



PT GARUDA INDONESIA (PERSERO) Tbk. ANNOUNCED TODAY THAT IT WILL MAKE USE OF ITS RIGHT TO A 14-DAY GRACE PERIOD TO DEFER PAYMENT OF THE PERIODIC DISTRIBUTION AMOUNT DUE JUNE 3 UNDER ITS OUTSTANDING U.S.\$500,000,000 GARUDA INDONESIA GLOBAL SUKUK LIMITED TRUST CERTIFICATES DUE 2023, AS IT CONSIDERS STRATEGIC ALTERNATIVES TO ADDRESS THE ONGOING CHALLENGES RESULTING FROM THE COVID-19 PANDEMIC

Jakarta, June 3rd, 2021 – PT Garuda Indonesia (Persero) Tbk. (the “Company”), continues to face unprecedented challenges from the effects of the COVID-19 pandemic which it has taken proactive financial and operational measures to address.

The Company previously obtained liquidity support from the Indonesian Government through the export working capital loan facility under the National Interest Account program and through the Mandatory Convertible Bond facility. Additionally, the Company secured the restructuring of select payables outstanding and arranged amendments with several domestic banks. Operationally, the Company has rationalized flight routes, renegotiated contracts with aircraft lessors and offered a voluntary early retirement program to further preserve liquidity. Despite its efforts, the ongoing decline in air traffic resulting from the pandemic continues to pressure the Company’s operations and liquidity.

To confront these challenges, the Company announced today that it has elected to take advantage of the 14-day grace period on its U.S.\$500,000,000 Garuda Indonesia Global Sukuk Limited Trust Certificate Due 2023 (the “Sukuk”) to defer the June 3 Periodic Distribution Amount as it considers all available strategic alternatives. The Company will announce a final determination with respect to the payment before the expiration of the grace period.

The Company also announced today that it has retained PT Mandiri Sekuritas, Cleary Gottlieb Steen & Hamilton LLP and Assegaf Hamzah & Partners to assist in its ongoing efforts to evaluate strategic alternatives. President and CEO of the Company, Irfan Setiাপutra stated “Garuda is greatly appreciative of the support shown by holders of the Sukuk during these challenging times. Garuda is also pleased to announce it has hired and is hiring a team of other advisors to assist the Company as it addresses the ongoing challenges presented by the COVID-19 pandemic. Our goal is to ensure the Company emerges from the pandemic as a strong, well-capitalized airline that provides world class services to the citizens of Indonesia and the traveling public. We believe the team we have retained is best positioned to help the Company accomplish that goal.”

Any questions may be directed to Cleary Gottlieb Steen & Hamilton LLP team members listed below:

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