Press Release

PT Vale booked higher EBITDA of US$477.0 million for 2022

Jakarta, February 16, 2023 – PT Vale Indonesia Tbk ("PT Vale" or the "Company", IDX Ticker: INCO) and its subsidiaries (jointly the "Group") today announced its audited results for 2022. The Company booked EBITDA of US$477.0 million in 2022, mainly driven by higher realized price for nickel.

The average realized price in 2022 was 35% higher than last year price. "The higher price definitely brought a positive impact on our financial performance," said Febriany Eddy, CEO and President Director of the Company. However, with the significant increase of commodities price in 2022, the Company was still able to maintain the cash cost around US$11,000 per ton.

The Group recorded sales of US$1,179.4 million in 2022, 24% higher than sales recorded in 2021 of US$953.2 million due to higher average realized price. The average realized price for nickel in matte shipments was US$19,348 per ton, higher than the 2021 level of US$14,309 per ton. The Group's cost of revenue in 2022 was US$865.9 million, an increase of 23% from US$704.3 million in 2021. The main contributors to the higher cost of revenue were higher fuels and coal prices.

PT Vale's production in 2022 was 60,090 metric tons ("t") of nickel in matte, 8% lower than production in 2021 mainly due to the execution of the Furnace 4 Rebuild project. As the project has been completed, we are optimist to achieve higher production volume in 2023 while at the same time strive to improve the productivity and cost efficiency of the operation. In doing so, we will not compromise our foremost values: *Life Matters Most, Respect Our Planet and Communities*. "Regardless lower production, I really appreciate the hard work from all employees at the Company," Febri said.

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

	4Q22	3Q22	**2022**	2021
HSFO volume (barrels)	**587,057**	435,206	**1,467,781**	1,291,027
HSFO average price per barrel	**US$82.04**	US$98.82	**US$85.72**	US$59.51
Diesel volume (kilolitres)	**13,449**	15,585	**58,245**	66,528
Diesel average price per litre	**US$1.01**	US$0.98	**US$0.87**	US$0.50
Coal volume (t)	**41,936**	79,450	**292,341**	374,937
Coal average price per t (*)	**US$491.71**	US$440.79	**US$376.27**	US$159.73

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

HSFO consumption in 2022 increased when compared to 2021, offsetting the lower coal consumption as we decided to use HSFO for the energy sources in our operation since September 2022, responding to sharp increase of coal price. Meanwhile, diesel consumption in 2022 decreased when compared to 2021. Compared to 2021, the average price of HSFO, diesel and coal in 2022 increased significant by 44%, 74% and 136%, respectively.

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The Group's cash and cash equivalents as of December 31, 2022, and December 31, 2021, were US$634.0 million and US$508.3 million, respectively, as the Group received higher Revenue in 2022. PT Vale will continue to exercise prudent control over its spending to preserve cash.

PT Vale disbursed approximately US$218.8 million in capital expenditures in 2022, an increase from US$180.7 million spent in 2021 mainly due to higher spending for sustaining and growth capital in 2022. The major expenditures were for the Furnace 4 Rebuild project.

In December 2022, for the 3rd time PT Vale received a **Green PROPER** (beyond compliance) rating from the Ministry of Environment and Forestry ("KLHK") following several awards from the Ministry of Energy and Mineral Resources ("KESDM") in September 2022. We are grateful and will continue to show strong commitment in implementing good mining practices and best practices in environmental management in our operation.

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

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PT Vale Indonesia Tbk
Production and Financial Highlights

	4Q22	3Q22	**2022**	2021
Nickel in matte production[1]	**16,183**	17,513	**60,090**	65,388
Nickel matte deliveries[1]	**16,613**	17,334	**60,960**	66,615
Average realized price[2]	**18,400**	17,840	**19,348**	14,309
EBITDA[3]	**94.3**	103.0	**477.0**	391.9
Revenue[3]	**305.7**	309.2	**1,179.4**	953.2
Profit[3]	**32.0**	17.9	**200.4**	165.8
Earnings per share[4]	**0.0032**	0.0018	**0.0202**	0.0167

[1] metric ton (t)
[2] US$ per t
[3] US$ million
[4] US$

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

	4Q22	3Q22	**2022**	2021*
Revenue	**305,675**	309,241	**1,179,452**	953,174
Cost of revenue	**(251,194)**	(258,378)	**(865,885)**	(704,323)
Gross profit	**54,481**	50,863	**313,567**	248,851
Operating expenses	**(6,897)**	(4,064)	**(19,734)**	(17,691)
Other income	**504**	(406)	**1,289**	2,614
Other expenses	**(12,903)**	(5,066)	**(23,093)**	(10,750)
Operating profit	**35,185**	41,327	**272,029**	223,024
Finance income	**5,027**	3,655	**10,691**	2,714
Finance costs	**(2,973)**	(1,732)	**(6,901)**	(5,093)
Net finance income/(costs)	**2,054**	1,923	**3,790**	(2,379)
Profit before income tax	**37,239**	43,250	**275,819**	220,645
Income tax expense	**(5,223)**	(25,320)	**(75,418)**	(54,848)
Profit for the period	**32,016**	17,930	**200,401**	165,797
Other comprehensive (loss)/income				
Items that will not be reclassified to profit or loss:				
– Changes resulting from actuarial remeasurement of post-employment benefit liabilities	**(105)**	-	**(105)**	1,800
– Income tax on other comprehensive income	**23**	-	**23**	(396)
Total other comprehensive (loss)/income	**(82)**	-	**(82)**	1,404
Total comprehensive income for the period	**31,934**	17,930	**200,319**	167,201
Profit for the period attributable to:				
Owners of the parent entity	**32,016**	17,930	**200,401**	165,797
Non-controlling interest	**-**	-	**-**	-
	32,016	17,930	**200,401**	165,797
Total comprehensive income for the period attributable to:				
Owners of the parent entity	**31,934**	17,930	**200,319**	167,201
Non-controlling interest	**-**	-	**-**	-
	31,934	17,930	**200,319**	167,201
Earnings per share				
- Basic and diluted (in full amount of US Dollars)	**0.0032**	0.0018	**0.0202**	0.0167

*****) As reclassified (refer to FS Note 40)

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

Assets	**December 31, 2022 (Audited)**	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash and cash equivalents	**634,042**	624,341	508,327
Trade receivables - Related parties	**141,377**	122,340	101,987
Inventories	**155,753**	179,668	162,023
Prepaid taxes – Other taxes	**48,723**	91,281	58,148
Prepayments and advances	**4,444**	3,027	3,521
Other current financial assets	**5,463**	2,600	2,570
Total current assets	**989,802**	1,023,257	836,576
Restricted cash	**73,044**	73,044	49,869
Prepaid taxes - Corporate income tax	**10,933**	5,658	7,808
- Other taxes	**30,869**	32,253	55,120
Fixed assets	**1,549,857**	1,515,803	1,518,963
Other non-current financial assets	**3,611**	5,404	4,492
Total non-current assets	**1,668,314**	1,632,162	1,636,252
Total assets	**2,658,116**	2,655,419	2,472,828
Liabilities and Equity			
Trade payables - Related parties	**298**	177	135
- Third parties	**115,296**	144,258	122,109
Accruals	**27,772**	27,220	19,842
Short-term employee benefit liabilities	**26,244**	17,641	21,638
Taxes payable – Other taxes	**2,407**	1,078	1,973
Lease liabilities	**1,816**	1,807	1,441
Share-based payment liabilities	**467**	289	26
Other current financial liabilities	**739**	1,692	1,266
Total current liabilities	**175,039**	194,162	168,430
Long-term post-employment benefit liabilities	**28,457**	26,409	26,329
Deferred tax liabilities	**24,891**	38,234	42,810
Lease liabilities	**3,918**	4,311	3,310
Provision for asset retirement	**71,031**	69,457	77,488
Total non-current liabilities	**128,297**	138,411	149,937
Total liabilities	**303,336**	332,573	318,367
Equity	**2,354,780**	2,322,846	2,154,461
Total liabilities and equity	**2,658,116**	2,655,419	2,472,828

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

	4Q22	3Q22	2022	2021
Cash flows from operating activities				
Receipts from customers	**286,638**	284,239	**1,140,062**	911,227
Payments to suppliers	**(167,134)**	(137,212)	**(553,963)**	(442,928)
Payments of corporate income tax	**(25,014)**	(14,508)	**(80,181)**	(67,730)
Payments of other taxes	**(29,416)**	(14,402)	**(66,856)**	(31,853)
Receipts of tax refunds	**62,563**	420	**83,302**	116,995
Payments to employees	**(4,247)**	(24,991)	**(88,429)**	(85,868)
Placement of financial guarantee	**-**	-	**(23,175)**	(27,946)
Withdrawal of financial guarantee	**-**	-	**-**	8,689
Receipts of finance income	**5,027**	3,650	**10,691**	2,714
Payments of royalties and levies	**(26,780)**	(17,234)	**(73,293)**	(48,664)
Net cash flows provided by operating activities	**101,637**	79,962	**348,158**	334,636
Cash flows from investing activities				
Payments for acquisition of fixed assets	**(91,116)**	(40,637)	**(218,782)**	(180,653)
Proceeds from disposal of fixed assets	**(785)**	1,500	**715**	419
Net cash flows used in investing activities	**(91,901)**	(39,137)	**(218,067)**	(180,234)
Cash flows from financing activities				
Payments of dividends	**-**	-	**-**	(33,128)
Payments of lease liabilities	**(384)**	(382)	**(1,362)**	(1,314)
Payments of finance costs	**(34)**	(37)	**(116)**	(75)
Net cash flows used in financing activities	**(418)**	(419)	**(1,478)**	(34,517)
Net increase in cash and cash equivalents	**9,318**	40,406	**128,613**	119,885
Cash and cash equivalents at the beginning of the period	**624,341**	585,920	**508,327**	388,682
Effect of exchange rate changes on cash and cash equivalents	**383**	(1,985)	**(2,898)**	(240)
Cash and cash equivalents at the end of the period	**634,042**	624,341	**634,042**	508,327

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