

PRESS RELEASE

NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS AS NET INCOME INCREASED 168% FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

Taguig, November 4, 2021 - Nickel Asia Corporation (NAC) (PSE:NIKL) today announced its unaudited financial and operating results for the nine-month period ended September 30, 2021 with an attributable net income (net of minority interests) of P6.17 billion, 168% higher compared to the P2.30 billion achieved in the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P11.01 billion compared to P5.93 billion in the prior period.

The higher net income was primarily the result of higher ore sales prices. The Company sold a total of 14.4 million wet metric tons (WMT) of nickel ore at the weighted average realized price of \$27.96 per WMT in the first nine months of 2021, compared to 14.0 million WMT at \$20.10 per WMT in the same period last year. Accordingly, total revenues increased by 39% to P21.06 billion from P15.11 billion in the prior year.

Breaking down the ore sales, the Company exported 8.73 million WMT of saprolite and limonite ore to customers in Japan and China at the average price of \$38.69 per WMT in the nine-month period ended September 30, 2021. This compares to 7.50 million WMT at \$30.53 per WMT in the same period last year. Likewise, the Company delivered 5.68 million WMT of limonite ore to Coral Bay and Taganito HPAL plants, the prices of which are linked to the LME, and realized an average price of \$8.20 per pound of payable nickel. This compares to 6.52 million WMT at \$5.97 per pound of payable nickel in the same period last year.

Following higher Nickel LME prices in 2021, the Company recognized gain from its equity share in its investments in the two HPAL plants in the combined amount of P340.4 million in the first three quarters of 2021, compared to a loss of P11.1 million in the same period last year. Furthermore, due to the stronger US Dollar, the Company recognized net foreign exchange gains from its US Dollar denominated net financial assets in the amount of P587.2 million for the first nine months of 2021, a turnaround from the net foreign exchange losses of P333.5 million in the same period last year.

Total operating cash costs increased by 13% year-on-year to P8.86 billion from P7.83 billion in 2020. On a per WMT basis, total operating cash costs increased to P615 per WMT of ore sold from P559 per WMT in 2020.

“Chinese stainless steel production was up 12% year-on-year and nickel ore prices as well as LME Ni price have continued its upward momentum, despite the slowdown in Chinese GDP growth” said Martin Antonio G. Zamora, President and CEO of the Company. “While the Chinese economy is currently facing short-term uncertainties, the surging EV industry remains the main driver of nickel demand over the long-term,” Mr. Zamora added.

Finally, the Company’s Board of Directors approved the declaration of a special cash dividend of P0.22 per share of common stock, payable on December 2, 2021 to shareholders of record on November 18, 2021.

For any questions and/or clarifications, please contact:

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NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021

(With Comparative Audited Figures as at December 31, 2020)

(Amounts in Thousands)

	September 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱11,253,369	₱11,835,201
Trade and other receivables	4,507,798	1,438,920
Inventories	2,252,788	2,930,348
Financial assets at:		
Fair value through profit or loss (FVTPL)	4,617,114	2,846,822
Fair value through other comprehensive income (FVOCI)	2,140,897	2,548,760
Amortized cost	-	100,000
Prepayments and other current assets	3,014,568	311,919
Total Current Assets	27,786,534	22,011,970
Noncurrent Assets		
Property and equipment	16,928,870	16,889,585
Investments in associates	3,845,445	3,193,911
Geothermal exploration and evaluation assets	1,860,904	1,819,859
Financial assets at - net of current portion:		
FVTPL	712,706	906,626
Amortized cost	410,000	110,000
Deferred income tax assets - net	347,783	607,264
Other noncurrent assets	3,261,866	3,374,075
Total Noncurrent Assets	27,367,574	26,901,320
TOTAL ASSETS	₱55,154,108	₱48,913,290
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱9,535,530	₱8,033,675
Short-term debts	1,490,115	1,492,654
Income tax payable	1,242,293	1,034,281
Other current liability	300,731	261,691
Current portion of:		
Long-term debt	89,250	84,040
Lease liabilities	30,143	30,982
Long-term payable	7,000	7,000
Total Current Liabilities	12,695,062	10,944,323
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	911,711	893,409
Lease liabilities	584,151	584,922
Deferred income	42,947	46,089
Long-term payable	6,543	6,093
Pension liability	725,710	676,087
Provision for mine rehabilitation and decommissioning	672,556	664,379
Deferred income tax liabilities	480,748	501,199
Total Noncurrent Liabilities	3,424,366	3,372,178
Total Liabilities	16,119,428	14,316,501

(Forward)

	September 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock	₱6,849,836	₱6,849,836
Additional paid-in capital	8,271,900	8,271,900
Other components of equity:		
Share in cumulative translation adjustment	662,006	381,991
Cost of share-based payment plan	467,796	441,589
Asset revaluation surplus	30,661	30,948
Net valuation gains (losses) on financial assets at FVOCI	(19,722)	57,771
Retained earnings:		
Unappropriated	17,989,927	14,952,425
Appropriated	189,950	189,950
Treasury stock	(134,014)	(134,014)
	34,308,340	31,042,396
Non-controlling Interests (NCI)	4,726,340	3,554,393
Total Equity	39,034,680	34,596,789
TOTAL LIABILITIES AND EQUITY	₱55,154,108	₱48,913,290

NICKEL ASIA CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020****(Amounts in Thousands, Except Earnings per Share)**

	2021	2020
	(Unaudited)	
REVENUES		
Sale of ore and limestone	P20,027,904	P14,007,790
Services and others	663,270	888,671
Sale of power	371,634	218,255
	21,062,808	15,114,716
COSTS		
Cost of sales	5,857,672	5,859,623
Services	279,058	250,362
Power generation	260,463	229,629
	6,397,193	6,339,614
OPERATING EXPENSES		
Excise taxes and royalties	2,079,632	1,562,742
Shipping and loading costs	1,876,944	1,551,165
General and administrative	718,706	731,035
Marketing	175,840	173,218
	4,851,122	4,018,160
FINANCE INCOME	136,985	200,803
FINANCE EXPENSES	(180,578)	(217,058)
EQUITY IN NET INCOME (LOSSES) OF ASSOCIATES	340,405	(11,139)
OTHER INCOME (CHARGES) - Net	680,922	(176,057)
INCOME BEFORE INCOME TAX	10,792,227	4,553,491
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	2,211,860	1,504,755
Deferred	216,109	(83,111)
	2,427,969	1,421,644
NET INCOME	P8,364,258	P3,131,847
Net income attributable to:		
Equity holders of the parent	P6,172,311	P2,299,580
NCI	2,191,947	832,267
	P8,364,258	P3,131,847
Basic/Diluted Earnings Per Share	P0.45	P0.17