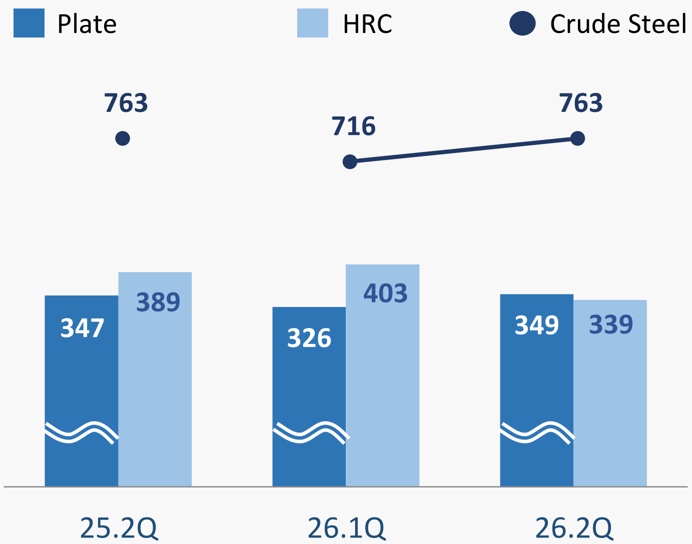
PT KRAKATAU POSCO
2Q-26 Performance Result

August 31, 2026

Production & Sales

Production

(kt.)



QoQ

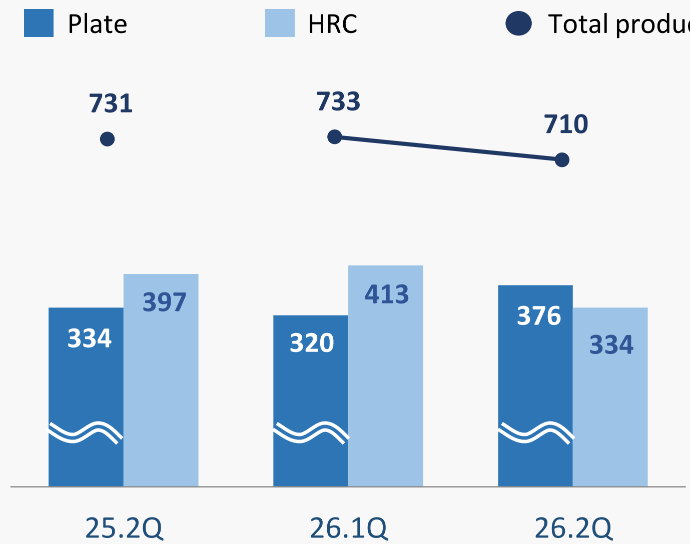
Crude Steel (kt)
+47

Plate (kt)
+23

HRC (kt)
△64

Sales

(kt.)



QoQ

Product Sales (kt)
△23

Plate (kt)
+56

HRC (kt)
△79

**Domestic Ratio (%)*
- Plate : 48 → 57
- HRC : 54 → 72

Crude steel production recovered to optimal levels, while HRC declined following Annual Maintenance conducted in May

- Crude steel production reached 763kt (+47kt QoQ) as productivity normalized after Blast Furnace and Steelmaking Plant maintenance in Q1
- Plate production increased following higher demand, while HRC production decreased following 304hrs of Annual Maintenance activity

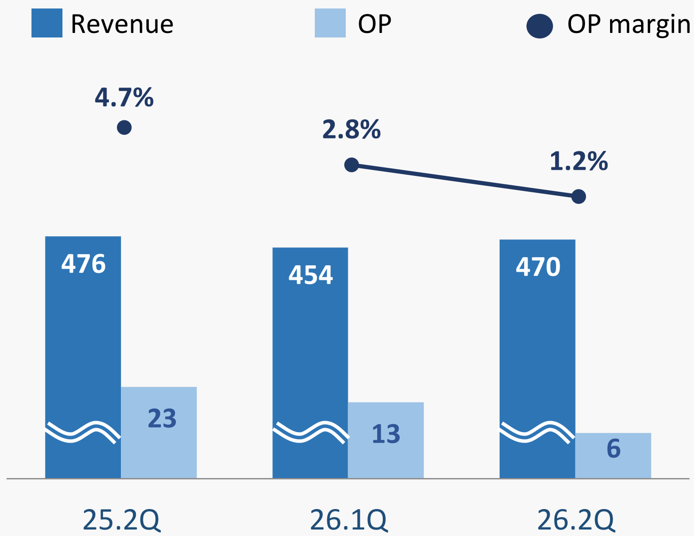
Sales mix was optimized to ensure profitability through higher domestic sales proportion and successful market expansion

- Plate sales remained resilient, supported by robust domestic demand and successful market expansion to SEA, Brazil, and Australia
- HRC sales fell following maintenance-led lower production and severe export headwinds as European buyers pulled back ahead of newly enforced import quota regulations starting July-26

Business Performance

Income

(USD mn., %pt)



FX gain: USD 0.3mn | *FX loss: USD 0.6mn* | *FX loss: USD 4.0mn*

QoQ

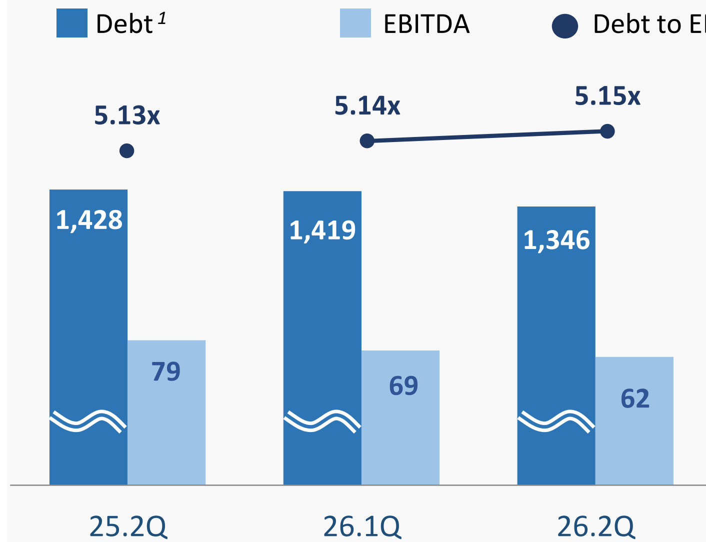
OP margin (%pt)
△1.6

Revenue (USD mn)
+16

OP (USD mn)
△7

Financial Structure

(USD mn., times)



[1] *Debt : Global Bond + Borrowing + Lease*

QoQ

Debt to EBITDA (times)
+0.01

Debt (USD mn)
△73

EBITDA (USD mn)
△7

☑ **Sales revenue increased, while profitability is optimized through flexible sales mix ahead of EU TRQ implementation**

- Despite lower sales volume and weakened IDR, revenue successfully increased to USD 470mn (+USD 16mn QoQ) driven by domestic sales
  ※ Although domestic sales prices improved, revenue was negatively affected (△USD 11mn QoQ) when converted into USD due to IDR depreciation (USD/IDR 1Q: 16,860 → 2Q: 17,533)
- Despite higher revenue, operating profit declined due to lower export sales ahead of TRQ implementation and higher raw material prices

☑ **Despite a slight increase in the Debt to EBITDA ratio, total debt was reduced**

- Debt reduced through working capital optimization, driven by inventory reduction and improved AR conditions (USD 150mn → 131)
- Debt to EBITDA ratio is expected to improve throughout the year as net working capital management continues to be optimized through AR collection improvement, Inventory management, and Improve AP following payment terms extension

Summarized Income Statement

(USD mn.)

Category	25.2Q	26.1Q	**26.2Q**	QoQ
Revenue	476	454	470	+16
Gross Profit	35	19	19	-
(Gross Profit Ratio)	7.4%	4.1%	4.0%	△0.1%pt
Selling & Gen Adm. Expense	14	5	9	+4
Other expense, net	△2	1	4	+3
Operating Income	23	13	6	△7
(Operating Income ratio)	4.7%	2.8%	1.2%	△1.6%pt
Finance cost, net	26	26	26	-
Income Tax Expense	-	4	3	△1
Net Income	△3	△17	△24	△7
EBITDA	79	69	62	△7
(EBITDA Margin Ratio)	16.5%	15.2%	13.1%	△2.1%pt

KRAKATAU POSCO

Summarized Balance Sheet

(USD mn.)

Category	25.2Q	26.1Q	**26.2Q**	QoQ
Current Assets	571	660	645	△15
Cash and Cash Equiv.	33	2	13	+11
Trade and other Receivable	128	151	131	△20
Inventory	394	467	448	△19
Non Current Assets	2,129	1,970	1,918	△52
Fixed Assets	2,116	1,958	1,906	△52
Total Assets	2,700	2,630	2,563	△67
Current Liabilities	846	829	741	△88
Non Current Liabilities	1,084	1,072	1,117	+45
※ *Bond and Loan*	1,228	1,232	1,164	△68
Total Liabilities	1,930	1,902	1,858	△44
Total Equity	770	728	705	△23
※ *Debt/EBITDA (times)*	5.13	5.14	5.15	+0.01

THANK YOU