

NICKEL ASIA CORP. 9M-23 Earnings

11/13/2023

NIKL and EPI 9M-23 HIGHLIGHTS

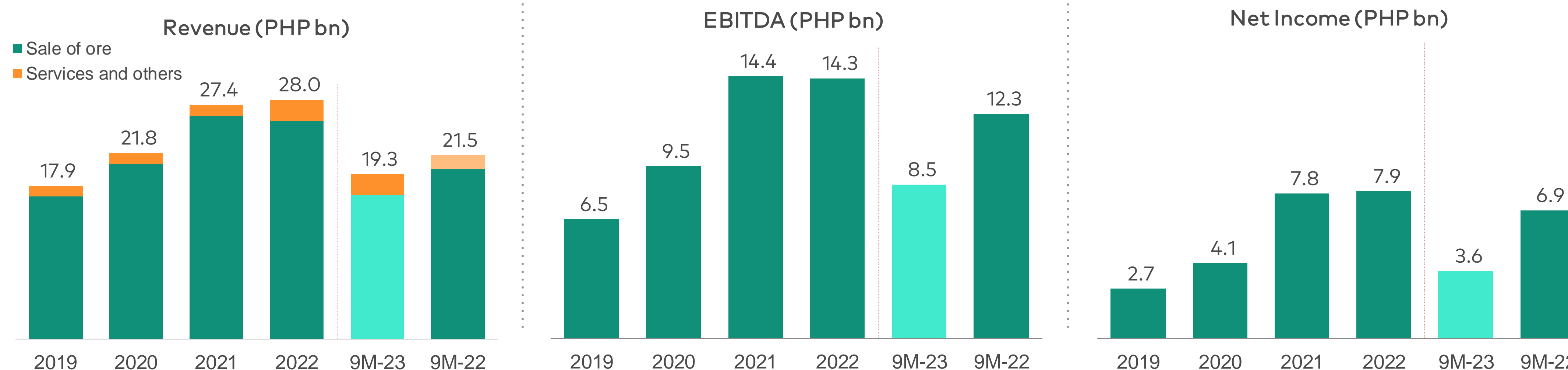
NICKEL MINING

- **Revenues from sale of ore decreased by 15% YoY to P16.8 billion** due to lower nickel ore prices which weighed down the positive impact from higher shipment (+10% more exports) and favourable FX rates.
- **The lower nickel ore prices** since the 2nd quarter are due to the oversupply of Class 2 nickel from Indonesia and the weak Chinese stainless-steel demand. The narrowing deficit in Class 1 nickel supply has also negatively impacted nickel LME prices. Fortunately, we've seen nickel prices bottom-out in the 2nd quarter and a slight recovery in the 3rd quarter and a price normalization heading into the year-end.
- **Consolidated EBITDA totaled P8.5 billion, down 31% YoY.** due to the reduction in revenues, higher costs due to more production volume, and the losses incurred from the company's equity interest in the two HPAL plants.
- **Reported attributable net income is P3.6 billion, down 47% YoY** due to lower ore prices in 2Q-3Q impacting both ore revenues and the losses incurred from the HPAL plants.
- **HPAL operations registered loss of P380 million due to lower nickel and cobalt prices.**

RENEWABLE ENERGY (EMERGING POWER INC.)

- **Jobin-SQM Inc. (JSI) now operating a total capacity of 100-MW from 62 MW YoY;** generation for the 9M-23 is up 36% YoY to 106,032-megawatt hours.
- **JSI's 9M-23 Revenues up 34% YoY to P529 million.**
- **JSI's EBITDA YoY up to P442 million.**
- **JSI's additional 72 MW in Subic site on track to commercially operate by YE2023.**
- **145-MW plant pre-development activities underway** with EPI's other long-term lease agreement with the Subic Bay Metropolitan Authority (SBMA), with construction expected to begin in early 2024.
- **Leyte Phase 1 - 120 MW project under Greenlight Renewables (JV with Shell) has started construction in September 2023.**
- For the **Biliran Geothermal 2 MW pilot project**, the turbines have been installed and we're awaiting ERC to allow us to proceed and energize by November 2023. This paves the way to expand the development plan of up to 10-20 MW, which is supports the goal of achieving 50 MW.

FINANCIAL HIGHLIGHTS (9M-23 VS 9M-22)



		2019	2020	2021	2022	9M-23	9M-22
EBITDA margin		36%	43%	53%	51%	43%	53%
Net income margin		21%	26%	39%	38%	27%	42%
Ave. Ni LME price per pound (US\$)		6.32	6.25	8.39	11.21	9.98	11.66
Average price in US\$/WMT	Ore Exports	23.52	33.99	40.40	39.39	29.15	38.87
	HPAL Deliveries	8.19	8.33	12.03	18.72	15.69	18.95
Effective Ni Pay factor ¹	Ore Exports	16.94%	25.18%	24.11%	18.02%	15.31%	17.92%
	HPAL Deliveries	8.21%	8.33%	8.81%	9.63%	9.89%	9.63%
Dividend Yield ²		2.4%	10.8%	8.2%	7.2%	N/A	N/A
Cash dividend payout ratio of PY earnings		32%	152%	151%	79%	N/A	N/A

Source: Company Data
 Ni Pay factor is the ratio of revenue to LME price for each unit of contained nickel sold.
 Dividend yield is computed as dividend per share divided by average NIKL price per share
 *Using NIKL's average share price as of 9M-2023

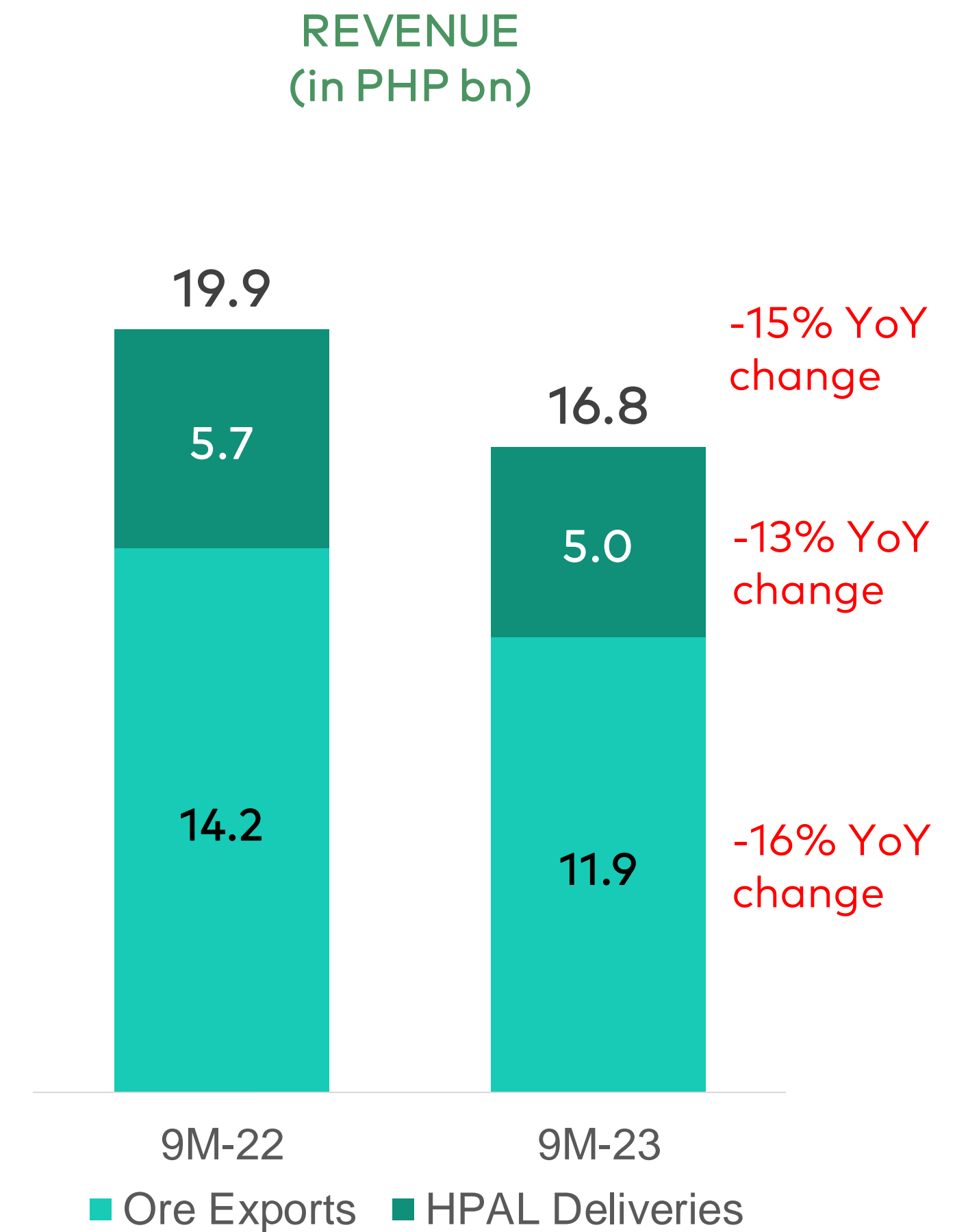
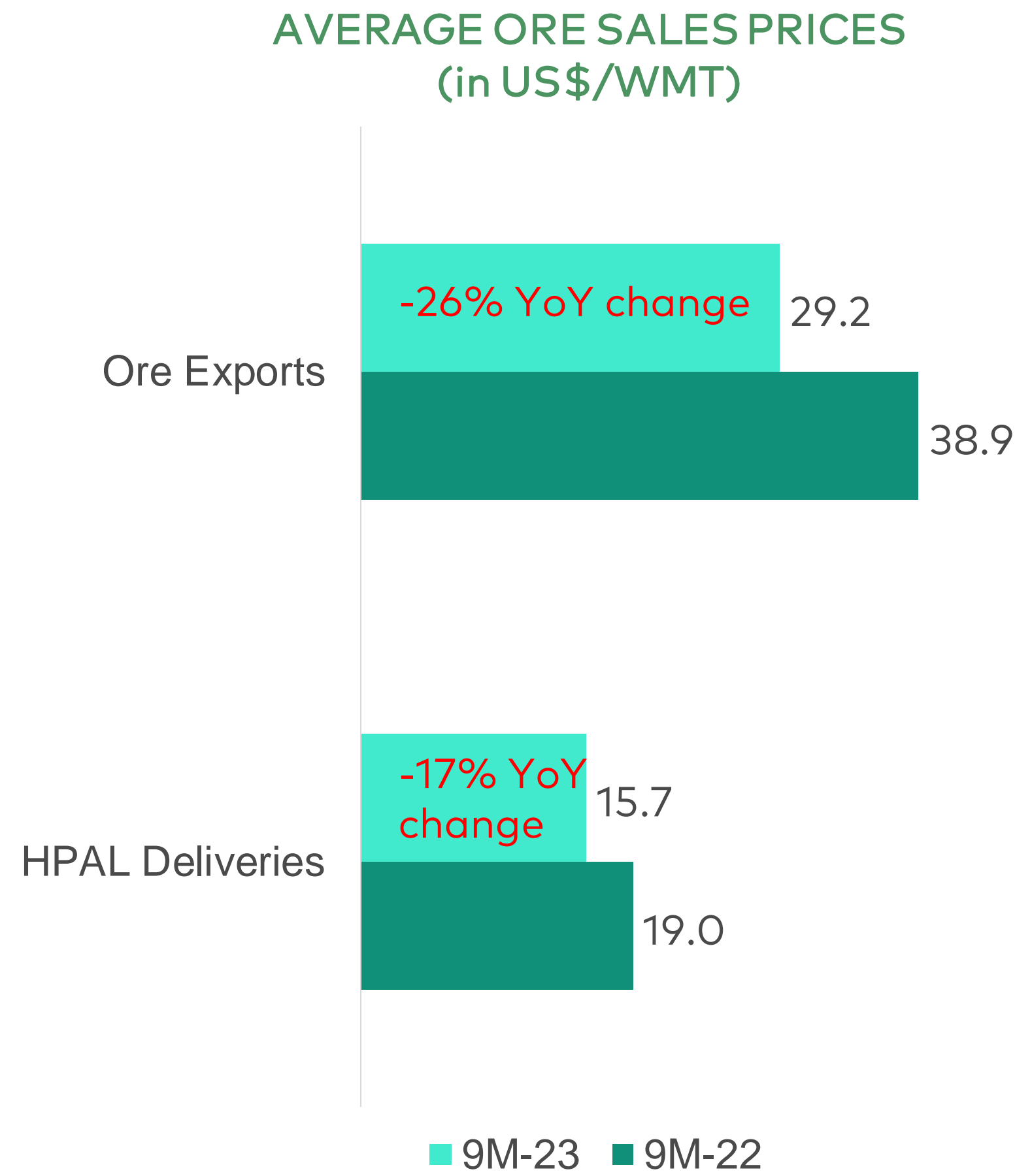
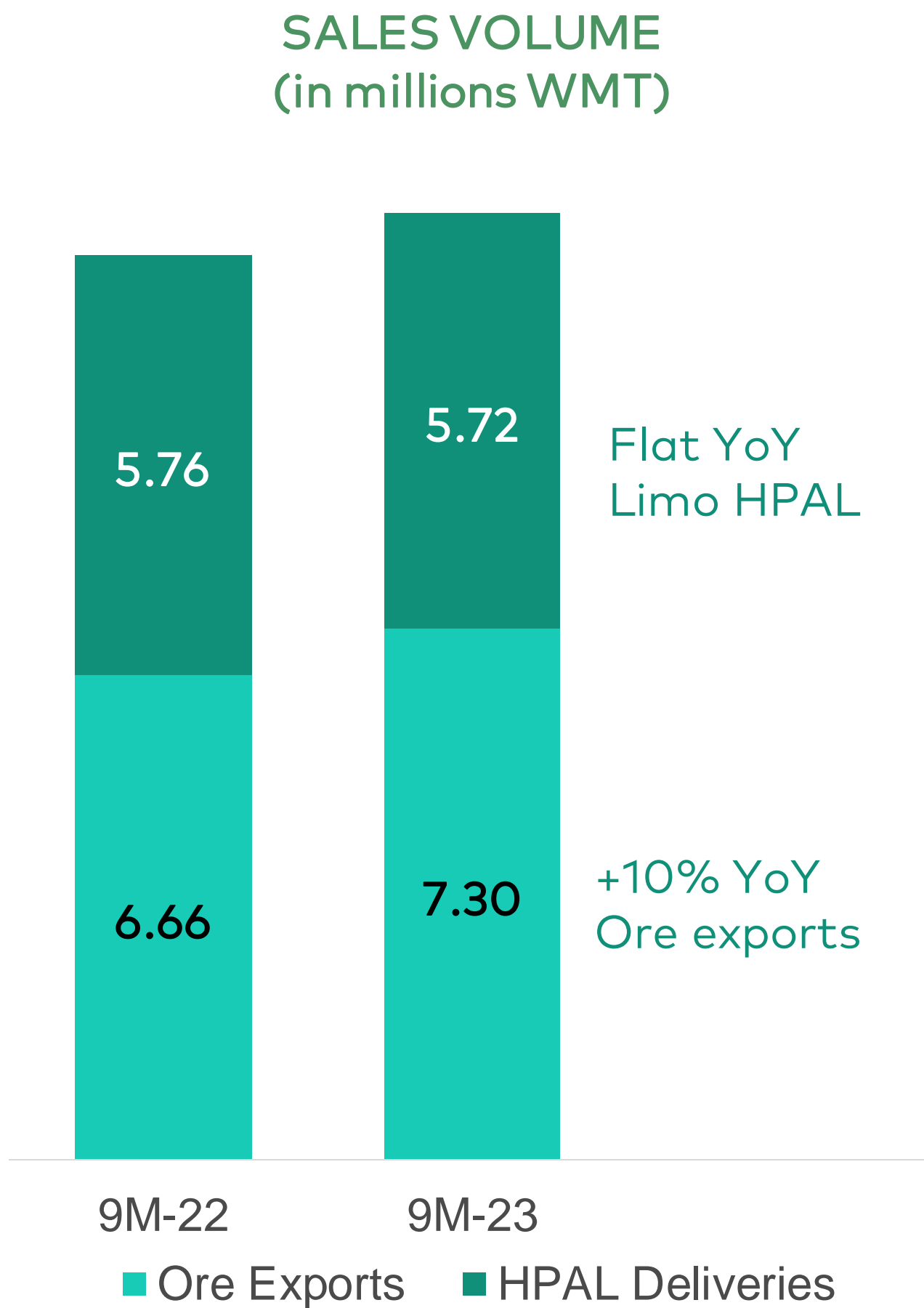
SPECIAL CASH DIVIDEND DECLARATION

		Per Share	Total Dividend in Billion Php	% of 2022 Net Income
Cash Dividend Paid in April 2023	Regular Dividend	₱0.17	₱2.379	30.0%
Proposed Special Cash Dividend for November 9, 2023		₱0.07	₱1.000	12.6%
Total Cash Dividend for 2023		₱0.24	₱3.379	42.6%

Declaration Date:	November 9, 2023
Record Date:	November 24, 2023
Payment Date:	December 7, 2023
2022 Net Income (Attributable):	₱7.931 Billion
Outstanding common shares:	13,958,322,808

SHIPMENTS AND REVENUES BY ORE TYPE

NINE-MONTH PERIOD COMPARISON



REVENUE – VARIANCE ANALYSIS

NINE-MONTH PERIOD COMPARISON

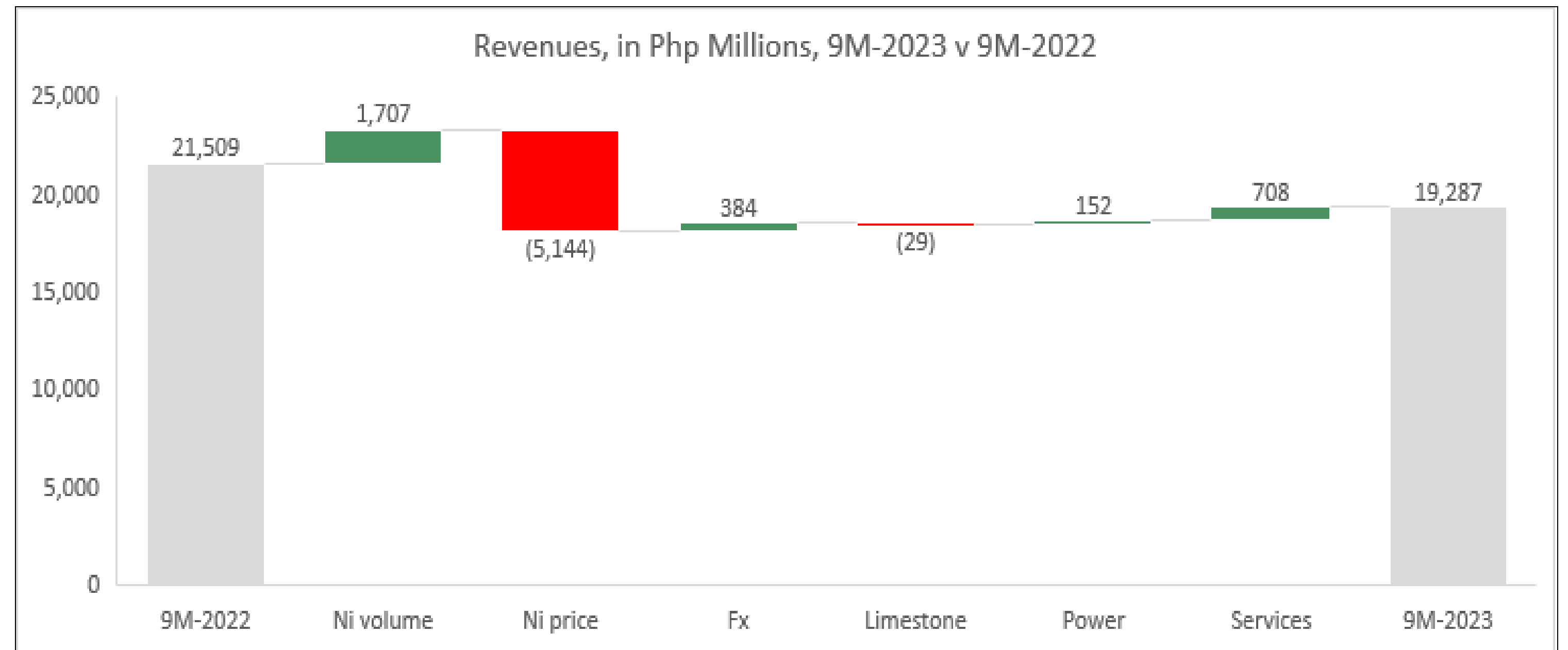
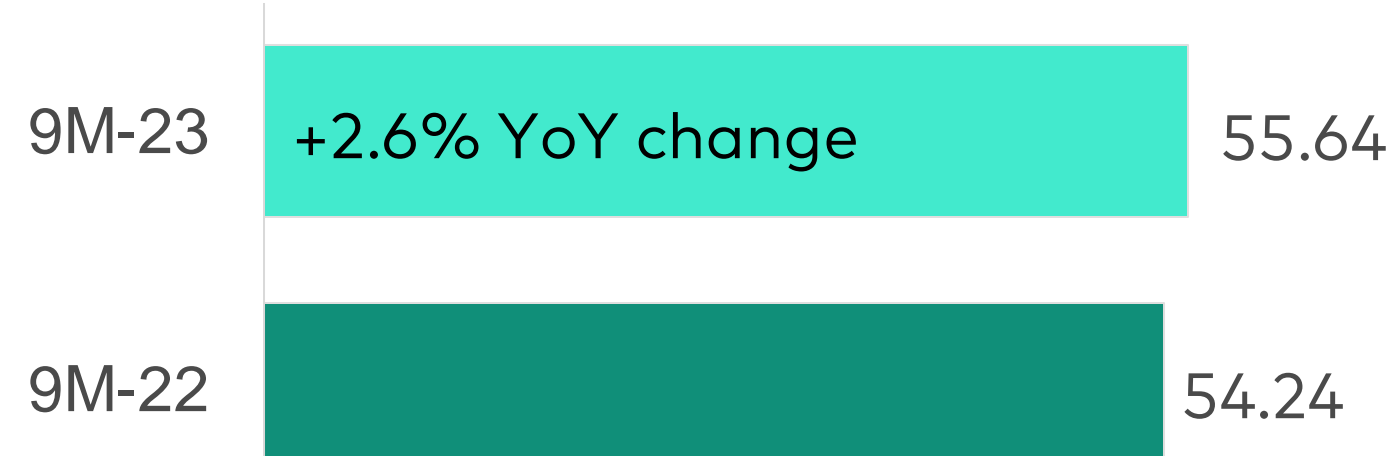
SALES VOLUME (in millions WMT)



SALES PRICE (in millions WMT)



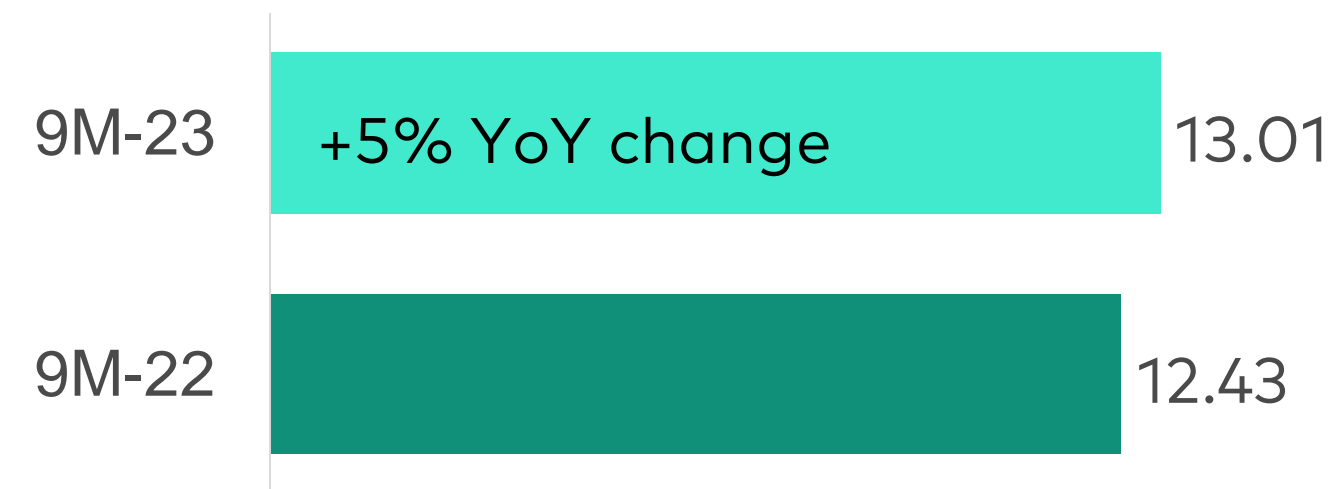
FX Rate (PHP/USD)



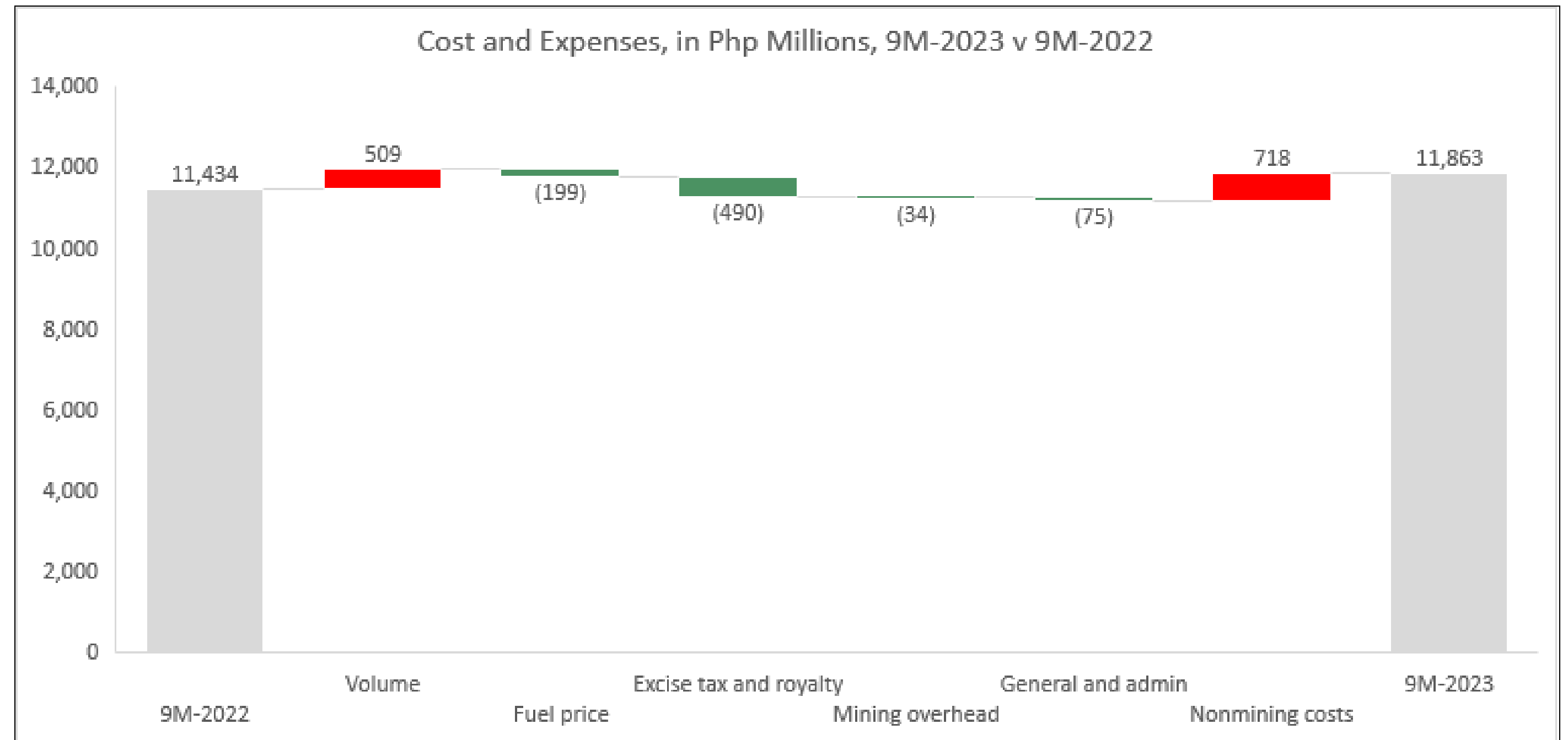
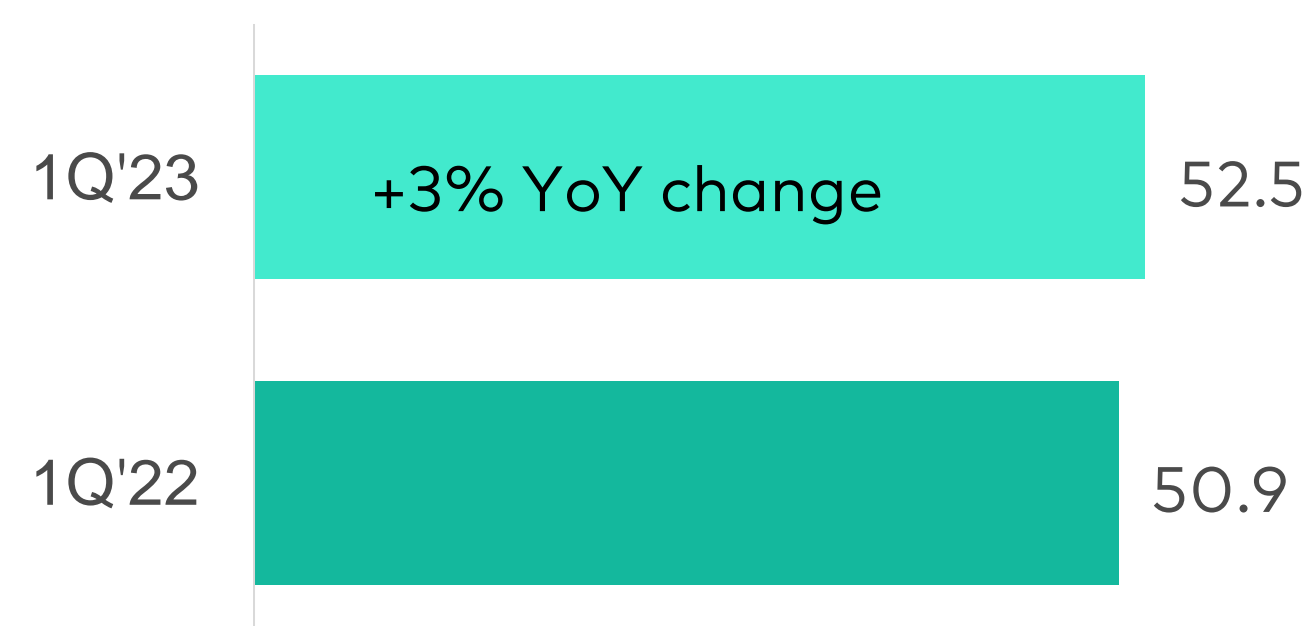
COST & EXPENSES – VARIANCE ANALYSIS

NINE-MONTH PERIOD COMPARISON

SALES VOLUME (in millions WMT)



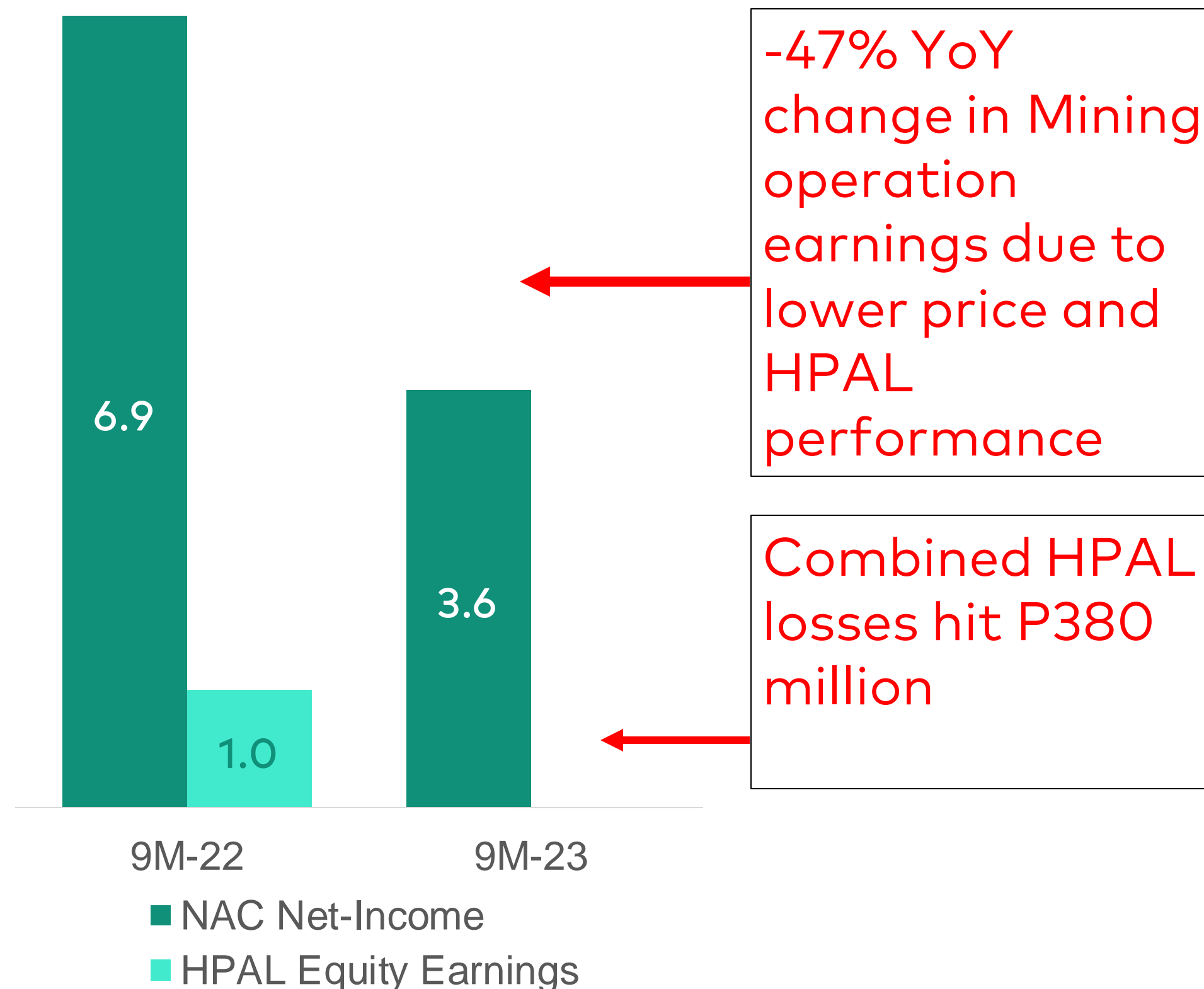
FUEL PRICES (P/liter)



NET INCOME – VARIANCE ANALYSIS

NINE-MONTH PERIOD COMPARISON

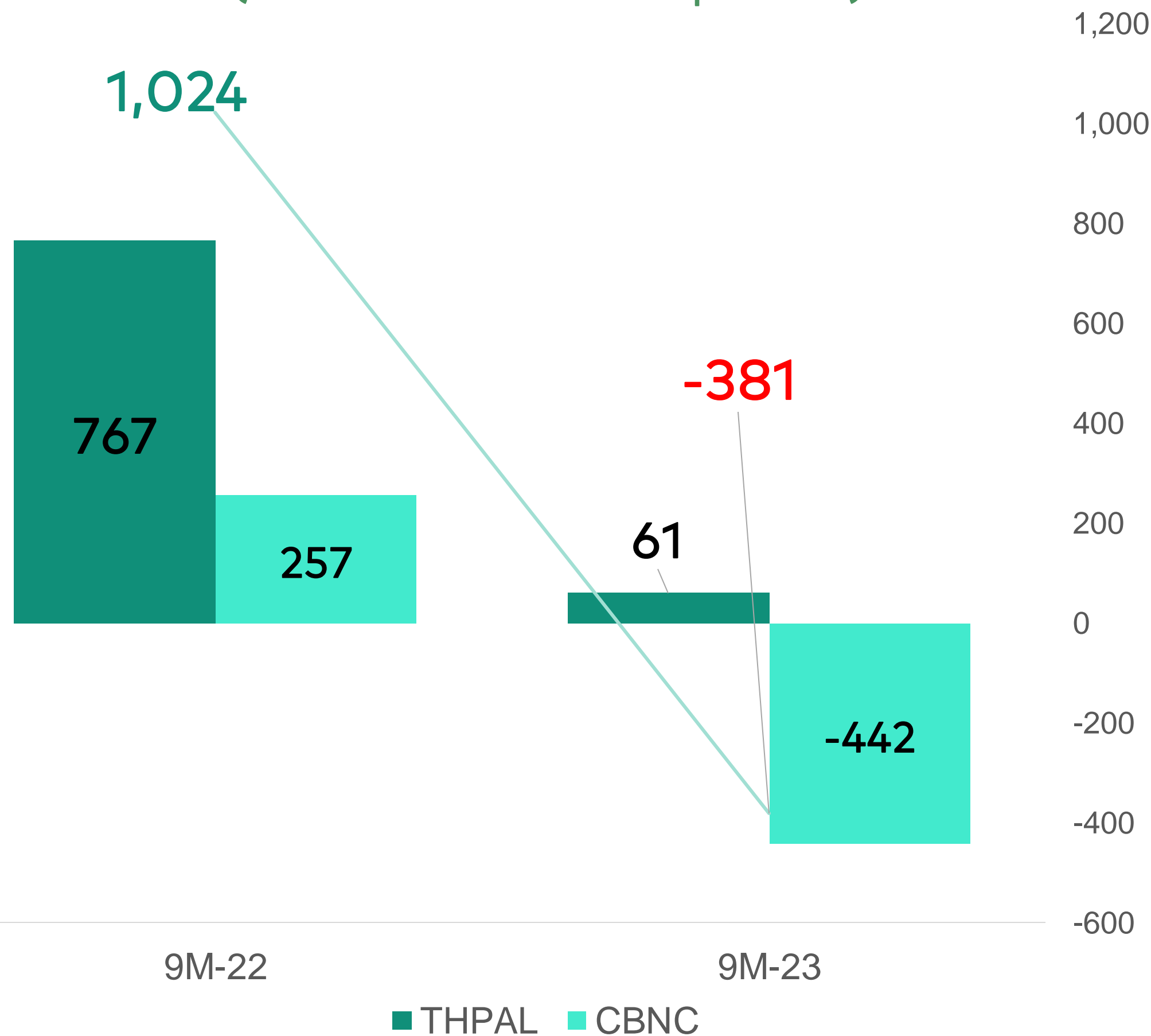
NET INCOME
(in Peso billions)



- Reported attributable net income at P3.6 billion, down 47% YoY due to lower ore prices in this year's 2Q to 3Q, impacting our ore revenues.
- HPAL operations registered loss of P380 million due to lower nickel and cobalt prices, as well as additional repairs and maintenance costs incurred.

INVESTMENT IN HPAL EQUITY EARNINGS

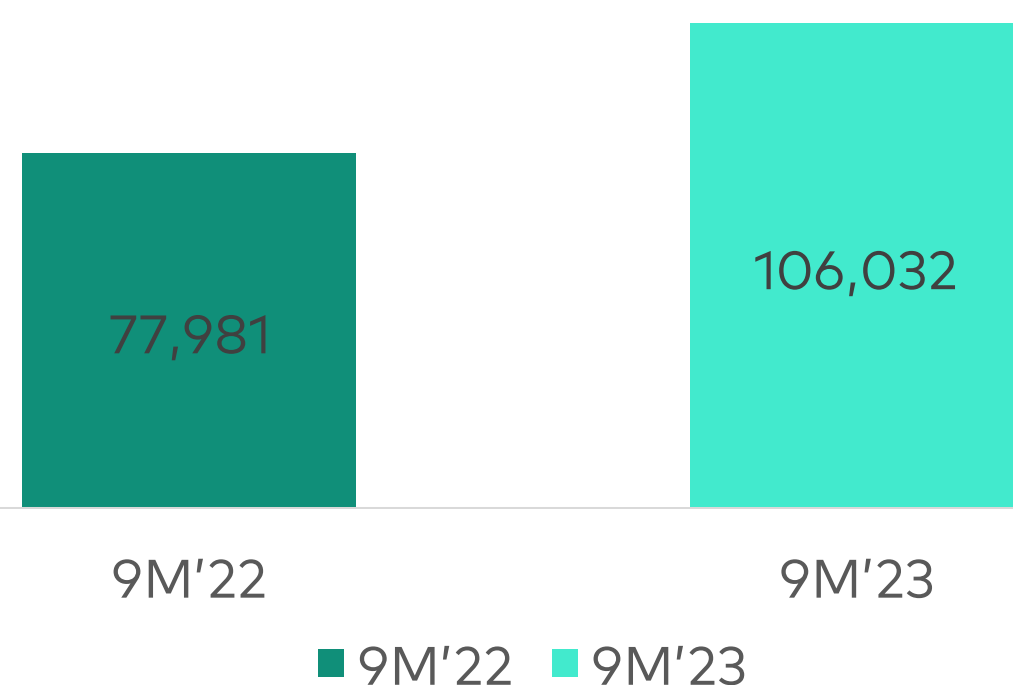
EQUITY EARNINGS, in PHP millions
(9M-23 VS 9M-22 comparison)



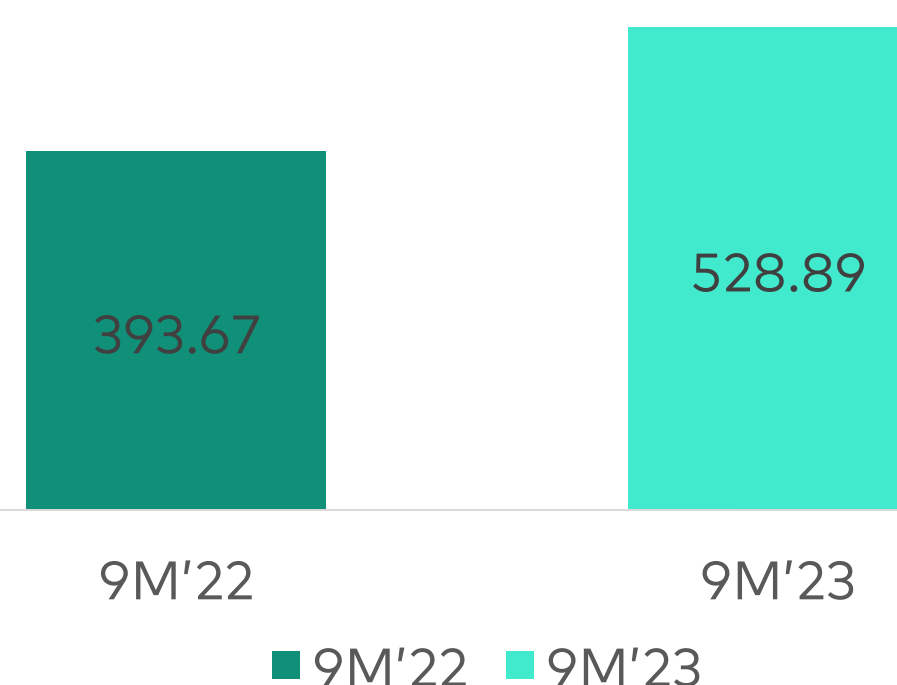
- The reduced Nickel and Cobalt prices had impacted Equity earnings from investments in the HPAL operations

JSI FINANCIAL HIGHLIGHTS (9M'2022 to 9M'2023)

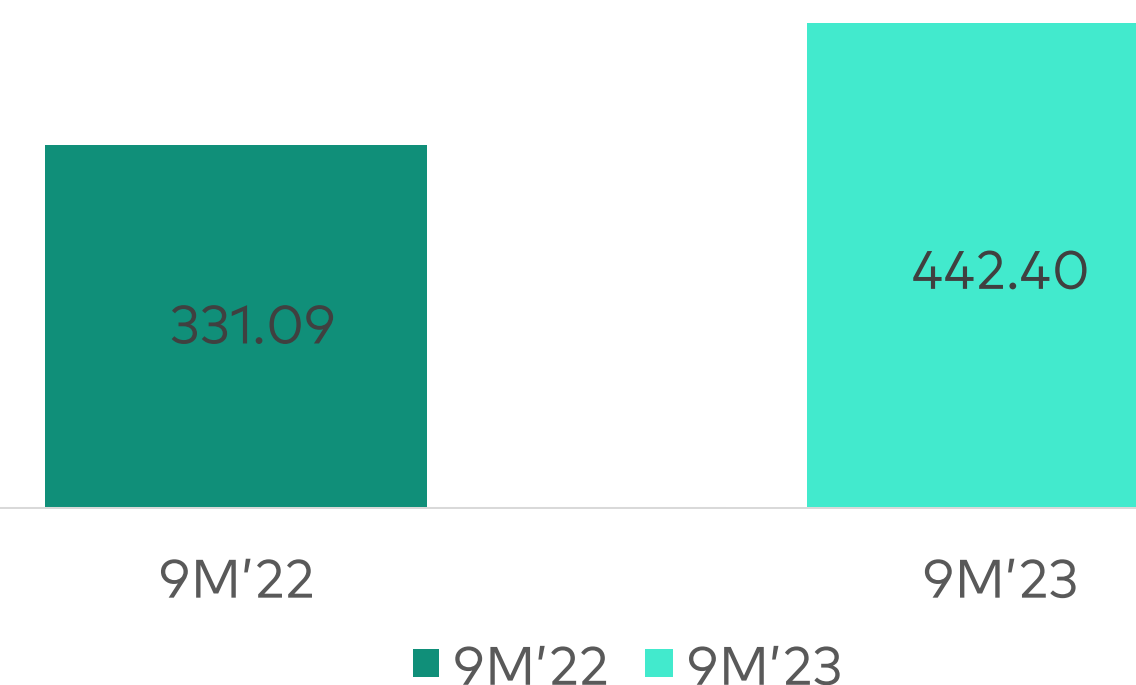
Generation (in MWh)



Revenues (in PHP millions)



EBITDA (in PHP millions)



	9M'22	9M'23	YoY% change	
Generation (in MWh)	77,981	106,032	36% ↑	Presently operating at 100MW vs 62 MW in previous year
Revenues (Php in millions)	393.67	528.89	34% ↑	Positive impact due to higher generation and WESM prices
EBITDA (Php in millions)	331.09	442.40	34% ↑	At par with revenue growth
NIAT (Php in millions)	72.83	41.89	-42% ↓	Additional financing costs incurred for the construction of 72 MW
EBITDA Margin	84.10%	83.65%	-0.5% ↓	Stabilizes within the 80-85% target
Weighted Realized Tariff (in Php)	5.05	4.99	-1.2% ↓	WESM prices dropped by 27%

DEVELOPMENT PIPELINE

MINING DEVELOPMENT PIPELINE

	BULANJAO	MANICANI
Resources as of 12/31/2022	70M WMT @1.61% Ni	47M WMT @1.55% Ni
Percent of MPSA Area Drilled	22% of 3,553 hectares	38% of 1,165 hectares
Target Annual Production	4M+ WMT	2M+ WMT
Target Annual Product Mix	35% Saprolite 65% Limonite	50% Saprolite 50% Limonite
Pending Issues	Regulatory	Regulatory
Target Start Date	2024	2024

SOLAR PROJECTS STATUS IN 2023

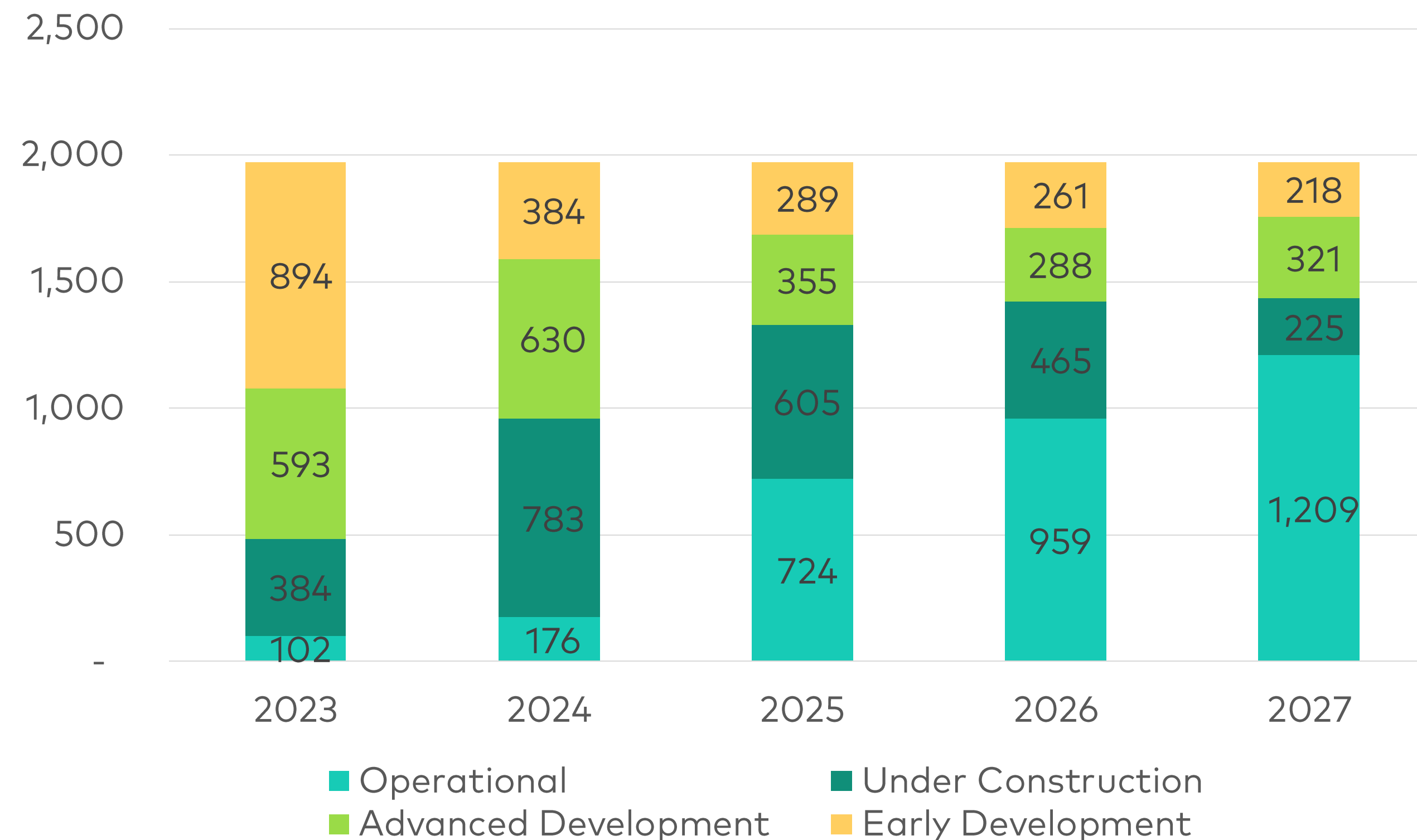
	JSI	Subic Cawag	Leyte Project
Operating Capacity	100 MW		
Capacity Under Construction or For Construction	72 MW	145 MW	240 MW
Total Attributable MW to EPI	89 MW	145 MW	144 MW
Pre-development	Completed on Jan 2023	Ongoing, Target completion: 4Q2023	Completed in June 2023
Construction	Ongoing	Start 4Q2023	Started September 2023
Commercial Operations Date "COD"	1Q2024	1Q2025	2Q2026 (120MW – Phase 1)

EPI'S GEOTHERMAL PIPELINE

	BILIRAN (BGI)	MINDORO (MGCP)
Capacity	Initially 50 MW (out P50 of 200 MW+)	20 MW (P90 of 20 MW)
Attributable MW to EPI	22MW	20 MW
Proof of Concept Pilot Project	100% Complete with turbines installed, awaiting ERC permits and target to energize by end-October 2023	Ongoing Target Completion: 2Q 2024
Development	Next phase: Finalizing development plan for 10-20 MW, leading to 50 MW	Target Completion: 3Q2024
Commercial Operations Date "COD"	4Q2023 for 2 MW 2025-2027 for 10-20 MW	4Q2024 for 2 MW

EPI'S PROJECTED CAPACITY BUILDUP OF SOLAR, WIND, AND GEOTHERMAL GENERATION ASSETS

(Gross capacity, MW)



- Load profile being developed to serve solar peak and night peak hours.
- PSAs to be against portfolio (not single plant).
- Does not yet include NAC-related projects.

SUSTAINABILITY





FINANCEASIA ASIA'S BEST COMPANIES

NAC received a **Gold citation** and **was one of only four companies** in the Basic Materials Company sector recognized this year by FinanceAsia, the premier capital markets publication in the region.



ASIAMONEY

NAC has been recognized as the **MOST OUTSTANDING Company in the Philippines** within the Materials Sector during the 2022 Asiamoney's Outstanding Companies Poll.



PHILIPPINE STOCK EXCHANGE

Nickel Asia Corporation (PSE:NIKL) joins **Philippine Stock Exchange Index (PSEi)** Effective October 4, 2023



WORLD BUSINESS OUTLOOK 2023

- Best CSR Program in Mining Industry, Philippines
- Best Sustainable Business Practices, Philippines
- Martin Antonio Zamora: CEO of the Year in Mining Industry, Philippines
- Best Mining Company to Work For, Philippines



INSTITUTE OF CORPORATE DIRECTORS

NAC received **two GOLD Arrows** for its ASEAN Corporate Governance Scorecard (ACGS) which is used to measure the performance of companies in the areas of governance, transparency, and accountability.



PRESIDENTIAL MINERAL INDUSTRY ENVIRONMENT AWARD

- Taganito Mining Corporation (6, 3/3)
- Hinatuan Mining Corporation (3, 3/3)
- Cagdianao Mining Corporation (3)

TITANIUM ACHIEVEMENT AWARD

- Dinapigue Mining Corporation
- Rio Tuba Nickel Mining Corp-Gotok Limestone

PLATINUM ACHIEVEMENT AWARD

- Rio Tuba Nickel Mining Corporation-Nickel

TAGANITO MINING CORPORATION

- Best Mining Corporation (5, 2/2)

RIO TUBA NICKEL MINING CORPORATION-NICKEL

- Most Improved Safety Performance
- Safest Surface Mining Operation

RIO TUBA NICKEL MINING CORP – GOTOK LIMESTONE

- Safest Quarry Operation
- Overall Winner, Safest Mining Operation