

Strong cash balance to support our growth project execution

Jakarta, May 9th, 2022 – PT Vale Indonesia Tbk (“PT Vale” or the “Company”, IDX Ticker: INCO) and its subsidiaries (jointly the “Group”) today announced its unaudited results for the first quarter of 2022 (“1Q22”). The Company booked strong net profit of US\$67.6 million, 58% higher than the previous quarter number. It was mainly driven by the favourable nickel price.

“I am pleased to report a profitable 1Q22. Despite lower production due to the ongoing furnace 4 rebuild, we were able to deliver higher EBITDA, higher profit and higher cash balance compared to the previous quarter. The strong cash balance will enable us to undertake our current and future growth plans” said Febriany Eddy, CEO and President Director of the Company. “However, considering the volatility in the market, we remain focused on optimizing our production capacity and improving efficiencies of our operation.”

The Group recorded revenue of US\$235.1 million in 1Q22 or 12% lower than revenue recorded in 4Q21 of US\$266.7 million. The average realized price for nickel in matte shipments was US\$17,432 per ton, a 13% increase from the 4Q21 price of US\$15,372 per ton. The Group’s cost of revenue fell by 29% from US\$201.0 million in 4Q21 to US\$142.3 million in 1Q22, aligned with the lower production volume in this quarter.

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

	<u>1Q22</u>	<u>4Q21</u>	<u>1Q21</u>
HSFO volume (barrels)	221,779	332,212	288,750
HSFO average price per barrel	US\$73.06	US\$68.39	US\$48.51
Diesel volume (kilolitres)	14,787	15,940	16,692
Diesel average price per litre	US\$0.67	US\$0.59	US\$0.41
Coal volume (t)	91,793	96,102	92,464
Coal average price per t (*)	US\$258.97	US\$227.90	US\$114.70

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

In 1Q22, HSFO, diesel and coal consumption were lower compared to the consumption of previous quarter, aligned with lower production volume due to the execution of the Furnace 4 rebuild. However, the average price of HSFO, diesel and coal increased by 7%, 14% and 14%, respectively. Fuels and coal represent some of PT Vale’s largest production cost items.

PT Vale delivered EBITDA of US\$116.2 million and disbursed approximately US\$42.3 million in capital expenditures in 1Q22. The Company’s cash and cash equivalents as of March 31, 2022, and December 31, 2021, were US\$518.0 million and US\$508.3 million, respectively. PT Vale will continue to exercise prudent control of its spending to preserve cash.



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The Company will continue to maintain its focus on improving productivity and cost efficiency to sustain competitiveness in the long term without compromising its 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>1Q22</u>	<u>4Q21</u>	<u>1Q21</u>
Nickel in matte production ¹	13,827	17,015	15,198
Nickel matte deliveries ¹	13,486	17,352	14,847
Average realized price ²	17,432	15,372	13,912
EBITDA ³	116.2	105.6	88.9
Revenue ³	235.1	266.7	206.6
Profit ³	67.6	42.8	33.7
Earnings per share ⁴	0.0068	0.0043	0.0034

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>1Q22</u>	<u>4Q21</u>	<u>1Q21</u>
Revenue	235,085	266,741	206,555
Cost of revenue	<u>(142,356)</u>	<u>(201,022)</u>	<u>(154,810)</u>
Gross profit	92,729	65,719	51,745
Operating expenses	(4,325)	(1,081)	(1,080)
Other income	249	655	1,693
Other expenses	<u>(1,544)</u>	<u>(3,741)</u>	<u>(4,365)</u>
Operating profit	87,109	61,552	47,993
Finance income	734	730	655
Finance costs	<u>(1,104)</u>	<u>(452)</u>	<u>(912)</u>
Net finance income/(costs)	(370)	278	(257)
Profit before income tax	86,739	61,830	47,736
Income tax expense	<u>(19,091)</u>	<u>(18,970)</u>	<u>(14,042)</u>
Profit for the period	67,648	42,860	33,694
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
– Changes resulting from actuarial remeasurement of post-employment benefit liabilities	-	1,800	-
– Income tax on other comprehensive income	-	<u>(396)</u>	-
Total other comprehensive income/(loss)	-	1,404	-
Total comprehensive income for the period	67,648	44,264	33,694
Profit for the period attributable to:			
Owners of the parent entity	67,648	42,860	33,694
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>
	67,648	42,860	33,694
Total comprehensive income for the period attributable to:			
Owners of the parent entity	67,648	44,264	33,694
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>
	67,648	44,264	33,694
Earnings per share			
- Basic and diluted (in full amount of US Dollars)	0.0068	0.0043	0.0034

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)	March 31, 2021 (Unaudited)
Assets			
Cash and cash equivalents	518,022	508,327	386,167
Trade receivables - Related parties	88,113	101,987	81,105
Inventories	202,793	162,023	149,805
Prepaid taxes - Corporate income tax	2,342	-	34,268
- Other taxes	67,015	58,148	49,853
Prepayments and advances	3,477	3,521	2,498
Other current financial assets	2,523	2,570	3,257
Total current assets	884,285	836,576	706,953
Restricted cash	73,044	49,869	51,792
Prepaid taxes - Corporate income tax	8,742	7,808	2,238
- Other taxes	52,855	55,120	92,650
Non-trade receivables – Related parties	-	-	8
Fixed assets	1,520,203	1,518,963	1,467,615
Other non-current financial assets	4,783	4,492	5,652
Total non-current assets	1,659,627	1,636,252	1,619,955
Total assets	2,543,912	2,472,828	2,326,908
Liabilities and Equity			
Trade payables - Related parties	195	135	221
- Third parties	122,536	122,109	103,770
Accruals	27,026	19,842	26,087
Short-term employee benefit liabilities	14,067	21,638	12,897
Taxes payable - Corporate income tax	-	-	167
- Other taxes	3,822	1,973	3,459
Lease liabilities	1,413	1,441	-
Share-based payment liabilities	39	26	195
Other current financial liabilities	1,447	1,266	2,586
Total current liabilities	170,545	168,430	149,382
Long-term post-employment benefit liabilities	26,738	26,329	26,429
Deferred tax liabilities	44,284	42,810	48,199
Lease liabilities	3,041	3,310	-
Provision for asset retirement	77,195	77,488	48,816
Total non-current liabilities	151,258	149,937	123,444
Total liabilities	321,803	318,367	272,826
Equity	2,222,109	2,154,461	2,054,082
Total liabilities and equity	2,543,912	2,472,828	2,326,908

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

	<u>1Q22</u>	<u>4Q21</u>	<u>1Q21</u>
Cash flows from operating activities			
Receipts from customers	248,959	274,391	185,489
Payments to suppliers	(106,656)	(87,631)	(81,783)
Payments of corporate income tax	(20,000)	(33,545)	(12,352)
Payments of other taxes	(10,962)	(820)	-
Receipts of tax refunds	7,580	(23,228)	15,664
Payments to employees	(31,958)	3,568	(37,469)
Placement of financial guarantee	(23,174)	(6,766)	(21,180)
Withdrawal of financial guarantee	-	8,689	-
Receipts of finance income	735	915	548
Payments of royalties and levies	(11,632)	(16,165)	(9,806)
Net cash flows provided by operating activities	52,892	119,408	39,111
Cash flows from investing activities			
Payments for acquisition of fixed assets	(42,260)	(79,488)	(38,474)
Proceeds from disposal of fixed assets	-	(816)	-
Net cash flows used in investing activities	(42,260)	(80,304)	(38,474)
Cash flows from financing activities			
Stock subscription from non-controlling interest	-	-	-
Payments of lease liabilities	(297)	(274)	(2,678)
Payments of finance costs	(23)	(75)	-
Net cash flows used in financing activities	(320)	(349)	(2,678)
Net increase/(decrease) in cash and cash equivalents	10,312	38,755	(2,041)
Cash and cash equivalents at the beginning of the period	508,327	469,589	388,682
Effect of exchange rate changes on cash and cash equivalents	(617)	(17)	(474)
Cash and cash equivalents at the end of the period	518,022	508,327	386,167