

Press Release



PT Vale Continues to Grow and Progress Toward a Stronger Baseline

Jakarta, July 29, 2026 – PT Vale Indonesia Tbk ("PT Vale" or the "Company", IDX Ticker: **INCO**) today announced its production and financial results for the second quarter 2026 (2Q26). The Company delivered a solid operational and financial performance during the quarter, demonstrating progress toward establishing a stronger production baseline. Supported by disciplined operational execution and the continued ramp-up of its mining operations, PT Vale remains well positioned to create sustainable value despite ongoing market dynamics.

Nickel in Matte Production Volume

	<u>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
Nickel in matte production (t)	16,153	13,620	29,773	35,584

In 2Q26, PT Vale produced 16,153 metric tons (tons) of nickel in matte, representing an increase of approximately 19% from 13,620 tons in 1Q26. As a result, total nickel matte production in the first half of 2026 reached 29,773 tons. The improvement reflects stronger operational performance upon the completion of Furnace 3 Rebuild project in June 2026, while maintaining a strong focus on safety and operational reliability. The Company remains on track to achieve its full-year production target and is well positioned to benefit from favorable nickel market fundamentals.

Beyond nickel in matte production, PT Vale continued to strengthen its growth platform through the operation of its three mining hubs in Sorowako, Bahodopi, and Pomalaa, marking a significant milestone in the Company's transformation. This strategic expansion translated into substantial growth in ore production and sales volumes. During 2Q26, the Bahodopi Block recorded nickel saprolite ore sales of 1.07 million wet metric tons (wmt), up from 886 thousand wmt in the previous quarter, bringing first-half sales volumes to 1.96 million wmt. Meanwhile, the Pomalaa Block delivered a significant increase in nickel ore sales to 496 thousand wmt in 2Q26, compared to 89 thousand wmt in 1Q26, resulting in cumulative first-half sales volumes of 585 thousand wmt. The strong performance from both growth projects highlights the successful ramp-up of operations and reinforces PT Vale's strategy to diversify its revenue streams and build a stronger operational foundation for long-term growth.

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Nickel Saprolite & Limonite Ore Sales Volume

	<u>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
Bahodopi Block (in wmt)	1,074,665	886,094	1,960,758	-
Pomalaa Block (in wmt)	495,601	88,983	584,584	147,491

PT Vale delivered a strong financial performance in 2Q26, through higher production volume, to capitalize the momentum of stronger nickel prices. Nickel in matte production increased 19% quarter-on-quarter (QoQ) to 16,153 tons, while deliveries remained stable at 13,932 tons. The Company benefited from a higher average realized nickel matte price of US\$14,765 per ton, up 4% QoQ, which helped drive revenue to US\$290 million, an increase of 15% compared with 1Q26.

On the cost side, nickel matte unit cash cost of sales remained competitive at US\$10,005 per ton in 2Q26, improving from US\$10,382 per ton in 1Q26, reflecting the Company's continued discipline and resilience in cost management. In the nickel ore business, unit cash costs remained stable at US\$21 per ton in Bahodopi and US\$7 per ton in Pomalaa, inclusive of royalties and logistics costs. Notably, the Pomalaa operation benefited from further cash cost optimization, driven by higher sales volumes as the operation continues to scale up.

The table below outlines PT Vale's consumption and average prices for High Sulphur Fuel Oil (HSFO), diesel, and coal:

	<u>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
HSFO volume (barrels)	252,956	267,927	520,883	700,287
HSFO average price per barrel	US\$95.78	US\$76.65	US\$86.37	US\$83.98
Diesel volume (kilolitres)	16,480	14,142	30,622	35,533
Diesel average price per litre	US\$1.15	US\$0.82	US\$0.98	US\$0.82
Coal volume (t)	117,902	90,378	208,280	245,309
Coal average price per t (*)	US\$143.12	US\$127.97	US\$135.73	US\$145.96

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

In 2Q26, energy consumption increased primarily in line with higher nickel in matte production compared with the previous quarter. Lower HSFO consumption during the period was largely offset by increased coal volume to support operational requirements. Diesel consumption also rose, reflecting higher mining activities at the Sorowako operation. Meanwhile, energy prices trended higher, with HSFO, diesel and coal prices increasing by approximately 25%, 40%, and 12%, respectively, influenced by prevailing geopolitical situation and their impact on global energy markets.

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EBITDA rose significantly by 45% QoQ to US\$116 million, reflecting improved operating leverage and profitability. Net profit reached US\$61 million, up 39% from US\$44 million in the previous quarter, underscoring the Company's strong earnings growth amid a more favorable pricing environment.

During the quarter, the Company disbursed approximately US\$116 million in capital expenditure, supporting both sustaining operations and the advancement of its strategic growth projects. As of June 30, 2026, cash and cash equivalents stood at US\$111 million, compared with US\$220 million as of March 31, 2026, primarily reflecting ongoing investment activities during the period. PT Vale remains focused on maintaining a balanced approach to capital allocation and liquidity management, supporting financial strength while advancing its long-term growth agenda.

Indonesia's nickel downstream industry continues to make significant progress, marked by the arrival of the autoclaves for the Sambalagi HPAL Project, a key component of PT Vale's Indonesia Growth Project (IGP) Morowali. In collaboration with GEM Co., Ltd. and EcoPro, PT Vale commemorated this important milestone through the BNSI Autoclave Delivery Ceremony held on July 22, 2026. The event was attended by the Minister of Investment and Downstreaming/Head of BKPM and CEO of Danantara Indonesia, Mr. Rosan P. Roeslani, who underscored the project's strategic importance.

"The arrival of the autoclaves represents a major step forward in the development of Indonesia's integrated battery materials value chain and reinforces PT Vale's commitment to supporting the nation's downstreaming agenda," said Bernardus Irmanto, President Director and Chief Executive Officer of the Company. Looking ahead, the Company will continue advancing its HPAL projects to process limonite ore into Mixed Hydroxide Precipitate (MHP), a critical intermediate product for the global electric vehicle battery supply chain.

Readers are encouraged to review the Company's results. Operational achievements and interim 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>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
Nickel in matte production ¹	16,153	13,620	29,773	35,584
Nickel matte deliveries ¹	13,932	13,727	27,659	35,119
Nickel matte average realized price ²	14,765	14,213	14,491	12,014
EBITDA ³	116	80	196	92
Revenue ³	290	253	543	423
Profit ³	61	44	104	25
Earnings per share ⁴	0.0058	0.0041	0.0099	0.0024

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>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
Revenue	290,405	252,663	543,068	426,739
Cost of revenue	(194,857)	(195,925)	(390,782)	(396,580)
Gross profit	95,548	56,738	152,286	30,159
Operating expenses	(7,872)	(8,907)	(16,779)	(15,538)
Other income	9,093	3,677	12,770	202
Other expenses	(1,429)	(1,110)	(2,539)	(5,798)
Net profit sharing	(6,751)	(4,846)	(11,597)	(2,805)
Operating profit	88,589	45,552	134,141	6,220
Gain from loss of control of subsidiary	-	-	-	2,432
Share in net profit from associate	205	(68)	137	118
Gain on recognition of fair value of derivative asset	-	-	-	16,570
Finance income	2,755	3,463	6,218	15,207
Finance costs	(4,258)	(2,382)	(6,640)	(4,084)
Profit before income tax	87,291	46,565	133,856	36,463
Income tax expense	(26,526)	(2,953)	(29,479)	(11,215)
Profit for the period	60,765	43,612	104,377	25,248
Other comprehensive income				
Items that will be reclassified to profit or loss:				
- Currency differences from translation of associate entity's financial statements	(2,799)	(1,151)	(3,950)	1,322
Total other comprehensive loss	(2,799)	(1,151)	(3,950)	1,322
Total comprehensive income for the period	57,966	42,461	100,427	26,570
Earnings per share				
- Basic and diluted (in full amount of US Dollars)	0.0058	0.0041	0.0099	0.0024

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

	June 30, 2026 (Unaudited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets			
Cash and cash equivalents	110,662	220,117	376,359
Trade receivables - Related parties	66,037	88,584	73,184
- Third parties	7,542	5,805	563
Inventories	301,810	218,379	192,070
Prepaid taxes – Corporate Income Tax	59,043	59,048	-
- Other taxes	31,300	94,654	97,333
Prepayments and advances	6,163	4,056	4,159
Other current financial assets	4,266	2,230	5,829
Total current assets	586,823	692,873	749,497
Restricted cash	150,538	127,405	96,987
Prepaid taxes - Corporate income tax	-	3,292	59,346
- Other taxes	98,360	30,885	17,795
Investments in shares	19,950	19,950	19,950
Investments in associate	54,222	57,031	58,249
Derivative asset	21,320	21,320	21,320
Fixed assets	2,447,695	2,380,561	2,313,449
Prepayments and advances	1,293	2,905	2,251
Deferred tax assets	-	329	3,040
Other non-current financial assets	3,147	3,581	3,963
Total non-current assets	2,796,525	2,647,259	2,596,350
Total assets	3,383,348	3,340,132	3,345,847
Liabilities and Equity			
Trade payables - Related parties	-	-	400
- Third parties	168,306	174,102	203,409
Accruals	132,707	116,504	115,397
Contract liabilities	21,556	-	-
Short-term employee benefit liabilities	13,995	12,285	21,966
Taxes payable – Corp. Income Tax	16,297	3,355	5,439
- Other Taxes	6,156	6,555	1,859
Lease liabilities	1,564	2,897	3,451
Provision for asset retirement	8,799	8,799	9,465
Other current financial liabilities	1,079	1,125	1,004
Total current liabilities	370,459	325,622	362,390
Long-term post-employment benefit liabilities	47,475	49,440	49,042
Deferred tax liabilities	422	-	-
Lease liabilities	18	18	31
Provision for asset retirement	128,155	140,843	153,426
Other non-current financial liabilities	5,471	5,880	5,882
Total non-current liabilities	181,541	196,181	208,381
Total liabilities	552,000	521,803	570,771
Equity	2,831,348	2,818,329	2,775,076
Total liabilities and equity	3,383,348	3,340,132	3,345,847

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PT Vale Indonesia Tbk

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

	<u>2Q26</u>	<u>1Q26</u>	<u>1H26</u>	<u>1H25</u>
Cash flows from operating activities				
Receipts from customers	309,696	247,298	556,994	417,689
Payments to suppliers	(149,907)	(128,196)	(278,103)	(237,147)
Payments of corporate income tax	(13,227)	(4,831)	(18,058)	(8,500)
Payments of other taxes	(24,672)	(21,871)	(46,543)	(45,409)
Receipts of refunds of other taxes	17,011	41	17,052	43,890
Payments to employees	(26,272)	(39,950)	(66,222)	(63,202)
Placement of financial guarantee	(23,082)	(40,806)	(63,888)	-
Receipts of finance income	2,756	3,462	6,218	15,207
Payments of royalties and levies	(36,328)	(32,722)	(69,050)	(29,359)
Net cash flows (used in)/provided by operating activities	55,975	(17,575)	38,400	93,169
Cash flows from investing activities				
Payments for acquisition of fixed assets	(115,929)	(139,042)	(254,971)	(224,735)
Proceeds from disposal of fixed assets	124	325	449	23
Net cash flow decrease from loss of control of a subsidiary	-	-	-	(880)
Net cash flows used in investing activities	(115,805)	(138,717)	(254,522)	(225,592)
Cash flows from financing activities				
Payment of dividends	(45,638)	-	(45,638)	(32,321)
Payments of lease liabilities	(1,482)	(1,289)	(2,771)	(2,243)
Payments of finance costs	(31)	(47)	(78)	(149)
Net cash flows used in financing activities	(47,151)	(1,336)	(48,487)	(34,713)
Net decrease in cash and cash equivalents	(106,981)	(157,628)	(264,609)	(167,136)
Cash and cash equivalents at the beginning of the period	220,117	376,359	376,359	674,690
Effect of exchange rate changes on cash and cash equivalents	(2,474)	1,386	(1,088)	(843)
Cash and cash equivalents at the end of the period	110,662	220,117	110,662	506,711