

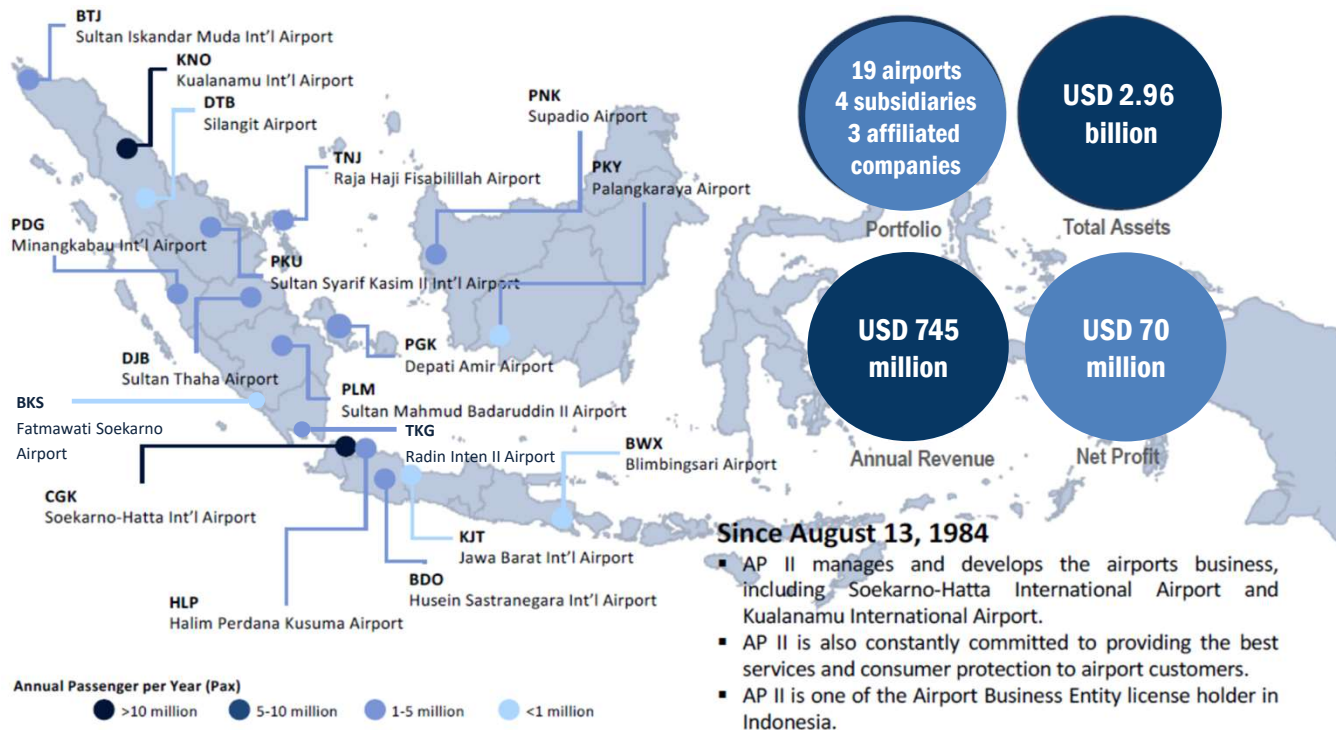
MARKET SOUNDING

AIRPORT CITY KUALANAMU INTERNATIONAL AIRPORT

PT ANGKASA PURA II - OVERVIEW



PT Angkasa Pura II (“AP II), establish since August 13, 1984 is a stated owned enterprise in Indonesia engaged to airport service and airport-related services business



| | |
|------------------|---|
| Portfolio | 19 airports |
| Vision | <i>The Best Smart Connected Airports in The Region</i> |
| Values | P.E.R.F.O.R.M Pride of Indonesia, Entrepreneurial, Responsible, Focused, Outstanding Services, Meritocratic |

1 USD = 14,886 IDR (15 May 2020)
Financial figures based on 2019 Financial Statement



Overview of Kualanamu International Airport

The continuous development of Sumatera strengthen its positioning as a destination

North Sumatra and Medan have a strong industrial prospect and tourism attractions which are supported by the development especially in infrastructure.

Through government support, Sumatra and North Sumatra will strengthen its position as a destination through the following development :

1 Industry



The development of Trans Sumatra Toll Road

- Particularly in North Sumatra, Medan-Kualanamu-Tebing Tinggi Toll Road will be operated at the end of 2017

2 The development of Pendulum Nusantara & Special Economic Zone Development



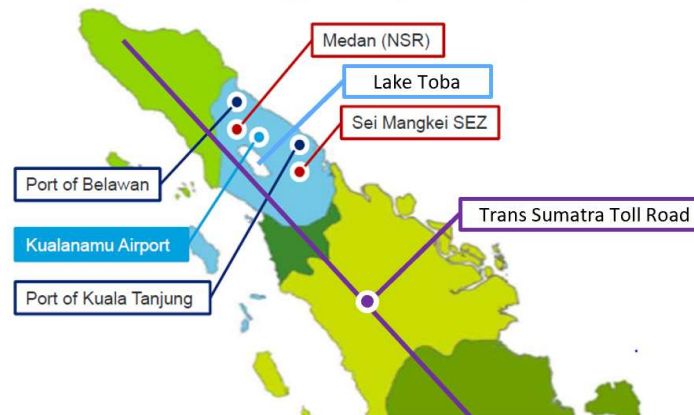
- Belawan & Kuala Tanjung Port
- Support North Sumatra industry, most well-known for palm oil plantations and coal
- Network as western gate of Sumatra

3 Business



Medan as an important commercial and economic hub

- Fourth biggest city in Indonesia and center of business in western Sumatra
- Direct access from/to airport via train



4 Tourism



Tourism Attraction of North Sumatra

- Toba Caldera Geopark (Lake Toba)
- Popular and attractive tourism site in the region



Maimoon Palace is royal house for Sultanate of Deli and becomes of tourism sites from Medan, South Sumatra built by the Sultan of Deli in 1888

Maimoon Palace is one of the most beautiful palace still exist in Indonesia.

- The second largest airport in west side of Indonesia after Soekarno-Hatta International Airport
- Official 4-Star Skytrax Airport
- Built to replace the previous Polonia International Airport, which was no longer able to accommodate the increasing needs of air services
- Expected to become the new international transit center in Sumatra and the western part of Indonesia
- The first airport in Indonesia with a direct express rail (Raillink) to/from city center (Medan city)
- Part of Government of Indonesia's infrastructure development plan and strategy for the ASEAN Single Aviation Market

KUALANAMU INTERNATIONAL AIRPORT PROFILE



Infrastructure to Support Connectivity



Airport Railink

- Has been operating since 2013, directly connecting KNO with Medan Station at the city center through a railway line
- Total length is 22.96 km and it takes about 30-47 minutes per trip
- **The first airport train in Indonesia**

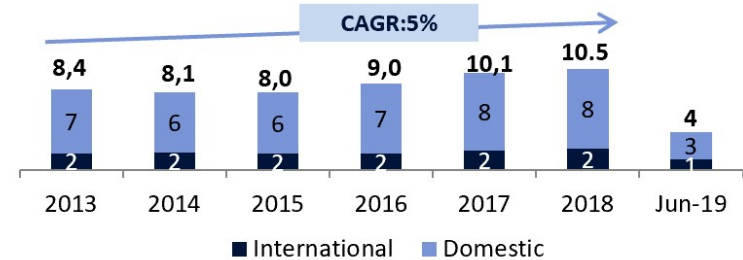


Medan-Kualanamu-Tebing Tinggi Toll Road

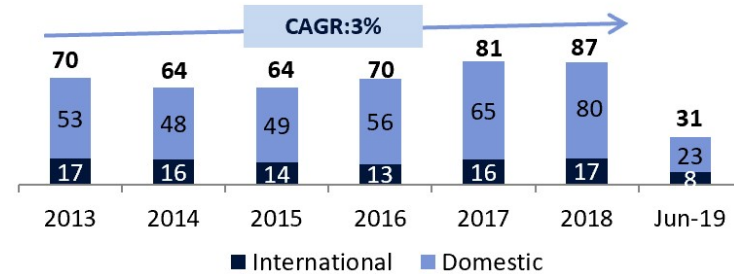
- Toll road (part of Trans Sumatra) to connect Medan, KNO and Tebing Tinggi
- Total length is 61.80 km
- The operation in 2018

Historical Operational Performance

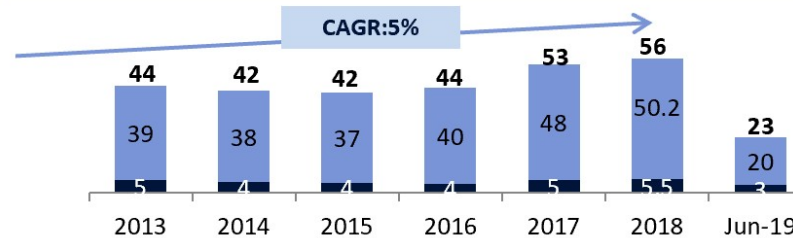
Passenger Movement 2012 – Jun 2019 (million pax)



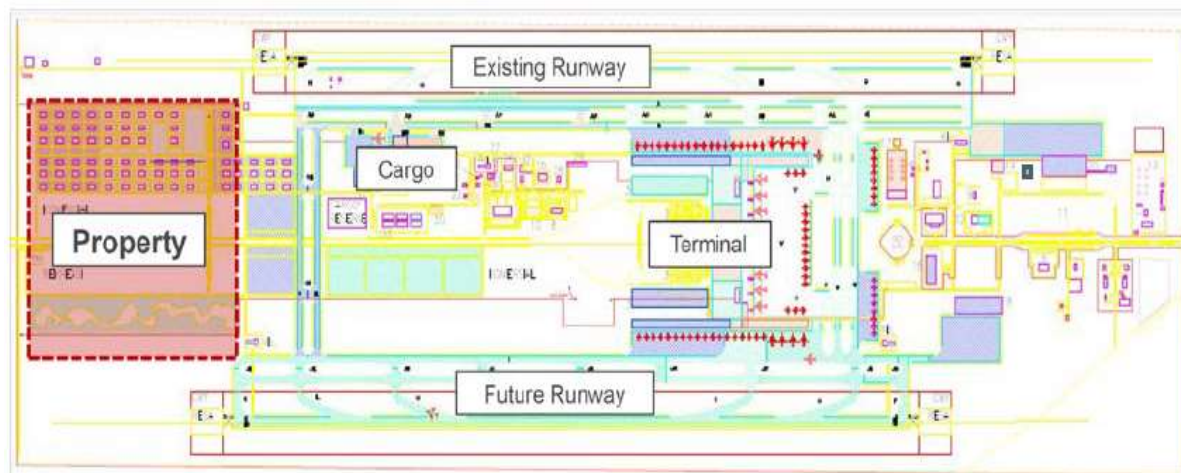
Aircraft Movement 2012 – Jun 2019 (thousand)



Cargo Movement 2012 – Jun 2019 (thousand ton)



AIRPORT CITY KUALANAMU PROJECT PROFILE



- Kualanamu Airport City consist of ± 135 Ha Commercial Area for both business and leisure area such as theme park, hotel, retail, hospital, golf course, business park, and others
- The concept of Kualanamu Airport City is an integrated cluster with mixed used property types to complement each other, therefore creating new market in the region

PROPERTY DEVELOPMENT CONCEPT

Block Plan Properties



Source: Colliers International Indonesia – Advisory

| | |
|---------------|----------------------------------|
| Dark Blue | Warehouse – Cargo |
| Yellow | Office Park |
| Red | Hypermarket |
| Light Blue | Budget Hotel |
| Blue | Dormitory |
| Dark Purple | 4-star Hotel & Convention |
| Orange | Apartment |
| Grey | Food Arcade |
| Bright Yellow | Big Bix Retail – Apparel/Fashion |
| Dark Blue | 4-star Golf & Resort Hotel |
| Pink | Specialty Hospital |
| Red | Factory Outlet |
| Light Yellow | Kids Edutainment |
| Dark Teal | Big Bix Retail – Home Furnishing |
| Light Blue | 3-star Hotel |
| Dark Purple | 5-star Resort Hotel |
| Black | Parking Building |
| Light Green | Golf Course & Driving Range |
| Purple | Theme Park |
| Light Green | Land Bank |



View from the Kualanamu Airport



View to the Kualanamu Airport



PROPERTY DEVELOPMENT SUMMARY

Hotel Market

| | |
|------------------|------------------|
| Discount Rate | 11,36% |
| NPV (Rp.Juta) | 30.822.756 |
| IRR | 13,49% |
| BCR | 1,18 |
| Payback Period | 11 Tahun 1 Bulan |
| Kelayakan Proyek | LAYAK |

1. 3 Star Hotel, 2 units, ± 6.000 m² (4 floor)
 2. 4 Star Hotel, ± 7.000 m² (4 floor)
 3. 4 + Star Hotel & Convention Center, ± 10.000 m² each (4 floor)
- 40% of hotel guests are projected from passengers arriving through the KNO airport, while 20% are projected from departing passenger from KNO Airport.

Hotel guest will be increase due to the development of various supporting facilities around the hotel in Airport City KNO area such as golf course & driving range and shopping center, theme park and hospital.

Average occupancy rate of hotel rooms around the location for 3 stars is 62% - 70% and for 4 stars around 50% - 53%. Assuming the growth of tourists and the growth of demand, room occupancy rates ranging from 52% - 75% per year.

Theme Park

| | |
|------------------|------------------|
| Discount Rate | 11,28% |
| NPV (Rp.Juta) | 1.123.803.651 |
| IRR | 15,52% |
| BCR | 1,35 |
| Payback Period | 10 Tahun 5 Bulan |
| Kelayakan Proyek | LAYAK |

Located near to Singapore, building a world-class theme park in Medan can be an alternative for vacations both for Indonesians and tourists. Comparison analysis with other national and international theme parks shows theme park operated by national scale operator and international operator have better performance. Total area to be developed for Thema Park is ± 400.000 m²

Theme park at least consists of several rides such as Coaster Rides, Family Rides, Major Rides, Kiddie Rides, Aqua Rides, Thrill Rides, and Water Park Rides. Recommended theme park rates in KNO around Rp120.000, (water park only) to Rp400.000,- (all in area)



PROPERTY DEVELOPMENT SUMMARY

| | | | | | | | | | | | | | |
|--|------------------|--------|---------------|-------------|-----|--------|-----|------|----------------|------------------|------------------|-------|---|
| <p>Hospital</p> <table border="1"> <tr> <td>Discount Rate</td> <td>10,97%</td> </tr> <tr> <td>NPV (Rp.Juta)</td> <td>323.726.724</td> </tr> <tr> <td>IRR</td> <td>16,71%</td> </tr> <tr> <td>BCR</td> <td>1,16</td> </tr> <tr> <td>Payback Period</td> <td>9 Tahun 2 Bulan</td> </tr> <tr> <td>Kelayakan Proyek</td> <td>LAYAK</td> </tr> </table> | Discount Rate | 10,97% | NPV (Rp.Juta) | 323.726.724 | IRR | 16,71% | BCR | 1,16 | Payback Period | 9 Tahun 2 Bulan | Kelayakan Proyek | LAYAK | <p>The land area to be used for hospital ± 30.000 m², building area ± 33,600 m² with 4 (four) floors. This hospital will provide various types of inpatient rooms totaling 115 rooms with 335 beds. Recommendations for hospital to be established hospital is a special hospital for hypertension and kidney, special hospitals like this are still needed, especially for the Deli Serdang and Medan City.</p> <p>According to the Indonesian Ministry of Health, the ideal room occupancy rate (BOR) for hospitals is more than 60%. In Medan City there are only 10 out of 72 hospitals with BOR > 60%, for Deli Serdang Regency there are only 3 out of 21 hospitals with BOR > 60%. Special hospital for hypertension and kidney will achieve BOR > 60% (60% to 85%)</p> |
| Discount Rate | 10,97% | | | | | | | | | | | | |
| NPV (Rp.Juta) | 323.726.724 | | | | | | | | | | | | |
| IRR | 16,71% | | | | | | | | | | | | |
| BCR | 1,16 | | | | | | | | | | | | |
| Payback Period | 9 Tahun 2 Bulan | | | | | | | | | | | | |
| Kelayakan Proyek | LAYAK | | | | | | | | | | | | |
| <p>Retail</p> <table border="1"> <tr> <td>Discount Rate</td> <td>10,52%</td> </tr> <tr> <td>NPV (Rp.Juta)</td> <td>458.250.787</td> </tr> <tr> <td>IRR</td> <td>16,48%</td> </tr> <tr> <td>BCR</td> <td>1,15</td> </tr> <tr> <td>Payback Period</td> <td>9 Tahun 8 Bulan</td> </tr> <tr> <td>Kelayakan Proyek</td> <td>LAYAK</td> </tr> </table> | Discount Rate | 10,52% | NPV (Rp.Juta) | 458.250.787 | IRR | 16,48% | BCR | 1,15 | Payback Period | 9 Tahun 8 Bulan | Kelayakan Proyek | LAYAK | <p>The retail centers will consist of hypermarket, food arcade, entertainment for kids and fashion. Planned site area is ± 30.000 m² with 2 (two) floors. Most retail visitors expected to come from a departure passenger's (60% of departure passengers and 40% of arrival passengers)</p> <p>The nearest retail center from Kualanamu Airport is in the Medan City area. The average occupancy rate of malls/plazas in Medan City around 75% to 89%, this occupancy rate is available for supermarkets, fashion, entertainment – kids food arcade.</p> |
| Discount Rate | 10,52% | | | | | | | | | | | | |
| NPV (Rp.Juta) | 458.250.787 | | | | | | | | | | | | |
| IRR | 16,48% | | | | | | | | | | | | |
| BCR | 1,15 | | | | | | | | | | | | |
| Payback Period | 9 Tahun 8 Bulan | | | | | | | | | | | | |
| Kelayakan Proyek | LAYAK | | | | | | | | | | | | |
| <p>Golf Park & Driving Range</p> <table border="1"> <tr> <td>Discount Rate</td> <td>12,23%</td> </tr> <tr> <td>NPV (Rp.Juta)</td> <td>72.815.809</td> </tr> <tr> <td>IRR</td> <td>13,80%</td> </tr> <tr> <td>BCR</td> <td>1,04</td> </tr> <tr> <td>Payback Period</td> <td>12 Tahun 0 Bulan</td> </tr> <tr> <td>Kelayakan Proyek</td> <td>LAYAK</td> </tr> </table> | Discount Rate | 12,23% | NPV (Rp.Juta) | 72.815.809 | IRR | 13,80% | BCR | 1,04 | Payback Period | 12 Tahun 0 Bulan | Kelayakan Proyek | LAYAK | <p>Golf Park with 18 holes and has 72 international scale par, with a length of ± 6.000 m² and total area to be developed is ± 400.000 m² equipped with a driving range and includes a tour packages. Golf course in Kualanamu Airport is expected to attract business people to come and hold meetings.</p> |
| Discount Rate | 12,23% | | | | | | | | | | | | |
| NPV (Rp.Juta) | 72.815.809 | | | | | | | | | | | | |
| IRR | 13,80% | | | | | | | | | | | | |
| BCR | 1,04 | | | | | | | | | | | | |
| Payback Period | 12 Tahun 0 Bulan | | | | | | | | | | | | |
| Kelayakan Proyek | LAYAK | | | | | | | | | | | | |



2 PROPERTY DEVELOPMENT SUMMARY

| Project | 3 Star Hotel | 3 Star Hotel | 4 Star Hotel | 4+ Star Hotel & Conventon Center |
|---------------------------------|--------------------|--------------------|--------------------|----------------------------------|
| Development cost incl land (Rp) | 110.424.000.000 | 120.389.000.000 | 184.315.000.000 | 228.344.000.000 |
| Discount Rate/WACC | 11,36% | 11,36% | 11,36% | 11,36% |
| NPV (Rp Mill) | 30.822.756 | 35.207.406 | 51.943.879 | 53.647.604 |
| IRR | 13,49% | 13,59% | 13,57% | 13,19% |
| BCR | 1,18 | 1,2 | 1,03 | 1,06 |
| Payback Period | 11 Yrs 1 Mo | 11 Yrs | 11 Yrs 8 Mos | 11 Yrs 12 Mos |
| Viability | Financially viable | Financially viable | Financially viable | Financially viable |

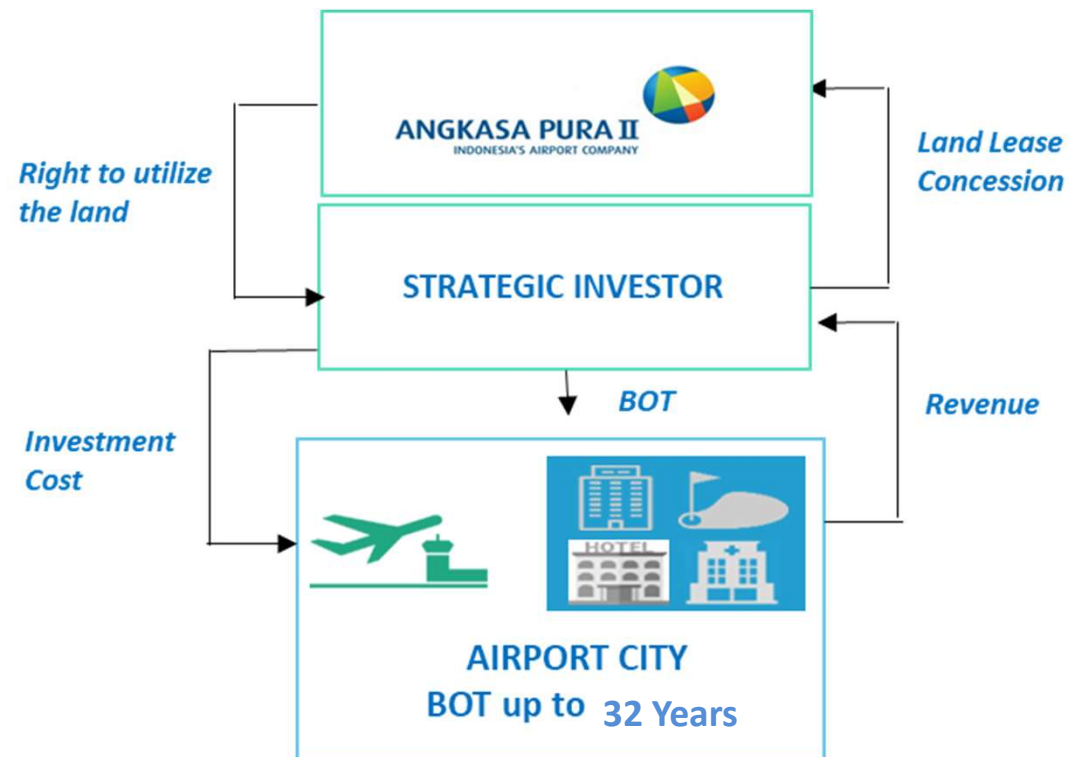
| Project | Theme Park | Golf Course & Driving Range | Retail | Hospital |
|---------------------------------|--------------------|-----------------------------|--------------------|--------------------|
| Development cost incl land (Rp) | 2.043.503.453.000 | 127.000.000.000 | 470.836.000.000 | 388.500.000.000 |
| Discount Rate/WACC | 11,28% | 12,23% | 10,52% | 10,97% |
| NPV (Rp Mill) | 1.123.803.651 | 72.815.809 | 458.250.787 | 323.726.724 |
| IRR | 15,52% | 13,80% | 16,48% | 16,71% |
| BCR | 1,35 | 1,04 | 1,15 | 1,16 |
| Payback Period | 10 Yrs 5 Mos | 12 Yrs | 9 Yrs 8 Mos | 9 Yrs 2 Mos |
| Viability | Financially viable | Financially viable | Financially viable | Financially viable |

3 TRANSACTION OVERVIEW & STRUCTURE

Transaction Overview

- Opportunity to operate an airport city project located within Kualanamu International Airport, the second largest airport in Indonesia.
- Located at the front of the airport, with clean and clear status.
- Located 39 km from Medan, the capital city of North Sumatera.
- Airport City is surrounded mostly by local housing and few commercial buildings. The nearest commercial development is located in Lubuk Pakam (\pm 10 Km from the Property). The Property has very good visibility, from the airport main road.
- BOT Periods up to 32 years with the right to develop and operate the airport city.
- Indicative commercial terms for the BOT contract:
 - Surcharge Fee
 - Land Lease and Concessions

Transaction Structure



THANK YOU

For further question:
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