

**THE REPORT OF PUBLIC EXPOSE REGARDING ANNUAL GENERAL MEETING OF SHAREHOLDERS
PT SOLUSI BANGUN INDONESIA TBK
MAY 31, 2024**

I. Time and Place

Day/Date: Friday, May 31 2024

Time: 16.30 -17.30 WIB

Venue: Ra Suites Simatupang, Pandawa Room, 2nd Floor, Jl TB Simatupang No 30, South Jakarta 12430, Indonesia & via Video Conference

II. Company Management Present

1. Mr Ony Suprihartono, Director
2. Mr Soni Asrul Sani, Director
3. Mr. Yasuhide Abe, Director
4. Mr Andika Lukmana, Corporate Secretary
5. Mr Giri Prabowo, ACM Group Head
6. Mrs. Ani Cahyani Aprilia, Finance Group Head

III. Agenda

1. The Public Expose was opened by MC, Asty Asmawaty at 16.10 WIB.
2. The event continued with opening remarks, an introduction to the Company's management and a management presentation by Mr. Soni Asrul Sani, the Company's Manufacturing Director and also via a management presentation video. The Public Expose presentation consists of:
 - a. Overview of the cement and construction business sector in 2023;
 - b. Overview of the company's financial performance in 2023;
 - c. Company operational review in 2023;
 - d. Review of financial performance for the first quarter of 2024;
 - e. Company Focus in 2024;
 - f. Business projections for 2024;
 - g. Results of the decisions of the Annual General Meeting of Shareholders on 31 May 2024.We attach Public Expose presentation materials to this report.
3. Public Expose ends with questions and answers and closes at 17.30 WIB

IV. Attendance List

Public Expose was attended by analysts, investors, media and other parties. The number of public exposure participants was 62 participants.

We have attached the Public Expose attendance list to this report.

V. **Question and Answer**

1. **Pulina Nityakanti – Kontan**

- a. **What is the actual sales volume of SMCB cement as of April/May 2024? Is it on target? How many percent have you achieved the 2024 target? What are the details like?**

Answer:

Sales of cement and clinker in April decreased slightly from last year's 1%, due to tight competition in the market, the political year and also the many national holidays. This factor caused cement sales to fall by 5% but was offset by a 21% increase in clinker volume as a synergy effect with SIG and TCC.

- b. **Is there still an oversupply currently? Approximately how long will this happen and what is SMCB's strategy to maintain performance amidst oversupply conditions this year?**

Answer:

Oversupply conditions in the cement industry continue. This is due to the addition of new production capacity which is greater than the growth in market demand, which has contracted due to the COVID-19 pandemic. In 2023, of the total cement factory capacity in Indonesia of 119 million tons, market absorption will only be 65.5 million tons with utilization of 55%.

Regarding the duration of the oversupply condition, it is difficult to predict exactly how long this will last because there are many influencing factors, including global economic conditions, local market dynamics, government policies and other things.

PT Solusi Bangun Indonesia Tbk (SBI)'s strategy in maintaining performance amidst oversupply conditions includes:

- Cost Optimization: Focus on reducing production and distribution costs to maintain profit margins.
- Increased Utilization: Increase plant and asset utilization through export market expansion and increased operational efficiency.
- Product Innovation: Develop and market environmentally friendly cement products with a lower carbon footprint to meet growing market demand for sustainable building materials.
- Synergy with SIG and TCC: Utilize synergies with parent companies and strategic partners to optimize production and distribution networks and develop new technologies.
- Business Diversification: Expanding the business portfolio to include new business opportunities that can increase added value.

SBI is committed to adapting its business strategy according to market conditions and continuing to innovate to ensure sustainable growth and value creation for stakeholders.

b. What projects is SMCB working on and still ongoing in 2024? What is the estimated cement sales volume to these projects?

Answer:

1. Power Plant Jawa 9-10 in Cilegon
 2. Road repair project using Rapid Setting Concrete (SpeedCrete) in Jakarta
 3. Residential project in Jakarta
 4. Toll road construction project in Banten and West Java
 5. LRT phase 1B velodrome – Manggarai
 6. Tol Japeksel package 2B
 7. Tol Kataraja
 8. Tol Patimban
 9. Merak Harbor
 10. Toll road and national road in Rengasdengklok
- Other retail projects in Java.

The cement sales volume for these projects is part of fulfilling the RKAP for cement sales together with cement sales to the retail sector.

2. Dioniso Damara – Bisnis Indonesia

How is the company trying to increase the free float ratio? Will there be any corporate action in the near future? There is an interest rate increase on SMCB loans, and are observed to increase in the first quarter of 2024. What caused it? And what is the outlook for financial burdens amid rising interest rates in Q2? will it be affected?

Answer:

The minimum free float regulation of 7.5% was officially implemented in 2021 during the Covid-19 pandemic. At that time, the Company considered that (2021 - 2022) was not the right time because people in general was still focused on health priorities. As economic growth gradually recovers, SBI is now considering several options to meet the minimum free float threshold, thereby maintaining our commitment to comply with applicable regulations and investor confidence.

3. Hilda – Kompas

a. SBI claims to have implemented ESG in its operations, but I did not find SBI on the IDX-Sustsinalytics ESG Risk Rating list. Meanwhile, similar companies are competing to reduce their ESG risk. What is the reason why SBI is not listed yet?

Answer:

SMCB is not included in ESG because public shares are around 1% while sustainalytic monitors share movements at LQ 45. SBI is always committed to three aspects, how we protect the environment, social and governance with concrete steps, including the use of environmentally friendly raw materials and alternative fuels and produce environmentally friendly products.

b. What are the corporate actions in semester II for financial strengthening? Considering the increase in construction spending, the residential backlog is still 12.75 million and VAT DTP has been extended

Answer:

Apart from the unmet need for 12.7 million housing units, the building materials industry in Indonesia can also benefit from the rapid development carried out by the government. SBI is well positioned under SIG as a business player that dominates the industry to gain opportunities to meet market demand in both retail and bulk segments. SBI is also recognized for our leadership in innovative solutions and sustainable approaches which have now become the interest and preference of forward-looking investors.

4. Muawwan Daelamy – Investor Daily

a. What percentage of operational cost efficiency can be generated from the company's steps to substitute coal fuel for alternative fuel? And what is the impact on SMCB's income?

Answer:

SBI continues to utilize alternative fuel to reduce coal consumption, one of which is by using RDF, industrial waste and biomass. As stated in our presentation, until 2023, SBI's thermal substitution rate (TSR) will reach 12.2, an increase of 0.5% compared to 2022. This proves that SBI continues to make efficiency efforts in operational costs. We felt a very significant impact, especially when energy costs and fuel costs increased. Apart from that, we also utilize hydrogen in the production process and convert diesel to compressed natural gas (CNG) for cement mill operations at the Tuban Plant.

b. What types of new business is SMCB involved in outside the core business? How does SMCB see the potential of the logistics sector?

Answer:

SBI is currently initiating efforts to classify and optimize the assets we own. We see that there are opportunities in the aspect of raw materials which are very large in quantity and can be used in other industries, one of which is the smelter industry. So we take advantage of this opportunity for new business in our company. Apart from that, we are also intensifying the Nathabumi business unit, which is currently the largest integrated waste management business unit in Indonesia. We also provide added value to ongoing soil stabilization projects with TCC, as our strategic partner with costs and processes that are more efficient than conventional methods.

Soil stabilization is a solution to the needs of several land/mining areas in Indonesia which have unstable characteristics.

c. How does SBI respond to the presence of new player in the Aceh area?

Answer:

As we know, currently the market is over supplied. Some time ago there was also a statement from the BKPM Ministry. We will continue to coordinate with the Indonesian Cement Association, because the current situation will greatly disrupt our domestic industry.

5. Moch Saiful – News of Aceh: XXI PON will be held in North Sumatra-Aceh Province, specifically for Aceh, currently construction of venues is being intensively carried out for sports facilities that will be competed in and of course a lot of cement will be needed, whether cement from the Lhoknga Plant (Solusi Bangun Andalas) a priority to use?

Answer:

As a proud product of Aceh, we are ready to support cement supplies for the construction of facilities and infrastructure. Our plant location which is very close to the PON venue will greatly simplify the supply chain and product availability is guaranteed. Because the project requires guaranteed supply and cement whose quality has been tested.

6. Zulfikar - FA News: How does SBI produce cement throughout Indonesia while maintaining the same good quality?

Answer:

As stated in the presentation, we have obtained standards and are accredited by ISO, one of which is ISO 90001, where this standard regulates our commitment to maintaining product quality. We have more than 50 years of experience in producing the best cement, so we are confident that the cement we deliver to the market is of the best quality.
