

Press Release



PT Vale anticipates stronger baseline as growth catalysts secured

Jakarta, July 30th, 2025 – PT Vale Indonesia Tbk (“PT Vale” or the “Company”, IDX Ticker: INCO) today announced its unaudited results for the second quarter of 2025 (“2Q25”).

Production Highlights

| | <u>2Q25</u> | <u>1Q25</u> | <u>2Q24</u> | <u>1H25</u> | <u>1H24</u> |
|--------------------------------|---------------|-------------|-------------|---------------|-------------|
| Nickel in matte production (t) | 18,557 | 17,027 | 16,576 | 35,584 | 34,774 |

The Company recorded a 9% increase in production volume in 2Q25 compared to the previous quarter. This positive result reflects the Company’s continued focus on quality and the effective execution of planned maintenance activities, both of which are essential for sustainable operations.

On a year-on-year basis, production in 2Q25 also showed a notable improvement of 12%, underscoring the Company’s consistent operational performance. Furthermore, production for the first half of 2025 (“1H25”) was 2% higher than the same period in 2024, supported by the Company’s proactive maintenance strategy and other operational enhancements implemented throughout the first semester.

Looking ahead, we remain optimistic about our production outlook and are confident in our ability to maintain stable operations throughout the remainder of the year. The Company is targeting a total production of approximately 71,234 metric tons (“t”) of nickel in matte for 2025, representing an increase from last year’s target.

In the 2Q25, PT Vale’s nickel matte deliveries also rose slightly to 18,023 tons, compared to 17,096 tons in 1Q25. “This reflects stable operational performance and improved output efficiency”, reported Abu Ashar, Vice President Director and Chief Operation and Infrastructure Officer of the Company.

The average realized price for nickel matte in 2Q25 stood at US\$12,091 per ton, a slight increase from US\$11,932 in the previous quarter. The moderate increase in pricing, combined with higher delivery volumes, contributed to a rise in total revenue, reaching US\$220.2 million — a 7% improvement from US\$206.5 million in the previous quarter. On the other hand, in addition to the new royalty implementation, our conscious decision to accelerate planned maintenance schedules (c. 20 days) from the second half of 2025 also had an impact to our 2nd quarter operations. However, PT Vale managed to maintain EBITDA at a healthy level of US\$40.0 million with positive net profit of US\$3.5 million for the quarter and should be able to optimize the production level for the remaining half of the year.

“We will have stronger baseline starting this second half of the year. We have reached new terms for our nickel matte pricing with our customers and also obtained approval for the revised Work Plan and Budget (RKAB) of around 2.2 million tons of saprolite ore from the Bahodopi block. These developments are expected to generate more revenue streams and strengthen PT Vale’s baseline going forward” said Rizky Putra, Director and Chief Financial Officer of the Company.

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

| | 2Q25 | 1Q25 | 1H25 | 1H24 |
|--------------------------------|-------------------|-------------|-------------------|-------------|
| HSFO volume (barrels) | 380,751 | 319,536 | 700,287 | 779,159 |
| HSFO average price per barrel | US\$83.42 | US\$84.64 | US\$83.98 | US\$86.39 |
| Diesel volume (kilolitres) | 16,919 | 18,614 | 35,533 | 35,868 |
| Diesel average price per litre | US\$0.85 | US\$0.79 | US\$0.82 | US\$0.83 |
| Coal volume (t) | 127,291 | 118,018 | 245,309 | 228,249 |
| Coal average price per t (*) | US\$131.55 | US\$161.49 | US\$145.96 | US\$175.60 |

(*) Price in WMT (Wet Metric Ton) and CFR (Cost & Freight) basis

The table reflects a quarter-on-quarter increase in HSFO and coal consumption, primarily driven by higher production volumes during the quarter. In contrast, diesel consumption in 2Q25 returned to normal levels, indicating a stabilization of operational activities and energy usage. During the quarter, HSFO and coal prices declined by 1% and 19%, respectively, while diesel prices rose by 8% compared to 1Q25. The notable drop in coal prices aligns with the broader downward trend in global commodity prices and improving efficiencies through implementation of procurement bulk material sourcing strategy in our operation. On top of savings from energy spending, in 2Q25, PT Vale have also done rigorous and continuous cost optimization especially in SG&A and other corporate expenditure to ensure discipline in a challenging market.

As of June 30, 2025, the Company's cash and cash equivalents stood at US\$506.7 million, down from US\$601.4 million at the end of the previous quarter. This decrease reflects capital expenditures of approximately US\$96.4 million in 2Q25, compared to US\$128.1 million in 1Q25. PT Vale remains committed to maintaining prudent financial discipline and will continue to manage expenditures carefully to preserve cash and support long-term financial resilience.

The Company remains steadfast in its commitment to enhancing productivity and driving cost-efficiency improvements, ensuring long-term competitiveness and operational excellence. These efforts are grounded in the implementation of responsible mining practices, aligned with our core purpose: **We exist to improve life and transform the future. Together.**

Readers are encouraged to examine the Group's results, where operational achievements and unaudited financial results are concisely summarized in the following pages – all figures are in US\$ except for nickel in matte production and deliveries which are in metric tons.

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PT Vale Indonesia Tbk Production and Financial Highlights

| | <u>2Q25</u> | <u>1Q25</u> | <u>1H25</u> | <u>1H24</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| Nickel in matte production ¹ | 18,557 | 17,027 | 35,584 | 34,774 |
| Nickel matte deliveries ¹ | 18,023 | 17,096 | 35,119 | 35,680 |
| Average realized price ² | 12,091 | 11,932 | 12,014 | 13,418 |
| EBITDA ³ | 40.0 | 51.7 | 91.7 | 124.85 |
| Revenue ³ | 220.2 | 206.5 | 426.7 | 478.7 |
| Profit ³ | 3.5 | 21.8 | 25.2 | 37.3 |
| Earnings per share ⁴ | 0.0003 | 0.0021 | 0.0024 | 0.0036 |

¹ metric ton (t)

² US\$ per t

³ US\$ million

⁴ US\$

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

| | <u>2Q25</u> | <u>1Q25</u> | <u>1H25</u> | <u>1H24</u> |
|---|------------------|------------------|------------------|------------------|
| Revenue | 220,214 | 206,525 | 426,739 | 478,750 |
| Cost of revenue | <u>(209,568)</u> | <u>(187,012)</u> | <u>(396,580)</u> | <u>(417,163)</u> |
| Gross profit | 10,646 | 19,513 | 30,159 | 61,587 |
| Operating expenses | (7,637) | (7,901) | (15,538) | (13,670) |
| Other income | 101 | 101 | 202 | 4,922 |
| Other expenses | <u>(2,867)</u> | <u>(2,931)</u> | <u>(5,798)</u> | <u>(3,965)</u> |
| Operating profit | 243 | 8,782 | 9,025 | 48,874 |
| Share in net profit from associate | 95 | 23 | 118 | 56 |
| (Loss)/gain on recognition of fair value of derivative asset | - | 16,570 | 16,570 | (19,000) |
| Gain on recognition of fair value of investment in associate | 1,984 | 448 | 2,432 | - |
| Finance income | 7,654 | 7,553 | 15,207 | 18,272 |
| Finance costs | <u>(2,038)</u> | <u>(2,046)</u> | <u>(4,084)</u> | <u>(3,655)</u> |
| Profit before income tax | 7,938 | 31,330 | 39,268 | 44,547 |
| Income tax expense | <u>(4,102)</u> | <u>(7,113)</u> | <u>(11,215)</u> | <u>(7,261)</u> |
| Profit for the period before non-tax government revenue | 3,836 | 24,217 | 28,053 | 37,286 |
| Non-tax government revenue | <u>(383)</u> | <u>(2,422)</u> | <u>(2,805)</u> | <u>-</u> |
| Profit for the period | 3,453 | 21,795 | 25,248 | 37,286 |
| Other comprehensive (loss)/income | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| – Changes resulting from actuarial remeasurement of post-employment benefit liabilities | - | - | - | (3,544) |
| – Income tax on other comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> | <u>780</u> |
| | - | - | - | (2,764) |
| Items that will be reclassified to profit or loss: | | | | |
| - Currency differences from translation of associate entity's financial statements | <u>1,322</u> | <u>-</u> | <u>1,322</u> | <u>(740)</u> |
| Total other comprehensive loss | 1,322 | - | 1,322 | (3,504) |
| Total comprehensive income for the period | 4,775 | 21,795 | 26,570 | 33,782 |

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**Profit for the period
attributable to:**

Owners of the parent entity

| | | | |
|--------------|---------------|---------------|---------------|
| <u>3,453</u> | <u>21,795</u> | <u>25,248</u> | <u>37,286</u> |
|--------------|---------------|---------------|---------------|

**Total comprehensive income for
the period attributable to:**

Owners of the parent entity

| | | | |
|--------------|---------------|---------------|---------------|
| <u>4,775</u> | <u>21,795</u> | <u>26,570</u> | <u>33,782</u> |
|--------------|---------------|---------------|---------------|

Earnings per share

- Basic and diluted

(in full amount of US Dollars)

| | | | |
|---------------|---------------|---------------|---------------|
| <u>0.0003</u> | <u>0.0021</u> | <u>0.0024</u> | <u>0.0036</u> |
|---------------|---------------|---------------|---------------|

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

| | June 30, 2025 (Unaudited) | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---------------------------------|----------------------------------|-----------------------------------|
| Assets | | | |
| Cash and cash equivalents | 506,711 | 601,395 | 674,690 |
| Trade receivables - Related parties | 93,891 | 87,797 | 84,402 |
| Inventories | 161,961 | 170,827 | 148,550 |
| Prepaid taxes – Corporate Income Tax | - | 3,810 | - |
| – Other taxes | 87,906 | 68,154 | 82,756 |
| Prepayments and advances | 15,183 | 8,125 | 8,195 |
| Other current financial assets | 6,189 | 6,602 | 6,181 |
| Total current assets | 871,841 | 946,710 | 1,004,774 |
| Restricted cash | 86,650 | 86,650 | 86,650 |
| Prepaid taxes - Corporate income tax | 62,122 | 61,534 | 63,752 |
| - Other taxes | 9,159 | 13,286 | 24,169 |
| Investments in associate | 61,779 | 58,375 | - |
| Investment in shares | 13,186 | 12,934 | 13,270 |
| Derivative asset | 21,320 | 21,320 | 4,750 |
| Fixed assets | 2,040,467 | 1,978,015 | 1,975,092 |
| Other non-current financial assets | 3,527 | 3,534 | 4,071 |
| Total non-current assets | 2,298,210 | 2,235,648 | 2,171,754 |
| Total assets | 3,170,051 | 3,182,358 | 3,176,528 |
| Liabilities and Equity | | | |
| Trade payables - Related parties | - | - | 239 |
| - Third parties | 154,364 | 153,886 | 170,486 |
| Accruals | 79,491 | 67,564 | 56,061 |
| Short-term employee benefit liabilities | 11,932 | 11,914 | 19,402 |
| Taxes payable - Other taxes | 2,268 | 5,506 | 4,287 |
| Lease liabilities | 4,033 | 4,579 | 5,767 |
| Share-based payment liabilities | - | 242 | - |
| Provision for asset retirement | 3,085 | 4,282 | 5,497 |
| Other current financial liabilities | 1,317 | 1,172 | 1,732 |
| Total current liabilities | 256,490 | 249,145 | 263,471 |
| Long-term post-employment benefit Liabilities | 45,532 | 43,365 | 43,613 |
| Deferred tax liabilities | 8,053 | 9,492 | 5,660 |
| Lease liabilities | 461 | 1,366 | 2,260 |
| Provision for asset retirement | 126,063 | 116,374 | 122,528 |
| Other non-current financial liabilities | 6,176 | 6,044 | 6,220 |
| Total non-current liabilities | 186,285 | 176,641 | 180,281 |
| Total liabilities | 442,775 | 425,786 | 443,752 |
| Equity | 2,727,276 | 2,756,572 | 2,732,776 |
| Total liabilities and equity | 3,170,051 | 3,182,358 | 3,176,528 |

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

| | <u>2Q25</u> | <u>1Q25</u> | <u>1H25</u> | <u>1H24</u> |
|---|-----------------|------------------|------------------|------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers | 214,511 | 203,178 | 417,689 | 472,910 |
| Payments to suppliers | (123,839) | (113,308) | (237,147) | (271,885) |
| Payments of corporate income tax | (3,747) | (4,753) | (8,500) | (45,372) |
| Payments of other taxes | (23,073) | (22,336) | (45,409) | (32,351) |
| Receipts of refunds of taxes | 8,695 | 35,195 | 43,890 | 65,902 |
| Payments to employees | (27,039) | (36,163) | (63,202) | (63,369) |
| Withdrawal of financial guarantee | - | - | - | 27,311 |
| Receipts of finance income | 7,654 | 7,553 | 15,207 | 18,272 |
| Payments of royalties and levies | (15,674) | (13,685) | (29,359) | (28,259) |
| Net cash flows provided by operating activities | 37,488 | 55,681 | 93,169 | 143,159 |
| Cash flows from investing activities | | | | |
| Payments for acquisition of fixed assets | (96,640) | (128,095) | (224,735) | (118,473) |
| Proceeds from disposal of fixed assets | 23 | - | 23 | 378 |
| Net cash flow decrease from loss of control of a subsidiary | - | (880) | (880) | - |
| Net cash flows used in investing activities | (96,617) | (128,975) | (225,592) | (118,095) |
| Cash flows from financing activities | | | | |
| Payment of dividends | (32,321) | - | (32,321) | - |
| Payment of lease liabilities | (789) | (1,454) | (2,243) | (909) |
| Payments of finance costs | (62) | (87) | (149) | (231) |
| Issuance of new shares | - | - | - | 108,743 |
| Net cash flows used in financing activities | (33,172) | (1,541) | (34,713) | 107,603 |
| Net increase in cash and cash equivalents | (92,301) | (74,835) | (167,136) | 132,667 |
| Cash and cash equivalents at the beginning of the period | 601,395 | 674,690 | 674,690 | 698,795 |
| Effect of exchange rate changes on cash and cash equivalents | (2,383) | 1,540 | (843) | 687 |
| Cash and cash equivalents at the end of the period | 506,711 | 601,395 | 506,711 | 832,149 |