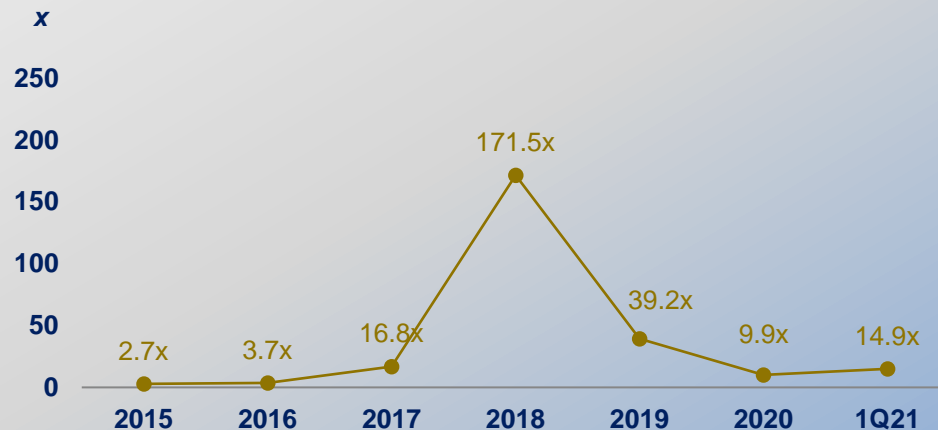


Deleveraged the Group

Net Debt / EBITDA



EBITDA / Interest Expense



- In January 2020, the Company issued a 3 year Non-Call Life “NCL” bond of US\$ 400 million to ensure adequate liquidity going forward.
- Existing Working Capital Facilities of approximately US\$ 325 million are still available.
- The Group now has the financial strength to continue with the next phase of expansion of Tabang.
- Targeted net leverage of less than 2.5x EBITDA throughout the commodity cycle.
- Bayan has been re-assigned independent credit ratings of BB-, and Ba3 by Fitch and Moody’s, respectively in January 2020.



1Q 2021

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

Committed & Contracted Sales

EBITDA

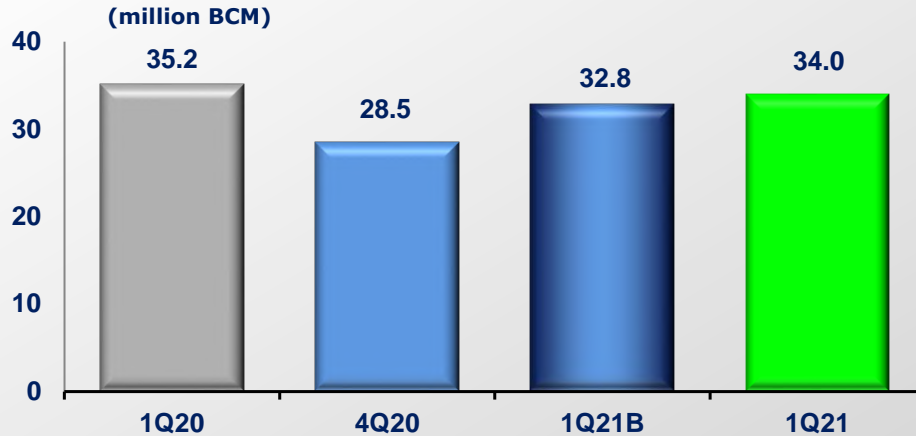
Debt and Cash Position

Capital Expenditure





Overburden Removal (OB)



Note : B stands for Revised Budget Figure

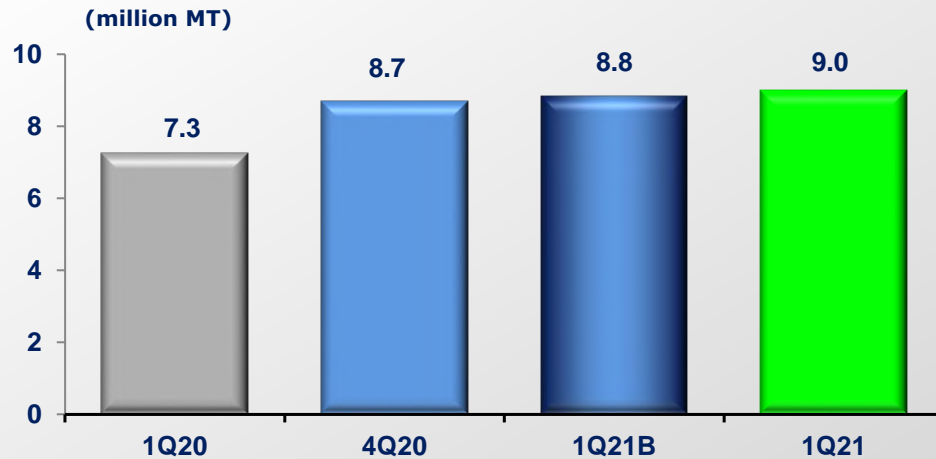
➤ **1Q21 OB of 34.0 million BCM was marginally higher than the Budget and significantly higher than 4Q20 as additional equipment was utilised and 4Q20 volumes were capped as we had already reached maximum annual production levels.**

(in million BCM)	1Q21B	1Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	7.9	9.9
Perkasa Inakakerta	1.8	1.6
Wahana Baratama Mining	3.8	4.3
Tabang Concessions	19.4	18.1
Gunungbayan Pratamacoal	-	-
Total	32.8	34.0

3% over Budgeted Production



Coal Production



Note : B stands for Revised Budget Figure

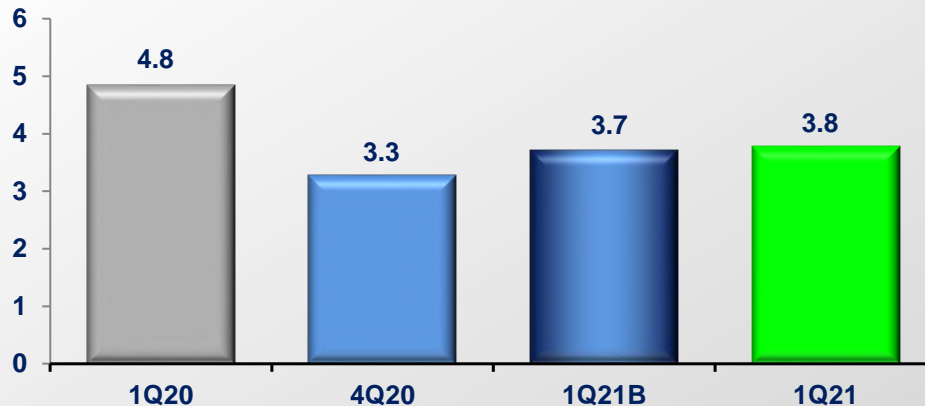
- **1Q21 coal production of 9.0 million MT was marginally higher than the Budget due to higher than Budgeted overburden volumes.**
- **1Q21 production was slightly higher than 4Q20 despite operating at a higher operational stripping ratio due to the increase in overburden volumes achieved.**

(in million MT)	1Q21B	1Q21
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.7	0.9
Perkasa Inakakerta	0.2	0.2
Wahana Baratama Mining	0.3	0.4
Tabang Consessions	7.6	7.5
Gunungbayan Pratamacoal	-	-
Total	8.8	9.0

Production increased 24% compare to same period last year



Weighted Average Stripping Ratio (SR)



Note : B stands for Revised Budget Figure

Weighted Average SR (:1)	1Q21B	1Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	11.2	11.3
Perkasa Inakakerta	7.9	7.0
Wahana Baratama Mining	11.3	10.4
Tabang Concessions	2.6	2.4
Gunungbayan Pratamacoal	-	-
Total	3.7	3.8

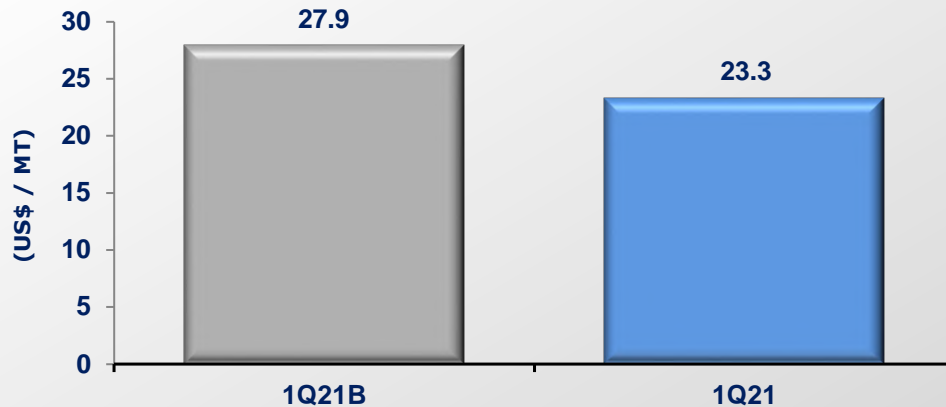
- 1Q21 weighted average stripping ratio was in line with the Budget.
- 1Q21 weighted average stripping ratio was higher than 4Q20 mainly due to:
 - Higher SR at Tabang as mine has currently moved in to higher SR area's and reduced existing low strip in pit inventory levels in the 4Q20.
 - Higher SR at PIK due to planned changes in the mining area.

Partially offset by lower average SR at WBM.

1Q21 weighted average stripping ratio of 3.8:1 represents a 22% decrease compared to the same period last year



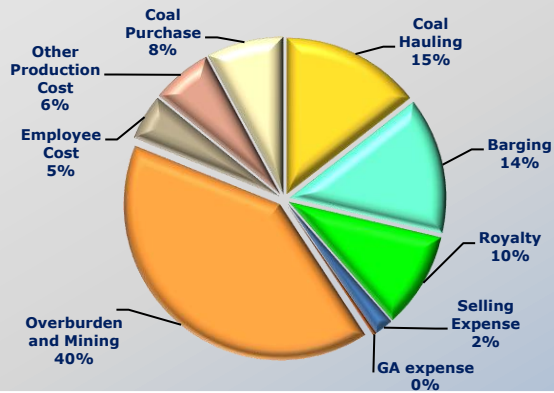
Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Revised Budget Figure

Cash Cost per Expense – 1Q21



➤ **1Q21 Cash Costs were US\$ 23.3/MT which was significantly lower than the Budget due to:**

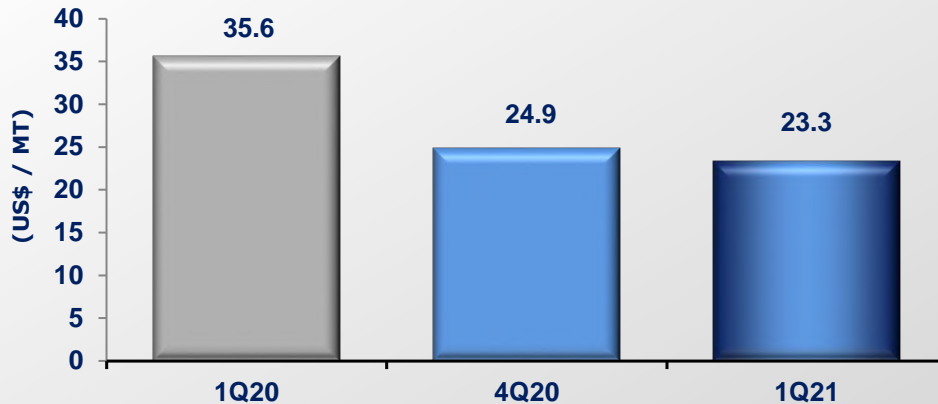
- **Higher sales volume which reduced most fixed costs on a unit cost basis.**
- **New mining law which allows VAT recoverability under IUP's which was not included in the 2021 Budget.**
- **Lower fuel settlement costs as the market price was higher than the Budget.**
- **Lower salaries and wages due to delay in Budgeted payment of bonus until 2Q21.**

Partially offset by higher royalties due to higher than Budgeted ASP.

1Q21 cash costs was significantly lower than the Budget



Average Cash Costs (4Q20 vs 1Q21)



Average Cash Costs include Royalty, Barging and SGA

➤ **1Q21 Cash Costs of US\$ 23.3/MT were slightly lower than 4Q20 of US\$ 24.9/MT due to:**

- Slightly higher sales volume which reduced certain unit costs.
- Lower fuel expense as the market price increased in 1Q21 which lowered fuel hedge settlements.

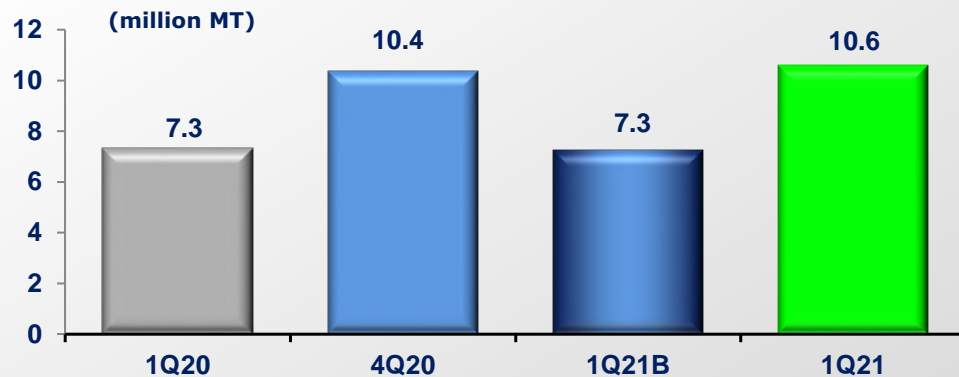
Partially offset by:

- Higher average SR.
- Higher unit cost of coal purchases due to higher purchase price and quantity of coal purchased in 1Q21.
- Higher DMO expense due to the reversal of the years accrual in the 4Q20 as the Government waives the 2020 DMO penalty.
- Higher royalty due to higher ASP.

1Q21 cash costs continued to decrease from 4Q20 levels

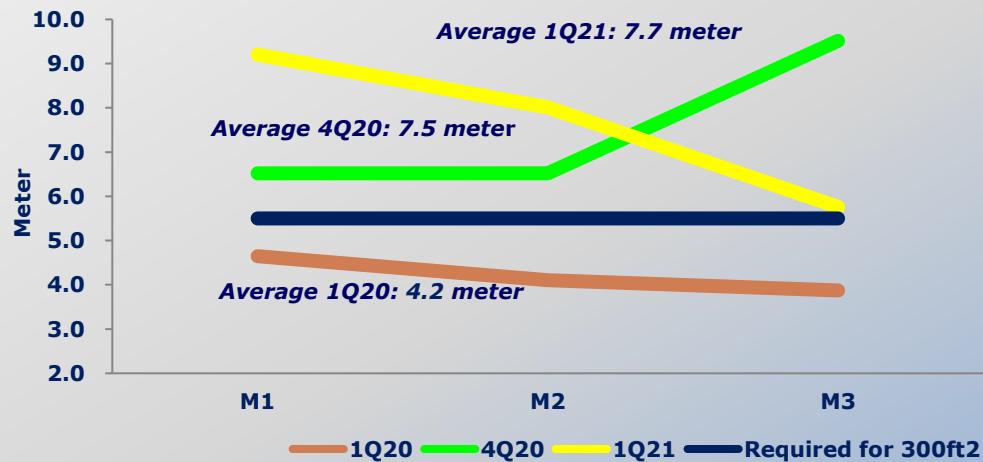


Coal Sales (by volume)



Note : B stands for Revised Budget Figure

Average Senyiu Water Levels



- 1Q21 coal sales volumes of 10.6 million MT were significantly higher than the Budget and in line with 4Q20 levels due to water levels at Senyiu continuing to be favorable which allowing Tabang to maximize sales to take advantage of strong market prices.
- Group inventory levels decreased from 2.9 million as at the end of December 2020 to 1.9 million MT as at the end of March 2021.
- Quarterly barging at Tabang - Senyiu:
 - 1Q20: 4.9 million MT.
 - 4Q20: 7.9 million MT.
 - 1Q21: 7.9 million MT.

1Q21 sales volume represents a 45% increase compare to the same period last year

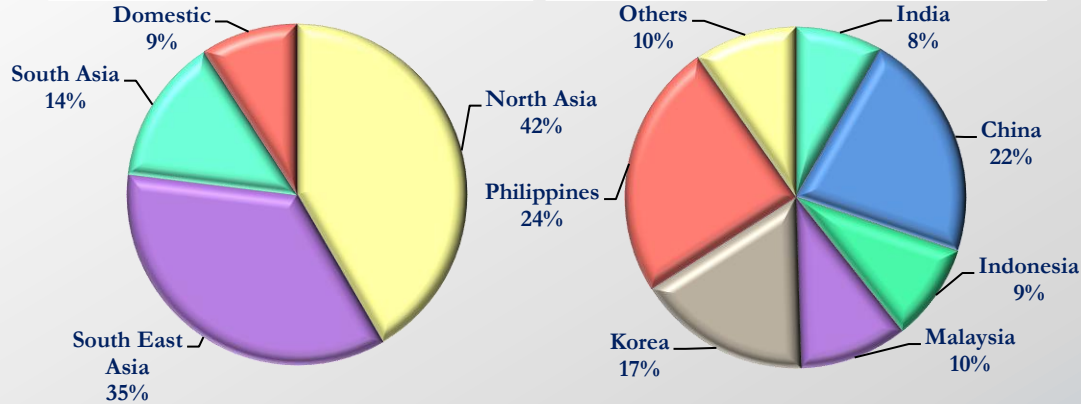


Coal Sales (by volume) (continued)

Geographic Distribution (1Q21) – by Volume

Per Region

Per Country



Committed and Contracted Sales for 2021

32.6 million MT



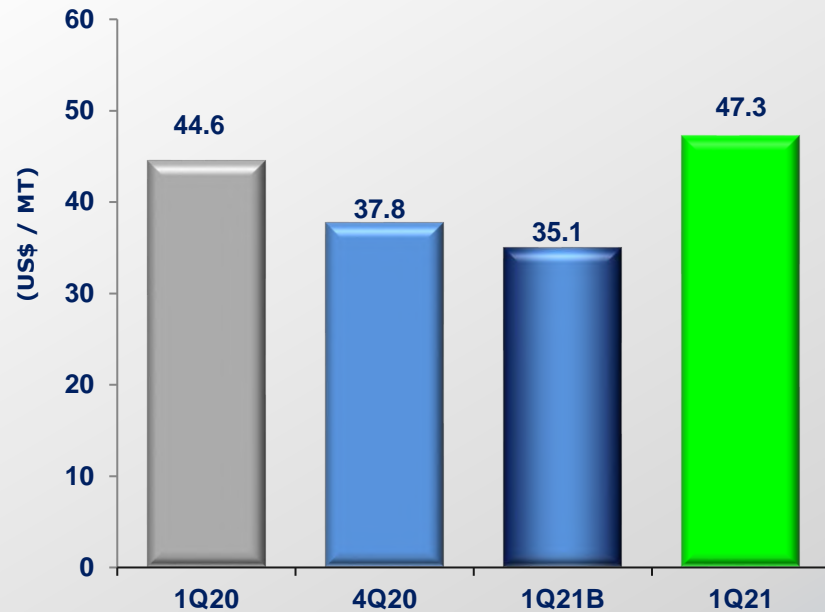
➤ The Company is focusing on continuing to build its long term contracts to Indonesian and other South East Asian IPP's.

➤ As at 31 March 2021 committed and contracted sales were 32.6 million MT for 2021 with an average CV of 4,541 GAR kcal/kg.

➤ Excluding 1Q21 deliveries we have 3.9 million MT of fixed prices contracts for the remainder of the year at an average CV of 4,348 at USD 37.7/MT.



Average Selling Price (ASP)



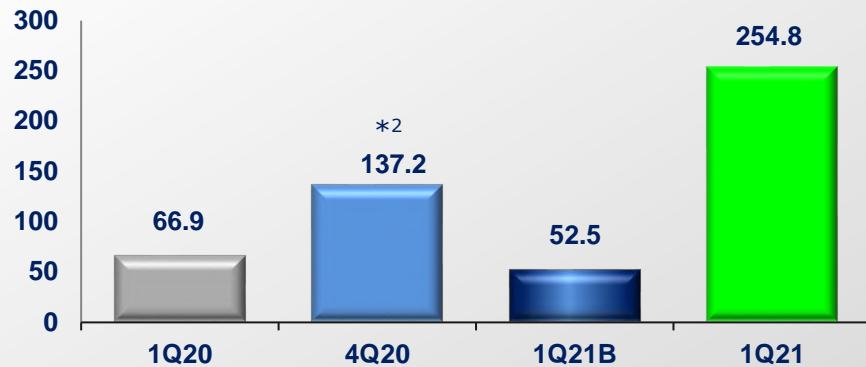
* ASP includes coal and non-coal sales
Note : B stands for Revised Budget Figure

➤ **1Q21 ASP of US\$ 47.3/MT was significantly higher than the Budget and 4Q20 due to increase in market prices in late 2020 (after the Budget was set) which continued during the 1Q21.**

ASP increased significantly in 1Q21

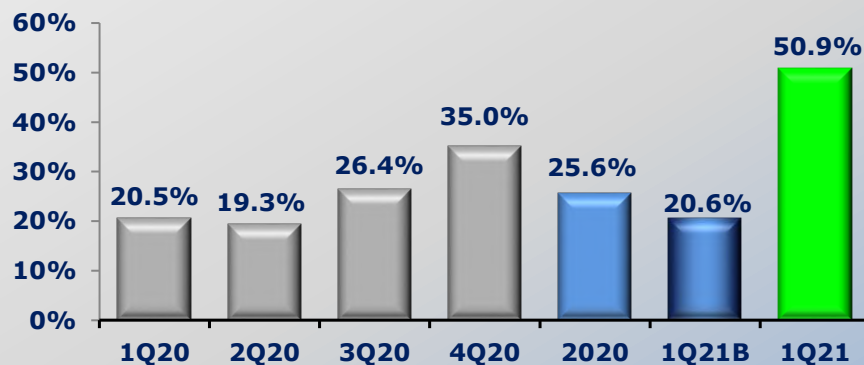


EBITDA



Note : B stands for Revised Budget Figure
*2 excluding reversal as treated as an extraordinary income

EBITDA Margin



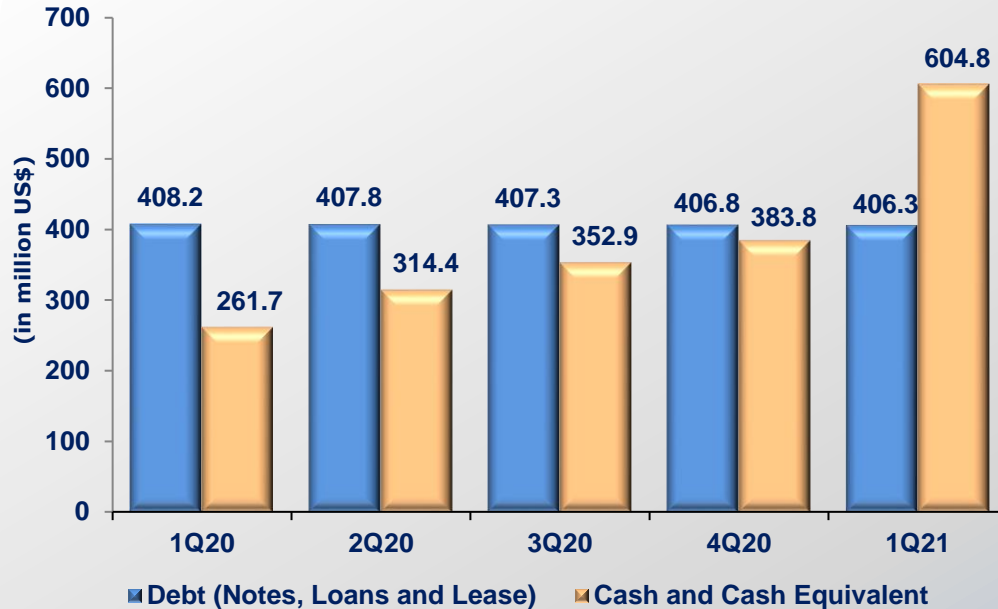
Note : B stands for Revised Budget Figure

- **1Q21 EBITDA significantly increased compared to the Budget and 4Q20 due to higher ASP, lower cash costs and higher sales volumes.**
- **1Q21 EBITDA was the best quarter ever in the history of Bayan.**
- **1Q21 EBITDA margin of 50.9% has increased from 4Q20 level of 35.0% and represents one of the best margins in the Indonesian coal sector.**

One of the best EBITDA margin's in Indonesian coal sector



Total Debt and Cash Position

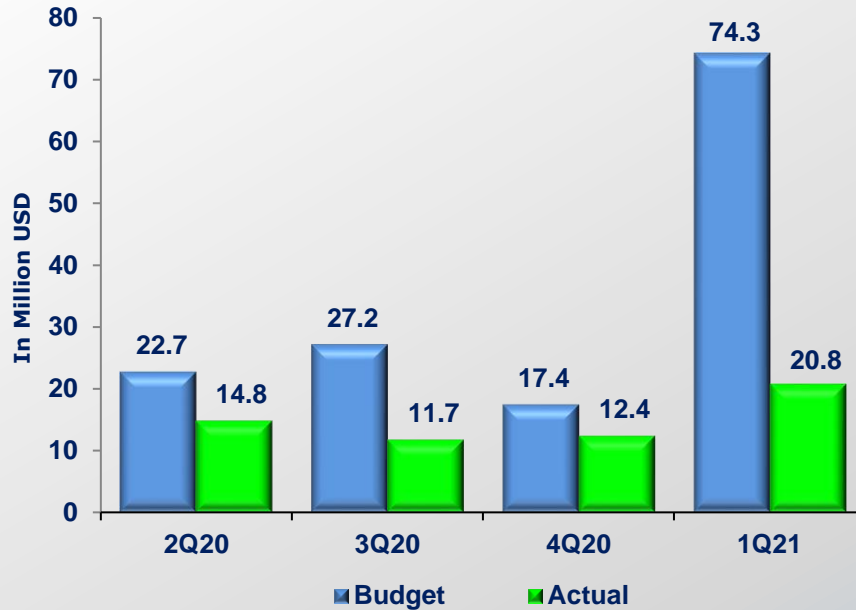


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Additional US\$ 6.4 million of lease debt recorded due to the implementation of PSAK 73.
- Working capital facilities of approximately US\$ 300 million remain available.
- Renewed Permata and SMBC facilities for 3 years which will expires in December 2023 and March 2024.
- Turned net Cash in 1Q21.

Bayan continues to maintain low leverage and sufficient liquidity



Capital Expenditure



- **1Q21 was US\$ 20.8 million, which was below the Budget (US\$ 74.3 million) due to slower than Budgeted progress on the new Tabang 100km CHR and barge loading facilities and a delay in the acquisition of Office 8 building.**
- **We continue to expect the haul road and barge loading facilities to be completed in 2022.**
- **Major ongoing projects are:**
 - **Construction of new coal haul road and jetty facility.**
 - **Expansion of stockpiling capacity at BCT.**
 - **Asphalting of current coal haul road.**

1Q21 Capex lower than the Budget



Appendix

PT Perkasa Inakakerta	PIK
PT Teguh Sinarabadi	TSA
PT Firman Ketaun Perkasa	FKP
PT Wahana Baratama Mining	WBM
PT Brian Anjat Sentosa	BAS
PT Bara Tabang	BT
PT Fajar Sakti Prima	FSP
PT Dermaga Energi	DE
PT Tanur Jaya	TJ
PT Tiwa Abadi	TA
PT Silau Kencana	SK
PT Orkida Makmur	OM
PT Sumber Api	SA
PT Bara Sejati	BS
PT Apira Utama	AU
PT Cahaya Alam	CA
PT Mamahak Coal Mining	MCM
PT Bara Karsa Lestari	BKL
PT Mahakam Energi Lestari	MEL
PT Mahakam Bara Energi	MBE

Tabang

Pakar

South
Pakar

Mamahak



Appendix

Kangaroo Resources Pty Ltd	KRL
PT Dermaga Perkasapratama	DPP
PT Indonesia Pratama	IP
PT Muji Lines	Muji
PT Bayan Energy	BE
PT Metalindo Prosestama	MP
PT Sumber Aset Utama	SAU
PT Karsa Optima Jaya	KOJ
PT Gunungbayan Pratamacoal	GBP



Disclaimer

This presentation contains forward-looking statements based on assumptions and forecasts made by PT. Bayan Resources Tbk management. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and speak only as of the date they are made. We undertake no obligation to update any of them in light of new information or future events.

These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.

Thank You