PT KRAKATAU POSCO

Interim Consolidated Financial Statements Report
June 30th, 2026

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PT KRAKATAU POSCO
STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)
June 30 2026, December 31, 2025 & December 31, 2024
(Expressed in full of US Dollar, unless otherwise stated)

	Jun 30, 2026	Dec 31, 2025	Dec 31, 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12,639,867	20,571,611	17,757,048
Time Deposit	224,014	238,351	278,349
Account Receivable			
Third parties	75,002,711	58,750,722	56,832,331
Related parties	55,653,197	46,783,109	55,345,095
Non Trade Receivable			
Third parties	296,773	709,205	640,578
Related parties	253,872	316,938	2,646,674
Accrued Income	-	-	4,773
Inventory	448,445,382	430,834,094	380,273,102
Advance payment	4,287,893	2,745,489	2,291,446
Tax advances	48,005,325	17,657,639	7,076,480
Total Current Assets	**644,809,035**	**578,607,157**	**523,145,876**
NON-CURRENT ASSETS			
Fixed assets, net	1,775,209,739	1,867,546,489	2,059,356,490
Right of use asset, net	130,592,328	139,549,985	157,556,931
Intangible assets	5,187,109	5,670,209	6,509,584
Other Non-Current Assets	6,701,402	7,130,270	7,098,232
Total Non-Current Assets	**1,917,690,578**	**2,019,896,953**	**2,230,521,237**
TOTAL ASSETS	**2,562,499,612**	**2,598,504,110**	**2,753,667,113**

PT KRAKATAU POSCO
STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET) - Continued
June 30 2026, December 31, 2025 & December 31, 2024
(Expressed in full of US Dollar, unless otherwise stated)

	Jun 30, 2026	Dec 31, 2025	Dec 31, 2024
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES			
Account payable			
Third parties	17,363,444	32,990,455	44,653,702
Related parties	437,141,397	466,850,708	542,309,977
Nontrade payable			
Third parties	1,417,125	1,134,063	2,269,674
Related parties	547,970	887,498	310,149
Accrued payable	37,089,569	65,142,462	57,678,963
Guarantee Deposit	121,685	129,854	134,820
Advance receipt	7,719,621	6,781,242	8,674,765
Taxes payables	9,156,348	819,608	3,686,124
Short term bank loans	213,780,194	185,008,852	188,171,041
Current portion of liabilities	16,434,821	16,964,188	16,052,381
Unearned Revenue	-	-	2,739,664
Other current liabilities	70,311	11,160	18,625
Total Current Liabilities	**740,842,485**	**776,720,089**	**866,699,884**
NON-CURRENT LIABILITIES			
Long term principle borrowing	250,000,000	200,000,000	200,000,000
Long term capitalization cost borrowing	(1,868,777)	(652,386)	(1,087,309)
Long term liabilities asset lease	170,719,531	179,239,532	196,318,416
Long term bond payables	700,000,000	700,000,000	700,000,000
Long term discount bond payables and transactions cost	(3,455,190)	(4,290,271)	(5,899,278)
Estimate Liabilities for employee benefits	1,474,337	1,709,606	1,548,468
Total Non-Current Liabilities	**1,116,869,900**	**1,076,006,481**	**1,090,880,297**
TOTAL LIABILITIES	**1,857,712,386**	**1,852,726,570**	**1,957,580,181**
SHAREHOLDER'S EQUITY			
Share capital			
Authorized capital USD 2,237,096,800			
Issued and fully paid :			
Class A 1,057,000 shares (USD 1,000/share) :			
From POSCO	739,900,000	739,900,000	739,900,000
From PT Krakatau Steel (Persero) Tbk.	317,100,000	317,100,000	317,100,000
Class B 422,800 shares (USD 516/share) :			
From PT Krakatau Steel (Persero) Tbk.	218,164,800	218,164,800	218,164,800
Other equity component	342,249,419	342,095,362	352,606,429
Accumulated deficit :			
Last Year	(871,483,650)	(831,679,631)	(707,231,711)
Current Year	(41,144,382)	(39,804,039)	(124,453,655)
Non-controlling interest	1,039	1,048	1,067
SHAREHOLDER'S EQUITY, NET	**704,787,226**	**745,777,540**	**796,086,930**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**2,562,499,612**	**2,598,504,110**	**2,753,667,113**

PT KRAKATAU POSCO
STATEMENTS OF COMPREHENSIVE INCOME
Year Ended
June 30 2026, December 31, 2025 & December 31, 2024
(Expressed in full of US Dollar, unless otherwise stated)

	Jun 30, 2026	Dec 31, 2025	Dec 31, 2024
Net Sales	924,426,854	1,847,747,584	2,066,823,265
Cost of sales	(886,961,263)	(1,731,271,030)	(1,994,216,983)
GROSS PROFIT (LOSS)	37,465,591	116,476,554	72,606,282
Selling expense	(4,233,702)	(10,837,367)	(23,514,601)
Administrative expense	(10,101,243)	(39,662,718)	(37,844,998)
Currency exchange loss, net	(4,518,445)	(2,283,513)	(7,641,114)
Other income (expense), net	(185,430)	2,476,696	2,296,344
OPERATING PROFIT (LOSS)	18,426,771	66,169,652	5,901,913
Finance cost	(51,835,659)	(106,449,028)	(133,850,469)
Finance income	144,808	475,337	3,494,867
NET FINANCE COST	(51,690,851)	(105,973,691)	(130,355,602)
PROFIT (LOSS) BEFORE INCOME TAX	**(33,264,080)**	**(39,804,039)**	**(124,453,689)**
Income tax (expense) benefit	(7,880,311)	-	-
PROFIT (LOSS) FOR THE YEAR	**(41,144,391)**	**(39,804,039)**	**(124,453,689)**
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	156,157	(122,163)	127,898
Revaluation surplus of land	-	(10,380,561)	10,606,088
	156,157	(10,502,724)	10,733,986
Items that may be reclassified to profit or loss			
Exchange differences arising from translation of a subsidiary	(2,099)	(2,608)	(34)
TOTAL OTHER COMPREHENSIVE INCOME	154,057	(10,505,332)	10,733,952
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PE	**(40,990,334)**	**(50,309,371)**	**(113,719,737)**
TOTAL PROFIT (LOSS) ATTRIBUTABLE TO:			
Owners of the Company	(41,144,382)	(39,804,020)	(124,453,655)
Non-controlling interest	(9)	(19)	(34)
	(41,144,391)	**(39,804,039)**	**(124,453,689)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent entity	(40,990,325)	(50,309,352)	(113,719,703)
Non-controlling interest	(9)	(19)	(34)
	(40,990,334)	**(50,309,371)**	**(113,719,737)**
Basic profit/(loss) per share attributable to the owners of the Company (full amount)	(28)	(27)	(84)

PT KRAKATAU POSCO
STATEMENTS OF CASH FLOWS
Year Ended
June 30 2026, December 31, 2025 & December 31, 2024
(Expressed in full of US Dollar, unless otherwise stated)

	Jun 30, 2026	Dec 31, 2025	Dec 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) for the period/year	(41,144,391)	(39,804,038)	(124,453,689)
Adjusment for:			
Depreciation of fixed asset	102,178,259	203,268,297	201,205,534
Depreciation of right of use asset	9,393,623	20,056,584	22,501,741
Allowance for/(recovery of) impairment losses of invento	1,470,838	217,494	(488,075)
Loss on disposal of fixed assets	369,303	199,377	75,268
Amortization	492,650	975,639	1,026,948
Finance income	(144,808)	(475,337)	(3,494,867)
Finance expense	51,835,659	105,705,230	133,850,469
Exchange differences arising from the translation of a su	(2,101)	(2,608)	(34)
Allowance for impairment losses of trade receivables	135,178	9,163	130
Allowance for/(recovery of) impairment losses of other re	(1,845)	699	(4,323)
Employee benefit expense	(42,895)	212,205	210,411
Changes in:			
Trade receivables	(25,257,255)	6,634,431	64,748,730
Other receivables	477,342	2,260,410	4,198,756
Inventories	(19,082,126)	(50,778,486)	(234,201)
Prepaid taxes	(30,347,686)	(10,581,158)	(7,020,415)
Advance payments	(1,542,404)	39,998	20,425,165
Other current assets	14,336	(454,043)	206,201
Other non-current assets	428,871	(32,038)	1,170,756
Trade payables	(45,336,322)	(87,122,516)	48,994,230
Other payables	(56,465)	(578,885)	(3,978,581)
Accrual	(28,052,892)	7,463,499	18,986,663
Advance from customers	4,729,017	(4,633,187)	(1,087,190)
Taxes payable	8,333,747	(2,858,324)	(58,118)
Payment of employee benefits	271,486	(12,094)	(179,076)
Receipt of finance income	144,808	475,337	3,494,867
Payment of finance expense	(50,656,862)	(104,342,455)	(131,365,515)
Net cash used in operating activities	**(61,392,936)**	**45,843,193**	**248,731,785**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets	(8,951,213)	(6,017,430)	(6,072,446)
Payments for assets under construction	(7,805,095)	(14,724,789)	(20,333,417)
Acquisition of intangible assets	(9,550)	(136,422)	(1,255,306)
Net cash used in investing activities	**(16,765,859)**	**(20,878,641)**	**(27,661,169)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of short term loans	665,302,355	915,873,539	1,200,643,156
Proceeds of long term loans	50,000,000	-	198,695,229
Proceeds of long term bond payables	-	-	694,399,000
Lease obligations	(9,049,368)	(17,519,237)	(17,610,452)
Repayments of long-term loans	-	-	(1,326,310,725)
Repayments of short-term loans	(636,531,013)	(919,035,728)	(995,199,425)
Net cash from financing activities	**69,721,974**	**(20,681,426)**	**(245,383,216)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIV	**(8,436,821)**	**4,283,126**	**(24,312,600)**
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE IN	**505,077**	**(1,468,563)**	**269,069**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**20,571,611**	**17,757,048**	**41,800,578**
CASH AND CASH EQUIVALENTS, END OF YEAR	**12,639,867**	**20,571,611**	**17,757,048**