

Garuda Indonesia



Annual GMS for the Financial Year 2023 PT Garuda Indonesia (Persero) Tbk



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Agenda 1

1. Approval of the Company's Annual Report for Financial Year 2023, including the Company's Consolidated Financial Statements and the Financial Statements of the Company's Program for Financing the Micro and Small Business (PUMK) as well as the Board of Commissioners' Supervisory Duties Report which ends on 31 December 2023, as well as the granting of a full release and discharge of responsibilities (*volledig acquit et de charge*) to members of the Board of Directors and Board of Commissioners for the management and supervisory functions that have been carried out during the financial year ending on 31 December 2023.

LEGAL BASIS



Articles of Association

Article 18 paragraph (9)
Article 21 paragraphs (2) and (3)



Regulation of the Minister of SOEs Regulation No. PER-1/MBU/03/2023 on Special Designation and Corporate Social and Environment Program of State-Owned Enterprises

Article 33 paragraph (3)

Referring to the provisions mentioned above, the Company's Annual Report for Financial Year 2023, including the Company's Consolidated Financial Statements and the Financial Statements of the Company's Program for Financing the Micro and Small Business (PUMK) as well as the Board of Commissioners' Supervisory Duties Report must obtain approval from the General Meeting of Shareholders.

Explanation

At the GMS, the Company will present and seek the Shareholders' approval for:

- The Company's Annual Report including the Supervisory Duties Report which has been carried out by the Board of Commissioners for the 2023 financial year and the Company's Consolidated Financial Statements for the 2023 financial year which have been audited by Public Accounting Firm (KAP) Tanudiredja, Wibisana, Rintis & Rekan (PwC Indonesia) according to Report Number 00472/2.1025/AU.1/06/0225-2/1/III/2024 dated 27 March 2024.
- The Financial Statements of the Company's Program for Financing the Micro and Small Business (PUMK) for the financial year ending on 31 December 2023 which have been audited by Tanudiredja, Wibisana, Rintis & Rekan (PwC Indonesia).
- The approval of the GMS in this agenda also granting of a full release and discharge of responsibilities (*volledig acquit et de charge*) to all members of the Company's Board of Directors for their management actions and members of the Company's Board of Commissioners for the supervision actions that has been carried out during the financial year ending on 31 December 2023, including the management and supervision of the Program for Financing the Micro and Small Business (PUMK) ending on 31 December 2023, as long as the actions are not a crime and/or has been reflected in the report above.
- The Company's Annual Report which includes the Company's Consolidated Financial Statements and the Financial Statements of the Company's Program for Financing the Micro and Small Business (PUMK) as well as the Board of Commissioners' Supervisory Duties Report can be accessed on the Company's website through the <https://www.garuda-indonesia.com/id/en/investor-relations/corporate-governance/annual-extraordinary-general-meeting/index> or the website of the Indonesia Stock Exchange.

Agenda 2

Determination of the Use of Net Profit from the Year 2023.

Legal Basis:

- Article 26 paragraph (1) letter (b) of the Articles of Association.

Explanation:

- In the 2023 financial year, the Company recorded a net profit of USD251,996,580 which will be proposed to be used as retained earnings to reduce the Company's accumulated losses.
- Referring to Law No. 40 of 2007 on Limited Liability Companies, dividends may only be distributed if the Company has a positive profit balance and the Company currently still has a negative profit balance, so that the Company cannot distribute dividends to Shareholders.

Agenda 3

Determination of Remuneration (Salary/Honorarium, Facilities and Allowances) for members of the Company's Board of Directors and Board of Commissioners for the 2024 Financial Year and Tantiem/Performance Incentive for the Company's Board of Directors and Board of Commissioners for the 2023 Financial Year.

Legal Basis:

- Article 11 paragraph (19) *jo.* Article 14 paragraph (31) of the Articles of Association.
- The Minister of SOEs Regulation No. PER-3/MBU/03/2023 on the Organ and Human Resources of State-Owned Enterprises.

Explanation:

- The income of members of the Company's Board of Directors and Board of Commissioners is determined by the GMS by considering business scale factors, business complexity factors, inflation rates, the company's financial condition and capabilities, and other relevant factors, and must not conflict with laws and regulations.
- SOEs can provide Tantiem or Performance Incentives to members of the Board of Directors and Board of Commissioners/Supervisory Board of SOEs based on the determination of the GMS/Minister in ratifying the annual report.
- For Remuneration (Honorarium, Facilities, Allowances and other Incentives) for Financial Year 2024 and Tantiem/Performance Incentives for Financial Year 2023 for the Company's Board of Commissioners, it is proposed to be delegated to Series A Dwiwarna Shareholder.
- For Remuneration (Salary/Honorarium, Facilities, Allowances and other Incentives) for Financial Year 2024 and Tantiem/Performance Incentives for Financial Year 2023 for the the Company's Board of Directors, it is proposed to be delegated to the Companys' Board of Commissioners by first obtaining written approval from Series A Dwiwarna Shareholder.

Agenda 4

Appointment of a Public Accounting Firm and/or Public Accountant to audit the Company's Financial Statements for the 2024 Financial Year and the Financial Statement of the Company's Program for Financing the Micro and Small Business (PUMK) for the 2024 Financial Year.

Legal Basis:

- Article 21 paragraph (2) letter (c) of the Articles of Association.
- Article 33 paragraph (3) of the The Minister of SOEs Regulation No. PER-1/MBU/03/2023 on Special Designation and Corporate Social and Environment Program of State-Owned Enterprises.
- Article 59 of the Financial Services Authority (“OJK”) Regulation No. 15/POJK.04/2020 on the Planning and Organization of General Meeting of Shareholders of a Public Company.
- Article 3 of OJK Regulation No. 9 of 2023 on the Use of Public Accountants Services and Public Accounting Firms in Financial Services Activities.

Explanation:

- The appointment of a Public Accounting Firm is in process according to the provisions applicable to the Company and the proposed decision will be submitted at the GMS.

Agenda 5

Report on the Realization of the Use of Proceeds of Public Offering.

Legal Basis:

- Article 6 of the OJK Regulation No. 30/POJK.04/2015 on the Report on Realization of the Use of Proceeds of Public Offering.
- Article 112 paragraph (1) of the The Minister of SOEs Regulation No. PER-2/03/2023 on Guidelines for the Management and Operation of Significant Corporation of State-Owned Enterprises.

Explanation:

The Plan of Use of Proceeds Based on Prospectus

All proceeds from the implementation of PUT II amounting to IDR7,798,474,788,300, after deducted by the issuance costs/public offering costs of IDR28,725,075,000, will be used by the Company with priority allocation (Use of Proceed/UOP) as follows:

1. 57.7% or IDR4.5 Trillion will be used for maintenance, restoration and fulfillment of *maintenance reserves*.
2. 42.3% or IDR3,298,474,788,300 will be used for working capital which includes, but is not limited to fuel costs, aircraft lease costs and payment of the Company's restructuring costs.

Realization of the Use of State Capital Participation as of 31 December 2023

Use of State Capital Participation (Penyertaan Modal Negara/PMN) Proceeds

in IDR million

Description	UOP PMN	Actual YTE 2023	%	Note
	IDR	IDR		
Aircraft Maintenance and Restoration	3,600,000	3,132,202	87%	Payment to Rolls Royce, Safran, GMF, TurbineAero & Air France Engine
Maintenance Reserve	900,000	900,000	100%	Dec 2022 – Dec 2024 utilization
Fuel	1,730,000	1,730,000	100%	Fuel to Pertamina uplift period 16 Jan 2023 – 5 May 2023
Rent	900,000	900,000	100%	PBH for Dec 2022-Feb 2023 utilization and Fixed Rent Jan-Mar & May 2023
Restructuring Costs	370,000	370,000	100%	Payments to restructuring consultants
Total	7,500,000*	7,032,202	93.76%	

*Total net Garuda PMN receipts derived from PMN proceeds amounted to IDR7,499,999,999,912 minus refund of IDR30,576

Summary:

As of 31 December 2023, the use of PMN proceeds of IDR7.03 Trillion or 93.76% of the total PMN funds has been achieved.

Of the IDR7.03 trillion, the largest portion of 44.55% is for payments for maintenance and restoration of Airbus A330 aircraft engines.

For UOP, full payments that has been made are related to Restructuring Costs, namely payments to Restructuring Consultants of IDR370 Billion, fuel of IDR1.73 Trillion, Rentals of IDR900 billion, and Maintenance Reserves of IDR900 billion.

Realization of Limited Public Offering II (*Penawaran Umum Terbatas II/PUT II*) as of 31 December 2023

in IDR million

Information	Maintenance & restoration	Fulfillment of maintenance reserve	Fuel	Aircraft lease fee	Cost of the Company's restructuring	Other working capital	Total PUT II Funds After Deducted by the Public Offering Costs
Plan of Use of Proceeds According to the Prospectus	3,600,000	900,000	1,730,000	900,000	370,000	276,962	7,776,962
Realization of the Use of Proceeds According to the Prospectus	3,132,202	900,000	1,730,000	900,000	370,000	275,889	7,308,091
Remaining Proceeds from Limited Public Offering II	467,798	0	0	0	0	1,073	468,871

Information:

Usage Realization Rate: according to the exchange rate at the time the funds were used

The realized Public Offering cost is IDR 21,513 billion

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Agenda 6

Approval of the transfer of the Company's assets, which constitutes more than 50% of the Company's total net worth:

- a. Transfer and write-off of the Company's fixed assets as capital participation in a Subsidiary.
- b. Transfer and write-off of unused aircraft assets.
- c. Transfer and write-off of Low Value Asset (LVA) and Unit Load Device (ULD).



LEGAL BASIS



Law Number 40 of 2007 on Limited Liability Companies

Article 102 paragraph (1)



Articles of Association

Article 12 paragraph (9) letter (a)



The Minister of SOEs Regulation No. PER-2/03/2023 Guidelines for the Management and Significant Corporate Actions of State-Owned Enterprises

Article 176

Explanation

- a. **Transfer and write-off of the Company's fixed assets as capital participation in a Subsidiary.**
 - As an effort to accelerate equity improvement, it is also supported by the Letter of the Minister of SOEs of the Republic of Indonesia Number: SK-60/MBU/03/2024 4 dated March 2024 related to the establishment of the Equity Improvement Acceleration Team of PT Garuda Indonesia (Persero) Tbk, the Company plans to increase capital participation in GMF by transferring and writing off fixed assets in the form of Hangars and Supporting Facilities.
 - The book value of the Hangar and its Supporting Facilities are USD24,296,398.

- b. **Transfer and write-off of unused aircraft assets.**
 - The Company has completed the process of returning all CRJ1000 Aircraft to lessors throughout 2022 and 2023, and therefore the supporting assets of the CRJ Aircraft (which are still listed as assets owned by the Company) have become unused assets, as they no longer have a beneficial value for the Company. The Company plans to transfer and write-off these assets. The assets are Engines, APUs, and CRJ1000 Simulators with a book value of USD3,045,532.
 - The Company has a program to transfer and write-off unused aircraft assets as stated in the RKAP. The Company is currently still recording the unused engine assets which are old type engines whose aircraft are no longer operated by the Company for more than 10 (ten) years, with a book value of USD146,214.

- c. **Transfer and write-off of Low Value Asset (LVA) and Unit Load Device (ULD).**
 - To improve the effectiveness of fixed asset management, especially non-aircraft fixed assets, the Company periodically reviews the condition and utilization of those fixed assets. Referring to the results of the review and inspection that has been carried out, there are non-aircraft fixed assets that are currently in a condition that cannot be reoptimized in the form of furniture, office equipment, IT goods (computers) that are scattered throughout Branch Offices and pallets or containers used to load baggage, cargo and mail on wide-body aircraft and certain types of aircraft such as freighter aircraft. For this reason, the Company plans to transfer and write-off these assets with a book value of IDR77,533,608.

Agenda 7

Approval for delegation of authority for transfer of Company's assets, which constitutes more than 50% of the Company's total net worth.

Legal Basis:

- Article 102 paragraph (1) letter (a) of Law Number 40 of 2007 on Limited Liability Companies.
- Article 12 paragraph (9) letter (a) of the Articles of Association.
- Article 21 paragraph (2) letter (d) of the Articles of Association.

Explanation:

- Until now, the Company still recording negative equity.
- Based on Law No. 40 of 2007 on Limited Liability Companies, what is meant by 'Company Wealth' is all goods, both movable and immovable, both tangible and intangible, belonging to the company. This refers to 'Assets' which in legal and general concepts can be interpreted as wealth owned a party.
- In accordance with the provisions of the Articles of Association, if the Company intends to transfer assets which constitute more than 50% of the total net wealth, it requires GMS approval. So with this negative equity condition, any transfer of assets of any value must obtain GMS approval.
- Taking into account that the Company had previously applied for approval for a transfer of wealth with an insignificant value as a result of its negative equity, the Company proposes for a delegation of authority from the GMS for any transfer of wealth as long as the Company still recording negative equity, by referring to the limits of authority of the Directors based on the Company's Articles of Association and the Decree of the Board of Commissioners No. DEKOM/SKEP/002/2022 dated 12 April 2022.

Agenda 8

Changes in the Company's Management.

Legal Basis:

- Article 14 paragraph (26) letter (a) and paragraph (14) letter (a) of the Articles of Association.
- Article 11 paragraph (12) letter (a) and paragraph (24) letter (b) of the Articles of Association.

Explanation:

This agenda is in connection with a member of the Company's Management who has resigned and whose term of office has ended as well as a member of the Company's Management who has passed away.



THANK YOU

PT Garuda Indonesia (Persero) Tbk