

NICKEL ASIA CORPORATION ANNOUNCES 2020 FINANCIAL AND OPERATING RESULTS

Taguig City, March 11, 2020 – Nickel Asia Corporation (NAC; PSE:NIKL) today announced its audited financial and operating results for 2020 with attributable net income (net of minority interests) at P4.07 billion compared to P2.68 billion reported in 2019. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P9.34 billion compared to P6.54 billion in the prior year.

Net income increased dramatically on the back of higher ore export prices. The Company exported a total of 10.0 million wet metric tons (WMT) of nickel ore in 2020, down 4% from 10.4 million WMT in 2019. However, ore export prices increased 45% from \$23.52 per WMT of ore sold in 2019 to \$33.99 per WMT in 2020.

With respect to ore deliveries to Taganito HPAL Nickel Corporation (THPAL) and Coral Bay Nickel Corporation (CBNC) HPAL plants, the pricing of which is linked to the LME, the Company delivered 8.2 million WMT in 2020 at an average price of \$6.22 per pound of payable nickel. This compares to 8.4 million WMT in 2019 at an average price of \$6.23 per pound of payable nickel.

On a combined basis, the Company sold a total of 18.2 million WMT at \$22.46 per WMT and 18.8 million WMT at \$16.69 per WMT in 2020 and 2019, respectively. The significant improvement in the realized nickel price of the combined ore exports and ore deliveries to the two plants in 2020 more than offset the slight decline in sales volume and the less favorable Peso to US Dollar exchange rate, resulting to total revenues increasing by 21% to P21.8 billion compared to P17.9 billion in 2019.

Total operating cash costs increased by 1% year-on-year to P10.68 billion from P10.73 billion in 2019. On a per WMT sold basis, total operating cash costs increased to P587 per WMT compared to P570 per WMT in 2019. The realized Peso to U.S. Dollar exchange rate for ore sales was P49.15 in 2020 compared to P51.72 in 2019.

“The year just past was a year like no other. The coronavirus pandemic has caused everyone health and economic difficulties, the likes of which we have not faced in decades,” said Martin Antonio G. Zamora, President and CEO of the Company. “In spite of every consequence the global standstill brought, we took care of our people, we focused on our communities, and Nickel Asia survived 2020.”

“Demand for nickel ore did not slow down despite the pandemic. As Indonesia resumed its ban on direct export of nickel ore at the start of 2020, we realized higher prices for our ore exports”, Mr. Zamora added.

Finally, the Company’s Board of Directors approved the declaration of a regular cash dividend of P0.09 and a special cash dividend of P0.14 per common share payable on April 8, 2021 to shareholders of record on March 25, 2021.

For any questions and/or clarifications, please contact:

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NICKEL ASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	₱11,835,201	₱11,943,128
Trade and other receivables	1,438,920	1,065,657
Inventories	2,930,348	3,995,411
Financial assets at:		
Fair value through profit or loss (FVTPL)	2,846,822	1,651,283
Fair value through other comprehensive income (FVOCI)	2,548,760	2,730,168
Amortized cost	100,000	244,217
Prepayments and other current assets	311,919	393,393
Total Current Assets	22,011,970	22,023,257
Noncurrent Assets		
Property and equipment	16,889,585	16,028,192
Investments in associates	3,193,911	3,259,735
Geothermal exploration and evaluation assets	1,819,859	1,811,711
Financial assets at - net of current portion:		
FVTPL	906,626	851,266
Amortized cost	110,000	210,000
Deferred income tax assets	607,264	498,264
Long-term stockpile inventory - net of current portion	-	105,601
Other noncurrent assets	3,374,075	3,473,927
Total Noncurrent Assets	26,901,320	26,238,696
TOTAL ASSETS	₱48,913,290	₱48,261,953
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱8,033,675	₱7,530,858
Short-term debts	1,492,654	1,492,404
Income tax payable	1,034,281	557,388
Other current liability	261,691	221,079
Current portion of:		
Long-term debts	84,040	88,611
Lease liabilities	30,982	25,141
Long-term payable	7,000	5,000
Total Current Liabilities	10,944,323	9,920,481
Noncurrent Liabilities		
Long-term debts - net of current portion	893,409	930,418
Pension liability	676,087	393,180
Provision for mine rehabilitation and decommissioning	664,379	493,731
Lease liabilities - net of current portion	584,922	581,537
Deferred income tax liabilities - net	501,199	748,766
Deferred income - net of current portion	46,089	50,279
Long-term payable - net of current portion	6,093	12,300
Total Noncurrent Liabilities	3,372,178	3,210,211
Total Liabilities	14,316,501	13,130,692

(Forward)

	December 31	
	2020	2019
Equity Attributable to Equity Holders of the Parent		
Capital stock	₱6,849,836	₱6,849,836
Additional paid-in capital	8,271,900	8,262,455
Other components of equity:		
Cost of share-based payment plan	441,589	370,522
Share in cumulative translation adjustment	381,991	612,635
Net valuation gains on financial assets at FVOCI	57,771	32,243
Asset revaluation surplus	30,948	31,331
Retained earnings:		
Unappropriated	14,952,425	13,713,383
Appropriated	189,950	1,585,576
Treasury stock	(134,014)	(87,950)
	31,042,396	31,370,031
Non-controlling Interests (NCI)	3,554,393	3,761,230
Total Equity	34,596,789	35,131,261
TOTAL LIABILITIES AND EQUITY	₱48,913,290	₱48,261,953

NICKEL ASIA CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings per Share)

	Years Ended December 31		
	2020	2019	2018
REVENUES			
Sale of ore and limestone	₱20,456,629	₱16,669,736	₱17,741,560
Services and others	1,026,794	861,307	627,705
Sale of power	288,158	392,251	278,407
	21,771,581	17,923,294	18,647,672
COSTS			
Cost of sales	7,519,981	7,105,870	6,770,953
Services	328,562	331,819	318,258
Power generation	313,250	377,467	360,622
	8,161,793	7,815,156	7,449,833
OPERATING EXPENSES			
Excise taxes and royalties	2,244,402	1,787,323	1,804,029
Shipping and loading costs	2,122,779	1,767,016	1,949,489
General and administrative	1,117,666	1,155,984	1,213,041
Marketing	208,078	157,031	140,210
	5,692,925	4,867,354	5,106,769
FINANCE INCOME	238,293	405,598	354,803
FINANCE EXPENSES	(274,502)	(343,655)	(245,625)
EQUITY IN NET INCOME OF ASSOCIATES	190,447	10,383	348,168
OTHER INCOME (CHARGES) - net	(263,209)	168,824	(217,001)
INCOME BEFORE INCOME TAX	7,807,892	5,481,934	6,331,415
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	2,564,732	1,790,581	2,173,934
Deferred	(245,882)	(135,075)	(65,459)
	2,318,850	1,655,506	2,108,475
NET INCOME	₱5,489,042	₱3,826,428	₱4,222,940
Net income attributable to:			
Equity holders of the parent	₱4,068,732	₱2,684,969	₱3,008,057
NCI	1,420,310	1,141,459	1,214,883
	₱5,489,042	₱3,826,428	₱4,222,940
Basic/Diluted Earnings Per Share (EPS)	₱0.30	₱0.20	₱0.22