

PT WIJAYA KARYA (Persero) Tbk.

Minutes of the Public Expose Live 2021

WIKA Tower II Building

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

8 September 2021

Presented by

Ade Wahyu : Director of Finance and Risk Management
Harum Akhmad Zuhdi : Director of Operations II
Rudy Hartono : Director of Operations III
Mursyid : Director of Human Capital and Development
Ayu Widya Kiswari : Director of Quality, Health, Safety & Environment

Moderator : I Gede Aditya Mahendra

Attendees : 1,700 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 2021:

1. Kuswoyo

Question:

What are the measures taken by the Management to guarantee the quality of infrastructure projects constructed by WIKA?

Answer:

In order to guarantee the quality of infrastructure constructed by WIKA, we continue to comply with the specifications and prevailing technical regulations. In addition, WIKA closely monitors projects from time to time to guarantee its quality. To that end, we adopt innovations in both the process and end products of a given project across all units in the WIKA Group.

2. Ghifari Ryan Gunawan

Question:

What strategies are taken by the Management to reduce the amount of its interest-bearing debts?

Answer:

In order to reduce its interest-bearing debt, the Company has established a cash collection team whose purpose is to speed up receivable collection from Project Owners. The cash collection progress is directly monitored by the Management on weekly basis. In addition, the Company is looking to

DISCLAIMER:

This Document is a translation of an official document issued by the respective party. Every effort has been made to ensure that the contents of this document are identical, accurate, and faithful to that published in Bahasa Indonesia. If there are discrepancies between the Bahasa Indonesia and English document, the Bahasa Indonesia document shall prevail.

accelerate asset recycling which is expected to generate cash; performing bulk sales; and selling to the Company's strategic partners.

3. Fathiya Dahrul

Question:

- Please share which of the Company's subsidiaries will exercise an Initial Public Offering (IPO), their projected proceeds, and timeline.
- Could the Company achieve its target for new contracts this year? Which Project Owner can enable the Company to achieve its target?
- Is there any plan to divest the Company's assets to the Investment Authority (INA)?

Answer:

- The proposed IPOs of the Company's subsidiaries will start in 2022 with WIKA Industri Konstruksi, whose IPO is projected to raise Rp1 trillion. It will be followed by WIKA Realty in 2023 with projected proceeds of Rp2 trillion, and WIKA Rekayasa Konstruksi in 2024 with projected proceeds of Rp1 trillion.
- In regard to the new contracts, WIKA is reviewing the target for new contracts in 2021, given the ongoing COVID-19 situation continues to affect the Company's operations and the national economy.
- As of this time, the Company has no plan to divest its assets to INA, because the Company has no knowledge of INA's target portfolio. In regard to the divestment to other parties, the Company is planning to dispose its investment in a Port in North Sumatera by end of this year.

4. Erman Sumirat

Question:

- How does the incorporation of Sovereign Wealth Fund ("**SWF**") directly affect WIKA?
- Going forward, is WIKA planning to continue to enter into projects with an investment scheme that may increase its Debt-to-Equity Ratio ("**DER**")?

Answer:

SWF does not directly affect the Company because the Company we do not have many projects to divest.

Going forward, WIKA will continue to secure projects with quick win scheme which have a high Net Present Value ("**NPV**") and Internal Rate of Return ("**IRR**").

DISCLAIMER:

This Document is a translation of an official document issued by the respective party. Every effort has been made to ensure that the contents of this document are identical, accurate, and faithful to that published in Bahasa Indonesia. If there are discrepancies between the Bahasa Indonesia and English document, the Bahasa Indonesia document shall prevail.

5. Dicky M

Question:

- The Company's investment in WIKA Realty seems massive that it affected the Company's financial position. Was it a strategic step for the Company if WIKA Realty go public?
- to ensure WIKA Realty IPO a reality?
- Is there a change in payment term given the increase in gross amount due from customers?
- Please explain the target for gearing ratio and net income for 2021.

Answer:

- The Company's capital injection in WIKA Realty is linked to the Hotel Holding plan. The hotel holding company is expected to provide a recurring revenue for WIKA Realty from the hotel business. At this time, WIKA Realty's revenue depends on sales from realty and properties.
- Gross Amount Due from Customers in the second quarter is increased due to pending finalisation to Project Owners that still require worksheets based on on-site evaluation of projects. We expect the Gross Amount Due from Employer to decrease in the second half of the year once physical recognition and on-site administration are completed.
- The Company is currently reviewing its projected interest-bearing debt to equity ratio (Gearing Ratio) and projected net income for 2021. The review is performed due to changes in underlying assumptions for the target.

6. Michael Benas

Question:

- How much is the cost overrun from the Kereta Cepat Indonesia China ("KCIC") project?
- Are there any updates on Shareholding status in Pilar Sinergi BUMN Indonesia ("PSBI")?

Answer:

The KCIC and PSBI's shareholders are still calculating the cost overrun of the high-speed railway project. We expect the calculation to be completed in October of this year.

Currently, PSBI's shareholder composition remains unchanged. However, in an upcoming amendment to the President Regulation, WIKA's position as the Consortium Lead for this project will be replaced by Kereta Api Indonesia ("KAI"), who in turn will receive the Government's capital placement (*Penyertaan Modal Negara*).

7. Willy Sutopo

Question:

What is the final decision pertaining to the cost overrun of the high-speed railway project? Does the cost overrun affect or delay the project completion, which in turn causes additional financial burden to the Company?

DISCLAIMER:

This Document is a translation of an official document issued by the respective party. Every effort has been made to ensure that the contents of this document are identical, accurate, and faithful to that published in Bahasa Indonesia. If there are discrepancies between the Bahasa Indonesia and English document, the Bahasa Indonesia document shall prevail.

Answer:

The KCIC is still calculating the cost overrun of the high-speed railway project.

The high-speed railway project is going according to schedule and is expected to be completed and start operating in 2022.

8. Yuni Madikhatun

Question:

In the next 5 years, what are the innovations that WIKA will adopt to improve its performance in order to attract a significant number of new investors?

Answer:

WIKA expand its construction business that is currently focused on infrastructure construction. Going forward, we will be developing toward being the champion in mining, energy, industrial plant, and oil and gas. To that end, WIKA is currently preparing the human capital and experts in those fields.

9. Denny Wangsaputra

Question:

What are WIKA's measures to solve the increase in price of raw materials despite the unchanging value in contracts?

How does WIKA manage the increase in raw material prices given its contract value remains unchanged?

Answer:

The Company has adopted an umbrella contract approach in procuring strategic materials, such as steel and concrete. This umbrella contract is renewed in annual basis, which protects the Company against price fluctuations.

DISCLAIMER:

This Document is a translation of an official document issued by the respective party. Every effort has been made to ensure that the contents of this document are identical, accurate, and faithful to that published in Bahasa Indonesia. If there are discrepancies between the Bahasa Indonesia and English document, the Bahasa Indonesia document shall prevail.