

Press Release



PT Vale reports profitable quarter in 1Q21

Jakarta, April 26, 2021 – PT Vale Indonesia Tbk (“PT Vale” or the “Company”, IDX Ticker: INCO) and its subsidiaries (together the “Group”) today announced its unaudited financial results for the first quarter of 2021 (“1Q21”). The Company recorded sales of US\$206.6 million in the quarter, a 7% and 18% increase over 4Q20 and 1Q20, respectively due to a higher average realized price. The higher average realized price in 1Q21 offset lower sales volume during the quarter.

“While we benefited from a higher nickel price environment in the first quarter of this year, we also managed to control our operating costs the middle of raising fuel prices and coal,” said Nico Kanter, CEO and President Director of the Company.

The Company’s cost of revenue in 1Q21 slightly increased from 4Q20. This resulted in a gross profit for the quarter that increased by 31% from 4Q20.

The following table provides details on PT Vale’s High Sulphur Fuel Oil (“HSFO”), diesel and coal consumption and average price:

	<u>1Q21</u>	<u>4Q20</u>	<u>1Q20</u>
HSFO volume (barrels)	288,750	297,569	333,157
HSFO average price per barrel	US\$48.51	US\$42.12	US\$50.66
Diesel volume (kilolitres)	16,692	17,668	20,337
Diesel average price per litre	US\$0.41	US\$0.35	US\$0.55
Coal volume (t)	92,464	108,259	92,429
Coal average price per t (*)	US\$114.70	US\$91.07	US\$106.01

(*) Price in DMT (Dry Metric Ton) and CFR (Cost & Freight) basis

In 1Q21, fuels and coal consumption decreased by 3%, 6% and 15% respectively and offset higher prices of fuels and coal.

The Group’s cash and cash equivalents as of March 31, 2021 was US\$386.2 million, a slight decrease from the balance at December 31, 2020 of US\$388.7 million. PT Vale will continue to exercise prudent control over its spending to preserve cash.

PT Vale disbursed approximately US\$38.5 million in capital expenditures in 1Q21, a decrease from US\$47.7 million spent in 4Q20.



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PT Vale will continue to maintain its focus on improving productivity and cost efficiency to sustain competitiveness in the long term without compromising the Company's foremost values: *Life Matters Most, Respect Our Planet and Communities*.

Readers are encouraged to review the Group's results. Operational achievements as well as unaudited financial results are summarized on the following pages.

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PT Vale Indonesia Tbk Production and Financial Highlights

	<u>1Q21</u>	<u>4Q20</u>	<u>1Q20</u>
Nickel in matte production ¹	15,198	16,445	17,614
Nickel matte deliveries ¹	14,847	16,291	16,713
Average realized price ²	13,912	11,891	10,428
EBITDA ³	88.9	74.0	54.9
Revenue ³	206.6	193.7	174.7
Profit ³	33.7	6.2	29.0
Earnings per share ⁴	0.0034	0.0006	0.0029

¹ metric ton (t)

² US\$ per t

³ US\$ million

⁴ US\$

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PT Vale Indonesia Tbk and its subsidiaries
Interim Consolidated Statements of Profit or Loss
and Other Comprehensive Income
(In thousands of US\$ except basic earnings per share)

	<u>1Q21</u>	<u>4Q20</u>	<u>1Q20</u>
Revenue	206,555	193,724	174,659
Cost of revenue	(154,810)	(154,334)	(154,178)
Gross profit	51,745	39,390	20,481
Operating expenses	(1,080)	(2,059)	(1,607)
Other income	1,693	422	2,600
Other expenses	(4,365)	(4,621)	(3,412)
Operating profit	47,993	33,132	18,062
Finance income	655	(3,758)	5,453
Finance costs	(912)	(1,041)	(484)
Net finance (cost)/income	(257)	(4,799)	4,969
Profit before income tax	47,736	28,333	23,031
Income tax (expense)/benefit	(14,042)	(22,154)	5,926
Profit for the period	33,694	6,179	28,957
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
– Changes resulting from actuarial remeasurement of post-employment benefit liabilities	-	(5,301)	504
– Income tax on other comprehensive (loss)/income	-	1,167	(126)
Total other comprehensive income	-	(4,134)	378
Total comprehensive income for the period	33,694	2,045	29,335
Profit for the period attributable to:			
Owners of the parent entity	33,694	6,179	28,957
Non-controlling interest	-	-	-
	33,694	6,179	28,957
Total comprehensive income for the period attributable to:			
Owners of the parent entity	33,694	2,045	29,335
Non-controlling interest	-	-	-
	33,694	2,045	29,335
Earnings per share			
- Basic and diluted (in US Dollars)	0.0034	0.0006	0.0029

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PT Vale Indonesia Tbk and its subsidiaries Interim Consolidated Statements of Financial Position (In thousands of US\$)

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)	March 31, 2020 (Unaudited)
Assets			
Cash and cash equivalents	386,167	388,682	292,796
Restricted cash	-	-	27,697
Trade receivables - Related parties	81,105	60,040	56,684
Inventories	149,805	144,487	145,891
Prepaid taxes - Corporate income tax	34,268	34,268	6,988
- Other taxes	49,853	62,056	43,949
Prepayments and advances	2,498	3,927	2,274
Other current financial assets	3,257	2,512	1,037
Total current assets	706,953	695,972	577,316
Restricted cash	51,792	30,612	15,412
Prepaid taxes - Corporate income tax	2,238	2,229	33,842
- Other taxes	92,650	102,360	106,798
Non-trade receivables - Related parties	8	18	41
Fixed assets	1,467,615	1,479,146	1,460,593
Other non-current financial assets	5,652	4,321	3,566
Total non-current assets	1,619,955	1,618,686	1,620,252
Total assets	2,326,908	2,314,658	2,197,568
Liabilities and Equity			
Trade payables - Related parties	221	140	374
- Third parties	103,770	112,955	76,191
Accruals	26,087	22,105	13,412
Short-term employee benefit liabilities	12,897	20,465	10,480
Taxes payable - Corporate income tax	167	-	-
- Other taxes	3,459	1,793	2,229
Lease liabilities	-	66	736
Share-based payment liabilities	195	788	517
Other current financial liabilities	2,586	2,398	3,410
Total current liabilities	149,382	160,710	107,349
Long-term post-employment benefit Liabilities	26,429	26,786	16,953
Deferred tax liabilities	48,199	50,171	71,231
Provision for asset retirement	48,816	56,603	31,007
Total non-current liabilities	123,444	133,560	119,191
Total liabilities	272,826	294,270	226,540
Equity	2,054,082	2,020,388	1,971,028
Total liabilities and equity	2,326,908	2,314,658	2,197,568

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PT Vale Indonesia Tbk and its subsidiaries Interim Consolidated Statements of Cash Flows (In thousands of US\$)

	<u>1Q21</u>	<u>4Q20</u>	<u>1Q20</u>
Cash flows from operating activities			
Receipts from customers	185,489	213,649	225,257
Payments to suppliers	(81,783)	(110,433)	(108,274)
Payments of corporate income tax	(12,352)	(28,179)	(8,564)
Payments of other taxes	-	(11,196)	(10,670)
Receipts of tax refunds	15,664	6,400	31,721
Payments to employees	(37,469)	(8,303)	(26,596)
Placement of financial guarantee	(21,180)	6,033	(16,308)
Withdrawal of financial guarantee	-	6,464	-
Receipts of finance income	548	1,532	1,030
Payments of royalties and levies	(9,806)	445	(8,903)
Net cash flows provided by operating activities	<u>39,111</u>	<u>76,412</u>	<u>78,693</u>
Cash flows from investing activities			
Payments for acquisition of fixed assets	(38,474)	(47,661)	(33,048)
Proceeds from disposal of fixed assets	-	577	44
Net cash flows used in investing activities	<u>(38,474)</u>	<u>(47,084)</u>	<u>(33,004)</u>
Cash flows from financing activities			
Stock subscription from non-controlling interest	-	10	-
Payment of lease liabilities	(2,678)	(768)	(395)
Payments of finance costs	-	(174)	-
Net cash flows used in financing activities	<u>(2,678)</u>	<u>(932)</u>	<u>(395)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,041)</u>	<u>28,396</u>	<u>45,294</u>
Cash and cash equivalents at the beginning of the period	<u>388,682</u>	<u>361,420</u>	<u>249,035</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(474)</u>	<u>(1,134)</u>	<u>(1,533)</u>
Cash and cash equivalents at the end of the period	<u>386,167</u>	<u>388,682</u>	<u>292,796</u>