

Press Release



PT Vale's Path to a Brighter Tomorrow

Jakarta, February 26th, 2025 – PT Vale Indonesia Tbk (“PT Vale” or the “Company”, IDX Ticker: INCO) and its subsidiary (jointly referred to as the “Group”) today announced its audited results for 2024. The Company’s production of nickel in matte and nickel matte deliveries in 2024 were respectively about 1% and 2% higher than the actual production and deliveries volume realized in 2023.

“2024 has been an incredible journey, full of achievements, challenges, and valuable lessons. As we reflect on the year, we celebrate our accomplishments and consider the challenges we’ve overcome and those still ahead. This year has been about growth, transformation, adaptation and creating a bigger, more meaningful story,” said Febriany Eddy, CEO and President Director of the Company.

One of our standout achievements this year was successfully completing the divestment process, thanks to the exceptional support from the Government of Indonesia and key stakeholders like MIND ID, Vale Canada Limited, and Sumitomo Metal Mining Co., Ltd. This process went beyond meeting regulatory requirements; it also strengthened our strategic ties with the nation. This milestone marks PT Vale’s entry into a new era of corporate governance, embracing best practices as a public listed company. Moving forward, we aim to review and enhance our business processes and systems to be more efficient and effective.

The extension of our operational license to IUPK without land relinquishment marks a significant milestone, reaffirming the Indonesian Government’s trust in PT Vale as the right partner to develop Indonesia’s nickel resources. This reflects our commitment to advancing downstream processing while upholding sustainable mining practices, fully aligned with Indonesia’s vision for responsible resource development. This updated IUPK also reinforces our pledge to ensure the sustainability of our operations across all PT Vale concession areas, including Sorowako, Pomalaa, Morowali, and other exploration sites.

2024 was also a historic year with the renewal of our ESG risk rating from Sustainalytics, achieving a medium rating. We are proud to be the only nickel mining company in Indonesia in this category, alongside global leaders within the industry. This is proof that sustainability is not just a concept, but a practice embedded in our daily operations.

PT Vale’s 2024 production reached 71,311 metric tons (“t”), exceeding annual target of 70,805 t and surpassing last year’s production of 70,728 t. Meanwhile, sales volume in 2024 reached at 72,625 t, increased by 2% compared to 2023 and by 8% quarter by quarter basis (4Q24 vs 3Q24).

Increased nickel matte sales volume in 4Q24 contributed to the Company’s EBITDA, which recorded at US\$54.1 million in the fourth quarter, marking a 15% increase compared to the previous quarter. On a full year basis our EBITDA remains positive and strong at US\$225.9 million.

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Despite facing challenges such as one-off carve out expenditures post divestment, the Company managed to maintain unit cash cost of sales remaining competitive at US\$9,374 per t in 2024. This is the lowest cash cost over the past three (3) years, compared to US\$10,034 per t in 2023 and US\$11,201 per t in 2022. The result is attributed higher production volume and continued effort in cost saving initiatives.

Furthermore, the Company booked a net profit of US\$6.7 million in 4Q24, and US\$57.8 million on a full year basis. The net profit was after accounting for unrealized loss on recognition of the fair value of derivative asset (participating right on the Company's investment in PT KNI and PT HNI). It is important to highlight that essence of this derivative price adjustment is a non-realized loss which is non-operating in nature, hence our normalized net profit was US\$14.6 million in 4Q24 and US\$73.3 million on full year basis.

Below is a table detailing PT Vale's consumption and average prices for High Sulphur Fuel Oil ("HSFO"), diesel, and coal:

	4Q24	3Q24	2024	2023
HSFO volume (barrels)	336,513	393,628	1,509,300	1,654,993
HSFO average price per barrel	US\$87.07	US\$92.07	US\$88.03	US\$83.01
Diesel volume (kilolitres)	15,319	17,044	68,232	68,029
Diesel average price per litre	US\$0.78	US\$0.77	US\$0.80	US\$0.92
Coal volume (t)	121,104	99,619	448,972	385,707
Coal average price per t (*)	US\$182.11	US\$190.60	US\$180.68	US\$263.82

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

In 4Q24, HSFO and diesel consumption decreased by 15% and 10% respectively, while coal consumption increased by 22% when compared to 3Q24. The increase in coal consumption was offset with lower HSFO and diesel consumption. Except for diesel, the average price of HSFO and coal in 4Q24 decreased by 5% and 4% respectively compared to the previous quarter.

During the year, the Company disbursed approximately US\$332.1 million in capital expenditures, primarily for improved growth capex and sustaining capital spending. The Company's ending cash balance as of December 31, 2024, was US\$674.7 million, reflecting a strong fundamental for the Company's commitment to deliver value for shareholders in 2025.

Together Shaping the Future

2024 has provided significant momentum for the development of strategic projects such as Pomalaa, Bahodopi, and Sorowako Limonite. These projects have collectively achieved 13.3 million work hours without fatalities or serious injuries.

The **Morowali mining development** project is on track to reach 70% of its annual target and set to be completed on time by the third quarter of 2025 with more efficient capital expenditures. Meanwhile, the HPAL Sambalagi project, signed with GEM Co., Ltd. on November 10, 2024, represents a major step toward a facility that will be designed to aim for net zero emissions from day one, with an investment of US\$1.4 billion.

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The **Pomalaa mining development** project is on track for completion by the second quarter of 2026. In the meantime, our collaboration with Zhejiang Huayou Cobalt Co., Ltd. and Ford Motor Co. on the HPAL Pomalaa project is making steady progress. This initiative will further strengthen Indonesia's role in the global electric vehicle battery supply chain.

The **Sorowako Limonite Ore mining development** project's environment permit was granted at the end of 2024. The license would enable the Company to confidently move forward with our project expansion plans in 2025.

By the end of 2024, the Company achieved two significant milestones. The first was the approval of the 2024 Work Plan and Budget (RKAB) revision, which allows PT Vale to begin selling nickel ore—an important step in advancing our ore sales strategy. To fully maximize this potential in 2025, PT Vale will need to submit a revision to the 2025 RKAB. The second milestone was our credit rating upgrade to BB+ from S&P Global, reflecting our strong financial position and enhancing our ability to secure more favourable interest rates on debt service.

As we continue prioritizing sustainability, we recognize that growth must align with the development of the communities surrounding our operations. That's why we are committed to increasing local employee and contractor participation while actively investing in education, infrastructure, cultural programs, and community welfare to ensure long-term positive impacts.

On February 24th, 2025, PT Vale achieved a historic milestone by receiving the Gold PROPER from the Ministry of Environment and Forestry (KLH), recognizing our commitment to environmental management that goes beyond regulatory compliance. PT Vale is the only nickel mining company to receive this prestigious award and one of just 85 companies—representing 2% of all participants in the PROPER assessment—to achieve Gold rating. In addition, our CEO, Febriany Eddy was honored with the Green Leadership Madya Award, further reinforcing PT Vale's dedication to sustainability through strong leadership.

In 2025 we will also pursuing IRMA50, one of the highest standards for responsible mining. These steps will further solidify PT Vale's position as a leader in responsible mining operations on the global stage. Notably, the Sorowako operation must become our most efficient, productive, and sustainable. The principle of "generate more with less" should be at the heart of our future business activities.

Readers are encouraged to review the Company's results. Operational achievements and audited financial results are summarized on 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>4Q24</u>	<u>3Q24</u>	<u>2024</u>	<u>2023</u>
Nickel in matte production ¹	18,528	18,008	71,311	70,728
Nickel matte deliveries ¹	19,196	17,749	72,625	71,108
Average realized price ²	12,597	12,948	13,086	17,329
EBITDA ³	54.1	46.9	225.9	499.6
Revenue ³	241.8	229.8	950.4	1,232.3
Profit ³	6.7	13.8	57.8	274.3
Earnings per share ⁴	0.0006	0.0013	0.0056	0.0276

¹ metric ton (t)

² US\$ per t

³ US\$ million

⁴ US\$

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

	<u>4Q24</u>	<u>3Q24</u>	<u>2024</u>	<u>2023</u>
Revenue	241,820	229,818	950,388	1,232,263
Cost of revenue	<u>(213,762)</u>	<u>(211,235)</u>	<u>(842,160)</u>	<u>(885,240)</u>
Gross profit	28,058	18,583	108,228	347,023
Operating expenses	<u>(16,690)</u>	(7,894)	<u>(38,254)</u>	(22,155)
Other income	<u>(703)</u>	(500)	<u>(3,719)</u>	823
Other expenses	<u>(1,987)</u>	<u>(3,921)</u>	<u>(9,873)</u>	<u>(23,533)</u>
Operating profit	8,678	6,268	63,820	302,158
Share in net profit from associate	<u>(26)</u>	27	<u>57</u>	21
(Loss)/gain on recognition of fair value of derivative asset	<u>(10,150)</u>	9,210	<u>(19,940)</u>	24,690
Gain on recognition of fair value of investment in shares	<u>1,346</u>	-	<u>1,346</u>	-
Finance income	<u>8,841</u>	9,085	<u>36,198</u>	35,753
Finance costs	<u>(1,489)</u>	<u>(2,277)</u>	<u>(7,421)</u>	<u>(10,099)</u>
Profit before income tax	7,200	22,313	74,060	352,523
Income tax expense	<u>(4,171)</u>	(4,867)	<u>(16,299)</u>	(78,189)
Profit for the period before non-tax government revenue	3,029	17,446	-	-
Non-tax government revenue	<u>3,624</u>	(3,624)	-	-
Profit for the period	6,653	13,822	57,761	274,334
Other comprehensive loss				
Items that will not be reclassified to profit or loss:				
– Changes resulting from actuarial remeasurement of post-employment benefit liabilities	<u>2,353</u>	-	<u>(1,191)</u>	(5,701)
– Income tax on other comprehensive income	<u>(518)</u>	-	<u>262</u>	1,254
	<u>1,835</u>	-	-	-
Items that will be reclassified to profit or loss:				
- Currency differences from translation of associate entity's financial statements	<u>(233)</u>	973	-	-
Total other comprehensive loss	1,602	973	(929)	(4,447)
Total comprehensive income for the period	8,255	14,795	56,832	269,887
Profit for the period attributable to:				
Owners of the parent entity	<u>6,653</u>	13,822	<u>57,761</u>	274,334
Total comprehensive income for the period attributable to:				
Owners of the parent entity	<u>8,255</u>	14,795	<u>56,832</u>	269,887
Earnings per share				
- Basic and diluted (in full amount of US Dollars)	<u>0.0006</u>	0.0013	<u>0.0056</u>	0.0276

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

	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets			
Cash and cash equivalents	674,690	771,215	698,795
Trade receivables - Related parties	84,402	79,983	101,813
Inventories	148,550	162,601	155,946
Prepaid taxes – Other taxes	82,756	72,970	64,599
Prepayments and advances	8,195	5,160	6,056
Other current financial assets	6,181	6,326	5,910
Total current assets	1,004,774	1,098,255	1,033,119
Restricted cash	86,650	75,777	103,857
Prepaid taxes - Corporate income tax	63,752	48,360	15,015
- Other taxes	24,169	22,868	36,498
Investment in associate	-	12,726	12,410
Investment in shares	13,270	-	-
Derivative assets	4,750	14,900	24,690
Fixed assets	1,975,092	1,834,686	1,695,531
Other non-current financial assets	4,071	5,338	4,879
Total non-current assets	2,171,754	2,014,655	1,892,880
Total assets	3,176,528	3,112,910	2,925,999
Liabilities and Equity			
Trade payables - Related parties	239	-	312
- Third parties	170,486	137,676	140,515
Accruals	56,061	52,872	33,843
Short-term employee benefit liabilities	18,807	21,008	25,070
Taxes payable – Other taxes	4,287	2,719	2,821
Lease liabilities	5,767	4,685	5,543
Share-based payment liabilities	595	287	110
Provision for asset retirement	5,497	1,055	6,422
Other current financial liabilities	1,732	1,972	2,091
Total current liabilities	263,471	222,274	216,727
Long-term post-employment benefit liabilities	43,613	46,703	39,695
Deferred tax liabilities	5,660	9,674	19,603
Lease liabilities	2,260	3,679	3,078
Provision for asset retirement	122,528	99,455	77,482
Other non-current financial liabilities	6,220	6,604	4,877
Total non-current liabilities	180,281	166,115	144,735
Total liabilities	443,752	388,389	361,462
Equity	2,732,776	2,724,521	2,564,537
Total liabilities and equity	3,176,528	3,112,910	2,925,999

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

	<u>4Q24</u>	<u>3Q24</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities				
Receipts from customers	237,401	257,488	967,799	1,271,827
Payments to suppliers	(130,685)	(172,968)	(575,538)	(594,852)
Payments of corporate income tax	(26,139)	(19,919)	(91,430)	(91,618)
Payments of other taxes	(19,519)	(20,366)	(72,236)	(84,609)
Receipts of tax refunds	8,258	6,427	80,587	69,078
Payments to employees	(14,131)	(25,262)	(102,762)	(85,269)
Withdrawal of financial guarantee	769	-	28,080	-
Placement of financial guarantee	(10,873)	-	(10,873)	(30,813)
Receipts of finance income	8,833	9,093	36,198	35,753
Payments of royalties and levies	(6,671)	(17,409)	(52,339)	(68,339)
Net cash flows provided by operating activities	47,243	17,084	207,486	421,158
Cash flows from investing activities				
Payments for acquisition of fixed assets	(131,219)	(82,429)	(332,121)	(286,262)
Proceeds from disposal of fixed assets	(23)	(6)	349	610
Net cash flow decrease from loss of control of a subsidiary	-	-	-	(165)
Net cash flows used in investing activities	(131,242)	(82,435)	(331,772)	(285,817)
Cash flows from financing activities				
Issuance of new share	94	3,509	112,346	-
Payments of lease liabilities	(7,150)	(467)	(8,526)	(5,003)
Transaction costs for issuance of new share	(939)	-	(939)	-
Payments of finance costs	(247)	(121)	(599)	(345)
Payments of dividends	-	-	-	(60,093)
Net cash flows provided by/(used in) financing activities	(8,242)	2,921	102,282	(65,441)
Net (decrease)/increase in cash and cash equivalents	(92,241)	(62,430)	(22,004)	69,900
Cash and cash equivalents at the beginning of the period	771,215	832,149	698,795	634,042
Effect of exchange rate changes on cash and cash equivalents	(4,284)	1,496	(2,101)	(5,147)
Cash and cash equivalents at the end of the period	674,690	771,215	674,690	698,795

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