
Webcast notes

Operator: Welcome to Yancoal 2025 Financial Results. Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your first speaker today, Brendan Fitzpatrick, Investor Relations Manager. Please go ahead.

Brendan Fitzpatrick: Thank you, Maggie, and thank you, everyone, for joining us on this briefing for Yancoal's 2025 financial results. My name is Brendan Fitzpatrick, the Investor Relations Manager. To present today's briefing, we have the following members from Yancoal's executive leadership team:

- Sharif Burra, Chief Executive Officer;
- Kevin Su, Chief Financial Officer;
- Laura Zhang, Company Secretary, Chief Legal, Compliance, Corporate Affairs Officer;
- Frank Fulham, Chief Sustainability, Technology, Innovation and Development Officer;
- David Bennett, EGM - Operations;
- Mark Salem, EGM - Marketing and Logistics;
- Mike Wells, EGM - Finance;
- Mark Jacobs, EGM - Environment and External Affairs; and
- Sebastian de Koning, EGM - Audit and Risk.

After the executive team completes the review, we will move to a question-and-answer session. The commentary provided today is based on the 2025 financial results and associated announcements published to the Australian Securities Exchange and the Stock Exchange of Hong Kong yesterday, 25 February.

Slides 2 and 3 contain notices and disclaimers relevant to today's presentation and the forward-looking statements it contains. Please make yourself familiar with the content of these two slides. Throughout the presentation, we will use Australian dollars, unless otherwise stated.

Sharif Burra will provide the introductory remarks for Yancoal's 2025 results. Sharif, could I hand over to you? Thank you.

Sharif Burra: Thank you, Brendan, and welcome to everyone on the call. During 2025, we delivered a great operational performance. ROM coal production was 67 million tonnes,

and our attributable saleable coal production was 38.6 million tonnes. This was a production record for Yancoal, and in the upper quartile of our production guidance.

Our cash operating costs were \$92 per tonne, a reduction of \$1 per tonne from the first half. The 2025 costs were also \$1 per tonne lower than our 2024 costs. Lowering our costs was a great outcome in the current industry setting, and I applaud all the people working at our mines for the operational performance they've delivered. Our overall realised price for the year was \$146 per tonne, giving an implied cash operating margin of \$39 per tonne after government royalties.

We achieved revenue of almost \$6 billion and an operating EBITDA of over \$1.4 billion, at a 24% margin. As we've noted previously, delivering this margin during a period of weak coal prices is a testament to the quality of our assets and our ability to operate them effectively. Our profit after tax was \$440 million, or \$0.33 per share.

In accordance with our dividend policy, the Board has elected to distribute \$161 million to shareholders as a \$0.122 per share fully franked final dividend. Together with the \$0.062 per share interim dividend, the total 2025 dividend was a 55% net profit after tax payout ratio.

Company retains a strong balance sheet, with \$2.1 billion of cash and no external debt at 31 December.

Slide 5 shows our safety performance. Keeping our workforce safe is always our first priority. The TRIFR statistic improved over the year, and remains below the industry average, but we aim to reduce it further. Safe mines are productive mines. Our push towards a strong operational outcome this year is underpinned by our commitment to improving safety performance through targeted intervention activities.

As part of the 2025 financial results, we've also published our AASB S2 climate-related disclosures. Preparation of the disclosures included identification and assessment of climate-related risks and opportunities. We intend to develop a climate transition plan in 2026, to strengthen our climate resilience and support the Yancoal P4 Sustainability Strategy. Initiatives already underway include the Sustainability Digital Data Platform, which was launched in Q3 of 2025. This will improve the capture, quality, and governance of sustainability data and reporting. Our P4 report provides an annual update on sustainability activities, including progress in delivering the Company's P4 Sustainability Strategy. The 2025 P4 report will be published in April 2026.

I'll now hand over to David Bennett, to take you through our operational performance.

David Bennett: Thank you, Sharif. Slide 7 summarises the operational drivers behind our full-year performance. As Sharif mentioned, we delivered record performance, near the top end of our production guidance. A second-half improvement in cash operating costs took us just below the midpoint of the guidance range for the year. ROM coal and saleable coal production figures were 5% to 7% higher than 2024. Attributable sales were up 1%, after we optimised our sales volumes and stock position. Our lower realised prices reflect conditions in the international coal markets. Mark Salem will provide more detailed comment on our sales in the coal market shortly.

Turning to slide 8, we see that ROM coal, on a 100% basis, was 67 million tonnes. This was up 7% from 2024 and was the best performance in the past five years. All of our operations, other than Ashton, increased ROM production compared to 2024. This was a notable achievement, as we encountered above average rainfall at our NSW mines, but our past investment in water storage capacity meant less disruption to production.

Attributable saleable coal production was up 5% compared to 2024. We have consistently delivered toward the upper end of our asset and equipment capabilities throughout the year. The quarterly production profile was much more consistent in 2025, which allowed us to pursue optimisation and efficiency gains. The aim is for a similar approach in 2026. That said, the first quarter is likely to have the lowest production figure, so we will look to increase production in the subsequent quarters.

During the year, we set two separate world records with our Liebherr 9800 excavators. At Moolarben, we set a world record for total material movement in 2025, with 17.6 million BCMs of material movement. At MTW, a second excavator set a world record for total material movement in a month of 1.75 million BCMs. These performances demonstrate Yancoal's capability to operate at the highest industry levels. R9800 excavators are also in use at HVO, and sharing the knowledge and best practices between mines improves performance across all of our operations.

Slide 11 shows our cash operating costs. As Sharif said, our cash operating costs were \$92 per tonne in 2025. We continue to work extremely hard to keep our costs in check, to offset the impacts of wet weather delays and inflationary pressures. This operating cost is not just an improvement over last year. It is the best performance in the last four years. Increased production, mine plan optimisation, as well as equipment reliability and utilisation all contributed to combating cost inflation elements and the impacts of higher demurrage throughout the year. We see our ability in keeping costs flat over the past few years as a great outcome relative to the sector, and this leads to the next slide.

Turning to slide 12, we demonstrate why keeping cash operating costs low is crucial. Our implied operating cash margin in 2025 was \$39 per tonne. This chart shows the expansion and contraction of margins we have experienced over the past five years. The margin, while lower than in recent years, remained positive. Combined with our scale of production, this drives the financial performance, which Mike Wells will cover shortly.

Slide 13 has data we have used in the past. The chart displays our three largest mines, in the context of other Australian thermal coal mines. The total cash costs are shown on an energy-adjusted basis, to counter the influence of coal quality on the operating margin. We updated the slide to show the same dataset 12 months apart, with December 2025 compared against December 2024. We can see the collective move by the industry to curb costs. The key takeaway remains that large-scale, low-cost mines such as ours remain viable when many other mines struggle through coal price cycles. This is why we focus on maintaining our assets and operating them as well as we do.

I'll now hand over to Mark Salem to cover the coal markets.

Mark Salem: Thank you, David. Starting with the product mix on slide 14, 84% of our sales were thermal coal, with the balance being lower-grade metallurgical coal. This product split varies from period to period, depending on which coal seams are in production at each mine, and how we can maximise the market opportunities. You may recall, back on slide 7, we had 38.6 million tonnes of attributable production, but only 38.1 million tonnes of attributable sales, a variance of 0.5 million tonnes. This was a result of weather-related issues causing some delays to vessel arrivals and cargo assembly, resulting in some sales slipping into January.

In addition, if you look back at 2024, we had 800,000 tonnes more sales than production, optimising our sales at a time when the market was in backwardation, and therefore reducing our stocks. The ability to rebuild stock will allow ongoing optimisation of our 2026 position.

Turning to slide 15, we show our market split in contrast to both sales, revenue, and sales volume for 2025 against 2024. We optimise the revenue contribution of our various coal products to specific markets. China is a significant offtake partner, both on a volume and revenue basis. Customers in China tend to take a higher proportion of our API5 5,500 net as received calorific value quality coal. However, revenue and volumes decreased in 2025, as China utilised more domestic supply.

Our Japanese customers purchased a significant portion of our higher calorific thermal coal, our low volatility PCI and semi-soft coking coals. This market, therefore, is very important to revenue contribution. Revenue to Japan increased, mostly due to an increased proportion of our metallurgical coal sales.

In Australian dollar terms, our overall realised coal price was \$146 per tonne for the year, down 17% from 2024. Strong supply and benign demand conditions persisted in the international thermal coal markets through most of 2025. Geopolitical events, port disruptions at Newcastle, economic initiatives in China, and seasonal trading patterns all contributed to short-term price movements during the year, none of which having an effect on any long-term structural trends. Cuts to supply from Indonesia, down 10%, and Colombia, down 18%, were constructive, but there were also lower imports by China, down 18%, and Taiwan, down 12%.

We price our thermal coal against the API5 and GlobalCOAL Newcastle indices. Our realised price, in US dollar terms, sits between these indices, as shown in the chart. In Australian dollar terms, our realised thermal coal price was \$136 per tonne, down 15% from 2024.

Australian metallurgical coal exports fell 9% in 2025, due to the mine and port disruptions and weather impacts. This contributed to a 7% decrease in global metallurgical coal exports. However, demand for metallurgical coal lacked lustre, as steel exports from China displaced production from other countries. Metallurgical coal indices that Yancoal sells against finished at similar levels to the start of the year. In Australian dollar terms, our realised met coal price was \$203 per tonne for the year, down 26% from 2024.

There are various groups providing forecasts for international thermal coal markets. A common theme we see in recent forecasts is the ongoing revision of when coal demand will peak, and at what level. Delays to projected closure dates for existing coal-fired power generation, combined with new facilities coming online, drive the evolving demand profile. Since we last included this slide, the second half of 2025 forecast revisions have lifted the profile once again.

On slide 19, we look at projections for seaborne supply over the next 10 years. Approval and financing challenges for new mines compound natural reserve depletion in the coming years. There is a growing appreciation that coal still has a meaningful role in global energy mix, and there is the potential for a supply shortfall in coming years. Since we last provided this profile, the projection for supply beyond 2030 has been bolstered, but whether it will satisfy demand is still debatable.

In the seaborne metallurgical coal market, demand from mature regions like Europe and Northern Asia are likely to decline over the next 15 years. However, this could be outpaced by the growing demand from emerging economies, leading to an increase in total demand. In the seaborne metallurgical coal market, some supply growth is required over the next 15 years to meet demand. Unless the additional supply entering the market has a total cash profile lower than existing supply, which seems unlikely, this situation likely necessitates higher met coal prices in the forward years.

I will now hand over to Mike Wells, to cover our financial performance.

Mike Wells: Thank you, Mark. Starting with the key numbers on slide 22, whilst we delivered record production, the lower average realised coal price drove a 13% decrease in our full-year revenue to \$5.95 billion. This price impact naturally flows down to our operating EBITDA of \$1.44 billion. Similarly, looking at the cash flow statement, the 41% reduction in operating cash inflows reflects the 44% decrease in operating EBITDA. \$769 million was distributed to shareholders during the year, and capital spend was \$750 million. Overall, we retain a strong financial position, with \$2.1 billion of cash at 31 December and minimal lease liabilities.

The two charts on slide 23 demonstrate the close correlation between average realised price, revenue, operating EBITDA, and the operating EBITDA margin. We extended these charts back to 2018, to show the impacts of the cyclical coal price.

Looking at slide 24, the profit after tax and operating cash flow profiles tend to replicate the revenue and operating EBITDA profiles, but can also be subject to accounting adjustments, one-off items, or timing differences. 2023 was one such example, where a one-off tax payment was made that related to our 2022 earnings, as the Company moved into a taxpaying position.

I will now hand over to Kevin Su, to cover the financial position and dividend.

Kevin Su: Thank you, Mike. Looking at slide 25, I would like to remind people that in the three years to early 2023, we repaid loans of more than US\$3 billion. This debt repayment transformed the capital structure of the Company. As a result of the debt reduction, our financial position is far more secure than it was the last time we faced a cyclical lull in coal prices just six years ago in 2020.

Turning to slide 26, we look at how well Yancoal has rewarded its shareholders during the past seven years. We have a strong financial position, as noted at the start of the call. The Directors have allocated \$161 million to pay a fully franked final dividend of \$0.122 per

share, together with the \$82 million allocated to the interim dividends. The total 2025 dividend is \$243 million, just over \$0.18 per share. This total dividend represents 55% of reported profit after tax for 2025. Including the 2025 financial dividends, the Company will have distributed \$2.5 billion of unfranked and \$2.8 billion of franked dividends since 2018, a total of over \$5.3 billion, or around \$4 per share.

Slide 27 has our operational guidance for 2026. We're looking to carry forward our operational momentum. The increased attributable saleable production guidance range is 36.5 to 40.5 million tonnes. Our guidance range for cash operating costs per ton is \$90 to \$98 per ton, as we allow for some cost inflation. Our capital expenditure guidance is \$750 million to \$900 million.

As we have said in the past, continual reinvestment is required to ensure our large-scale mines remain productive, low-cost mines. We continue to balance production volumes, product quality, efficiency metrics, cash operating cost, and capital expenditure to deliver the best possible outcome for shareholders. This year was no different, and our executive team and the people at the site are focused on delivering again in 2026.

I now hand back to Brendan, to coordinate the Q&A session.

Brendan Fitzpatrick: Thank you, Kevin, Sharif, David, Mark, and Mike. As usual, we have included appendices and additional information for reference at the end of the presentation pack. We will now take questions from the phone lines and written questions submitted via the webcast. Let's start with questions from the phones. Maggie, could you please start the process for questions on the phone line?

Wayne Fung: (CMBI, Analyst) - My first question is about the output. How would you expect the production cadence this year? Will it be more front-end or back-end loaded?

My second question is on the cost side. We're likely to see an inflationary environment, given the raw material cost hike, which could possibly hit both OpEx and CapEx. Any measures to ease the pressure?

My final question is on pricing. How would you expect to coal price to respond to an implementation of the production cut policy in Indonesia?

Brendan Fitzpatrick: For the production profile, I know we've had a differentiated performance across quarters in the past. Sharif, could you provide some comments on the production profile for 2026?

Sharif Burra: Our intention is to carry the strong momentum from 2025 into 2026. We have had a good start to 2026, with regards to weather in the Hunter Valley, and we intend on maintaining some of the record productivity levels, particularly out of our open-cut, earth-moving fleet.

David, with regards to cadence, could you add further comments.

David Bennett: Further to the production, as we talked about in the market update in January, we expect the first quarter to be a little lower on the coal production side, and then more of an even flow of coal throughout quarters 2, 3, and 4. However, on the other side, in our open-cut mines in the first quarter, we need to move a lot of overburden and unlock the coal, so that it's there to produce and sell that product down the supply line. So, expect a slightly lower coal production in the first quarter, but an increase in overburden volumes.

Brendan Fitzpatrick: The second question from Wayne was cost inflation and the impact on both OpEx and CapEx. There may well be a connection back there to the production profile and the unit costs, but what can we say about the inflation effects? I know that we did allow for a slight cost inflation when we set out unit cost guidance this year.

Mike Wells: Yes, as you stated, we have increased the guidance range by \$1 at the upper and lower end this year, to reflect the fact that we are expecting some cost inflationary pressures to come through. As we've demonstrated in the last four years, we have been successful in being able to offset inflationary increases, through both production increases and productivity initiatives. So, we will continue to target those in 2026, but there are inevitably some inflationary cost headwinds that will, or are likely to, flow into our results for the year.

Sharif Burra: I think, those comments extend through to capital, as well.

Brendan Fitzpatrick: The final part of the question was coal price, the outlook for markets, and the potential impact for reported actions in Indonesia. Mark Salem, could we turn to you for a comment on the coal markets?

Mark Salem: A couple of weeks prior to Chinese New Year, several different comments emerged from Indonesia about production cuts or allocation of domestic production to domestic use, and we did see the coal market react. The market is very reactive to comments like that, but none of those comments or rumours have been verified yet or made policy within Indonesia. They were made by different ministers, and we haven't seen

any definitive movements, except for an increase of 5%, going from 25% to 30% of production being preserved for domestic use.

So, we did see the market react, but since then, and during Chinese New Year, when things are relatively quiet in the market. The market has since softened, and so we really just need to wait and see whether any of those policies come through officially, as well as whether we'll see a reaction from the Chinese market, which we understand still has very high stocks at the moment.

So, moving forward, I think we're still expecting the market to be relatively flat. We saw the GCNewc come back down to around \$114 this morning, and the API5 is still sitting around that \$84 price. So, everything's coming back to normal levels that they were prior to the announcements.

Peter Wang: (CICC, Analyst) - On the foreign exchange loss, which was primarily driven by holding US dollar as the Australian dollar appreciated, how do you see this FX effect and potential for similar losses going forward?

Kevin Su: As you know, Australian dollar is a very volatile currency. It's moved up and down quite sharply. There was a rapid appreciation of Aussie dollar rates in 2025 and also in 2026, in the past two months. Consequently, we will see the US dollar working capital, unfortunately, suffer the foreign exchange loss.

As of today, what we can see, the expectation of Aussie dollar and the US dollar with the two Central Bank policies completely different. As a result, we potentially see an elevated Australian dollar rate for 2026. But once again, I want to just remind investors, the nature of Australian dollar exchange rate is volatile and exposure to it along with commodity prices, is part of our business.

Paul Young: (Goldman Sachs, Analyst) - The first question is just on the thermal market. I know you just covered off the uncertainties around the Indonesian export quotas, et cetera. But just I'm curious around your thoughts on the 6,000 kilocal market at the moment. We're at sort of peak demand in Northern Hemisphere, in theory, at the moment. But any colour you can provide on what demand you're seeing into 2Q for 6,000 kilocal higher quality coal into traditional markets such as Japan, Korea, and Taiwan?

Brendan Fitzpatrick: Okay, Mark Salem, sounds like a question for you. What are we looking at in the North Asian market and the GCNewc style product?

Mark Salem: The market for the 6,000 kCal product is very stable, and we're seeing very solid, consistent demand. I think it's safe to say that in some parts of North Asia, there has been a shift in the way they think about coal, and we've definitely had a lot of interest in Japan, in particular, on security of supply of the premium quality material, and that's from both government level, as well as customer level. So, there's definitely the shift to a very good stability for 6,000 kCal product.

Paul Young: (Goldman Sachs, Analyst) - Another question on your production guidance for 2026. In 2025, you did really well, from a perspective of where you finished versus the guidance at the beginning of the year. Your 2026 guidance implies broadly flat year-on-year saleable coal production. Are there any movements, mine by mine, that are worth calling out, between the open-cuts and undergrounds, or Queensland versus New South Wales, and where production might be slightly higher or lower between the operations?

Brendan Fitzpatrick: We know that there would be a slightly lower production in the first quarter, hopefully more steady production through the year. I'll turn to David Bennett. Could you touch on elements such as the longwall movement schedules across the underground mines. You touched on the overburden and some of the priorities that we had to have through the production schedule this year, but what can we say in addition to what we've already said, with regards to the production profile and the mine-by-mine or state-by-state splits?

David Bennett: Our big mines in New South Wales, our big open-cut operations are fairly consistent with what we're expecting from them in 2026 versus 2025. There's some very small ups and downs between MTW and HVO. Moolarben open-cut is basically producing exactly the same profile as what it did in in 2025.

In our underground operations, we're expecting extra production this year from the Ashton mine. Last year, we had a big relocation from one mining domain to a new mining domain, and the longwall is in there now and producing. So, this year, we're expecting a step-up in production.

Moolarben underground is doing a little less this year. Whilst it remains in the same mining domain, it's got an extra longwall move that will take the nominal 35 days or thereabouts to do that move. So, there'll be a little less production from Moolarben open-cut, but more than offset by the extra at Ashton.

So, overall, from a New South Wales perspective, the volumes are similar, and likewise in Queensland, similar volumes there as well. But overall, when you put it all together, we'll

do slightly more coal, as per our guidance in 2026, compared to what we did in 2025.
Thank you.

Paul Young: (Goldman Sachs, Analyst) - Last question from me; the balance sheet's strong, and has been for a little while. You've got a number of underground projects. You're very good at developing undergrounds. I know you've got the MTW underground approval in the works at the moment. There's a number of opportunities, I think, coming up in the market, from an M&A perspective, and you've outlined a pretty positive outlook for metallurgical coal over the medium to long run in your presentation. So, I'm just curious about where M&A fits, and how active are you looking at the moment for opportunities?

Brendan Fitzpatrick: Yes, it's often one of the questions that comes up. Sharif, could I turn to you for initial thoughts on how we're thinking about the balance sheet, internal opportunities, and the broader context for capital management?

Sharif Burra: We do have a very strong financial position, but noting we've also followed our dividend framework, and we have regularly returned cash to shareholders. You'd appreciate international coal prices are improving. However, as we've mentioned, a strengthening Aussie dollar adversely affects our revenue.

In this setting, we are continuing to evaluate opportunities to improve shareholder value, and we will utilise our financial position once suitable opportunities are identified. We are aware of media speculation, but we don't comment on specific scenarios. What I would say is our strong financial position does enable us to explore opportunities that may arise, and we are continually evaluating any opportunities, in context of current market conditions. It's worth noting that it is a continual process to evaluate opportunities, and we make that evaluation in the context of market conditions.

Brendan Fitzpatrick: I'll move on to the webcast questions. I can see several coming through. Some of them are touching on topics which we've already worked through with the phone questions. I'll amalgamate or combine some of the questions, to make the process efficient for all of us.

Starting with a query about the reported profit. One person observed that 2024 was a stronger year than 2025 which had a net profit of \$440 million. Should the 2025 performance be considered more of a mid-cycle earnings base? They are also asking if we see downside risk to coal prices, and at what realised price we would have a break-even cash flow?

There are a few elements in there which we wouldn't necessarily specifically comment on, but I think through the slides, we certainly demonstrated how the coal price links through to revenue, operating EBITDA, and EBITDA margins, and with the cost profile we've established, there's a reasonable capacity to work backwards, and determine where we might reach some sort of break-even price. But the coal price assumptions, very much dependent upon the individual to form a view.

The next question relates to capital expenditure. We came in at \$750 million, at the lower end of the guidance. Mike could reiterate what we see as the true underlying sustaining, and what's the longer-run reinvestment into the assets?

Mike Wells: I'll start by noting that in the \$750 million one spent in 2025, there's some \$130 million of capitalised development with respect to our underground mines, which is the development done in advance of longwall extraction. Of the balance, more than three-quarters of that is in relation to sustaining capital. That's at the level that we incurred in 2025, and that would be similar going forward in the current year.

Brendan Fitzpatrick: There are a few questions related to dividend, franking balances and dividend policy. Kevin, we could test your thinking on these topics. There's an observation that franking credit balance is in excess of \$2 billion. Conceptually, it could sustain a fully franked dividend of over \$4 billion. Could you give us some reiteration of the Company's dividend framework, and how the capital management considers special dividends in that context?

Kevin Su: From the Company perspective, we try to maintain a consistent distribution to our shareholders and following the policy which is 50% of NPAT or 50% of free cash flow, whichever is higher, and that's exactly the dividend payout rate followed this time. As a result, you can see a 55% payout ratio for the final dividend in 2025.

It's a very good question about our franking credit balance of \$2 billion. It's a very decent balance, which definitely enables us, as Yancoal, we can just keep paying fully from the dividend in a very long period. But as a result, we will likely link this franking credit to the ongoing dividend payments, instead of using the franking credit as a special dividend payment.

Brendan Fitzpatrick: The benefit of real-time webcast and market data is we can see the share price reaction. We have a question coming through that makes the observation that the share price is down about 10% today since market open and asking for our thought process on how we observe the equity market reaction, and how we link that back to the

priorities of dividends and other opportunities that the Company might be considering in the short, medium, and longer terms. Sharif to start, and then perhaps Kevin to follow up.

Sharif Burra: I think if you look at the fundamentals, Yancoal had an exceptionally good year last year. We operated more safely, more productively, and the discipline in our operations is certainly there. Yancoal is in a very fortunate position of being a very good coal miner, with some very strong assets, and that certainly lays the foundations for Yancoal to explore, certainly, other opportunities.

Kevin Su: I think quite importantly is about how we look at the yield, and how we look at the share price, and how we learn, from a capital management perspective, to set discipline internally for the Company to grow. From Company perspective, we have to balance the growth, dividends, and then potentially debt management, which, fortunately enough, Yancoal has fully repaid all the loans three years ago.

Now, between the growth and the dividends, yes, normally a Company hold so much cash. I think that's a really good observation, but as a Company, as Sharif just mentioned, we just need to have the right mentality to look at different opportunities. However, we are not in the position to give any comments on such opportunities, but we want to have such flexibility to pursue value-accretive opportunity, which we believe is in the long-term interest of shareholders. Then, we're still very strictly following the policy, as I just mentioned previously, which is 55% payout ratio, we feel this is a fair payout ratio for the year.

Peter Wang: (CICC, Analyst) I want to confirm what portion of the upward revision in the cost guidance would you attribute to the inflationary pressures, compared to others?

Mike Wells: Essentially, our two major costs within our operating costs relate to labour costs and maintenance costs, and both of those would be expected to face inflationary headwinds in the current year, with our labour costs underpinned by enterprise agreements covering the majority of our site employees, and similarly, we'd expect some increases in maintenance costs being passed on by the OEMs during the year, as well. After that, it is commodity type pricing areas of diesel, electricity, explosives, etc., and how that will play out in the year is less certain.

So, safe to say, there's certainly some inflationary costs will be embedded in our cost profile in 2026, and as we touched on before, the expectation is that we'll be able to offset, to some degree, some of that, through further increases in production volumes, as well as

further productivity initiatives. So, hopefully that gives you a bit more context around how we see the costs in the current year.

Brendan Fitzpatrick: There's a follow-up question on the dividend policy topic, one of our participants asking if there's the potential to refine the dividend policy, potentially catering to non-cash items or impairments, and hence adjusting payout ratio parameters. Kevin, could you give some thoughts on that topic?

Kevin Su: This is a very good question. I think one thing we should have elaborated more is what I just mentioned, 50% NPAT or 50% free cash flow is all pre-abnormal items, which means all the non-cash items or abnormal items will be excluded. As a result, that's the reason why you can see a 55% payout ratio instead of strictly 50% payout ratio, and that's caused by the adjusted NPAT number.

Brendan Fitzpatrick: Also worth clarifying that the policy is not rigid. The Board has discretion within the allocation parameters.

One of the questions coming through relates to reserve depletion, and how does management think about reserve depletion, and what should investors look at, in terms of lead indicators for managing the coal reserves? I know that we've just published our reserves and resources statement alongside the financial results. There was some mining depletion, as would be expected on an operating basis, but beyond that is a fairly steady state reserve and resource basis, with some specific adjustments for recalculation of geology. But perhaps a broad comment on how we think about the long-term reserve profile?

Sharif Burra: Previously in the call, we mentioned the Mount Thorley Warkworth underground project, which we're progressing through the study stages, and the intent, subject to those studies, is to bring another underground mine online over time. Also, we regularly look at all of our assets, and through our life-of-mine planning process, seek to optimise and further extend or take advantage of the assets, in and around what we have. The other arm to that is obviously the non-organic opportunities that may present themselves over time.

Brendan Fitzpatrick: A participant is interested in knowing if we have fixed price contracts with customers for this calendar year. What percentage is fixed or variable pricing? Is there anything that's changed from 2025, in terms of the contract status? Mark, what can we say without giving away our commercial position?

Mark Salem: In terms of our price strategy, we always apply a risk mitigation strategy, and we also ascertain the market movement. We know market prices declined in 2025, and we did see some recovery so far in January/February and towards the end of 2025. We're always modifying our pricing strategy to reflect that, in terms of what portion of sales that we do on a fixed basis versus a variable basis or based on the indices. We apply a lot of rigour, in terms of that strategy, as well.

Brendan Fitzpatrick: I recollect that last year, we had a slightly higher than normal volume committed through the calendar year, which positioned us as less vulnerable to volatility in prices. Is it a similar approach to this calendar year? Can we say anything about that?

Mark Salem: It is a similar approach. We are definitely focused on maintaining and capturing market share, from a volume point of view. In terms of our volume position, we're very well-contracted going into 2026, and a lot of that is based on indices - an index profile.

Brendan Fitzpatrick: There's a follow-up, wanting to check on that comment about the FX exchange losses. It is looking for clarification on how we manage our costs and handle FX risks. Kevin, could you comment on FX exposure, and how we think about it and manage it.

Kevin Su: If I understand the question correctly, it's about the foreign exchange impact on the cost side. Largely, the cost is in Aussie dollars, and as Mike just mentioned, the biggest portion is labour cost and also our maintenance cost. We do have some small portion US dollar-linked cost exposure, which is something we can share with the investors. Yancoal's revenue largely driven by the US dollar-linked indices, so as a result, we can always keep some US dollar currency to reserve them and pay out of pocket for the US dollar expenses, so it's a natural hedge.

Brendan Fitzpatrick: A question that might have some relation to that topic. The question's asking about the \$2.1 billion we have in cash, and what sort of returns we get on the cash that we hold on the balance sheet.

Kevin Su: If we look at the size of cash deposits, we work very diligently to put them into term deposits, to maximise return. A high-level indicative return is about 4%.

Brendan Fitzpatrick: The final question links back to some of the discussion we've already had, but perhaps it's an appropriate place to close out the call. The share price seems to be indicating that the dividend has disappointed investors. The question is, in our

opinion, does this mean investors need to change the thought process towards Yancoal and the way the Company approaches dividends, or conversely, has Yancoal and the market diverged, in terms of the current expectations in the short term, and how do we see value being generated going forward?

Kevin, could you give us your thoughts once more on how we prioritise dividends, capital management, and that longer-term growth thought process?

Kevin Su: It's a very good question. We fully respect the concern from the investor, expecting higher dividend return, which is very understandable. Then, from a management perspective, many executives are holding Yancoal shares, as well. So, we fully appreciate the sentiments.

But I think back to the position we shared earlier, first of all, the dividend is a part of profit. So, we need a good profit to support the dividend. That's the point we made earlier, 55% payout ratio, managing all the capital, capital expenditure, and the uncertain coal market, we feel 55% payout ratio is a reasonable, fair ratio. But at the same time, we also want to make this clear. We do hold very substantial amount of cash, and we have to balance between the value-accretive growth opportunities whilst rewarding our shareholders. Both from [the management team and from the Board perspective, we try to do our best to maintain such a balance.

Brendan Fitzpatrick: We're at the end of the hour allocated. Sharif, I will hand over to you, to provide the closing remarks.

Sharif Burra: 2025 was truly a year of great operational performance for Yancoal. We set world records at two mines and delivered record coal production. These achievements demonstrate our leading technical and operational capabilities. I believe we have some of the best assets in the industry, and that our scale and competitive cash costs drive our performance. The guidance Kevin provided shows we're looking for further gains from our assets. We have a strong net cash position, and access to debt markets. This provides considerable financial flexibility. We continue to reward our shareholders with fully franked dividends.

We remain focused on what has made Yancoal the second-largest coal producer in Australia. That is maximising production, keeping costs under control, and a balanced allocation of capital. We look forward to giving you our next update on 21 April, after we've released our first-quarter production report.

Thank you to everyone who joined us on the call. Have a great day.