



PT. BAYAN RESOURCES Tbk.

***First Half 2021
Update Presentation***



Overview

2Q21

- **Due to 1Q21 performance, the Company issued revised guidance on 5th April 2021 to more fully reflect its expectations for the remainder of 2021.**
- **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.**
- **2Q21 was the highest EBITDA generated ever in Bayan's history primarily due to higher ASP.**



Bayan's Financial and Operational Performance

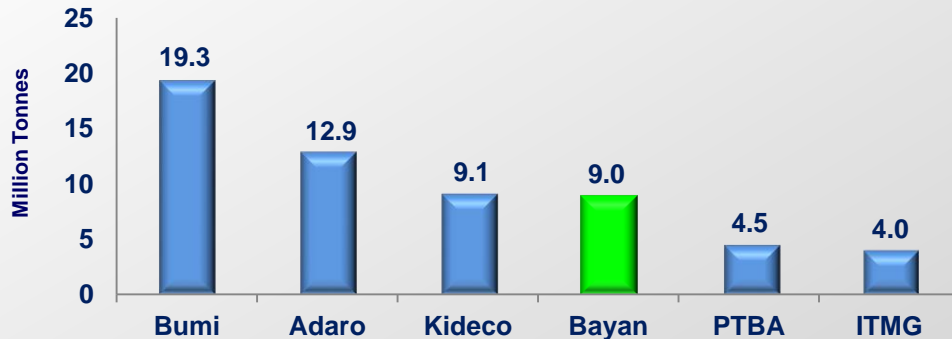
	2020	2Q20	2Q21	1H20	1H21
Financial Performance (In Million USD)					
Revenue	1,395.1	369.4	522.6	695.7	1,023.7
Gross Profit	462.9	100.4	308.6	190.7	591.7
EBITDA	356.7	71.3	273.9	138.2	528.7
Net Profit After Tax * ¹	344.5	35.5	181.7	75.7	359.0
Financial Ratios					
Gross Profit Margin (%)	33.2%	27.2%	59.1%	27.4%	57.8%
EBITDA Margin (%)	25.6%	19.3%	52.4%	19.9%	51.7%
Net Profit Margin (%)	24.7%	9.6%	34.8%	10.9%	35.1%
Net Debt to EBITDA (x)	0.1	0.4	Net Cash	0.4	Net Cash
Operational Statistics					
Overburden Removal (MBCM)	120.9	23.5	36.1	58.7	70.0
Strip Ratio (x) - based on production volume	4.0	4.9	4.0	4.9	3.9
Coal Production (MT)	30.2	4.8	9.0	12.1	18.0
Sales Volume (MT)	36.3	9.8	9.1	17.1	19.7
Average Selling Price (US\$/MT)	38.4	37.9	57.6	40.7	52.1
Average Cash Costs (US\$/MT)	28.8	30.7	27.5	32.8	25.2

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



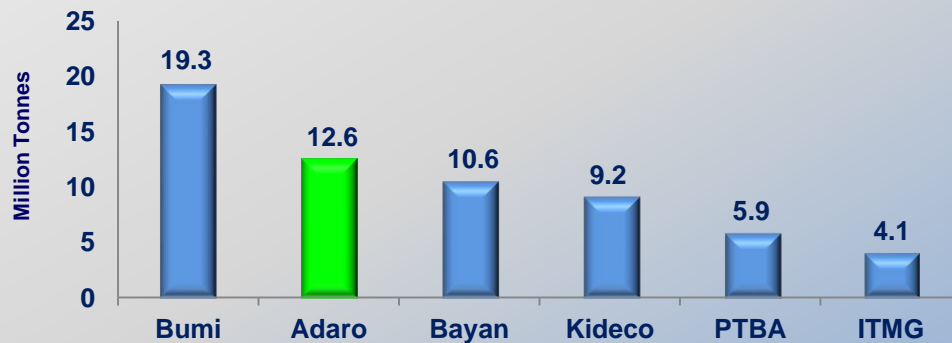
One of the Largest Coal Producers

1Q21 Production



Source: Company Filings, Company Data

1Q21 Sales Volume



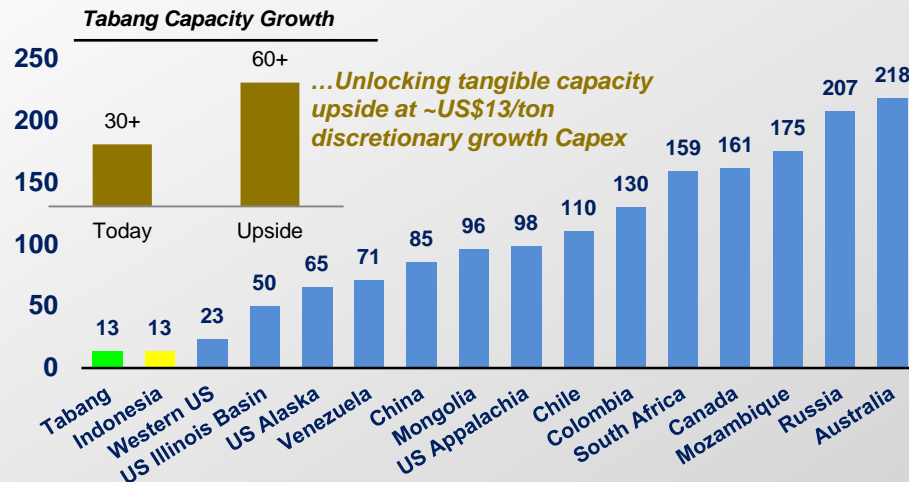
Source: Company Filings, Company Data

- Bayan is one of the top five coal producers by production 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⁾



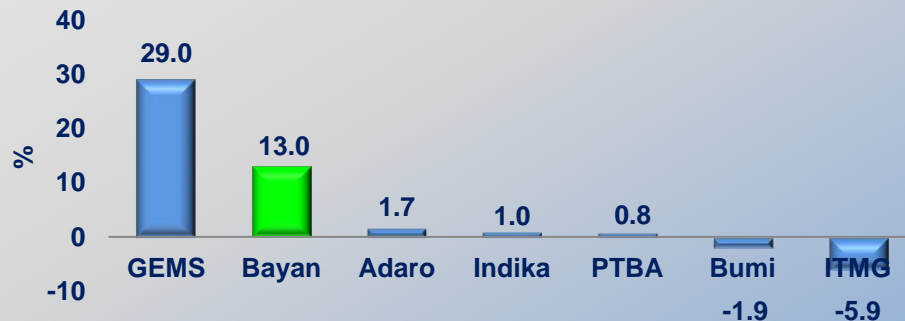
Source: Wood Mackenzie

Notes

(1) Based on 2012 real dollars

(2) US\$402m Capex (include BCT) divided by an incremental 30+ Mtpa production / sales capacity

2017 - 2020 CAGR (Production)



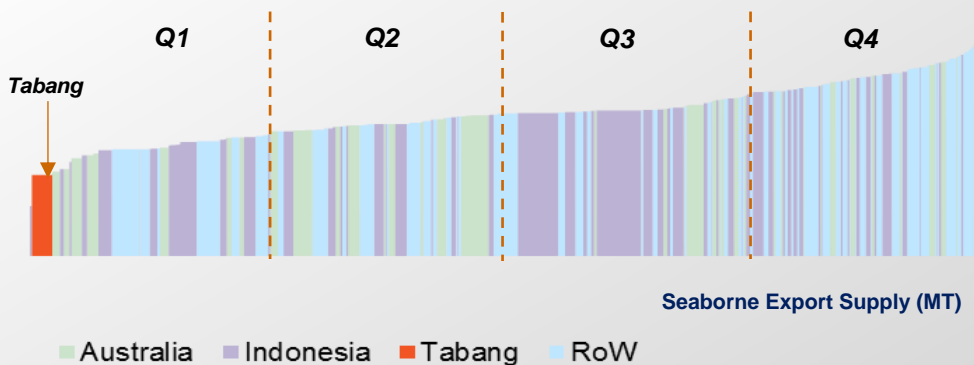
Source: Company Filings, Company Data

- 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 454 million (2021-2023) for the Group, of which US\$ 373 million is expansionary capex tied to the Tabang Project.



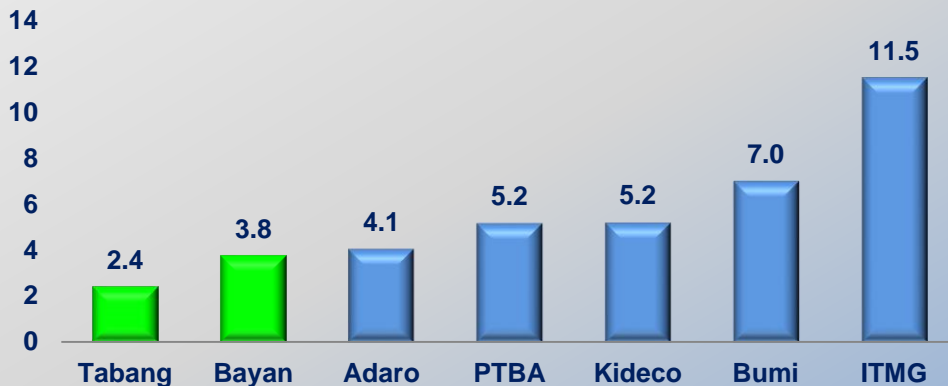
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

1Q21 Strip Ratio



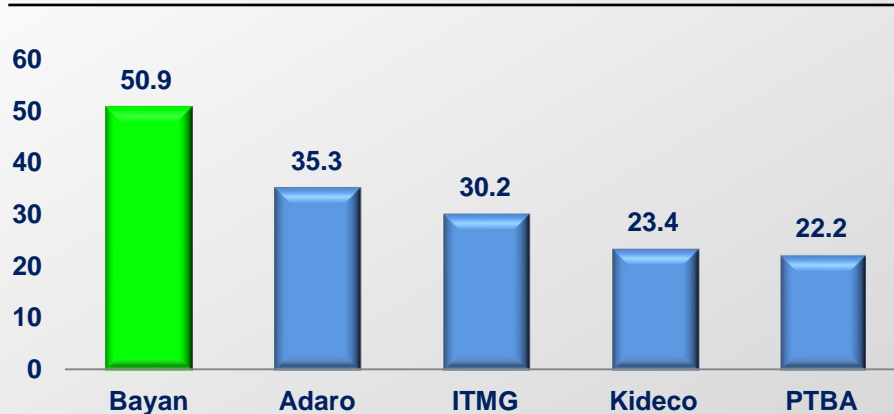
Source: Company Filings, Company Data

- 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 in 2021 resulted in an increase of 72% in Tabang/North Pakar reserves to 1,475 million MT.
- Tabang has one of the lowest average stripping ratios in Indonesia.



And One of the Highest Margin Producers in Indonesia

1Q21 EBITDA Margin (%)

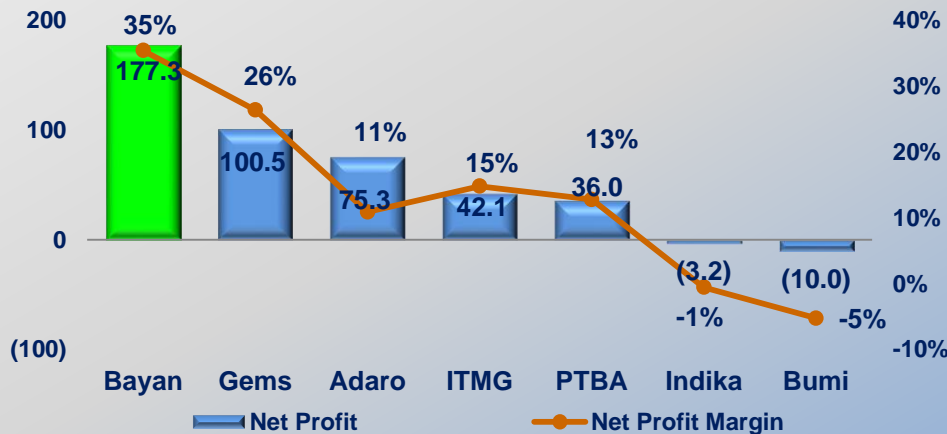


Source: Company Filings, EBITDA estimated using Company Data

➤ 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.

1Q21 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.
- In 2Q21 Bayan prepaid US\$ 251 million of its bond.
- Existing Working Capital Facilities of approximately US\$ 300 million are still available.
- Targeted net leverage of less than 2.5x EBITDA throughout the commodity cycle.
- Bayan has been re-assigned independent credit ratings of BB- by Fitch in November 2020 and Ba3 by Moody’s in May 2021.



2Q 2021

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

Committed & Contracted Sales

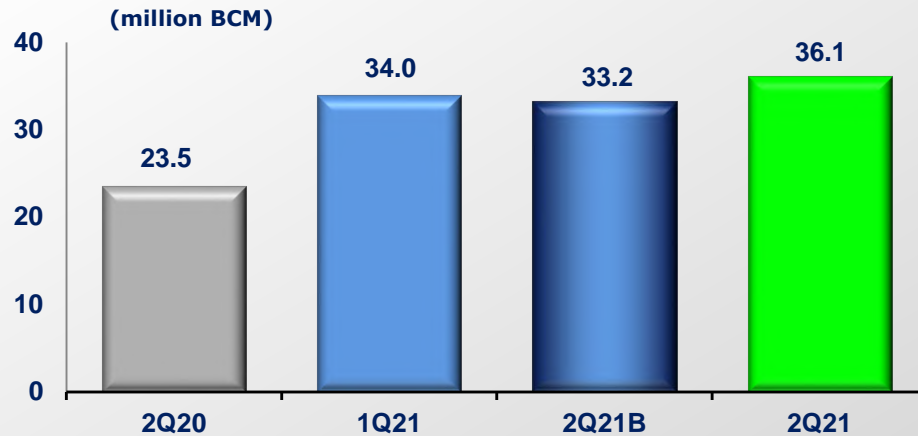
EBITDA

Debt and Cash Position

Capital Expenditure



Overburden Removal (OB)



Note : B stands for Budget Figure

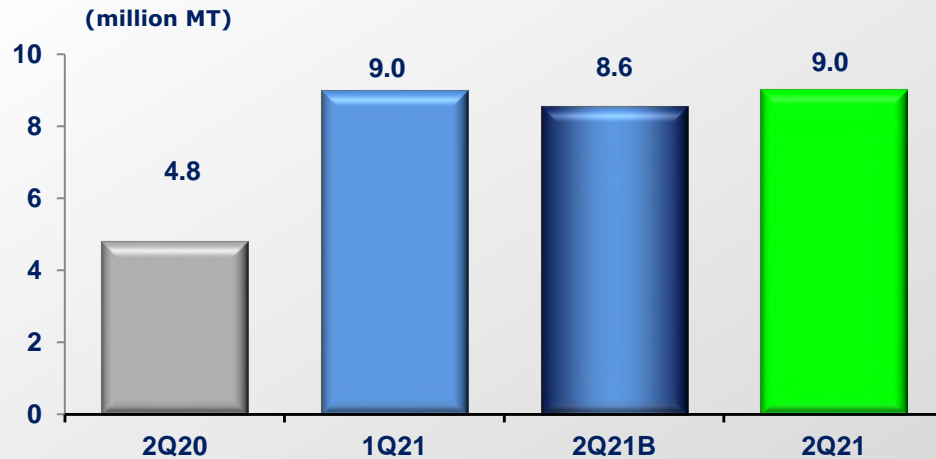
- 2Q21 OB of 36.1 million BCM was higher than the Budget and 1Q21 as additional equipment was utilised in Tabang, in anticipation of approval of revised annual production targets.

(in million BCM)	1Q21	2Q21B	2Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	9.9	9.3	8.5
Perkasa Inakakerta	1.6	2.1	1.8
Wahana Baratama Mining	4.3	3.0	4.0
Tabang Concessions	18.1	18.8	21.7
Gunungbayan Pratamacoal	-	-	-
Total	34.0	33.2	36.1

9% over Budgeted overburden



Coal Production



Note : B stands for Budget Figure

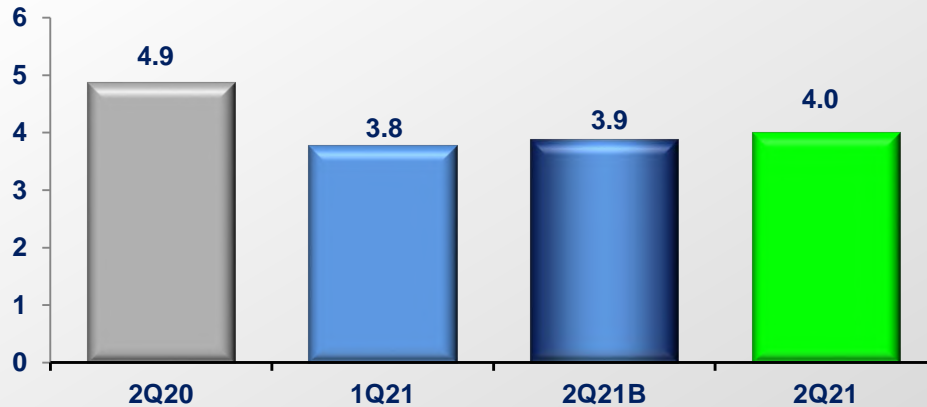
- 2Q21 coal production of 9.0 million MT was slightly higher than the Budget due to additional equipment being utilised at Tabang.
- 2Q21 production was in line with the 1Q21.

(in million MT)	1Q21	2Q21B	2Q21
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.9	0.8	0.8
Perkasa Inakakerta	0.2	0.3	0.3
Wahana Baratama Mining	0.4	0.2	0.2
Tabang Consessions	7.5	7.2	7.7
Gunungbayan Pratamacoal	-	-	-
Total	9.0	8.6	9.0

5% over Budgeted coal production



Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

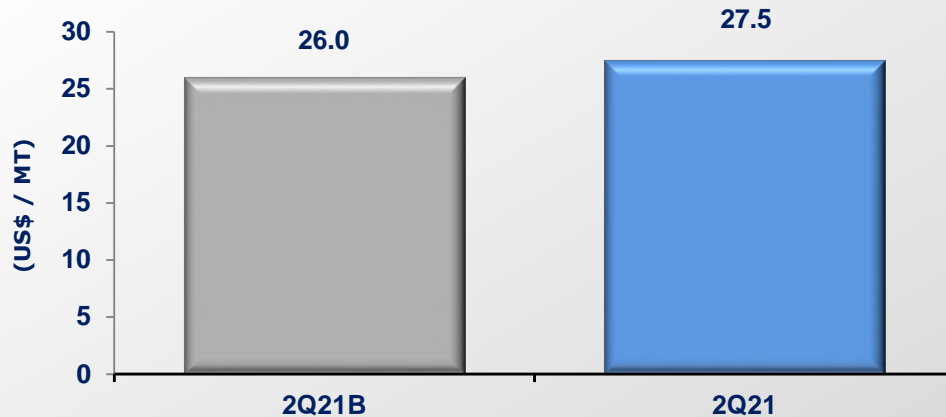
- 2Q21 weighted average stripping ratio was generally in line with the Budget.
- 2Q21 weighted average stripping ratio was slightly higher than 1Q21 mainly due to:
 - Higher SR at Tabang due to additional equipment in use.

Weighted Average SR (:1)	1Q21	2Q21B	2Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	11.3	11.1	10.8
Perkasa Inakakerta	7.0	7.1	6.4
Wahana Baratama Mining	10.4	14.3	16.9
Tabang Concessions	2.4	2.6	2.8
Gunungbayan Pratamacoal	-	-	-
Total	3.8	3.9	4.0

2Q21 weighted average stripping ratio is a 18% decrease compared to 2Q20



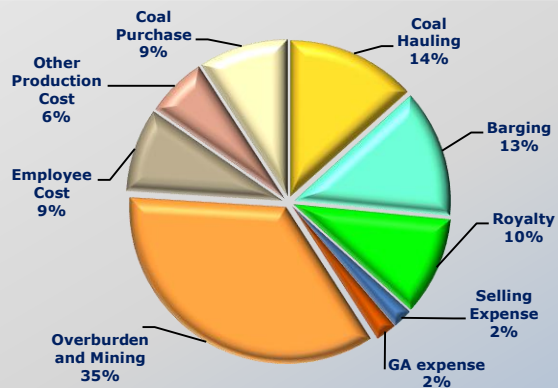
Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

Cash Cost per Expense – 2Q21



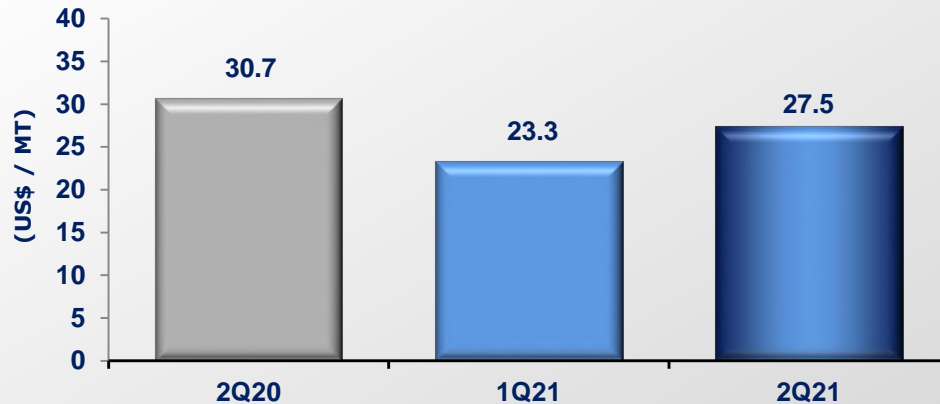
➤ 2Q21 Cash Costs were US\$ 27.5/MT which was higher than the Budget due to:

- Higher average SR.
- Higher unit costs of purchased coal due to higher market price.
- Higher wages and salaries due to payment of annual bonuses, THR and increment salary which not fully Budgeted for in 2Q21.
- Higher professional fees due to bond buyback.
- Higher royalties due to higher than Budgeted ASP.

2Q21 cash costs were slightly higher than the Budget



Average Cash Costs (1Q21 vs 2Q21)



Average Cash Costs include Royalty, Barging and SGA

➤ 2Q21 Cash Costs of US\$ 27.5/MT were higher than 1Q21 of US\$ 23.3/MT due to:

- Lower sales volumes which effectively increased the unit costs of a number of expenses.
- Higher average SR.
- Higher wages and salaries due to payment of annual bonuses, THR and increment salary in 2Q21.
- Higher unit cost of coal purchases due to higher market price.
- Higher professional fees due to bond buyback.

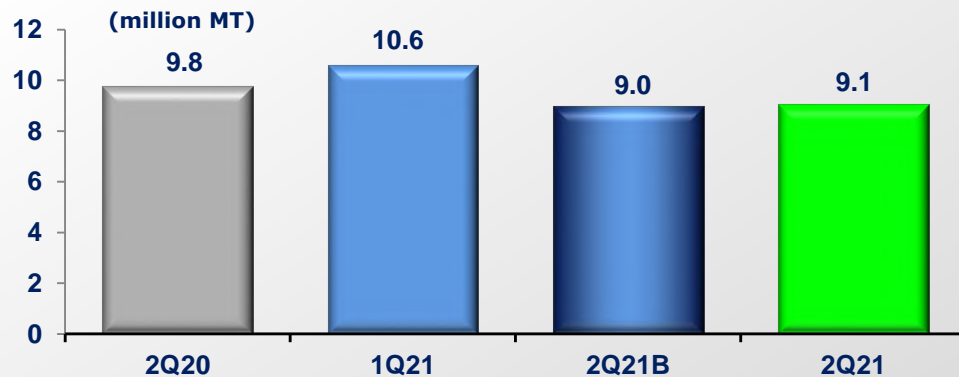
Partially offset by:

- Hedging receipts on the early termination of fuel swaps.

2Q21 cash costs increased from 1Q21 levels

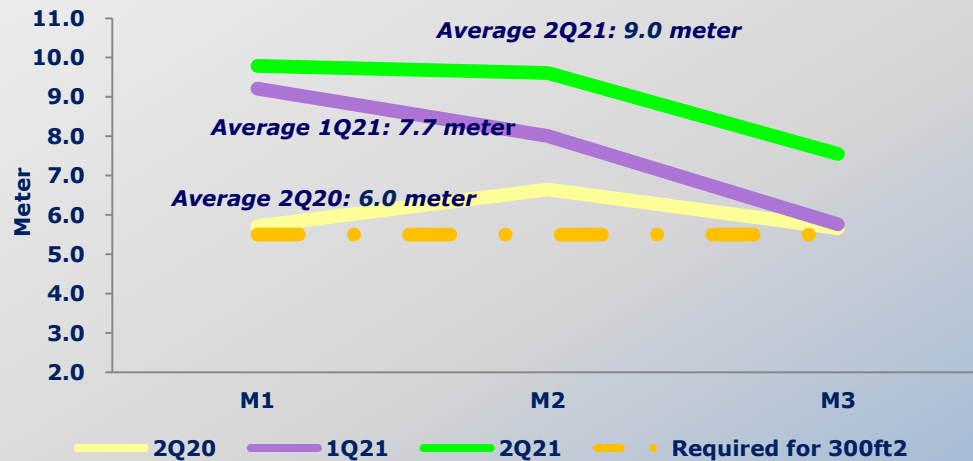


Coal Sales (by volume)



Note : B stands for Budget Figure

Average Senyuir Water Levels



- 2Q21 coal sales volumes of 9.1 million MT were in line with the Budget.
- 2Q21 sales volumes less than 1Q21 in order to get back in line with annual total sales volume target.
- Group inventory levels increased slightly to 2.4 million MT as at the end of June 2021.
- Quarterly barging at Tabang - Senyuir:
 - 2Q20: 8.0 million MT.
 - 1Q21: 7.9 million MT.
 - 2Q21: 7.1 million MT.

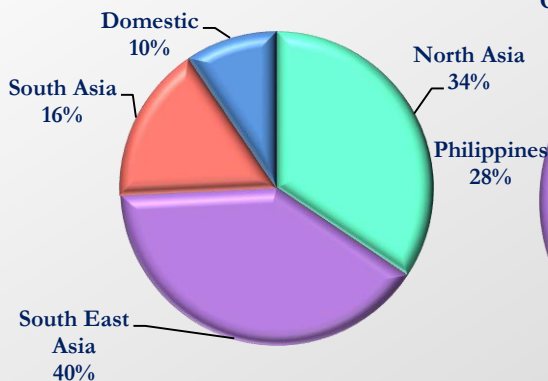
2Q21 sales volume in line with the Budget



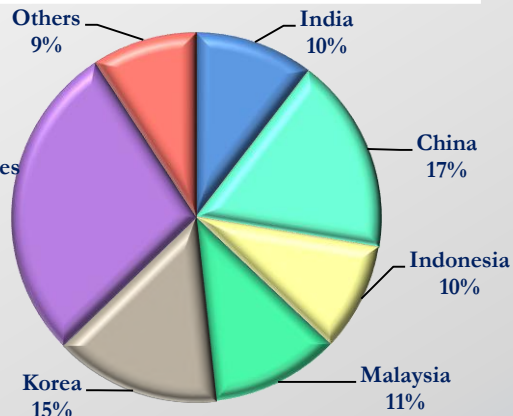
Coal Sales (by volume) (continued)

Geographic Distribution (1H21) – by Volume

Per Region



Per Country



Committed and Contracted Sales for 2021

34.9 million MT



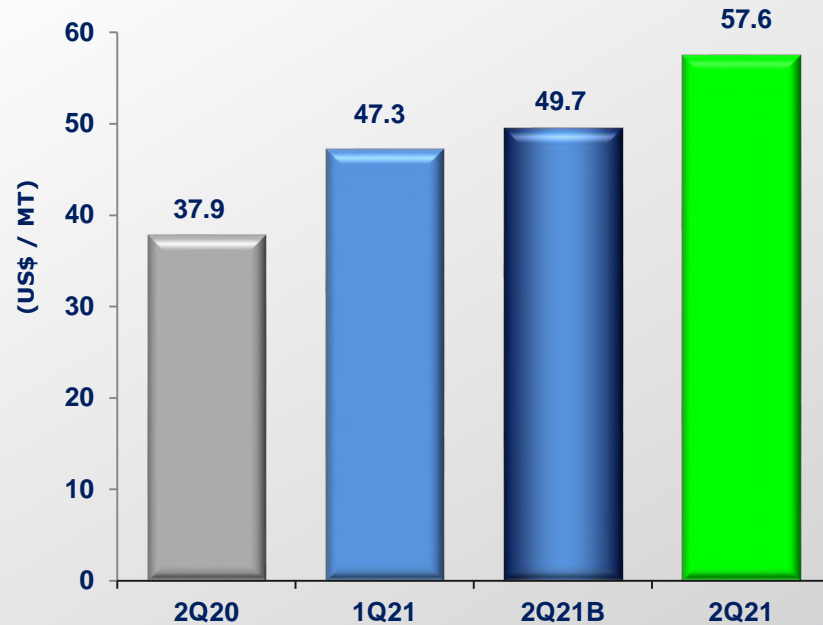
➤ The Company is focusing on continuing to build its long term contracts to Indonesian and other South East Asian IPP's.

➤ As at 30 June 2021 committed and contracted sales were 34.9 million MT for 2021 with an average CV of 4,558 GAR kcal/kg.

➤ Excluding 1H21 deliveries we have 3.7 million MT of fixed prices contracts for the remainder of the year at an average CV of 4,375 at USD 50.0/MT.



Average Selling Price (ASP)



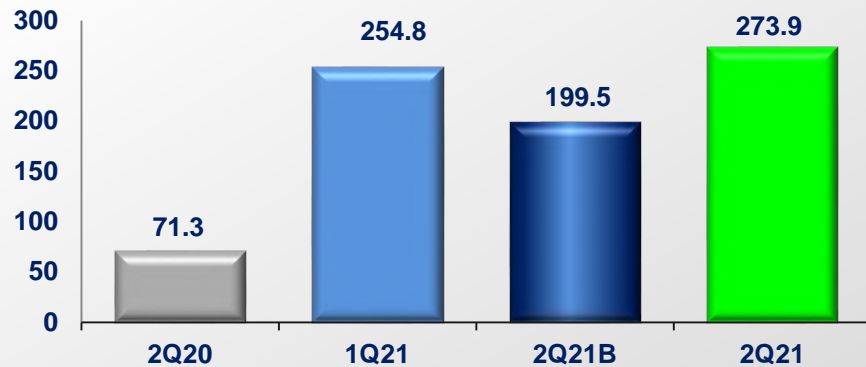
* ASP includes coal and non-coal sales
Note : B stands for Budget Figure

- **2Q21 ASP of US\$ 57.6/MT was significantly higher than the Budget and 1Q21 due to market prices continuing to strengthen during the 2Q21.**
- **Current forecast are far market prices to remain strong (and above Budgeted levels) for the remainder of 2021.**

ASP continued to increase significantly in 2Q21

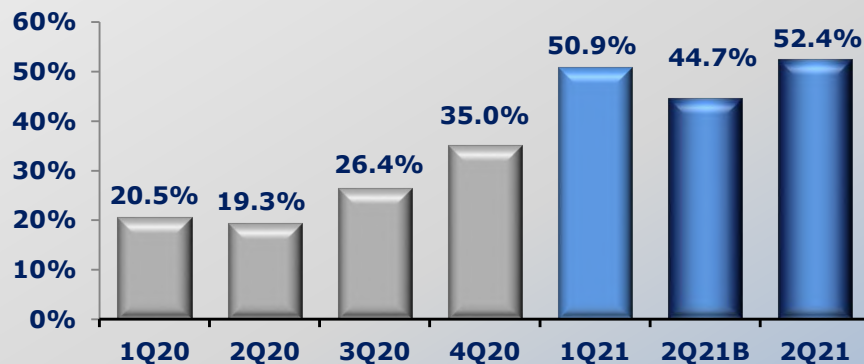


EBITDA



Note : B stands for Budget Figure

EBITDA Margin



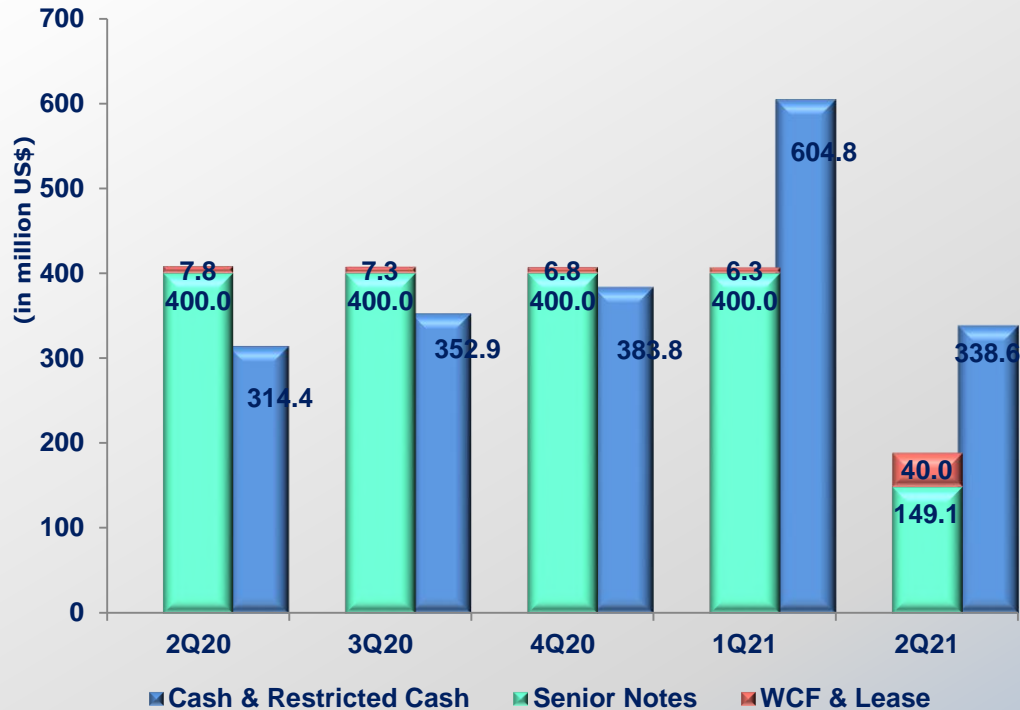
Note : B stands for Budget Figure

- **2Q21 EBITDA significantly increased compared to the Budget and 1Q21 due to higher ASP.**
- **2Q21 EBITDA was the best quarter ever in the history of Bayan.**
- **2Q21 EBITDA margin of 52.4% 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

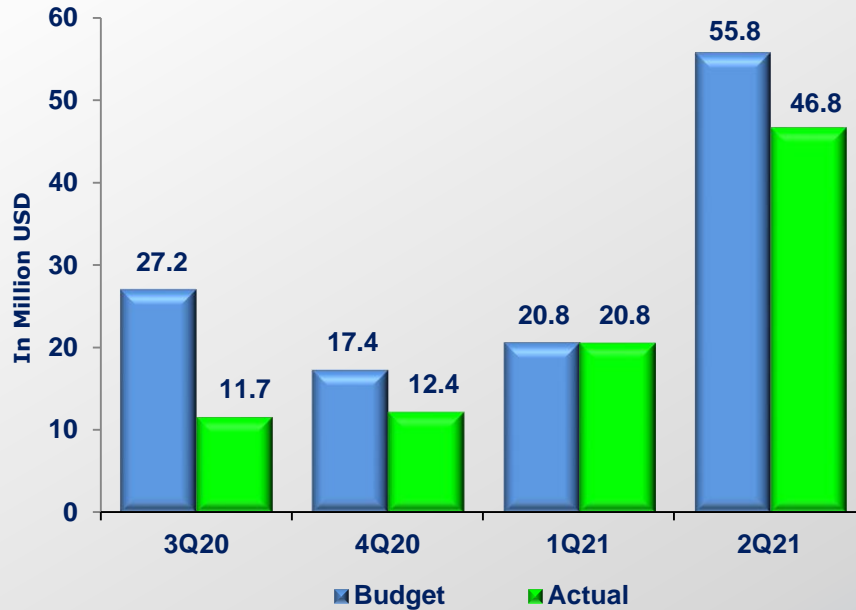


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Bayan bought back US\$ 250.9 million on 18 May 2021.
- US\$ 40 million of WCF outstanding at June 2021 which was fully paid at end of July 2021.
- Working capital facilities of approximately US\$ 300 million remain available.
- Turned net Cash from 1Q21.

Bayan continues to maintain low leverage and sufficient liquidity



Capital Expenditure



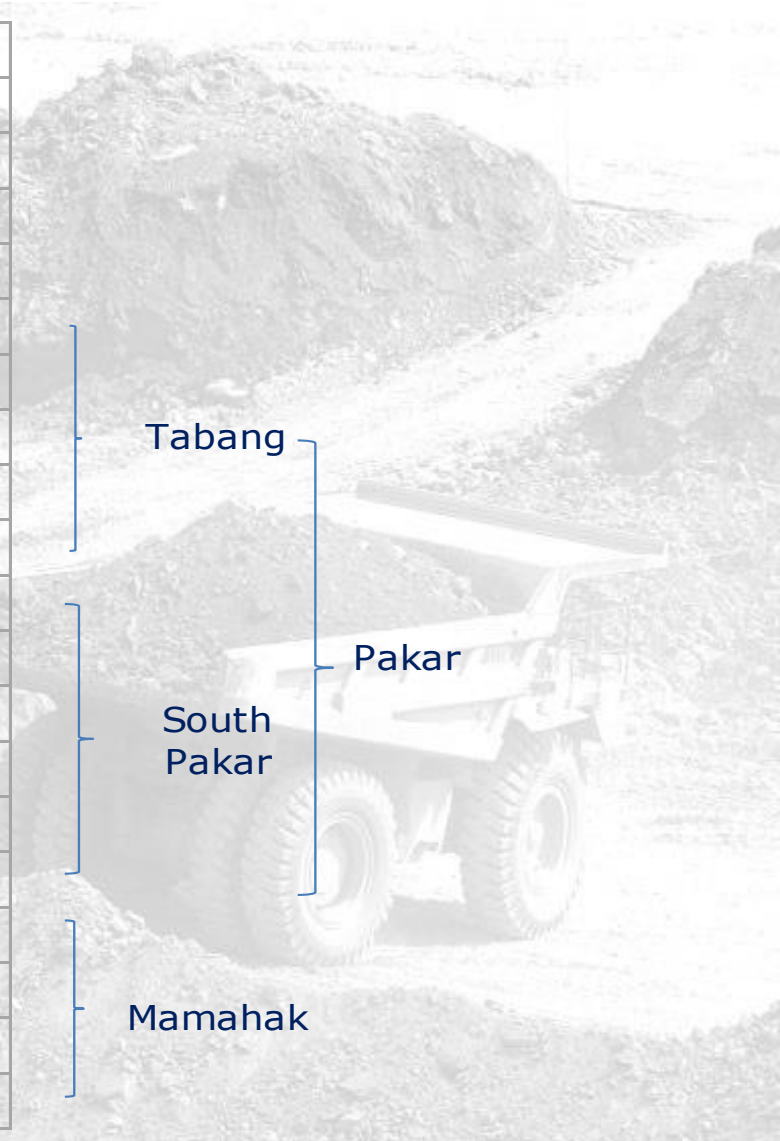
- YTD Capex 2021 was US\$ 67.6 million, which was below the Budget (US\$ 76.6 million) due to slower than Budgeted progress on the new Tabang 100km CHR and barge loading facilities.
- We continue to expect the haul road and barge loading facilities to be completed by the end of 2022.
- Major capex in 2Q21 was US\$ 20.0 million on purchase of office 8 building and US\$ 24.9 million in progress payments for ongoing projects.
- Major ongoing projects are:
 - Construction of new coal haul road and jetty facility.
 - Expansion of stockpiling capacity at BCT.

2Q21 Capex lower than Budgeted



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