

**DISCLOSURE OF INFORMATION FOR THE SHAREHOLDERS OF
PT GARUDA INDONESIA (PERSERO) TBK IN CONNECTION WITH THE PROPOSED CAPITAL INCREASE WITH
PRE-EMPTIVE RIGHTS AND THE PROPOSED CAPITAL INCREASE WITHOUT PRE-EMPTIVE RIGHTS**

THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION MUST BE READ AND TAKEN INTO ACCOUNT BY THE SHAREHOLDERS OF PT GARUDA INDONESIA (PERSERO) TBK.

THIS DISCLOSURE OF INFORMATION HAS BEEN PREPARED TO FULFILL THE PROVISIONS OF THE FINANCIAL SERVICES AUTHORITY REGULATION NO. 32/POJK.04/2015 AS AMENDED BY THE FINANCIAL SERVICES AUTHORITY REGULATION NO. 14/POJK.04/2019 ON AMENDMENT TO THE FINANCIAL SERVICES AUTHORITY REGULATION NO. 32/POJK.04/2015 ON CAPITAL INCREASE OF PUBLIC COMPANY WITH PRE-EMPTIVE RIGHTS.

IF YOU ARE HAVING DIFFICULTIES IN UNDERSTANDING THE INFORMATION IN THIS DISCLOSURE OF INFORMATION OR ARE HESITANT IN MAKING A DECISION, IT IS ADVISABLE FOR YOU TO CONSULT WITH YOUR STOCK BROCKER, INVESTMENT MANAGER, LEGAL CONSULTANT, PUBLIC ACCOUNTANT OR OTHER PROFESSIONAL ADVISORS.



PT GARUDA INDONESIA (PERSERO) TBK
(the “Company”)

Main Business Activity:
Commercial Air Transportation Services

Domiciled in Central Jakarta, Indonesia

Head Office:

Jl. Kebon Sirih No. 46A, Jakarta 10110, Indonesia

Management Office:

Management Building of Garuda Indonesia
Garuda City
Soekarno-Hatta International Airport
Tangerang 15111, Indonesia
Tel.: (021) 25601102
Fax.: (021) 22915673

Website: www.garuda-indonesia.com
Email: treasury.financing@garuda-indonesia.com

**ANNOUNCEMENT
TO THE SHAREHOLDERS**

It is hereby notified to the shareholders of PT Garuda Indonesia (Persero) Tbk (“Company”), that the Company intends to convene the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders on Friday, 12 August 2022, in Jakarta (“Meeting”).

Pursuant to the Financial Services Authority Regulation No. 32/POJK.04/2015 on Capital Increase of Public Company with Pre-emptive Rights as amended by the Financial Services Authority Regulation No. 14/POJK.04/2019 on Amendment to the Financial Services Authority Regulation No. 32/POJK.04/2015 on Capital Increase of Public Company with Pre-emptive Rights and the Financial Services Authority Regulation No. 15/POJK.04/2020 on the Planning and Organization of General Meetings of Shareholders by Public Companies and Article 23 paragraph (7) letters (a) and (c) of the Company’s Articles of Association, the invitation for the Meeting will be announced through

the Company's website, PT Bursa Efek Indonesia's website and eASY.KSEI system that will be provided by the PT Kustodian Sentral Efek Indonesia (KSEI) on Thursday, 21 July 2022.

Shareholders who are entitled to attend the Meeting are shareholders whose names are registered in the Shareholder Register on 20 July 2022 until 16.00 WIB and the owner of the Company's shares in the securities sub-account of PT Kustodian Sentral Efek Indonesia (KSEI) at the closing of the trading of the Company's shares in the Indonesia Stock Exchange on 20 July 2022.

Jakarta, 6 July 2022

Board of Directors of the Company

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS OF THE COMPANY, SOLELY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE COMPLETENESS AND ACCURACY OF ALL INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION AND AFTER CONDUCTING SUFFICIENT RESEARCH, CONFIRMED THAT THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS TRUE AND THERE ARE NO IMPORTANT AND RELEVANT MATERIAL FACTS THAT WERE NOT STATED OR HAVE BEEN REMOVED IN THIS DISCLOSURE OF INFORMATION THAT CAUSED THE INFORMATION HEREIN TO BE INCORRECT AND/OR MISLEADING.

IF THERE IS ANY CHANGE OR ADDITION TO THE INFORMATION IN THIS DISCLOSURE OF INFORMATION, THE COMPANY WILL ANNOUNCE SUCH CHANGE OR ADDITIONAL INFORMATION AT THE LATEST 2 BUSINESS DAYS BEFORE THE DATE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS.

DEFINITIONS

Post-Homologation Verification Deadline	:	30 Calendar Days after the Homologation Date.
IDX	:	The stock exchange as defined in Article 1 number 4 of the Capital Markets Law, in this case as organized by PT Bursa Efek Indonesia, domiciled in Jakarta.
Share Registrar	:	PT Datindo Entrycom as the Company's share registrar as appointed by the Company to administ the Company's securities.
Shareholder Register	:	The Company's shareholder register as issued by the Share Registrar.
Exercise Price	:	The price that will be paid by the shareholders of the Company to exercise their Rights into the Company's shares and the exercise price of the conversion of the Company's Debt in PMTHMETD as well as the exercise price of the conversion of OWK.
Trading Day	:	A day when securities trading is held on the IDX, which is Monday to Friday, except for national holidays or days declared as holidays by the IDX.
Calendar Day	:	Any day or days in 1 year without exception including Saturday, Sunday, and national holidays as declared by the Government and business day.
Rights	:	The abbreviation of <i>Hak Memesan Efek Terlebih Dahulu</i> or Pre-emptive Rights, which are the pre-emptive rights attached to the shares that provide the opportunity for the relevant shareholders to purchase shares and/or other equity securities, whether convertible into shares or granting the right to purchase shares, before being offered to other parties.
Finance Lease Creditor	:	The creditor under the finance lease agreement and holds a claim against the Company, namely Export Development Canada.
Other Accounts Payable Creditors	:	Creditors who are vendors and suppliers of goods or services who hold claims against the Company as stated in Appendix 5 of the Settlement Plan, namely creditors that: (i) have a settlement claim of more than Rp255,000,000 (USD ~17,700); (ii) are not State-Owned Enterprises; and (iii) are not the Company's subsidiaries.
Creditors Entitled to Receive Equity	:	The Aircraft Lessors, the Reserve Engine Lessors, the Finance Lease Creditor, the Aircraft Manufacturers, the MRO Vendors, the Sukuk Holders, and the Other Account Payable Creditors.

Disclosure of Information	:	This Disclosure of Information related to the capital increase with Rights dan PMTHMETD (as defined below).
OWK Conversion	:	The implementation of the conversion of OWK (as defined below) into a maximum of 20,000,000,000 New Shares in the Company based on the Exercise Price, which will be carried out based on the OWK Issuance Agreement, and the resolution of the Company's Extraordinary General Meeting of Shareholders dated 20 November 2020.
Company's Financial Statements	:	The Company's consolidated financial statements ended on 31 December 2021.
MOLHR	:	The Minister of Laws and Human Rights of the Republic of Indonesia, as amended from time to time, which was formerly known as the Minister of Justice of the Republic of Indonesia.
Financial Services Authority or OJK	:	The Otoritas Jasa Keuangan or the Financial Services Authority, an independent institution as referred to in Law No. 21 of 2011 on Financial Services Authority (" OJK Law "), whose duties and responsibilities include regulating and overseeing financial service activities in the banking, capital markets, insurance, pension fund, financing institution, and other finance institution sectors.
OWK	:	The abbreviation of <i>Obligasi Wajib Konversi</i> or unsecured Mandatory Convertible Bond issued by the Company with a value of Rp1,000,000,000,000 with an installment period of 3 years pursuant to the OWK Agreement, as referred to in the resolution of the Extraordinary General Meeting of Shareholders dated 20 November 2020 which approved the issuance of the OWK with a maximum total value of Rp8,500,000,000,000 with a maximum instalment period of 7 years.
Aircraft Manufacturers	:	The creditors who are aircraft manufacturers that hold claims against the Company, namely the Boeing Company (" Boeing "), Airbus S.A.S., and Avions De Transport Regional G.I.E.
Regular Market	:	As defined in IDX Regulation No. II-A on Equity Securities Trading, Annex to the Decision of the IDX's Board of Directors No. Kep-00025/BEI/03-2020 dated 12 March 2020.
Reserve Engine Lessors	:	The creditors who are the reserve engine lessors that hold claims against the Company, namely Engine Lease Finance Corporation, Total Engine Asset Management Pte. Ltd., and North Shore Aviation Capital LLC.

Aircraft Lessors	:	The creditors who are the aircraft lessors lessors that hold claims against the Company as mentioned in Appendix 4 of the Settlement Plan.
The Company's Shareholders	:	The Company's shareholders whose names are registered in the Shareholder Register.
Sukuk Holders	:	The creditors who are the holders of the unsecured trust certificate with a total value of USD500,000,000 issued by Garuda Indonesia Global Sukuk Limited (in their capacity as issuer and in their capacity as trustee), as determined pursuant to a statement of trust dated 3 June 2015, signed between the trustee, the Company, and The Hong Kong and Shanghai Banking Corporation Limited, as amended from time to time.
Regulation No. I-A	:	The IDX Regulation No. I-A, Annex to the Decision of the IDX's Board of Directors No. Kep-00101/BEI/12-2021 on the Listing of Shares and Equity Securities other than Stocks issued by Listed Companies.
OWK Agreement	:	Mandatory Convertible Bond Agreement dated 28 December 2020 between the Company as issuer and the Government of the Republic of Indonesia <i>casu quo</i> Minister of Finance <i>casu quo</i> PT Sarana Multi Infrastruktur (Persero) as OWK holder.
PMN	:	The abbreviation of <i>Penyertaan Modal Negara</i> or state equity participation given to the Company as a form of Government support to save the Company in a maximum amount of Rp7,500,000,000,000.
PMTHMETD	:	The Company's plan to conduct a restructuring by converting the Company's Debt owed to the Creditors Entitled to Receive Equity by means of the Capital Increase Without Pre-emptive Rights in order to improve the Company's financial position in accordance with POJK No. 14/2019.
POJK No. 14/2019	:	The Financial Services Authority Regulation No. 14/POJK.04/2019 on the Amendment to the Financial Services Authority Regulation No. 32/POJK.04/2015 on Capital Increases with Pre-emptive Rights by Public Companies.
Homologation Verdict	:	The verdict of the Commercial Court at the Central Jakarta District Court No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst dated 27 June 2022, in order to homologate or ratify the Settlement Plan.
Settlement Plan	:	The Settlement Plan proposed by the Company on 17 June 2022, at the Commercial Court of the Central Jakarta District Court, which was approved by the verified creditors on 17 June 2022, and has been homologated pursuant to the Homologation Verdict.

EGMS	:	The Company's Extraordinary General Meeting of Shareholders, which is proposed to be held on 12 August 2022.
Homologation Date	:	The date when the Settlement Plan is homologated or ratified by the Panel of Judges for Case No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst at the Commercial Court of the Central Jakarta District Court, regardless of an appeal or any other legal remedies against the homologated Settlement Plan by the Panel of Judges in accordance with Verdict No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst, which is 27 June 2022.
New Shares	:	The shares issued from the Company's portfolio with the maximum value of 329,614,254,811 shares, issued in relation to the Transaction and OWK Conversion.
Administrator Team	:	The administrators as referred to in the Bankruptcy Law, which are appointed and given the authority based on the Suspension of Debt Payment Obligation (PKPU) decision.
Transaction	:	The capital increase by granting Rights and PMTHMETD.
Bankruptcy Law	:	Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations.
USD	:	The official currency of the United States of America.
Company's Debt	:	The Company's Debt to the Creditors Entitled to Receive Equity that will be converted into shares through the PMTHMETD in the total nominal value of, whichever is greater than (i) an amount equal to 19% of the settlement claim of the Creditors Entitled to Receive Equity (in USD) minus the value of the debt allocated to them in the form of, as applicable, the local debt claim, new bond, or new sukuk certificate, and (ii) USD330 million, provided that Boeing does not submit documents and other confirmations that are required until the Post-Homologation Verification Deadline in relation to its claim as the Aircraft Manufacturers (estimated to be USD822,812,645), which amount must be reduced so that each Creditor Entitled to Receive Equity (other than Boeing) receives a portion of the PMTHMETD that is equal to which it would be entitled had Boeing provided that required documents and other confirmations.
MRO Vendor	:	The creditors who are the the Company's vendors of goods and/or services related to the maintenance, repair, and/or overhaul which are the same as the aircraft and/or engine that hold claims against the Company, namely Rolls-Royce Plc, Rolls-Royce Total Care Services Limited, Rolls-Royce Leasing Limited, and CFM International, Inc.

In accordance with the prevailing laws and regulations, including but not limited to POJK No. 14/2019, the Company's plan to conduct the capital increase with Rights and PMTHMETD as elucidated in this Disclosure of Information must first obtain the approval of the Company's General Meeting of Shareholders. With regard to the above, the Company intends to convene the EGMS on 12 August 2022, and therefore, the Company provided the information in this Disclosure of Information to ensure that all the Company's shareholders have the full information regarding the plan to increase the capital with Rights and PMTHMETD to approve such plan in the EGMS.

On 22 October 2021, a PKPU application ("**PKPU Application**") was filed against the Company by one of its creditors under Case No. 425/Pdt.Sus-PKPU/2012/PN.Niaga.Jkt.Pst. The Panel of Judges at the Commercial Court of the Central Jakarta District Court granted the PKPU application and declared the Company to be under a temporary PKPU, as stipulated in the Court Decision No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst ("**PKPU Decision**"), which was read before the Court on 9 December 2021 ("**PKPU Decision Date**").

The Panel of Judges in Case No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst ("**Panel of Judges**") decided to: (i) grant the PKPU Application; (ii) declare the Company to be under a temporary PKPU for 44 (forty-four) days from the date of the decision ("**Temporary PKPU**"); (iii) appoint Jandri Siadari, S.H., Dip.Mkt., LL.M., Martin Patrick Nagel, S.H., M.H., Albert Hasoloan Limbong, S.H., Asri, S.H., M.H., Mulyadi, S.H., LL.M., William Eduard Daniel, S.E., S.H., LL.M., MBL., as administrators of the Company (in PKPU) ("**Administrator Team**"); and (iv) appoint Mr. Dulhusin, S.H., M.H. as the Supervisory Judge.

The Company has undergone the Temporary PKPU process and its extension, as granted through the permanent PKPU legal proceedings, which schedule and agenda are as determined by the Administrator Team and the Supervisory Judge.

The content of the settlement plan was presented to the creditors in the creditors' meeting on 17 June 2022 at the Commercial Court of the Central Jakarta District Court, the verified creditors voted in favor of the settlement plan proposed by the Company ("**Settlement Plan**"). The Settlement Plan was also homologated and ratified by the Commercial Court of the Central Jakarta District through Decision No. 425/Pdt.Sus-PKPU/2021/PN.Niaga.Jkt.Pst dated 27 June 2022 ("**Homologation Verdict**"). With respect to the Homologation Verdict, the parties, including the Company, the verified creditors, as well as the other creditors who are not parties to the trial at the first stage, may file an appeal to the Supreme Court no later than 8 (eight) days after the Homologation Date.

Based on the Settlement Plan, one of the Company's debt restructuring schemes is the issuance of New Shares, which will be issued in relation to the PMN through capital increase by granting Rights, the conversion of the Company's Debt to the Creditors Entitled to Receive Equity through PMTHETD, as well as the OWK Conversion.

INFORMATION ABOUT THE COMPANY

Brief History of the Company

The Company was established under the name of Garuda Indonesian Airways N.V., with a domicile in Central Jakarta pursuant to Deed No. 137 dated 31 March 1950, made before Raden Kadiman, a Notary in Jakarta, which Deed was approved by the MOLHR under Decree No. J.A. 5/12/10 dated 31 March 1950, registered in the register book at the Jakarta District Court, Supplement No. 327 dated 24 April 1950, and announced in the State Gazette of the Republic of Indonesia No. 30 dated 12 May 1950, Supplement No. 136.

The Company's status as a Limited Liability Company (Persero) was established based on Deed of Establishment No. 8 dated 4 March 1975, as amended by Deed of Amendment to Articles of

Association No. 42 dated 21 April 1975, and subsequently amended by Deed of Amendment to Articles of Association No. 24 dated 24 June 1975, all of which were made before Soeleman Ardjasmita, S.H., a Notary in Jakarta, which Deeds were approved by the MOLHR under Decree No. Y.A. 5/225/8 dated 23 June 1975, consecutively registered at the Jakarta District Court on 1 July 1975 under No. 2250, No. 2251, and No. 2252, and announced in the State Gazette of the Republic Indonesia No. 68, dated 26 August 1975, Supplement No. 434 ("**Deed of Establishment**").

The Company's Deed of Establishment was subsequently amended several times, and was last amended by Deed of the Meeting Resolution on Amendments to Articles of Association No. 12 dated 4 December 2020 made before Aulia Taufani, S.H., a Notary in Jakarta, which was approved by the MOLHR based on the Receipt of Notification to MOLHR on the Amendment of Articles of Association No. AHU-AH.01.03-0421802 dated 21 December 2020 and registered in the Company Registry administered by the MOLHR No. AHU-0215219.AH.01.11.Tahun 2020 dated 21 December 2020 ("**Articles of Association of the Company**").

Business Activity of the Company

The purpose and objective of the Company is to conduct business in the field of commercial air transportation services, and optimizing the utilization of the Company's resources to produce high quality and highly competitive goods and/or services in order to gain/pursue profits to increase the value of the Company by applying the principles of a Limited Liability Company.

Management and Supervision

The composition of the Board of Commissioners and the Board of Directors of the Company at the date of the Disclosure of Information is as follows:

Board of Commissioners

President Commissioner	concurrently acting as	:	Timur Sukirno
Independent Commissioner			
Commissioner		:	Chairal Tanjung
Independent Commissioner		:	Abdul Rachman

Board of Directors

President Director	:	Irfan Setiaputra
Operational Director	:	Tumpal Manumpak Hutapea
Technical Director	:	Rahmat Hanafi
Director of Service and Commerce	:	Ade R. Susardi
Director of Human Capital	:	Aryaperwira Adileksana
Director of Finance and Risk Management	:	Prasetio

Summary of the Company's Financial Data ending on 31 December 2021

The following is information on the summary of the Company's financial data as compiled based on the consolidated financial statements for the date and year ended 31 December 2021 (unaudited).

Until the publication of this Disclosure of Information, the consolidated financial statements for the date and year ended 31 December 2021 are still in the process of being audited.

Statement of Financial Position

Description (in USD)	31 December 2021
Total Current Assets	305,725,029
Total Non-Current Assets	6,887,020,331
Total Short-Term Liabilities	5,771,313,185
Total Long-Term Liabilities	7,531,491,888
Total Equity	(6,110,059,713)

Statement of Income and Other Comprehensive Income

Description (in USD)	31 December 2021
Operating Revenues	1,336,678,470
Operating Expenses	(2,609,022,290)
Other Operating Income	(2,689,823,627)
Business Loss	(3,962,167,447)
Loss Before Tax	(4,532,553,816)
Tax Benefits	358,549,048
Current Year's Loss	(4,174,004,768)

The Company's Important Financial Ratio Based on the Company's Financial Statements.

Financial Ratio	31 December 2021
Net Working Capital (USD)	(5,465,588,126)
Current Ratio (x)	0.5
Debt To Assets (%)	185%

The Company's Financial Ratios applicable to the debt agreements with Creditors based on the Company's Financial Statements:

Financial Ratio *	31 December 2021
Cash Ratio (USD)	0.94%
Debt To Equity Ratio (x)	-2.18
Total Consolidated Equity	(6,110,059,713)

*) the formula for the financial ratios based on the debt agreements with creditors are namely:

- Cash Ratio: Cash & Cash Equivalent divided by 12 months Revenue.

- Debt to Equity Ratio: Financial Debt excluding financial lease divided by equity

- Minimum Equity: value of equity in the Company's Financial Statements

INFORMATION ABOUT THE CAPITAL INCREASE WITH RIGHTS

I. Capital Increase Plan by granting Rights

Based on a letter dated 12 May 2022 from the Minister of State-Owned Enterprises, the Government has allocated Rp7.5 trillion in the annual state revenue and expenditure budget for the state equity participation (*Penyertaan Modal Negara* or “PMN”) to the Company. The PMN will be implemented through the issuance of shares with pre-emptive rights, where the Government will exercise the pre-emptive right owned by the Government and deposit new capital in the Company amounting to Rp7.5 trillion.

In connection with the PMN, the Company plans to increase its capital by granting Rights to its shareholders in the maximum amount of 225,585,894,911 shares or equivalent to 871.44% of the total issued and paid-up capital of the Company as of this Disclosure of Information. The new shares in the capital increase with Rights will be issued with a nominal value of Rp459 per share or the Exercise Price, whichever is smaller.

The issuance of the Company's shares through the capital increase with Rights will be carried out by fulfilling the conditions and the Exercise Price in accordance with the provisions of the laws and regulations in the capital markets sector. In the event that the Exercise Price is below the nominal value of the Company's shares, the Company will issue a new class of shares with a different nominal value in accordance with the provisions of OJK Regulation No. 31/POJK.04/2017 on Issuance of Shares with Different Nominal Values.

New shares issued from the Company's portfolio through the capital increase with Rights will be listed on the IDX in accordance with applicable laws and regulations including Regulation No. I-A. The new shares will have the same rights as other shares of the Company that have been listed on the IDX prior to the capital increase with Rights, including the right on dividends.

In accordance with POJK No. 14/2019, the implementation of the capital increase with Rights can be conducted after:

- a. The Company obtains approval from the EGMS concerning the capital increase with Rights;
- b. The Company submits a registration statement concerning the capital increase with Rights and supporting documents to OJK; and
- c. The Company's Registration Statement, which was submitted to OJK concerning the capital increase with Rights, is declared effective by OJK.

In addition to the above requirements, to conduct the PMN, the Government will issue a Government Regulation. The Company has also received a confirmation that the Government supports the efforts to save the Company, including the PMN, which will be implemented after the Settlement Plan is homologated by the Commercial Court of the Central Jakarta District

Court as stated in (j) Letter of the Minister of Finance of the Republic of Indonesia No. S-371/MK.06/2022 dated 6 May 2022 regarding Government's Support for the Restructuring of PT Garuda Indonesia (Persero) Tbk, and (ii) Letter of the Minister of State-Owned Enterprises as the Series A Dwiwarna Shareholder No. S-307/MBU/05/2022 dated 12 May 2022 regarding the Support of the Government of the Republic of Indonesia to PT Garuda Indonesia (Persero) Tbk.

For the avoidance of doubt, the Company has the right to issue a portion or all the maximum number of shares that have been approved for issuance based on the EGMS resolution. The provisions on the additional capital with Rights, including the Exercise Price and the number of new shares to be issued, will be disclosed in the prospectus issued for the purpose of the capital increase by granting Rights.

II. Analysis of the Effect of the Capital Increase with Rights on Financial Conditions and Shareholders

The Company estimates that the plan for the capital increase with Rights to the Company's shareholders will have a positive effect on the Company's financial condition by, among others, strengthening its capital structure and increasing its financial ability for working capital needs, which in turn will provide added value for the Company's shareholders.

In the capital increase by granting Rights, the Company expects as much participation from the shareholders as possible to exercise the Rights owned by the shareholders.

The following is an analysis of the impact of the Company's Financial Statements before and after the implementation of the capital increase with Rights:

Asset

The execution of the Rights will have a direct impact in the form of an increase in the amount of cash and cash equivalents of at least Rp7.5 trillion from the PMN. This amount will be greater if other shareholders, apart from the Government of Indonesia, also participate in the Rights.

The increase in the number of assets in the form of cash and cash equivalents will improve the Company's liquidity profile, which current ratio as of 31 December 2021 is at 0.05x; whereas after the exercise of HMTED will be at 0.14x (calculated based on the assumption that the number of the current assets and other current liabilities does not change and the currency is equivalent to Rp14,500).

Equity

New equity participation from the PMN and the paid-up capital from other shareholders will also improve the Company's capital structure by increasing the paid-up capital to at least Rp7.5 trillion as recorded in cash and cash equivalents.

The ratio of liabilities to capital as of 31 December 2021 is -2.18, and after the exercise of the Rights, the same ratio is projected to be -2.38 (assuming that the total liabilities and other capital components remain unchanged). The paid-up capital will increase by at least 39% from the position as of 31 December 2021.

The improvement in the financial position from this capital investment through Rights will provide benefits for the Company to continue its focus on completing the financial restructuring program, one of which is by providing additional funding for the Company's operations.

III. Estimated Outline of the Proceeds of Funds

The proceeds from the implementation of the capital increase with Rights, after deducting the underwriting costs, will be used entirely by the Company for:

1. Maintaining aircrafts, subject to the Go-forward Fleet Leases and the Alternative Lease Agreements;
2. The costs and expenses related to the debt restructuring of the Company;
3. Maintaining the minimum cash requirements of the Company; and
4. Supporting the operational needs of the Company and its subsidiaries, such as aircraft and engine lease costs, fuel, and others.

INFORMATION ABOUT THE PMTHMETD

I. Reasons and Objectives for the Capital Increase

One of the restructuring schemes that have been approved in the Settlement Plan is to convert part of the Company's Debt to the Creditors Entitled to Receive Equity through the PMTHMETD. The issuance of the new shares through the PMTHMETD is carried out in order to improve the Company's financial condition as referred to in Article 8B of POJK No. 14/2019, which states that a capital increase to improve financial conditions can be carried out as long as the public company has a negative net working capital and has liabilities exceeding 80% of its assets at the time of the GMS that approves the capital increase, or is unable to fulfill its financial obligations at the respective maturity dates to unaffiliated creditors who do not agree to receive shares or convertible bonds of the public company to settle their loans.

The PMTHMETD is part of the Settlement Plan and is expected to ease the Company's financial burden and improve the Company's financial structure, and thus it is seen as the best option for the Company and all of its shareholders.

II. Benefits of PMTHMETD

Although the PMTHMETD will not be implemented in the form of a cash capital deposit, it still has the effect of increasing the paid-in capital as an equity component derived from the conversion of the Company's Debt to the Creditors Entitled to Receive Equity into shares which value will be confirmed at the time of calculation of the claim settlement.

As with the improvement of the financial position from the capital increase by granting the Rights, the PMTHMETD will also provide benefits for the Company to continue focusing on completing the financial restructuring program in the form of improving the capital structure.

III. Information about the Creditors and History of Debts that will be Converted into Shares

The Creditors Entitled to Receive Equity are the Aircraft Lessors, the Reserve Engine Lessors, the Finance Lease Creditor, the Aircraft Manufacturers, the MRO Vendors, the Sukuk Holders, and the Other Account Payable Creditors.

Within 10 business days from the Post-Homologation Verification Deadline, the Company is required to publish a list containing all settlement claims to be settled under the Settlement Plan, including the settlement amount to be received by the Creditors Entitled to Receive Equity in the form of new shares on the Company's website.

Each Creditor Entitled to Receive Equity or any person (a) for whom a Creditor Entitled to Receive Equity has submitted, transferred, or expressed confidence in their rights related to their claim or (b) who has been appointed by a Creditor Entitled to Receive Equity to receive benefits from any of its rights related to its claim ("**Equity Beneficiary**"), will receive new shares issued by the Company with the amount calculated as follows:

- (a) To determine the total settlement claims from the Creditors Entitled to Receive Equity in USD:
 - (1) If the settlement claim is denominated in Rupiah, it will be converted into USD based on the Bank Indonesia middle rate on the Homologation Date;
 - (2) If the settlement claim is denominated in a currency other than Rupiah and USD, it will be converted into Rupiah using the Bank Indonesia middle rate on the Homologation Date and then converted into USD using the Bank Indonesia Rupiah-USD middle rate on the Homologation Date; and
 - (3) If the settlement claim is in USD, then the actual amount of the settlement claim will be used.

Each of the abovementioned amounts must be added to determine the total amounts of the settlement claims from the Creditors Entitled to Receive Equity in USD.

- (b) To determine the share of PMTHMETD in USD that will be received by each Creditor Entitled to Receive Equity (or, as applicable, each Equity Beneficiary), the settlement claims of the Creditors Entitled to Receive Equity in USD must be divided by the total settlement claims of all Creditors Entitled to Receive Equity in USD and the result must be multiplied by the amount of the Company's Debt;

- (c) To determine their share of the PMTHMETD in Rupiah, their share of the PMTHMETD in USD must be converted into Rupiah using the Bank Indonesia middle rate on the Homologation Date; and
- (d) To determine the number of new shares to be received by each Creditor Entitled to Receive Equity, the share of the PMTHMETD in Rupiah must be divided by the Exercise Price.

Each Creditor Entitled to Receive Equity or the Equity Beneficiary (as applicable) shall:

- (i) If they already have a securities account, notify the Company in writing of the details of the securities account; or
- (ii) If they do not have a securities account, opens their own securities account with a securities company or custodian bank that can hold Indonesian shares and notifies in writing the details of the securities account to the Company and the Creditors. The Creditors Entitled to Receive Equity or Equity Beneficiary must have an account at a bank domiciled in Indonesia,

in both cases, no later than 3 months after the Homologation Date (“**Equity Account Deadline**”).

A Creditor Entitled to Receive Equity or an Equity Beneficiary who does not notify the Company of the details of their securities account until the Equity Account Deadline will not receive their share of the PMTHMETD and will be deemed to have waived the part of their claim that should have been settled with the PMTHMETD.

IV. Exercise Price of PMTHMETD

In accordance with Regulation No. I-A and considering that the Company will conduct the PMTHMETD to improve its financial position, the exercise price will be determined based on the agreement of the parties, will be carried out in an arm's length transaction, will not violate the applicable laws and will be carried out without harming the non-controlling shareholders and non-major shareholders.

In accordance with the Settlement Plan, the Company and the Creditors Entitled to Receive Equity have agreed that the Exercise Price will be determined by the Privatization Team based on a fair price assessment of the Company's shares by an independent appraiser that will be appointed by the Privatization Team.

In the event that the Exercise Price is below the nominal value of the Company's shares, the Company will issue a new class of shares with a different nominal value in accordance with OJK Regulation No. 31/POJK.04/2017 on Issuance of Shares with Different Nominal Values.

ESTIMATED PERIOD FOR THE IMPLEMENTATION OF THE TRANSACTION AND OWK CONVERSION

The Company's plan for the capital increase with the Rights will be implemented after obtaining an effective statement from OJK, pursuant to Article 8 paragraph (3) of POJK No. 14/2019, which regulates that the period between the approval date from the EGMS to the date of the effective statement from OJK must not exceed 12 months.

The PMTHMETD will be implemented after obtaining the approval of the Company's Shareholders through the EGMS and after the completion of the allotment in connection with the capital increase

with the Rights by taking into consideration the prevailing laws and regulations, including those in the capital markets sector.

In addition, considering the Company's status as a State-Owned Enterprise, the Transaction can only be carried out after the enactment of a government regulation on the privatization of the Company through a capital increase by granting Rights and PMTHMETD. Based on the Settlement Plan that has been approved, the Company must complete the Transaction no later than 31 December 2022.

RISK OR IMPACT OF THE TRANSACTION TO SHAREHOLDERS INCLUDING DILUTION

The execution of the capital increase with the Rights will give additional funds to the Company. With the additional funds, it is expected that the Company will be able to improve operational performance thus it will indirectly improve the financial performance and provide added value for the shareholders in the future.

In the event that the capital increase with the Rights is carried out prior to the OWK Conversion and prior to the execution of the PMTHMETD, the shareholders who do not exercise their Rights may experience a dilution of a maximum of 89.71%.

After the execution of the capital increase with the Rights and in conjunction with the PMTHMETD, the Company also plans to conduct the OWK Conversion. Thus, after the execution of the transaction and the OWK Conversion, the shareholders who do not exercise their Rights may experience a dilution of a maximum of 92.72%.

CAPITAL STRUCTURE OF THE COMPANY BEFORE AND AFTER THE TRANSACTION

The following table is the pro forma capital structure of the Company before and after the Transaction and the OWK Conversion based on the Shareholder Register dated 30 June 2022, with the assumption that the New Shares issued by the Company are in the maximum amount of 329,614,254,911 shares.

	Before the Transaction		After the Rights Issue ¹		After the Transaction and OWK Conversion	
	Number of Shares	%	Number of Shares	%	Number of Shares	%*
Authorized Capital						
Number of Authorized Capital	30,000,000,000	-	400,000,000,000	-	400,000,000,000	-
Government of the Republic of Indonesia						
Series A Dwiwarna Shares	1	0.00	1	0.00	1	0.00
Series B Shares	15,670,777,620	60.54	165,670,777,620	65.88	185,670,777,620	52.23
PT Trans Airways. - Series B Shares	7,316,798,262	28.27	77,352,872,147	30.76	77,352,872,147	21.76
Public	2,899,000,371	11.19	8,448,821,397	3.36	8,448,821,397	2.38
Creditors Entitled to Receive Equity	-	-	-	-	84,028,360,000	23.64
Fully Issued & Paid-up Capital	25,886,576,254	100.00	251,472,471,165	100.00	355,500,831,165	100.00
Portfolio Shares	4,113,423,746		148,527,528,835		44,499,168,835	

Note:

1. Pro forma share ownership after the exercise of Rights assumes the participation of public shareholders is only 20% of the total rights available to be later issued into ordinary shares. This percentage represents the total ownership of public shareholders with ownership greater than 0.25% of the paid-up capital prior to the exercise of Rights.
2. The PMTHMETD was carried out by issuing new shares which were entirely granted to the Government of the Republic of Indonesia for the OWK conversion of Rp1 trillion to 20,000,000,000 shares and to Creditors for the conversion of debt into shares in accordance with the Claim Settlement value equivalent to 84,028,360,000 shares.

RECOMMENDATIONS OF THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The Board of Directors and the Board of Commissioners of the Company recommend that all Shareholders of the Company to approve the proposed Transaction as described in this Disclosure of Information. In providing this recommendation to the Company's Shareholders, the Board of Directors and the Board of Commissioners of the Company have considered the benefits and financial impacts of the proposed Transaction. Therefore, the Board of Directors and the Board of Commissioners believe that the implementation of the proposed Transaction is currently the best option for the Company and all the Shareholders of the Company.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ("EGMS")

To comply with the prevailing laws and regulations, the Transaction must be approved by the Company's Shareholders at the EGMS to be held on 12 August 2022 in Jakarta.

Shareholders of the Company who are entitled to attend or be represented at the EGMS are the Shareholders of the Company whose names are registered in the Shareholder Register on 20 July 2022 at 16.00 WIB and/or the owners of the Company's shares in the securities sub-account at PT Kustodian Sentral Efek Indonesia (KSEI) at the closing of the trading of the Company's shares in the Indonesia Stock Exchange on 20 July 2022.

The following are important dates in relation to the Company's EGMS:

Events	Date
EGMS Notification	28 June 2022
Disclosure of Information regarding the Transaction plan	6 July 2022
Date of the Shareholder Register to determine the Company's Shareholders who are entitled to attend and be presented at the EGMS (recording date)	20 July 2022
EGMS Invitation	21 July 2022
Announcement on the change or additional information regarding the Transaction	10 August 2022 (at the latest)
EGMS	12 August 2022
Announcement of the EGMS result summary	16 August 2022 (at the latest)
Announcement of the EGMS result	12 September 2022 (at the latest)

The Company will seek approval from the EGMS in accordance with OJK Regulation No.15/POJK.04/2020 on the Implementation of the General Meeting of Shareholders of Publicly Listed Companies and OJK Regulation No.16/POJK.04/2020 on the Implementation of the Electronic General Meeting of Shareholders of Publicly Listed Companies, to carry out the Transaction as described in this Disclosure of Information.

The agenda for the EGMS is as follows:

1. Report on the Progress of the Company's Restructuring Process.
 - This agenda does not require approval because it is a reporting.
2. Issuance of new shares in connection with the Company's plans for:
 - i. The Capital Increase with the pre-emptive right;
 - ii. The Capital increase without the pre-emptive right concerning the conversion of the Company's debt; and
 - iii. The conversion of Mandatory Convertible Bond as issued by the Company in 2021;and to increase the authorized capital of the Company as well as the issued and paid-up capital of the Company in the amount to be determined by the Board of Commissioners and/or the Board of Directors of the Company.
 - In accordance with POJK 14/2019, this agenda require approval from the GMS.
 - The implementation of conversion is referring to the Approval on the Issuance of Mandatory Convertible Bond (OWK) through the Company's EGMS dated 20 November 2020.
3. Extension of the approval for the guarantee of the Company's assets with a value of more than 50% of the Company's net assets.
 - Pursuant to provision of Article 12 paragraph (9) the Company's Articles of Association and Article 102 paragraph (1) of the Law No. 4 of 2007 on Limited Liability Company as amended by Law No. 11 of 2020 on Job Creation ("**Company Law**"), this agenda require approval from the GMS.
 - The extension of the approval for the guarantee that had been given in Annual GMS dated 13 August 2021.
4. Approval for the transfer of the Company's assets with a value of more than 50% (fifty percent) of the total net assets of the Company.
 - Pursuant to provision of Article 12 paragraph 9 letter (a) the Company's Articles of Association and Article 102 paragraph (1) letter a of Company Law this agenda require approval from the GMS.

The quorum for the EGMS agenda for the implementation of the Transaction is as follows:

- a) The EGMS to approve the proposed Transaction must be attended by the Series A Dwiwarna shareholder and the other shareholders and/or their legal representatives who together represent more than $\frac{1}{2}$ (one-half) of the total shares with valid voting rights. The EGMS resolutions are valid if approved by the Series A Dwiwarna shareholder and the other shareholders and/or their legal representatives who together represent more than $\frac{1}{2}$ (one-half) of the total number of shares with voting rights presented at the EGMS.
- b) If the quorum as referred to in letter a) is not reached, the second EGMS is valid if attended by the Series A Dwiwarna shareholder and the other shareholders and/or their legal representatives who together represent at least $\frac{1}{3}$ (one-third) of the total shares with valid

voting rights. The EGMS resolutions are valid if approved by the Series A Dwiwarna shareholder and the other shareholders and/or their legal representatives who together represent more than ½ (one-half) of the total shares with voting rights present at the EGMS.

- c) If the quorum of attendance at the second EGMS as referred to in letter b) is not achieved, the third EGMS may be held provided that the third EGMS is valid and entitled to make decisions if attended by shareholders of shares with valid voting rights in the attendance quorum and decision quorum as determined by OJK at the request of the Company, provided that it must be attended and approved by the Series A Dwiwarna shareholder.

The materials for the EGMS including the Code of Conduct and the Health Declaration Form are available on the Company's website at www.garuda-indonesia.com and on the eASY.KSEI system from the date of the EGMS invitation until the date of the EGMS.

ADDITIONAL INFORMATION

In order to obtain information regarding the proposed Transaction. The Company's shareholders may submit a request to the Company's Treasury Management, in a working day and during the Company's business hours at the address below:

Treasury Management
PT Garuda Indonesia (Persero) Tbk

Management Building of Garuda Indonesia, 2nd Floor
Garuda City
Soekarno-Hatta International Airport
Tangerang 15111, Indonesia
Tel.: (021) 2560 1290/1299