



PT. BAYAN RESOURCES Tbk.

***Fourth Quarter 2020
Update Presentation***



Overview

4Q20

- **4Q20 was overall a better quarter as Tabang's water levels were higher than expected in the 3Q20 which allowed sales volumes to increase in the subsequent quarter.**
- **The new regulations on DMO and VAT issued in 4Q20 led to a reduction in our costs.**
- **Reversal of Impairment of mining property of US\$ 165.8 million.**

Overall

- **Overall EBITDA generation improved as a result of the increased sales volumes and an increase in EBITDA margin. This margin increase resulted from a reduction in cash costs combined with an increase in ASP.**
- **YTD 2020 cash cost is lower than the revised budget.**



Bayan's Financial and Operational Performance

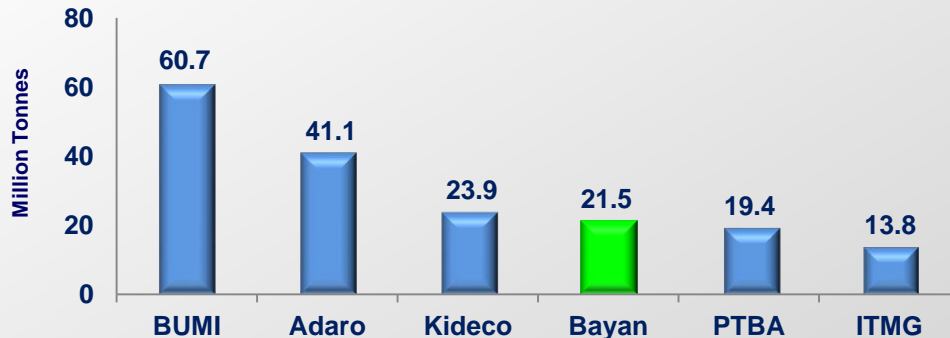
	2019	4Q19	4Q20	2020
Financial Performance (In Million USD)				
Revenue	1,391.6	249.6	391.9	1,395.1
Gross Profit	489.4	53.0	162.3	462.9
EBITDA	374.4	46.3	137.2	356.7
Net Profit After Tax * ¹	234.2	15.0	226.3	344.5
Financial Ratios				
Gross Profit Margin (%)	35.2%	21.2%	41.4%	33.2%
EBITDA Margin (%)	26.9%	18.5%	35.0%	25.6%
Net Profit Margin (%)	16.8%	6.0%	57.7%	24.7%
Net Debt to EBITDA (x)	0.5	0.5	0.1	0.1
Operational Statistics				
Overburden Removal (MBCM)	161.5	34.5	28.5	120.9
Strip Ratio (x) - based on production volume	5.1	5.9	3.3	4.0
Coal Production (MT)	31.9	5.9	8.7	30.2
Sales Volume (MT)	29.2	5.6	10.4	36.3
Average Selling Price (US\$/MT)	47.6	44.7	37.8	38.4
Average Cash Costs (US\$/MT)	35.0	37.0	24.9	28.8

*¹ 4Q20 and 2020 Includes reversal of impairment provision net USD 165.8 million.



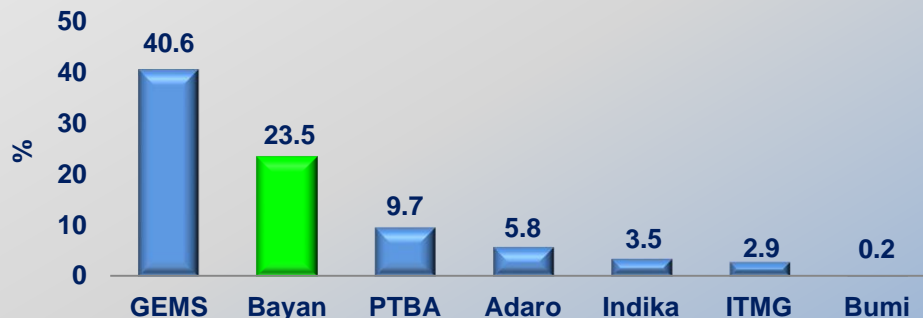
One of the Quickest Growing Coal Producers

YTD 3Q20 Production



Source: Company Filings, Company Data

2017 - 2019 CAGR (Production)



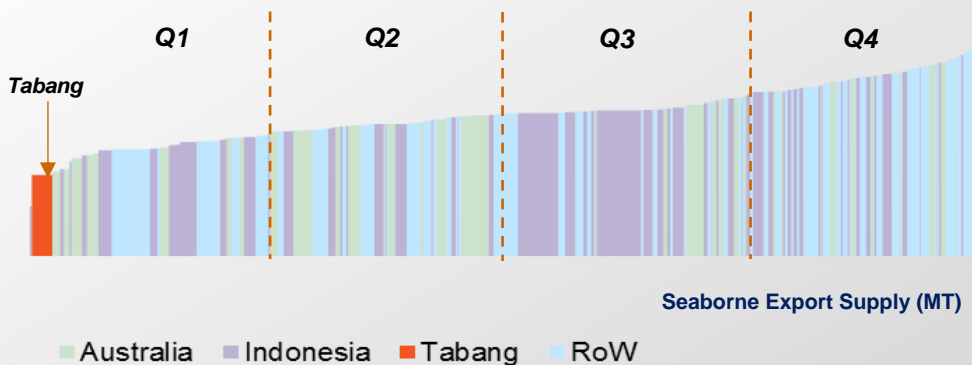
Source: Company Filings, Company Data

- Bayan is one of the top five coal producers by volume in Indonesia.
- In 2020, Bayan commenced the expansion of the Balikpapan Coal Terminal stockpiling capacity to approximately 1.5 million tonnes that it is expected to be completed in 2021.
- Bayan continued construction of the new 100km coal haul road and completed the land clearing and offshore piling for the associated new barge loading facilities
- Bayan's sales volume will remain at similar 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.



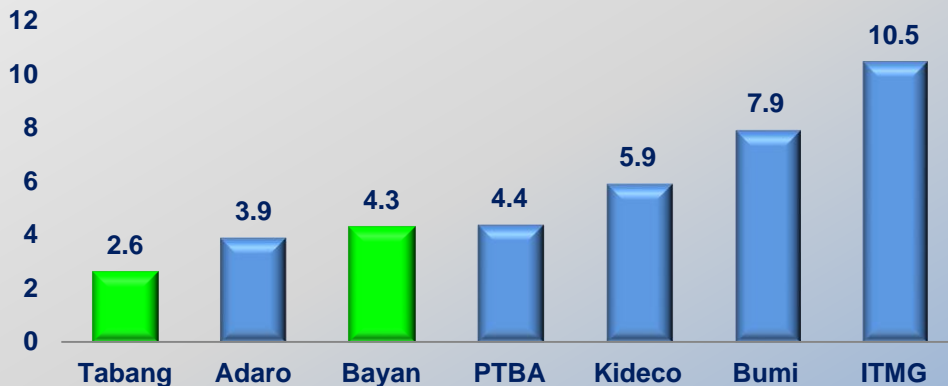
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

YTD 3Q20 Strip Ratio



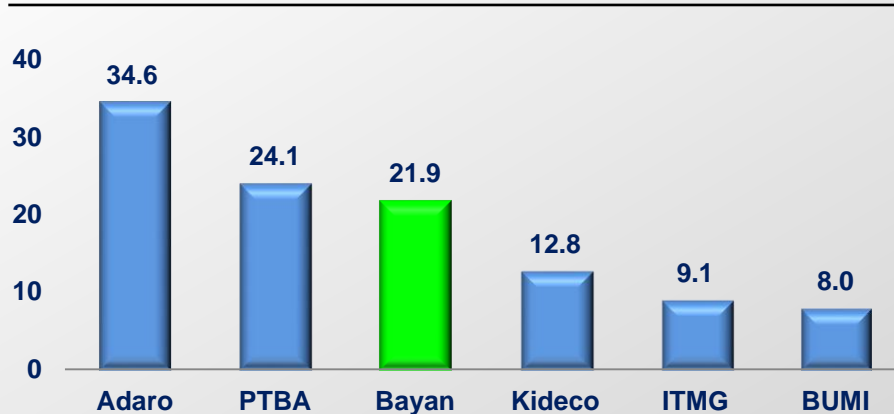
Source: Company Filings, Company Data

- 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 and last year increased its reserves by 62% to 911 million MT.
- A new JORC reserves statement is due to be issued in 2021.
- Tabang has one of the lowest average stripping ratios in Indonesia.



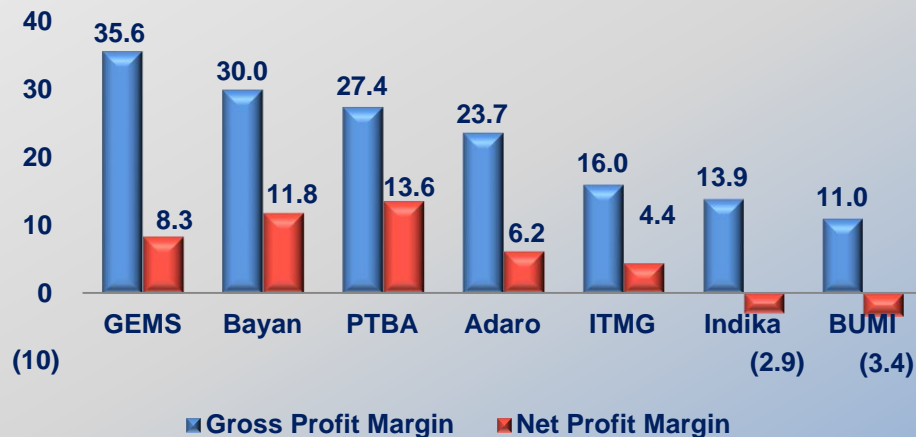
And One of the Highest Margin Producers in Indonesia

YTD 3Q20 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

YTD 3Q20 Gross and Net Profit Margin (%)



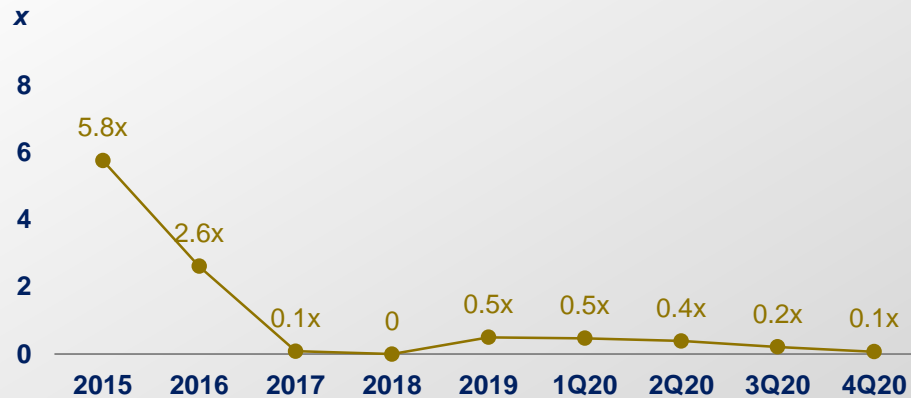
Source: Company Filings, Company Data

- 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.
- 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.

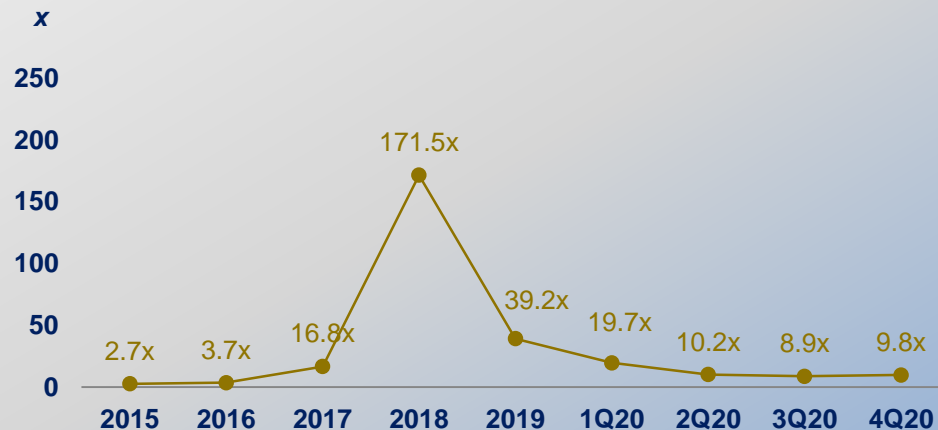


Deleveraged the Group

Net Debt / EBITDA



EBITDA / Interest Expense

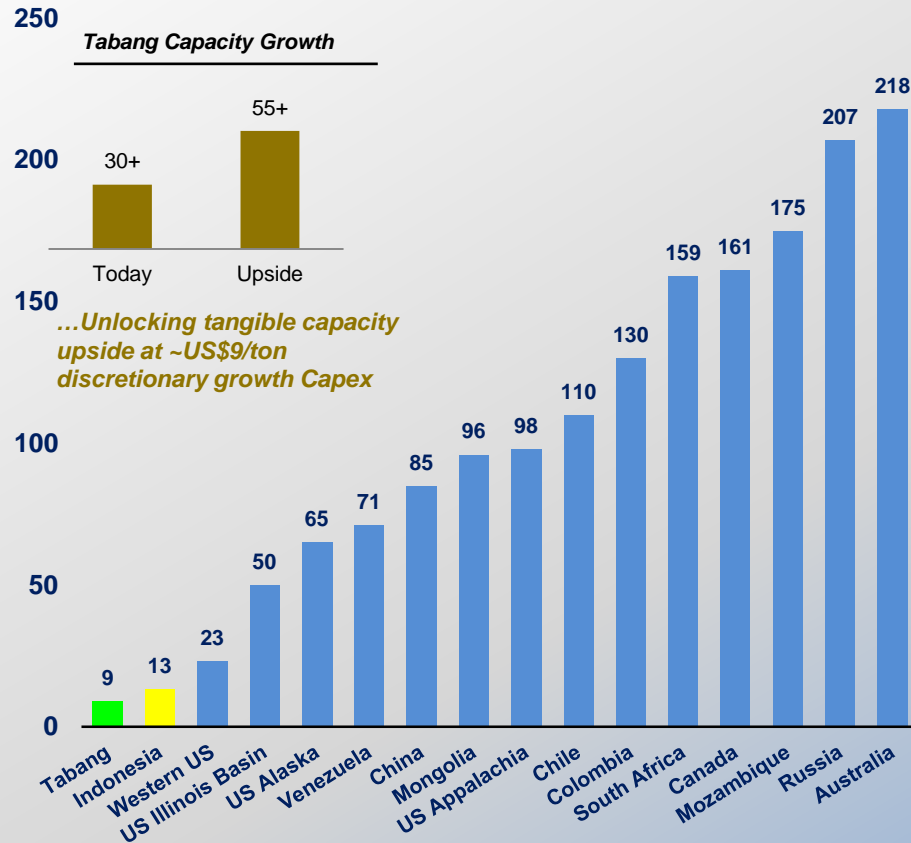


- In January 2020, the Company issued a 3 year Non-Call Life "NCL" bond of US\$ 400 million to ensure adequate liquidity going forward.
- Existing Working Capital Facilities of approximately US\$ 325 million are still available.
- The Group now has the financial strength to continue with the next phase 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.



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

- Overall sales volumes to be maintained whilst infrastructure for the next phase is ongoing.
- 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 2022 which will add additional capacity of 25-30 million MT to our existing capacity.
- Construction of the new haul road commenced in December 2019 and is progressing on schedule.
- 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.



4Q 2020

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

Committed & Contracted Sales

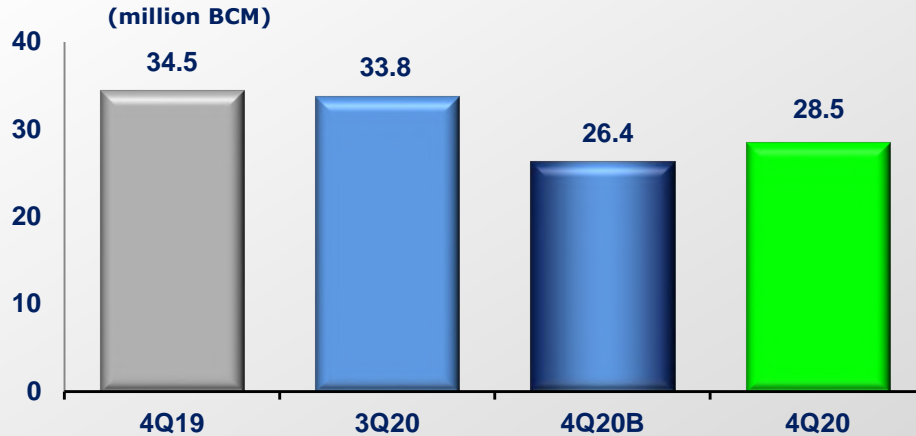
EBITDA

Debt and Cash Position

Capital Expenditure



Overburden Removal (OB)



Note : B stands for Revised Budget Figure

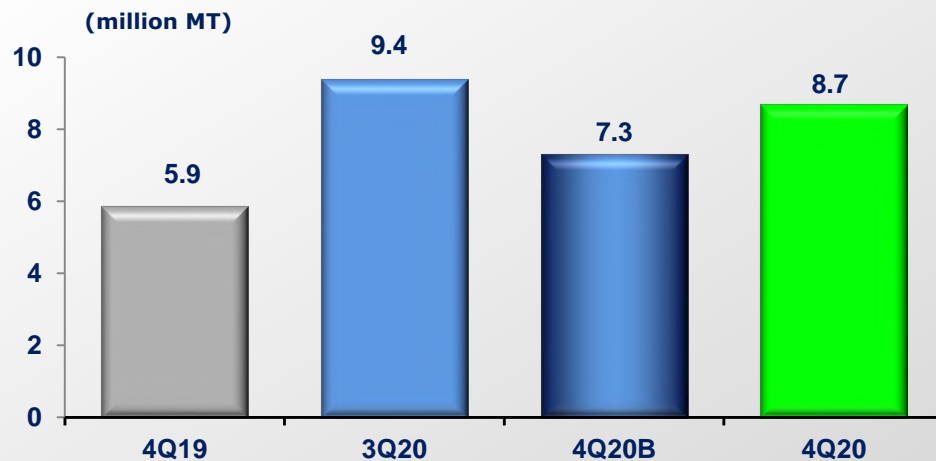
(in million BCM)	4Q20B	4Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	8.8	7.6
Perkasa Inakakerta	1.9	1.9
Wahana Baratama Mining	3.0	4.6
Tabang Concessions	12.7	14.5
Gunungbayan Pratamacoal	-	-
Total	26.4	28.5

- 4Q20 OB was 28.5 million BCM which was higher than the Revised Budget due to the push for higher coal production at Tabang brought about by the higher water levels on the Kedang Kepala River.
- Decrease in 4Q20 compared to 3Q20 due to higher rainfall.

No standby at Tabang in 4Q20 resulting in out performance of Revised Budget



Coal Production



Note : B stands for Revised Budget Figure

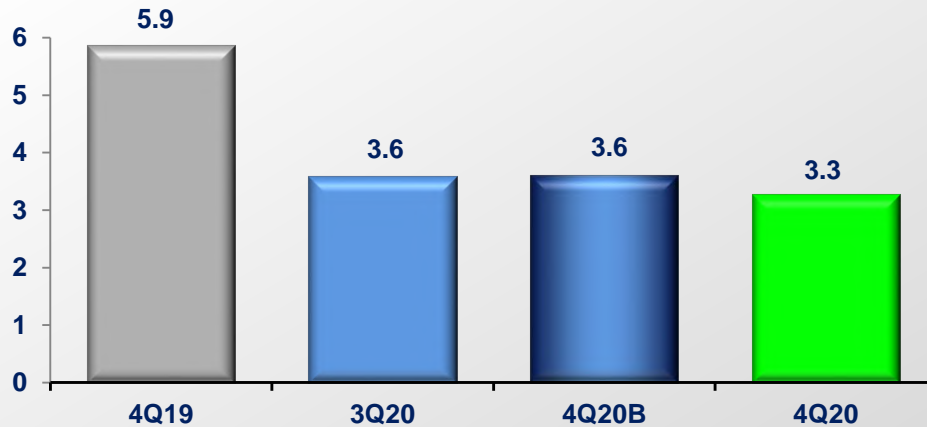
(in million MT)	4Q20B	4Q20
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.8	0.7
Perkasa Inakakerta	0.4	0.3
Wahana Baratama Mining	0.3	0.4
Tabang Consessions	5.8	7.3
Gunungbayan Pratamacoal	-	-
Total	7.3	8.7

- 4Q20 coal production of 8.7 million MT was higher than the Revised Budget as no standby and higher water levels which allowed site to increase production to match higher sales volumes.
- 4Q20 coal production was lower than the 3Q20 due to RKAB's at certain sites reaching their annual limit.
- Group inventory levels decreased from 4.2 million as at the end of September 2020 to 2.9 million MT as at the end of December 2020.
- Full year coal production of 30.2 million MT exceeded the Revised Budget of 26.0 million MT by 16%.

Production increased 48% and 19% from 4Q19 and the Revised Budget respectively



Weighted Average Stripping Ratio (SR)



Note : B stands for Revised Budget Figure

Weighted Average SR (:1)	4Q20B	4Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	10.9	11.3
Perkasa Inakakerta	4.7	5.9
Wahana Baratama Mining	10.0	11.2
Tabang Concessions	2.2	2.0
Gunungbayan Pratamacoal	-	-
Total	3.6	3.3

➤ 4Q20 weighted average stripping ratio was lower than the Revised Budget and 3Q20 mainly due to:

- Lower SR at Tabang as site pushed to maximize coal production.

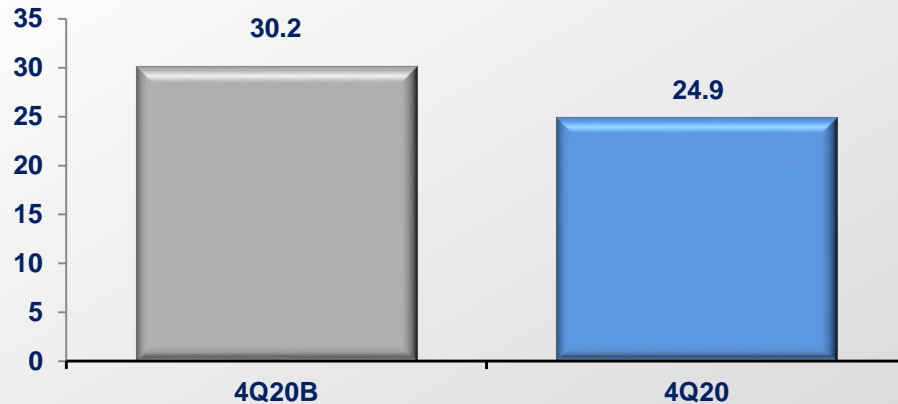
Partially offset by

- Higher SR at TSA/FKP due to changes in mine plans caused by reaching annual RKAB limit.
- Higher SR at WBM due to changes in mine plans caused by wet weather in 3Q20.
- Higher SR at PIK due to rainfall in the end 4Q20.

2020 weighted average stripping ratio of 4.0:1 represents a 21% and 12% decrease compared to last year and the Revised Budget respectively



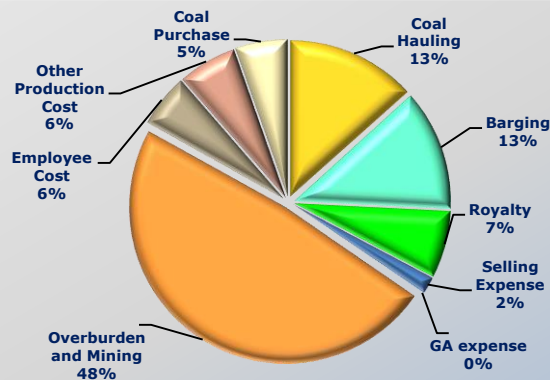
Average Cash Costs (Revised Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Revised Budget Figure

Cash Cost per Expense – YTD 2020



➤ 4Q20 Cash Costs were US\$ 24.9/MT which was significantly lower than the Revised Budget due to:

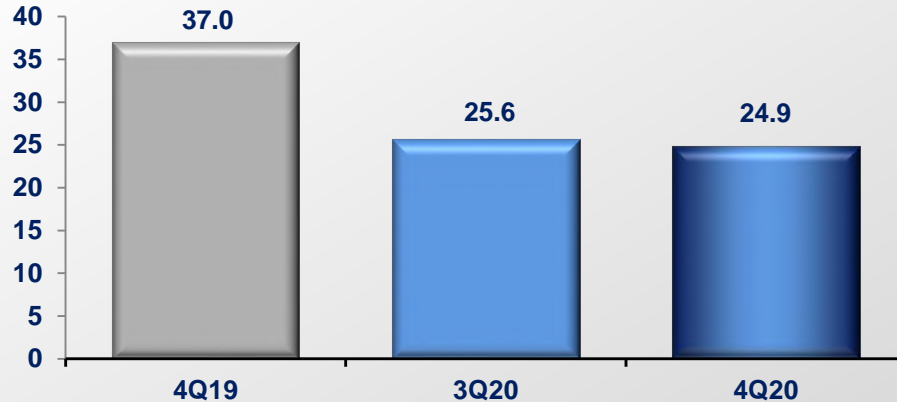
- Higher sales volume which reduced most fixed costs on a unit cost basis.
- New law allowing VAT recoverability under IUP's.
- Lower overburden costs due to lower average SR.
- Lower barging costs due to higher than expected water levels.
- Lower DMO expense due to the reversal of the years accrual as government waives the 2020 DMO obligation.

➤ Full year cash costs of US\$ 28.8 /MT.

4Q20 cash costs and full year cash costs were significantly lower than the Revised Budget



Average Cash Costs (3Q20 vs 4Q20)



Average Cash Costs include Royalty, Barging and SGA

➤ **4Q20 Cash Costs of US\$ 24.9/MT were slightly lower than 3Q20 of US\$ 25.6/MT due to:**

- **Higher sales volume which reduced most costs on a unit cost basis.**
- **New law which allows VAT recoverability under IUP's applied since November 2020.**
- **Lower barging costs due to higher water levels than 3Q20 which allow us to use a higher proportion of large barges.**
- **Lower DMO expense due to the reversal of the years accrual as the government waived the 2020 DMO obligation in 4Q20.**

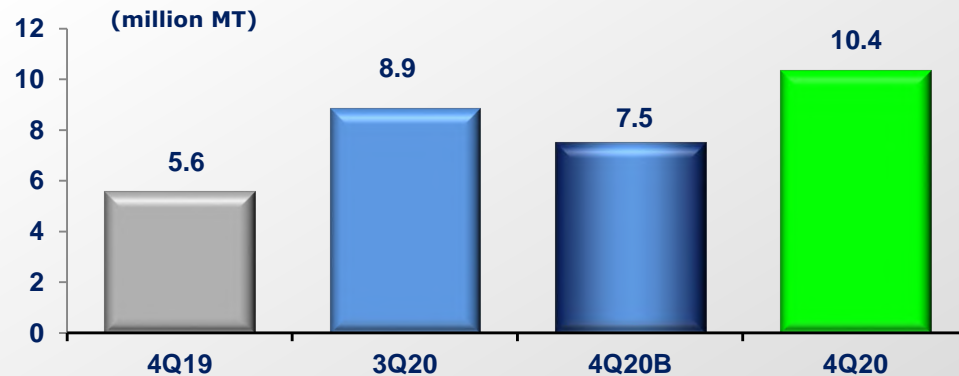
Partially offset by:

- **Higher royalty due to higher sales volume and increase in ASP.**

4Q20 cash costs continued to decrease from 3Q levels

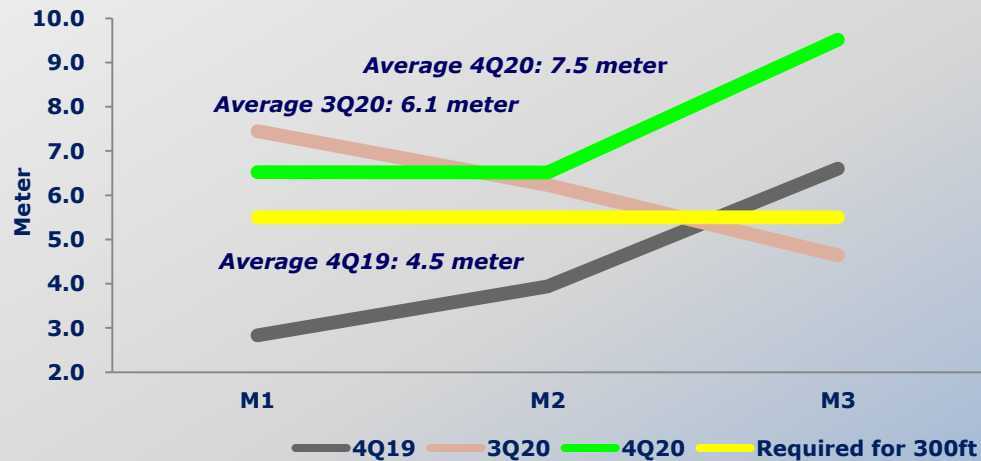


Coal Sales (by volume)



Note : B stands for Revised Budget Figure

Average Senyur Water Levels



- Average water levels higher than anticipated in 3Q and 4Q allowing better barging.
- 4Q20 coal sales volumes of 10.4 million MT were higher than the Revised Budget and 3Q20.
- Quarterly barging at Tabang - Senyur:
 - 4Q19: 4.5 million MT.
 - 3Q20: 6.1 million MT.
 - 4Q20: 7.5 million MT.

2020 sales volume of 36.3m MT represents a 24% and 21% increase compare to last year and the Revised Budget respectively

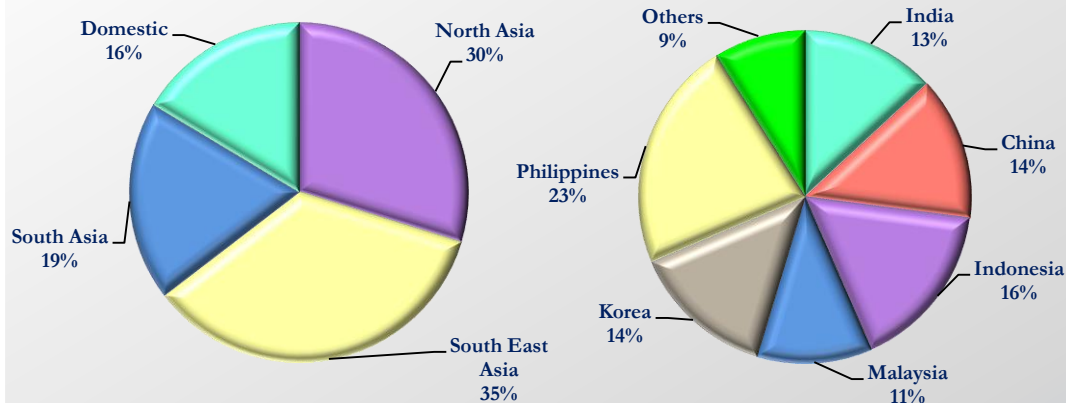


Coal Sales (by volume) (continued)

Geographic Distribution (2020) – by Volume

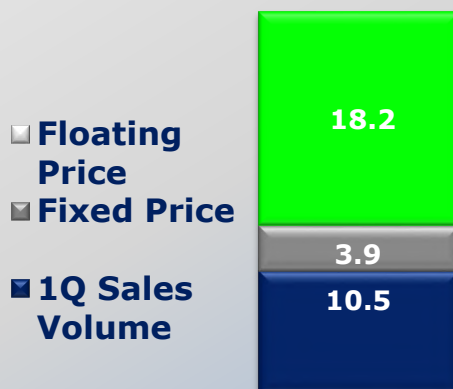
Per Region

Per Country



Committed and Contracted Sales for 2021

32.6 million MT



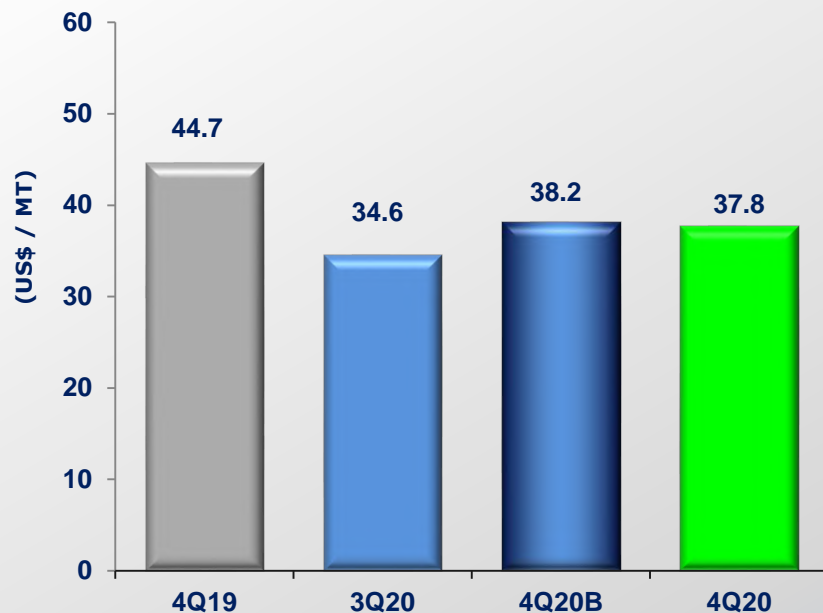
➤ The Company is focusing on continuing to build its long term contracts to Indonesian and other South East Asian IPP's.

➤ 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)



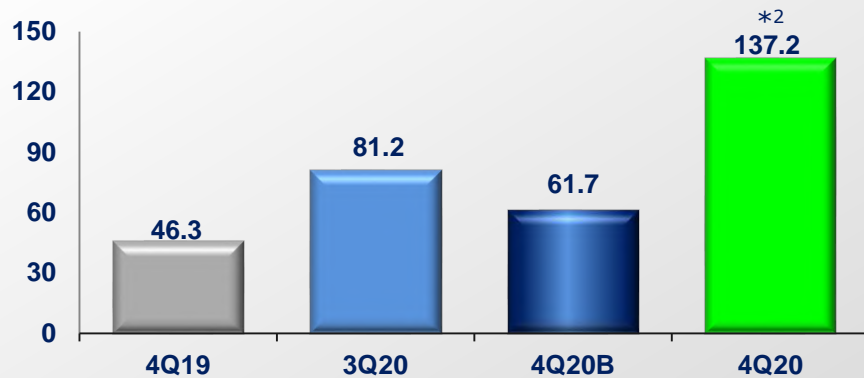
* ASP includes coal and non-coal sales
Note : B stands for Revised Budget Figure

- 4Q20 ASP of US\$ 37.8/MT was slightly lower than the Revised Budget due to the ICI4 index continuing to be lower than anticipated despite the increase in Newcastle benchmark.
- Since the COVID-19 outbreak, the Newcastle benchmark has dropped significantly but started to bounce back at the end of 3Q20.
- ICI4 lower than the Revised Budget most of the year and only started to recover towards the end of the 4Q20.
- 2020 average ASP of US\$ 38.4/MT was slightly below Revised Budget.

4Q20 ASP increased from 3Q20 as market prices start to recover

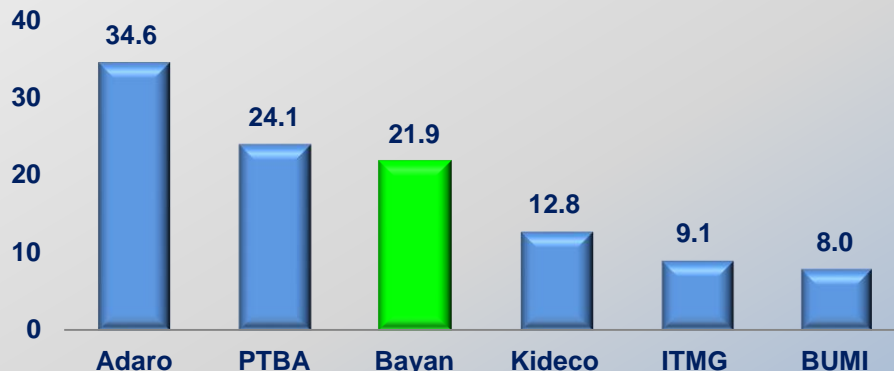


EBITDA



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

YTD 3Q20 EBITDA Margin (%) Competitors Table



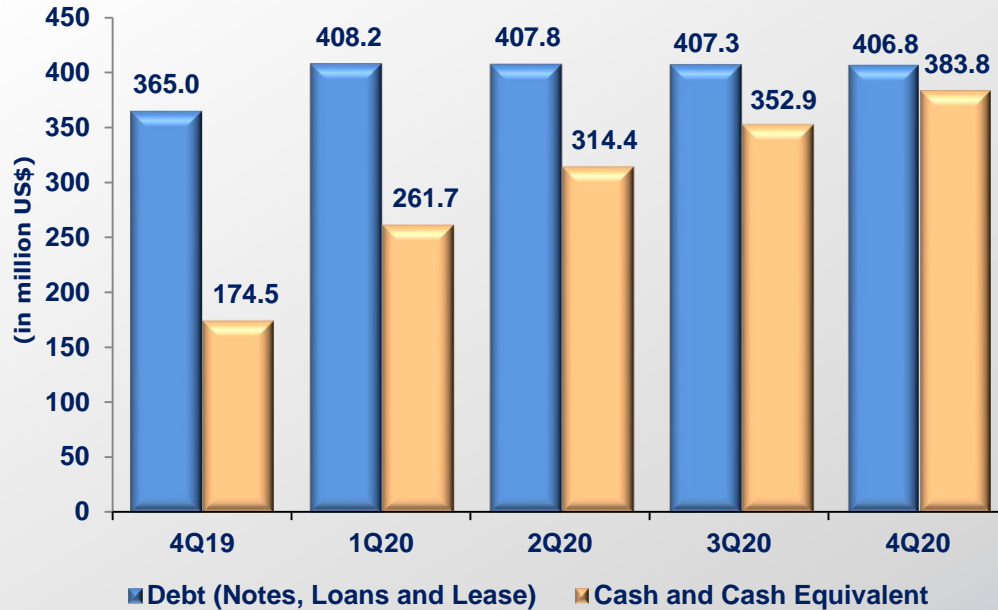
Source: Company Filings, EBITDA estimated using Company Data

- **4Q20 EBITDA significantly increased compared to the Revised Budget on the back of lower cash costs and higher sales volumes partially offset by lower ASP.**
- **4Q20 EBITDA was higher than 3Q20 due to lower cash costs, higher sales volume and higher ASP.**
- **4Q20 EBITDA is the best in the year.**
- **4Q20 EBITDA margin of 35.0% has increased from 3Q20 level of 26.4% and still represents one of the best margins in the Indonesian coal sector.**
- **YTD 2020 EBITDA of US\$ 356.7 million.**

One of the best EBITDA margin's in Indonesia



Total Debt and Cash Position

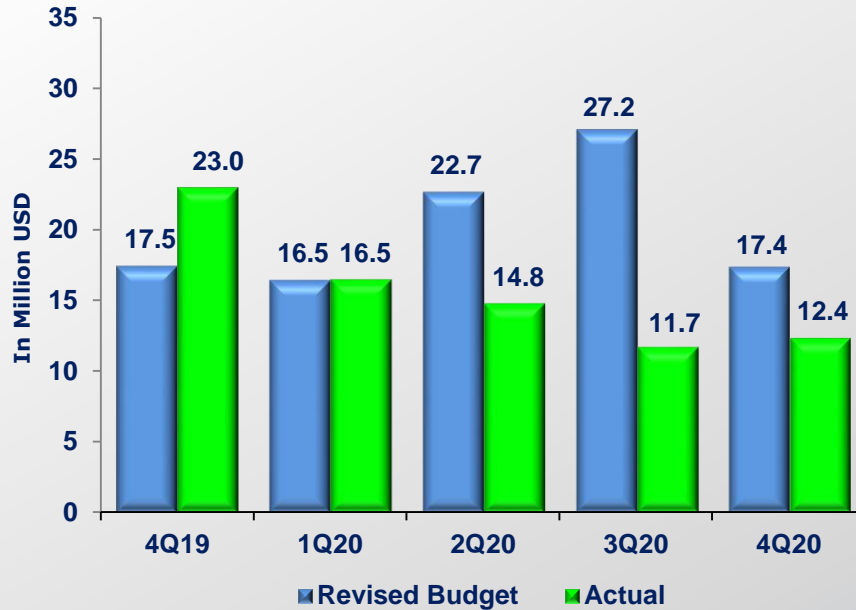


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 Jan 2020.
- The second payment of interest under the Senior Notes of US\$ 12.25 million was paid on 25 January 2021.
- Additional US\$ 6.8 million of lease debt recorded due to the implementation of PSAK 73.
- Working capital facilities of approximately US\$ 325 million remain available.
- Cash position improved primarily due to continued cash generation from operations including a reduction in inventory.

Bayan continues to maintain low leverage and sufficient liquidity



Capital Expenditure



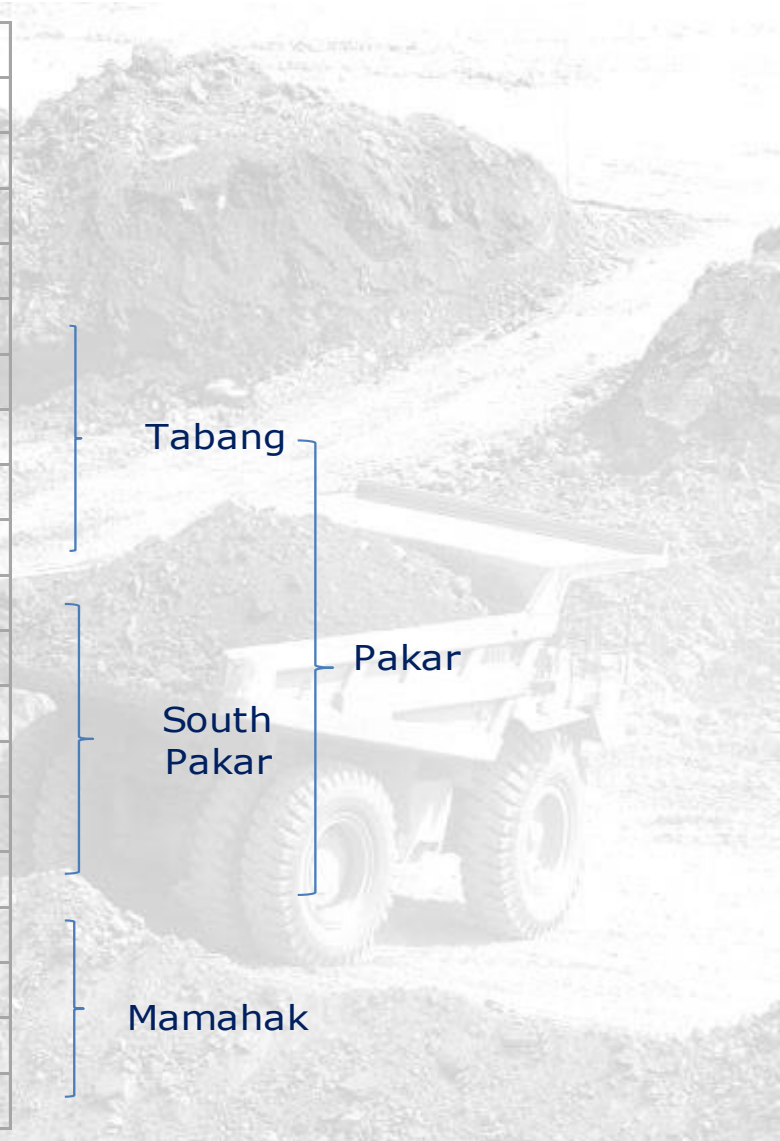
- YTD Capex was USD 55.4 million, which was below the Revised Budget (USD 83.8 million) due to delay's in permits and late commencement of construction of the new Tabang 100km CHR and barge loading facilities.
- We continue to expect the haul road and barge loading facilities will be completed in 2022.
- Major ongoing projects are:
 - Expansion at Tabang including partial asphaltting of current coal haul road.
 - Construction of new coal haul road and jetty facility.
 - Expansion of stockpiling capacity at BCT.

YTD 2020 Capex is less than the Revised 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





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