

PT WIJAYA KARYA (Persero) Tbk.

Minutes of the Public Expose Live 2022

WIKA Tower II Building

Jl. D.I. Panjaitan Kav. 9-10 East Jakarta

13 September 2022

Presented by

Agung Budi Waskito : President Director
Aditya Kusumo : Director of Finance and Risk Management
Harum Akhmad Zuhdi : Director of Operations II
Rudy Hartono : Director of Operations III
Hadjar Seti Adji : Director of Human Capital and Development
Ayu Widya Kiswari : Director of Quality, Health, Safety & Environment
Mahendra Vijaya : Corporate Secretary

Moderator : Fitra Firma Kurniawan

Attendees : 681 attendees, consisting of analysts, investors, and journalists. The presentation was livestreamed using the Zoom application.

The following is a summary of the question-and-answer session of the Public Expose Live 2022:

1. Vega Aulia

Question:

The Government is currently focusing on reducing pollution and increasing the domestic component level (*Tingkat Komponen Dalam Negeri*, “TKDN”), one of which is by domestic battery manufacturing. Is there any business prospect for WIKA with regards to this focus? WIKA has been proven to contribute to the battery-based vehicle industry through GESITS. What is WIKA’s role in the future regarding the battery-based vehicle business?

Answer:

WIKA Industri & Konstruksi (“WIKON”), WIKA’s subsidiary, has been in the auto parts industry for a long time. Its subsidiary, WIKA Industri Manufaktur (“WIMA”), is currently the manufacturer of the electric motorcycle GESITS. In order to strengthen the synergy between state-owned enterprises (“SOEs”) in boosting the integrated electric vehicle business, WIMA together with IBC, the Electric Vehicle Battery SOE Holding in Indonesia, encourages GESITS to develop a business plan in terms of improving the manufacturing process to developing other aspects of electric vehicles, including expanding the coverage of Public Electric Vehicle Charging Stations (SPKLU) by utilizing existing

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network owned by SOEs. With a domestic component level of 46.73%, GESITS has a market share of 26.27% in Indonesia's electric motorcycle market. GESITS has supplied its products to several SOEs and Government agencies. They have also marketed and distributed to the retail market throughout Indonesia via distributor agents.

2. Arya Imamuddin Koeswara

Question:

What will and has been done by WIKA in capturing opportunities in the new capital city (*Ibu Kota Negara*, "IKN") development?

Answer:

Of the total IKN budget of Rp35.53 trillion until 2023, the Government through the Ministry of Public Works and Housing (PUPR) has spent a budget of Rp5.7 trillion in 2022. Of this budget, WIKA has secured projects such as the IKN Toll Road Kariangau – Sp. Tempadung segment which constitutes 38% or Rp730 billion of toll road projects in the new capital city. WIKA Gedung has also secured Rp380 billion project to construct modular buildings to house workers. To capture the opportunities in IKN development, WIKA is currently participating in tenders for several IKN projects worth approximately Rp9 trillion. Based on the potential for future work and with WIKA's competence and experience, we believe that we will be able to win the tenders for IKN work contracts.

3. Erman Sumirat

Question:

What is the relationship between WIKA and PT Pilar Sinergi BUMN Indonesia ("PSBI") in the high-speed railway business? How will WIKA maintain profitability with the break-even point of the previous investment of the high-speed railway project? What is WIKA's strategy to maintain liquidity and minimize the debt-to-equity ratio ("DER")? What are the future corporate action plans?

Answer:

Currently WIKA holds 38% of shares in PSBI, and PSBI in turn holds 60% of shares in PT Kereta Cepat Indonesia China ("KCIC"). WIKA also directly holds 23% of the shares in KCIC. On the other hand, WIKA acts as Indonesia's main contractor for the construction of the Jakarta-Bandung high-speed railway. WIKA will continue to hold ongoing discussions with stakeholders to gain support from the Government for WIKA's position in this project, so that going forward, it can maintain its liquidity level and decrease DER gradually.

For future corporate action plans, WIKA will anticipate Government-assigned projects both from Public Private Partnership (*Kerjasama Pemerintah dengan Badan Usaha*, "KPBU") and projects with Contractor Pre-Financing (CPF) scheme, considering that currently WIKA is selecting projects that have good paying capacity. In the short term, WIKA will also issue Bonds and Sukuk Mudharabah III Phase 1 to stabilize and reprofile short-term debts into long-term debts. WIKA also plans to conduct

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corporate actions, such as recycling less productive assets as well as re-evaluating and focusing on a strong core business.

4. **Muhamad Rudy Setiawan**

Question:

What is WIKA's new contract target as of August 2022? What is WIKA's current average cost of fund rate? To what extent will WIKA contribute to the IKN project?

Answer:

WIKA's new contract as of August 2022 has reached Rp18 trillion. Until the end of the year, WIKA will continue to target new projects including the IKN project, which is currently in the bidding phase, as well as other projects from the Government, SOEs, and private sector.

WIKA's current average cost of fund is 8.45%. WIKA has anticipated an increase in interest rates by planning to issue Bonds and Sukuk to lock in interest rates in the medium and long term.

5. **Muljadi Wijaya**

Question:

What are WIKA's steps in dealing with rising material prices related to delayed projects? How much is the increase compared to the initial projection?

Answer:

This year, there have been two increases in material prices in March to April due to the Russo-Ukrainian War. Prices for materials such as iron, steel, and cement increased by 8% to 11%. In addition, the rise in fuel prices also resulted in an increase in the cost of goods sold and puts pressure on the Company's profit. In this matter, WIKA has taken mitigating steps by proposing an escalation of material prices, particularly to owners of multi-year projects to secure price adjustments and reviewing framework contracts with suppliers and partners to lock-in prices for the next year. WIKA is also carrying out various innovations such as strengthening the implementation of Building Information Modelling (BIM) and utilizing SAP for efficiency in operating costs.

6. **Devina**

Question:

What steps will WIKA take to face the challenges of inflation and rising interest rates in the future?

Answer:

In response to the challenges, WIKA has adjusted its bid price by assuming an increase in material prices for projects currently being tendered and for future project tenders. For ongoing projects, WIKA has taken mitigating steps by proposing an escalation of material prices, particularly to owners of multi-year projects to secure price adjustments and reviewing framework contracts with suppliers

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and partners to lock-in prices for the next year. In terms of rising interest rates, WIKA is currently implementing debt profiling strategy to adjust the composition of short-term and long-term loans. WIKA is also deleveraging loans with high interest rates to reduce the Company's interest expense. WIKA has shifted from supply chain financing (SCF) to a back-to-back scheme, which is expected to be able to reduce the Company's financing expense. Furthermore, WIKA seeks to recycle less productive assets such as toll road and high-speed railway into more productive assets.

7. Wenny Wardhani

Question:

Is there any plan for WIKA to increase work or market portion for the engineering, procurement, and construction (EPC) business in Indonesia or overseas?

Answer:

Currently WIKA is more selective in working on EPC and overseas projects by evaluating prudent project owners with good financing schemes. These are evaluated based on their ability to pay in order to improve the Company's operating cash flow.

8. Vonie Mahardika

Question:

What is WIKA's strategy in developing waste-to-energy plant (PLTSa) to support green economy?

Answer:

WIKA is cooperating with a company owned by the DKI Jakarta Government in PLTSa, especially for the Jakarta area. Currently, the Company is still focusing on developing the PLTSa project.

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