



PT. BAYAN RESOURCES Tbk.



***Fourth Quarter 2022
Update Presentation***



Overview

- **Operationally 2022 has been a challenging period with significantly higher rainfall than anticipated which reduced production volumes and caused geotechnical slips at Tabang's waste dumps.**
- **2022 Cash costs increased and were higher than Budgeted principally due to higher royalties due to both higher than anticipated ASP combined with increases in royalty rates as well as changes in the DMO compensation payments.**
- **However, despite these challenges, overall YTD 2022 actual financial performance has exceeded the Budget principally due to the higher ASP.**
- **2022's financial performance exceeds 2021's full year levels.**



Bayan's Financial and Operational Performance

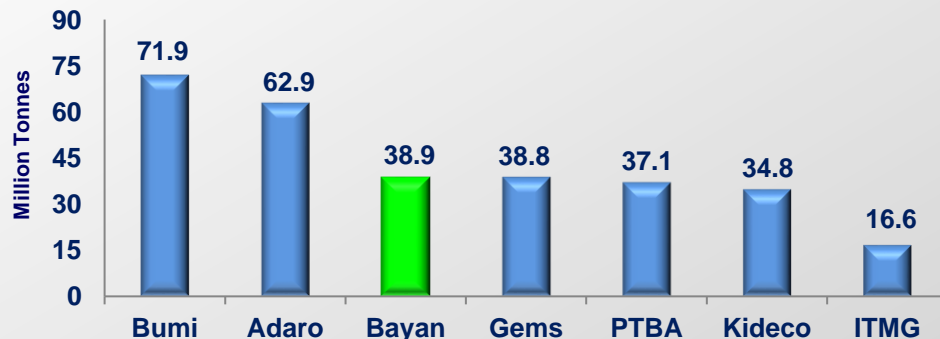
	2021	2022	4Q21	4Q22
<u>Financial Performance (In Million USD)</u>				
Revenue	2,852.2	4,703.6	1,103.1	1,355.5
Gross Profit ^{*1}	1,746.5	3,160.1	778.3	853.7
EBITDA	1,743.0	3,026.4	775.8	782.6
Net Profit After Tax	1,266.0	2,301.6	585.8	594.0
<u>Financial Ratios</u>				
Gross Profit Margin (%)	61.2%	67.2%	70.6%	63.0%
EBITDA Margin (%)	61.1%	64.3%	70.3%	57.7%
Net Profit Margin (%)	44.4%	48.9%	53.1%	43.8%
Net Debt to EBITDA (x)	Net Cash	Net Cash	Net Cash	Net Cash
<u>Operational Statistics</u>				
Overburden Removal (MBCM)	146.1	153.6	39.3	41.2
Strip Ratio (x) - based on production volume	3.9	3.9	3.8	3.7
Coal Production (MT)	37.6	38.9	10.3	11.1
Sales Volume (MT)	40.4	39.9	11.1	11.9
Average Selling Price (US\$/MT)	70.7	117.9	99.5	114.1
Average Cash Costs (US\$/MT)	27.5	42.5	29.6	49.4

*1 Reclassification Barging expense from Selling expense to Cost of Revenue



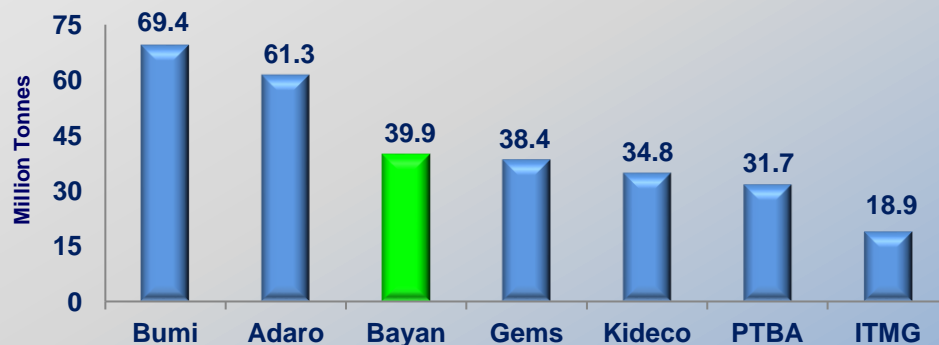
One of the Largest Coal Producers

2022 Production



Source: Company Filings, Company Data

2022 Sales Volume



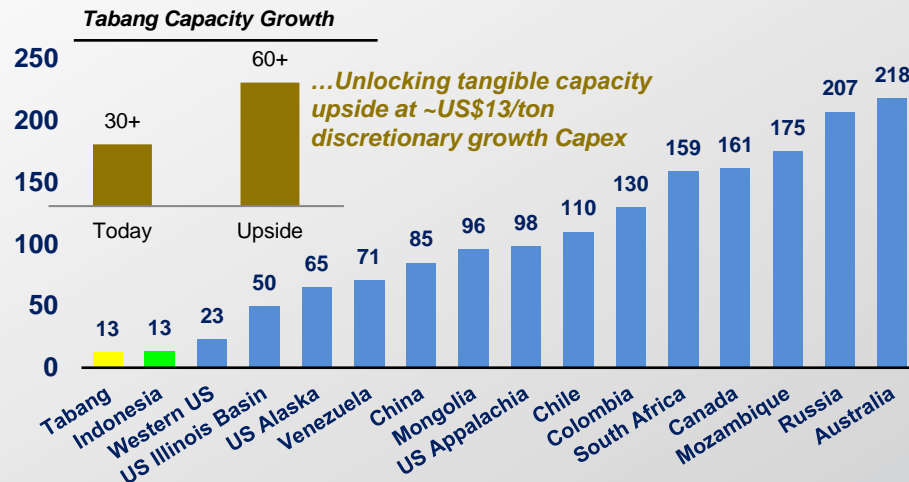
Source: Company Filings, Company Data

- Bayan is ranked 3rd by production and sales volumes in Indonesia.
- Bayan's sales volumes will remain at similar levels to those of 2021 until the new coal haul road to the Mahakam River and the first barge loading facility are completed by end of 2023.
- This will allow Bayan to expand production at Tabang and increase production to more than 60 mtpa.



Low Cost Incremental Growth

Capex Intensity by Country ⁽¹⁾



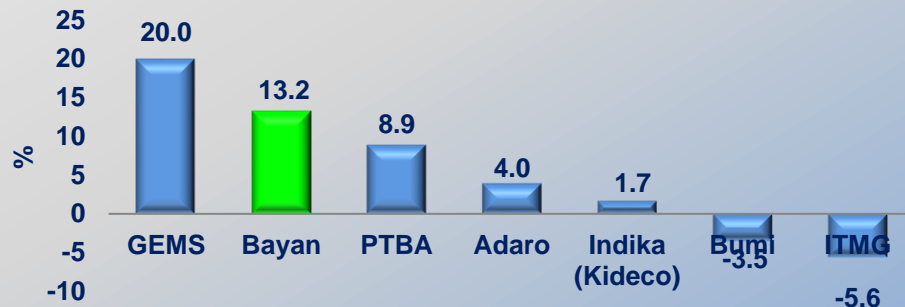
Source: Wood Mackenzie

Notes

(1) Based on 2012 real dollars

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

2018 - 2022 CAGR (Production)



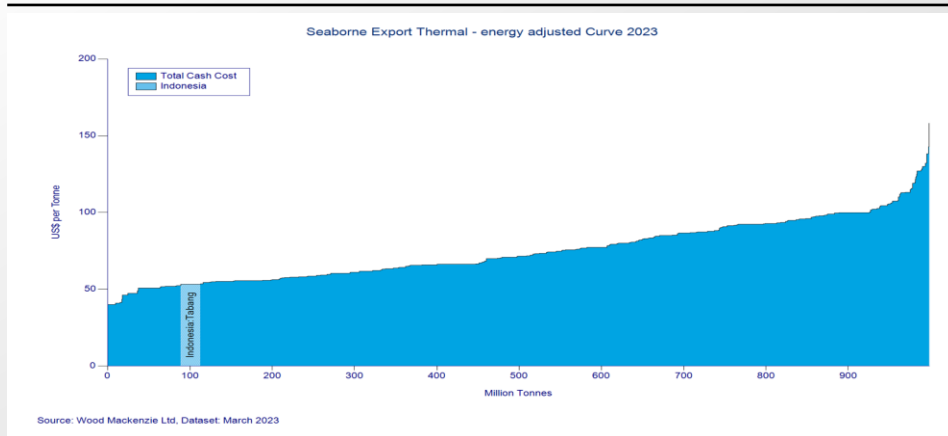
Source: Company Filings, Company Data

- Due to the high rainfall throughout 2021 which continued into 1H22, our new coal haul road and the first barge loading facility are now estimated to be completed by end of 2023.
- Once all three barge loaders have been completed this will add an additional 30+ million MT to our existing capacity.
- Total forecasted capex in the region of US\$ 393 million (2022-2023) for the Group, of which US\$ 351 million is expansionary capex tied to the Tabang Project including upgrading the BCT.



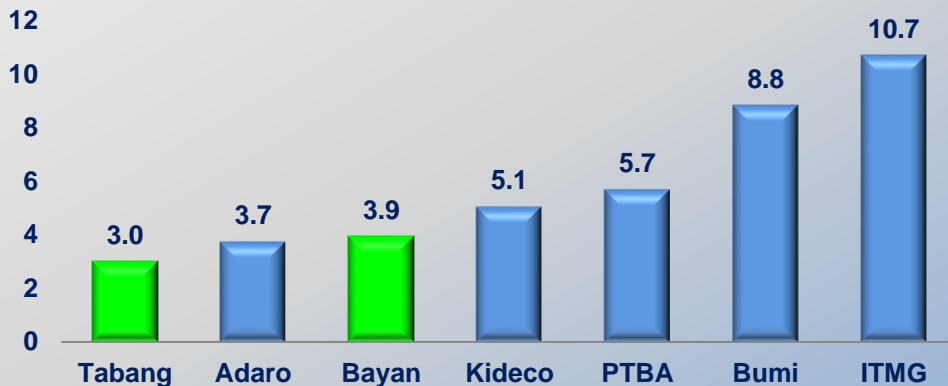
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie

2022 Strip Ratio



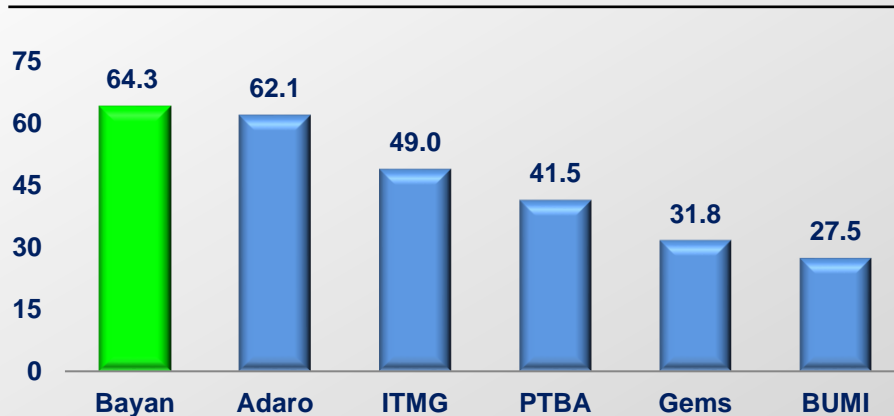
Source: Company Filings, Company Data

- Tabang is independently rated as one of the worlds lowest cost energy-adjusted producers of seaborne thermal coal.
- Tabang has large reserves and a very low Life of Mine stripping ratio of 4.3.
- A new JORC reserves statement in 2022 resulted in an increase of 18% in Tabang/North Pakar reserves to 1,692 million MT.
- Tabang has one of the lowest average stripping ratio's in Indonesia.



And One of the Highest Margin Producers in Indonesia

2022 EBITDA Margin (%)

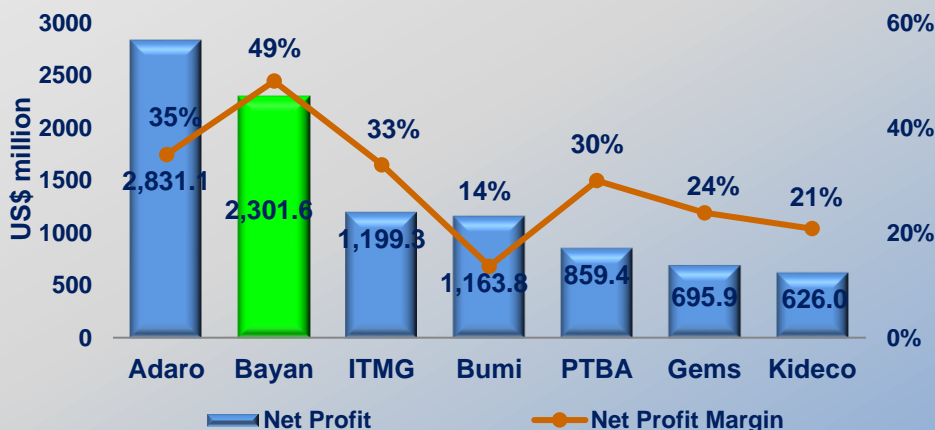


Source: Company Filings, EBITDA estimated using Company Data

➤ 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.

2022 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/IUPK'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 4Q21 Bayan fully prepaid all the outstanding Bonds.
- Existing Working Capital Facilities of approximately US\$ 280 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 Ba2 by Moody’s in December 2022 and BB- by Fitch in February 2022.



4Q 2022

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

Committed & Contracted Sales

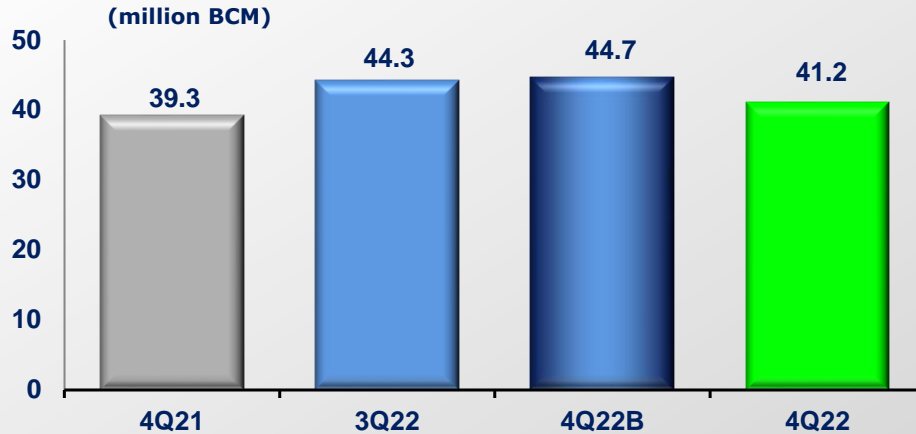
EBITDA

Debt and Cash Position

Capital Expenditure



Overburden Removal (OB)



Note : B stands for Budget Figure

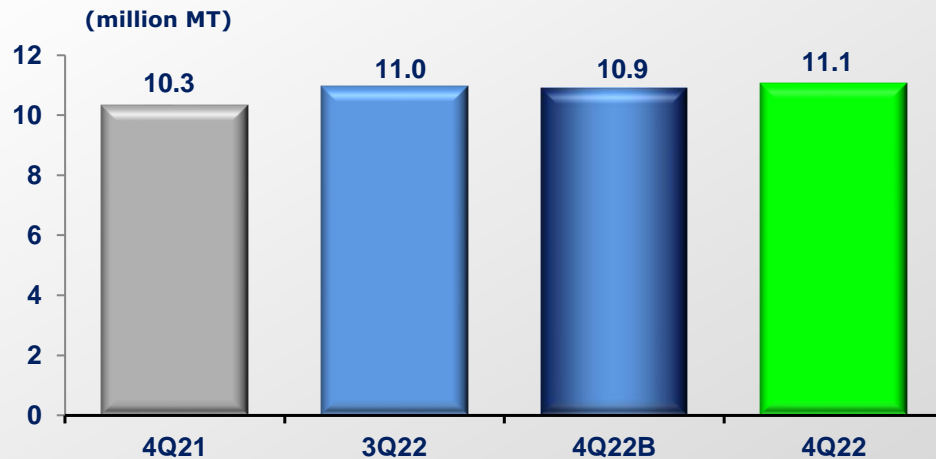
(in million BCM)	3Q22	4Q22B	4Q22
Teguh Sinarabadi / Firman Ketaun Perkasa	8.5	8.8	7.1
Perkasa Inakakerta	1.8	2.1	1.5
Wahana Baratama Mining	3.6	4.4	4.5
Tabang Concessions	28.9	26.7	25.0
Gunungbayan Pratamacoal	-	1.6	-
North Pakar	1.5	1.2	3.0
Total	44.3	44.7	41.2

- **4Q22 OB of 41.2 million BCM was lower than the Budget and 3Q22 due to:**
 - **Lower OB at Tabang due to higher rainfall which caused higher delays in working hours**
 - **Lower OB at PIK caused by poor performance from contractor due to low availability of equipment.**
- **2022 overburden of 153.6 million BCM was lower than Budget of 170.7 million BCM.**

Overburden higher compared to same period last year



Coal Production



Note : B stands for Budget Figure

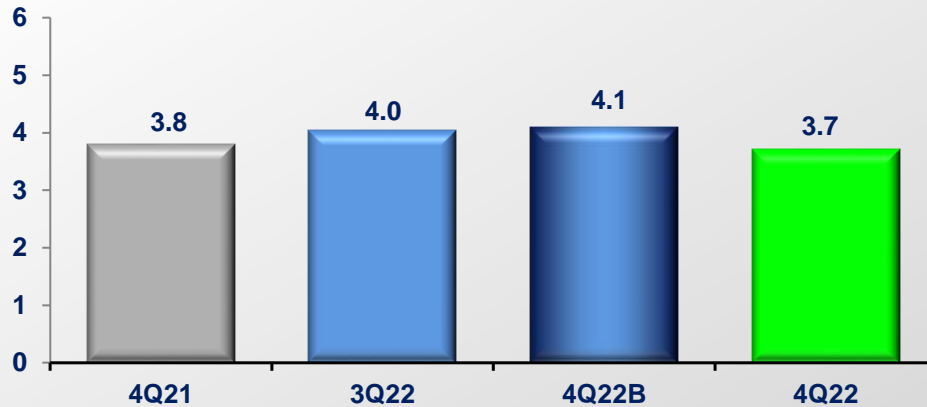
- 4Q22 coal production of 11.1 million MT was in line with the Budget and 3Q22.
- 2022 production of 38.9 million MT was however lower than Budget of 41.9 million MT due to geotechnical slips that reduced production in 1Q22.

(in million MT)	3Q22	4Q22B	4Q22
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.8	0.7	0.6
Perkasa Inakakerta	0.2	0.3	0.2
Wahana Baratama Mining	0.2	0.5	0.6
Tabang Consessions	9.1	9.0	8.7
Gunungbayan Pratamacoal	-	0.1	-
North Pakar	0.6	0.2	0.9
Total	11.0	10.9	11.1

Coal production in line with Budget and 3Q22



Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

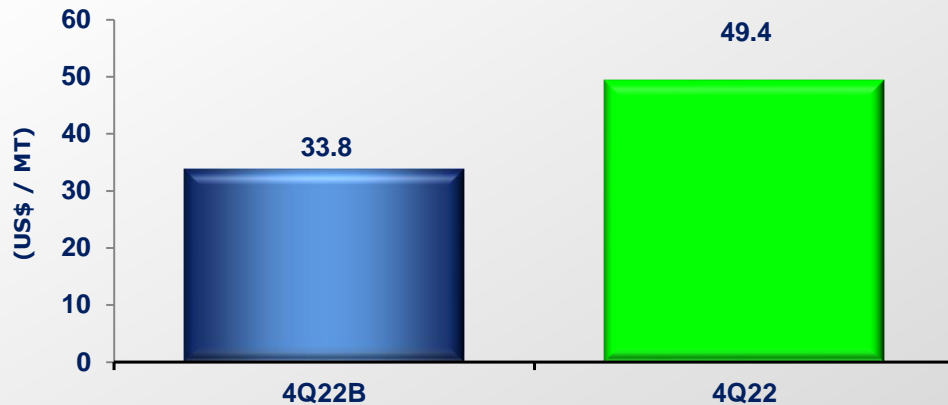
Weighted Average SR (:1)	3Q22	4Q22B	4Q22
Teguh Sinarabadi / Firman Ketaun Perkasa	10.6	11.7	11.8
Perkasa Inakakerta	7.3	7.0	6.7
Wahana Baratama Mining	15.6	8.6	7.9
Tabang Concessions	3.2	3.0	2.9
Gunungbayan Pratamacoal	-	12.7	-
North Pakar	2.7	4.8	3.2
Total	4.0	4.1	3.7

- 4Q22 weighted average stripping ratio was lower than the Budget due to:
 - Expansion of North Pakar in low SR areas.
- 4Q22 weighted average stripping ratio was lower than 3Q22 due to:
 - Lower SR at WBM and Tabang.
- 2022 stripping ratio of 3.9 was lower than Budget of 4.1.

4Q22 weighted average stripping ratio was lower than the Budget and 3Q22



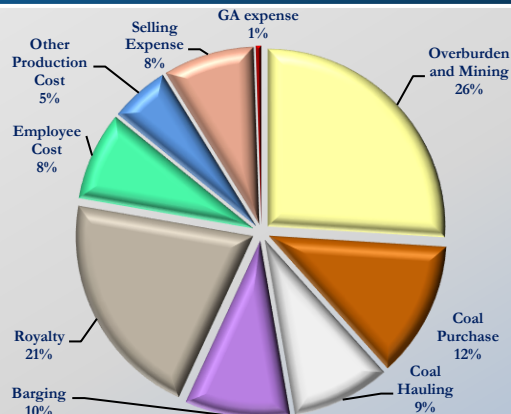
Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

Cash Cost per Expense – 2022



4Q22 cash costs were higher than the Budget

➤ **4Q22 Cash Costs were higher than Budget due to:**

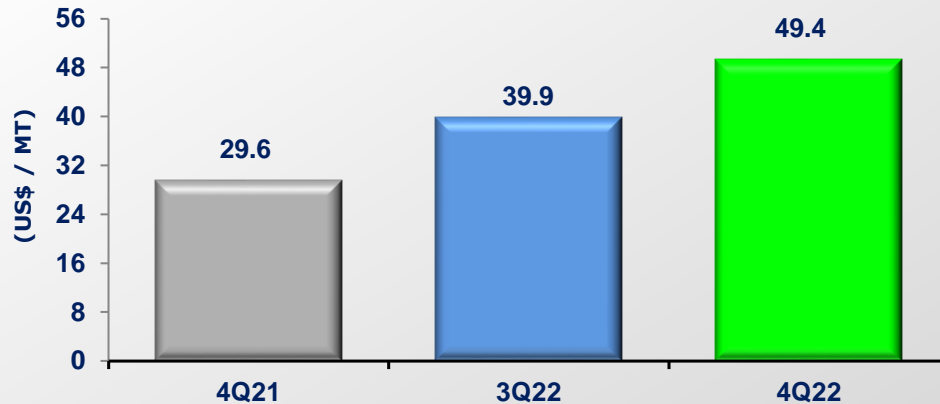
- Higher royalties due to significantly higher ASP combined with increase in royalty rates in 4Q22.
- Higher unit cost of coal purchased due to higher market prices.
- Higher accrual of DMO expenses due to implementation of the new regulation.
- Higher agency fee due to actual fee's being linked to ASP.

Partially offset by:

- Higher fuel hedging settlement than Budgeted.
- Lower overburden cost due to lower stripping ratio.



Average Cash Costs (4Q22 vs 3Q22)



Average Cash Costs include Royalty, Barging and SGA

➤ Full year cash costs of US 42.5 /MT were significantly higher than the Budget of US\$ 34.1/MT

➤ 4Q22 Cash Costs of US\$ 49.4/MT were higher than 3Q22 of US\$ 39.9/MT due to:

- Higher royalty due to introduction of new royalty rate which was revised in September 2022.
- Higher DMO expense due to new regulation.
- Higher cost of purchased coal due to higher purchase price and quantity purchased.

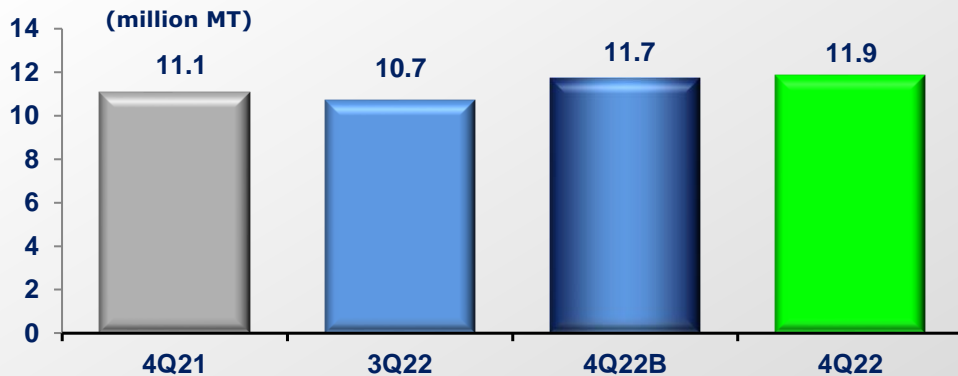
Partially offset by:

- Lower OB costs due to lower average stripping ratio.

4Q22 cash costs were higher than the 3Q22 levels

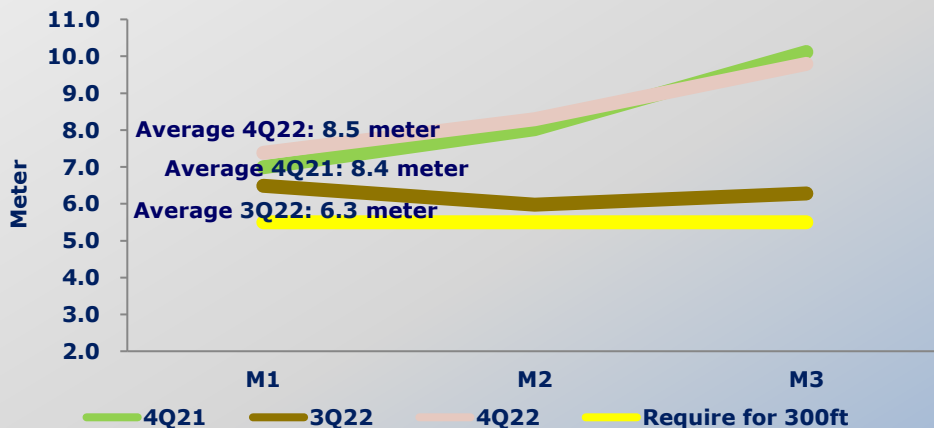


Coal Sales (by volume)



Note : B stands for Budget Figure

Average Senyuir Water Levels



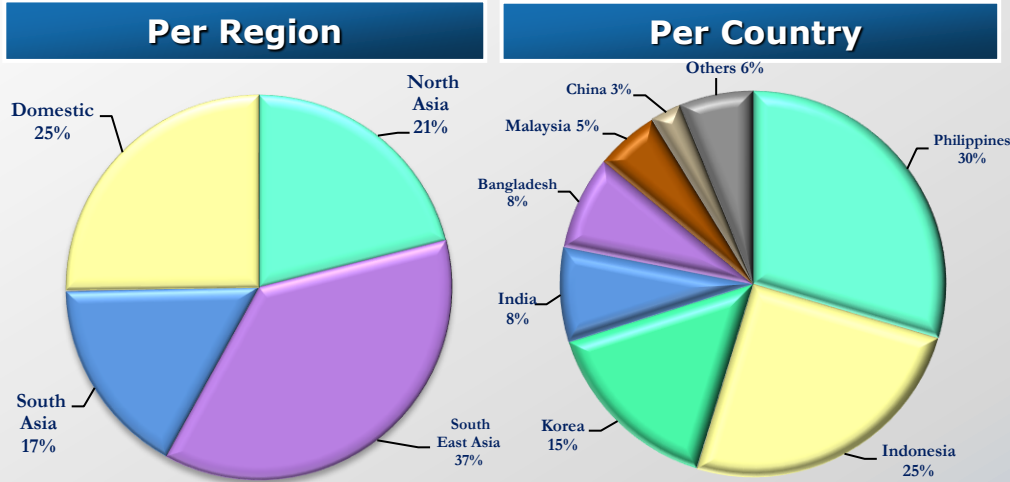
- 4Q22 coal sales volumes of 11.9 million MT were principally in line with Budget.
- Higher sales volume compared to 3Q22 due to higher water level at Senyuir.
- 2022 sales volume of 39.9 million MT was lower than Budget of 43.0 million MT.
- Group inventory levels remain low at 2.5 million MT as at the end of December 2022.
- Quarterly barging at Tabang - Senyuir:
 - 4Q21: 8.5 million MT.
 - 3Q22: 9.0 million MT.
 - 4Q22: 9.4 million MT.

4Q22 sales volume higher than 3Q22



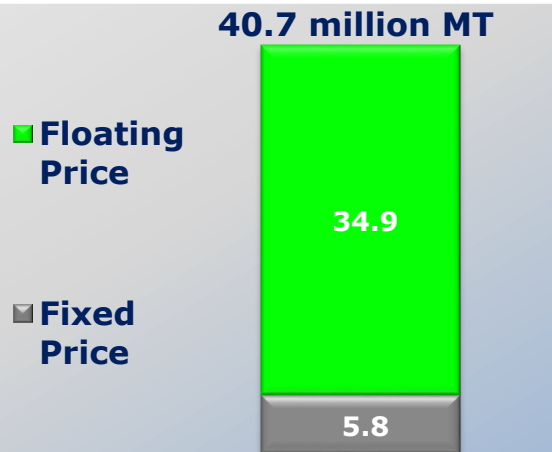
Coal Sales (by volume) (continued)

Geographic Distribution (2022) – by Volume



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

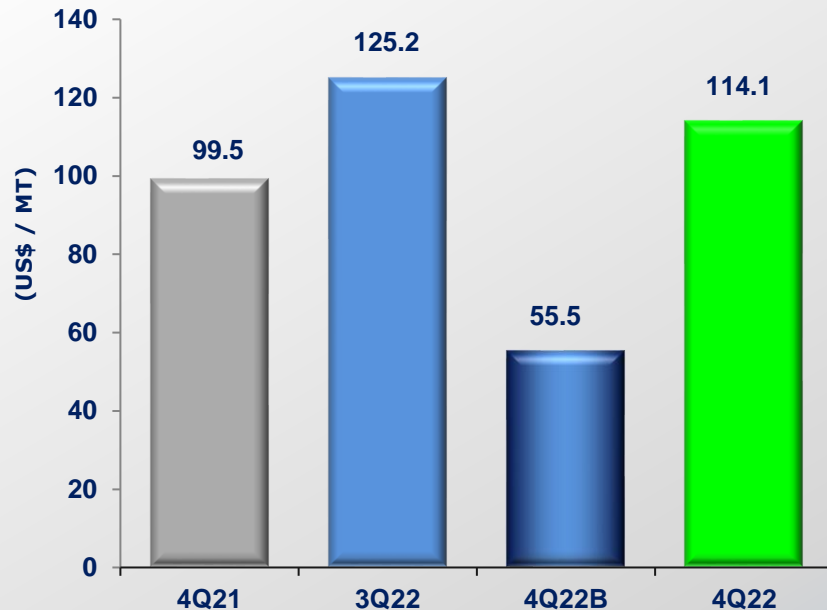
Committed and Contracted Sales for 2023



➤ As at January 2023, committed and contracted sales were 40.7 million MT for 2023 with an average CV of 4,404 kcal/kg GAR.



Average Selling Price (ASP)



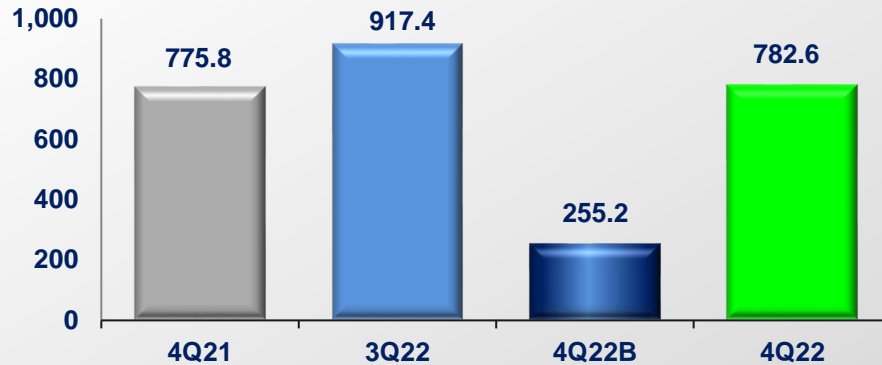
* ASP includes coal and non-coal sales
Note : B stands for Budget Figure

- **4Q22 ASP of US\$ 114.1/MT was significantly higher than the Budget due to higher market prices.**
- **4Q22 ASP was lower than 3Q22 as certain renegotiated fixed prices deliveries commenced from 3Q22 and market prices start to trade lower.**
- **2022 overall average ASP of US\$ 117.9 was significantly higher than the Budget of US\$ 64.0.**

ASP exceeded Budgeted levels

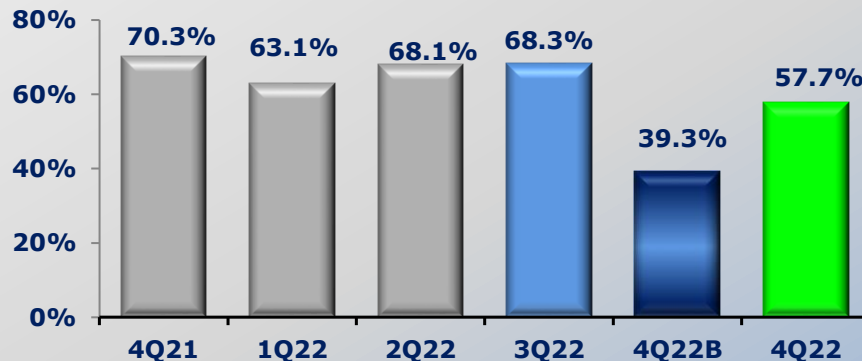


EBITDA



Note : B stands for Budget Figure

EBITDA Margin



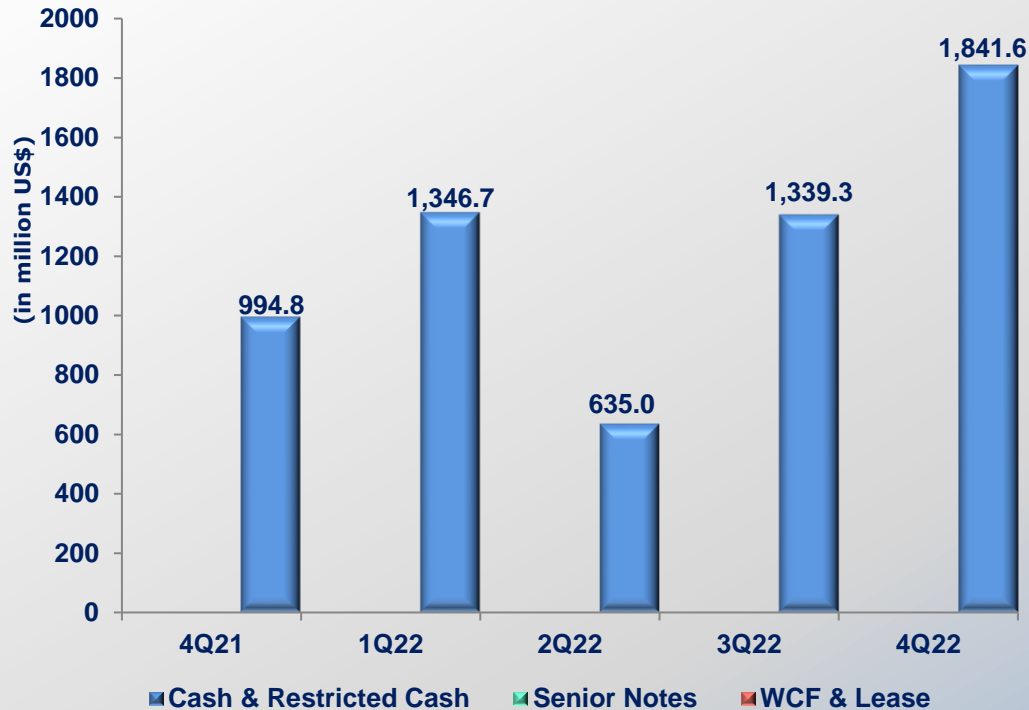
Note : B stands for Budget Figure

- **4Q22 EBITDA was significantly higher than the Budget due to significantly higher ASP despite higher than Budgeted cash costs.**
- **4Q22 EBITDA was lower than 3Q22 due to lower ASP combined with increase in cash costs.**
- **3Q22 EBITDA was the best quarter ever in the history of Bayan.**
- **2022 EBITDA exceeded 2021 levels.**
- **4Q22 EBITDA margin of 57.7% 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

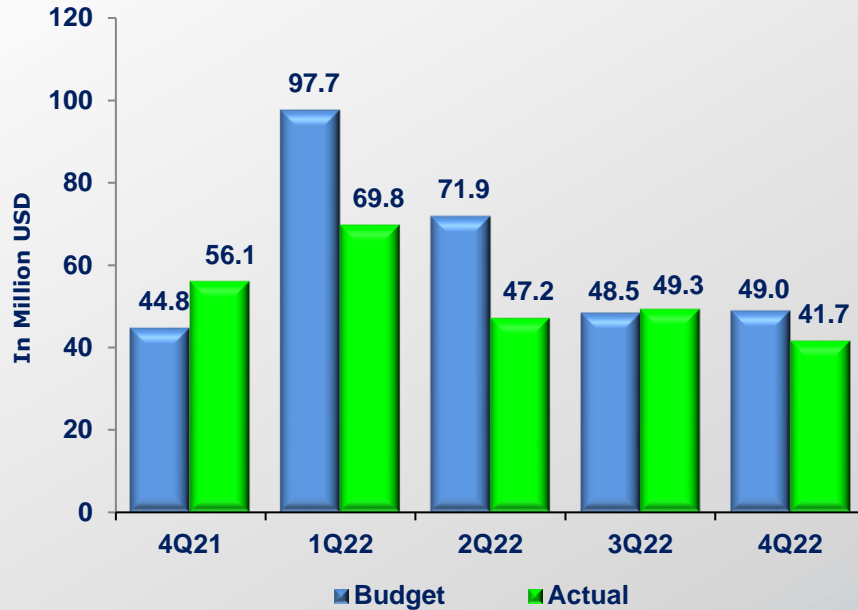


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Bayan fully repaid the Bond in 2021.
- Working capital facilities of approximately US\$ 280 million remain available.
- Turned net cash positive from 1Q21.

Bayan continues to maintain low leverage and sufficient liquidity



Capital Expenditure



➤ **2022 Capex was US\$ 207.9 million, which was lower than the Budget (US\$ 267.1 million) due to slower than Budgeted progress on the new Tabang 100km coal hauling road and overland conveyor (“OLC”) facilities primarily as a result of the heavy rainfall especially in the 1H22.**

➤ **We currently expect the haul road, OLC and barge loading facilities to be completed by end of 2023.**

➤ **Major items included:**

- **US\$ 121.9 million of progress payments for the 100km haul road, OLC and barge loading facilities.**

2022 Capex lower than 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

North
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