

# **PT KRAKATAU POSCO**

## **Interim Consolidated Financial Statements Report September 30<sup>th</sup>, 2024 (Unaudited)**



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All financial figures presented in this document have been prepared in accordance with the Indonesian local accounting standards, Pernyataan Standar Akuntansi Keuangan (PSAK), which may differ in certain respects from generally accepted accounting principles in other countries, including Generally Accepted Accounting Principles in the United States (U.S. GAAP) and International Financial Reporting Standards (IFRS) applied in other countries.

**PT KRAKATAU POSCO**  
**STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)**  
**UNAUDITED**  
(Expressed in full of US Dollar, unless otherwise stated)

	as of Sep 30, 2024 (Unaudited)	as of Dec 31, 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	84,678,735	41,800,579
Time Deposit	295,091	484,550
<b>Account Receivable</b>		
Third parties	50,299,947	111,423,847
Related parties	73,776,983	65,502,439
<b>Non Trade Receivable</b>		
Third parties	580,513	320,819
Related parties	6,849,286	7,165,357
Accrued Income	9,132	282
Inventory	436,555,937	379,550,826
Advance payment	4,157,196	22,716,611
Tax advances	4,014,006	56,065
<b>Total Current Assets</b>	<b>661,216,826</b>	<b>629,021,376</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	2,250,383,995	2,397,792,782
Accumulated depreciation of (USD 2,034,786,813 in 2024) (USD 1,874,153,730 in 2023)		
Intangible assets	6,727,144	6,281,226
Other Non-Current Assets	7,562,111	8,268,988
<b>Total Non-Current Assets</b>	<b>2,264,673,250</b>	<b>2,412,342,996</b>
<b>TOTAL ASSETS</b>	<b>2,925,890,076</b>	<b>3,041,364,372</b>

**PT KRAKATAU POSCO**  
**STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET) - Continued**  
**UNAUDITED**  
(Expressed in full of US Dollar, unless otherwise stated)

	<u>as of Sep 30, 2024</u> <u>(Unaudited)</u>	<u>as of Dec 31, 2023</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
<b>Account payable</b>		
Third parties	74,642,480	66,800,373
Related parties	434,091,356	471,169,076
<b>Nontrade payable</b>		
Third parties	1,968,768	6,324,576
Related parties	922	197,858
Accrued payable	92,415,251	38,692,299
Guarantee Deposit	143,914	142,023
Advance receipt	3,741,112	11,134,380
Taxes payables	1,043,440	3,744,242
Short term bank loans	405,000,000	181,186,440
Current portion of liabilities	16,347,434	241,608,065
Unearned Revenue	2,457,331	1,367,239
Other current liabilities	7,636	47,392
<b>Total Current Liabilities</b>	<b><u>1,031,859,644</u></b>	<b><u>1,022,413,963</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Long term principle borrowing	200,000,000	903,925,796
Long term capitalization cost borrowing	(1,196,040)	(2,788,760)
Long term liabilities asset lease	199,710,290	206,361,673
Long term bond payables	700,000,000	-
Long term discount bond payables and transactions cost	(6,320,223)	-
Estimate Liabilities for employee benefits	1,737,625	1,645,032
<b>Total Non-Current Liabilities</b>	<b><u>1,093,931,652</u></b>	<b><u>1,109,143,742</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>2,125,791,295</u></b>	<b><u>2,131,557,705</u></b>
<b>SHAREHOLDER'S EQUITY</b>		
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
From PT Krakatau Steel (Persero) Tbk.	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
Other equity component	342,089,071	341,872,342
Accumulated deficit :		
Last Year	(707,448,307)	(757,556,795)
Current Year	(109,707,899)	50,325,219
Non-controlling interest	1,115	1,101
<b>SHAREHOLDER'S EQUITY, NET</b>	<b><u>800,098,780</u></b>	<b><u>909,806,667</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b><u>2,925,890,076</u></b>	<b><u>3,041,364,372</u></b>

**PT KRAKATAU POSCO**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**UNAUDITED**  
(Expressed in full of US Dollar, unless otherwise stated)

	3Q-2024 (Unaudited)	as of Sep 30, 2024 (Unaudited)	3Q-2023 (Unaudited)	as of Sep 30, 2023 (Unaudited)
<b>Net Sales</b>	522,972,641	1,528,459,158	580,934,593	1,848,165,295
<b>Cost of sales</b>	(502,812,286)	(1,492,889,805)	(534,020,265)	(1,667,312,303)
<b>GROSS PROFIT (LOSS)</b>	20,160,355	35,569,353	46,914,328	180,852,992
Selling expense	(2,147,786)	(6,418,622)	(2,110,360)	(6,878,423)
Administrative expense	(9,766,258)	(26,769,662)	(6,676,623)	(23,348,593)
Impairment loss on trade and other receivables	(8,291,389)	(10,636,376)	1,305,658	638,891
Other income (expense), net	269,143	1,376,315	2,917,835	10,591,561
Currency exchange loss, net	7,431,621	(4,083,338)	(4,156,461)	6,636,905
<b>OPERATING PROFIT (LOSS)</b>	7,655,686	(10,962,330)	38,194,377	168,493,333
Finance cost	(36,278,558)	(103,545,424)	(36,069,790)	(109,672,526)
Finance income	2,151,663	4,801,191	111,465	332,755
<b>NET FINANCE COSTS</b>	(34,126,895)	(98,744,233)	(35,958,325)	(109,339,771)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>(26,471,209)</b>	<b>(109,706,563)</b>	<b>2,236,052</b>	<b>59,153,562</b>
Income tax (expense) benefit	-	-	-	-
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(26,471,209)</b>	<b>(109,706,563)</b>	<b>2,236,052</b>	<b>59,153,562</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will never be reclassified to profit or loss</b>				
Remeasurements of defined benefit liability	(56,191)	(1,237)	63,551	(84,195)
Revaluation surplus of land	-	-	-	-
	(56,191)	(1,237)	63,551	(84,195)
<b>Items that may be reclassified to profit or loss</b>				
Exchange differences arising from translation of a subsidiary	(107)	(113)	(150)	262
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	(56,298)	(1,350)	63,401	(83,933)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>(26,527,508)</b>	<b>(109,707,913)</b>	<b>2,299,453</b>	<b>59,069,629</b>
<b>TOTAL PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	(26,471,246)	(109,706,549)	2,236,051	59,153,613
Non-controlling interest	37	(14)	1	(51)
	<b>(26,471,209)</b>	<b>(109,706,563)</b>	<b>2,236,052</b>	<b>59,153,562</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>				
Owners of the parent entity	(26,527,545)	(109,707,899)	2,299,452	59,069,680
Non-controlling interest	37	(14)	1	(51)
	<b>(26,527,508)</b>	<b>(109,707,913)</b>	<b>2,299,453</b>	<b>59,069,629</b>

**PT KRAKATAU POSCO**  
**STATEMENTS OF CASH FLOWS**  
**UNAUDITED**  
(Expressed in full of US Dollar, unless otherwise stated)

	<u>as of Sep 30, 2024</u> <u>(Unaudited)</u>	<u>as of Sep 30, 2023</u> <u>(Unaudited)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (Loss) for the period/year	(109,706,563)	59,153,613
Adjustment for:		
Depreciation	160,633,083	165,830,066
(Reversal of) provision for inventory write-down	(701,456)	(32,894,637)
Loss on disposal of fixed assets	75,266	426,110
Amortization	786,673	459,908
Interest income	(4,801,191)	(332,755)
Finance Cost	103,545,424	109,672,526
Exchange differences arising from the translation of a subsidiary	(86)	81
Impairment loss of trade and other receivables	10,636,376	(638,891)
Accrual of severance benefits	205,266	86,465
Changes in:		
Trade and other receivables	42,260,508	(18,226,428)
Inventories	(56,303,654)	191,248,937
Prepaid value added taxes	(3,983,573)	26,348,404
Advance payments and other current assets	18,774,509	52,448,675
Other non-current assets	706,877	(1,181,964)
Trade and other payables	4,273,710	(291,280,741)
Advance from customers	(6,303,176)	(4,240,699)
Other taxes payable	(1,025,018)	(643,241)
Payment of severance benefits	(113,909)	(229,202)
Interest received	4,801,191	332,755
Interest paid	(88,732,230)	(110,547,077)
<b>Net cash used in operating activities</b>	<b>75,028,027</b>	<b>145,791,905</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(13,571,312)	(6,657,116)
Payments for assets under construction	(9,063,438)	(11,048,995)
Acquisition of intangible assets	(1,232,591)	-
<b>Net cash used in investing activities</b>	<b>(23,867,341)</b>	<b>(17,706,111)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of short term loans	410,816,045	390,000,000
Proceeds of long term loans	200,000,000	-
Proceeds of long term bond payables	700,000,000	-
Lease obligations	(4,244,497)	(2,007,742)
Repayments of long-term loans	(1,127,851,594)	(111,966,358)
Repayments of short-term loans	(187,002,484)	(230,000,000)
<b>Net cash from financing activities</b>	<b>(8,282,530)</b>	<b>46,025,900</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>42,878,156</b>	<b>174,111,693</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>41,800,579</b>	<b>20,369,964</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>84,678,735</b>	<b>194,481,657</b>