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PRESS RELEASE

NICKEL ASIA CORPORATION ANNOUNCES P7.93 BILLION NET INCOME FOR 2022

Taguig, March 14, 2023 – Natural resources development company Nickel Asia Corporation (NAC) (PSE: NIKL) logged an attributable net income (net of minority interest) of P7.93 billion for 2022, an increase of 1.5 percent from the P7.81 billion it reported in 2021, based on its audited financial and operating results.

Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to P14.31 billion against P14.42 billion in the prior year.

"Despite the inclement weather that affected our nickel mining business, 2022 remained a good year for NAC with prices for the metal buoyed by high demand. Our renewable energy business also made strides as it was able to increase its generational capacity and forge a partnership with an international player, Shell Investments B.V.," said Martin Antonio Zamora, NAC President and CEO.

"The gains we made in 2022 show that we remain committed to our ambitious 2025 target of becoming the premier ESG investment in the country and top 25 in market capitalization of the listed companies in the Philippine Stock Exchange. This year will be no different as we continue to build a strong foundation to achieve our goals," he added.

Nickel Mining

The Company's five operating mines – Cagdianao, Dinapigue, Hinatuan, Rio Tuba, and Taganito – sold a combined 15.94 million wet metric tons (WMT) of nickel ore during the year, a decrease of 11 percent from the 2021 level of 17.94 million WMT.

Despite the lower sales volume during the period, the higher nickel ore prices and favorable exchange rates raised the Company's revenues by 2 percent to P28.03 billion from P27.40 billion in 2021.

The drop in sales volume was almost in direct proportion to unrealized workable days caused by unfavorable weather that adversely affected the Company's mining operations during the period.

The weighted average nickel ore sales price during the period slightly increased to \$29.17 per WMT against \$29.13 per WMT in the same period last year. The Company realized P54.90 per US dollar from these nickel ore sales, an 11-percent increase from P49.48 last year.

Breaking down the ore sales, the Company exported 8.15 million WMT of saprolite and limonite ore at the average price of \$39.39 per WMT during the year from 10.79 million WMT at \$40.40 per WMT last year.

Likewise, the Company delivered 7.79 million WMT of limonite ore to the Coral Bay and Taganito high pressure acid leach (HPAL) plants, the prices of which are linked to the London Metal Exchange (LME) and realized an average price of \$11.64 per pound of payable nickel.

This compares to 7.14 million WMT at \$8.35 per pound of payable nickel in 2021. Expressed in US dollar per WMT, the average price for the deliveries to the HPAL plants were \$18.72 and \$12.03 in 2022 and 2021, respectively.

Owing to the higher LME nickel price during the period, NAC also recognized gains from its equity share in investments in the two HPAL plants in the combined amount of P942.1 million against P557.9 million the prior year.

Pujada Nickel Project

On Feb. 17, NAC disclosed that Hallmark Mining Corp. and Austral-Asia Link Mining Corp. accepted its Letter of Intent (LOI) to become the sole and exclusive contractor for two mine properties located in Davao Oriental.

NAC's commitments under the LOI are subject to its conduct of due diligence and exploration activities, as well as the execution of definitive agreements among the parties.

Under the LOI, NAC or its wholly owned subsidiary will be the contractor for Hallmark's mineral production sharing agreement (MPSA) that covers 4,999.71 hectares (ha) in Mati and San Isidro, Davao Oriental, and Austral-Asia's MPSA covering another 5,000 ha in Mati and Gov. Generoso, Davao Oriental.

It also permits the conduct of a feasibility study to determine the economic and technical viability for the Company to establish an HPAL plant or an equivalent mineral processing plant within the MPSA areas.

Renewable Energy

Last June 2022, EPI successfully expanded Jobin-SQM Inc. (JSI) by another 38-megawatt peak (MWp), bringing the Sta. Rita, Subic site's total solar generation capacity to 100 MWp.

For 2022, JSI increased generation by 56 percent to 114,824-megawatt hours and revenues by 79 percent to P609.52 million. Higher revenues and effective cost management kept EBITDA margin at 86 percent and resulted in a 756-percent increase in net income to P146.03 million. As of November 2022, JSI was ranked for three consecutive quarters first among large-utility solar generators in Luzon in terms of compliance with the Forecast Accuracy Standards of the Wholesale Electricity Spot Market (WESM).

In September 2022, JSI began developing and constructing an additional 72-MWp farm in Sta. Rita, Subic, which is scheduled to go online by 4Q 2023.

Moreover, EPI secured another long-term lease agreement with the Subic Bay Metropolitan Authority (SBMA), where it plans to build a 130-MWp plant. Pre-development activities started this year, with construction expected to begin in early 2024.

In July 2022, EPI also entered into a 60/40 investment and development agreement with Shell Overseas Investments B.V. to build 1 GW of onshore solar, onshore wind, and battery storage capacity by 2028, and potentially 3 GW thereafter. This new company, named Greenlight Renewables Holdings Inc., is slated to launch its first project of 240-MWp in 2023.

Sustainability

Based on the latest assessment of its external ESG rating partner Sustainalytics, NAC was able to improve its Environmental, Social, and Governance (ESG) performance after earning an ESG risk score of 33.6 – an improvement on its previous rating of 43.7.

NAC improved its risk score by 10.1 points, and now ranks 54th out of 210 firms assessed by Sustainalytics under the Diversified Metals category and 37th out of 174 firms under the Diversified Metals Mining sub-industry.

This also puts NAC under the "High Risk" category from a "Severe Risk" category. A "High Risk" rating is garnered by a company with risk scores between 30 and 40 while a "Severe Risk" rating is for firms with risk scores of 40 above.

Regular Cash Dividend

The NAC Board of Directors approved the declaration of a regular cash dividend of P0.17 per common share payable on April 12, 2023, to shareholders of record on March 24, 2023.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	₱10,809,026	₱10,826,806
Trade and other receivables	2,687,062	1,971,096
Inventories	2,432,224	2,242,932
Financial assets at:		
Fair value through profit or loss (FVTPL)	3,361,015	5,266,080
Fair value through other comprehensive income (FVOCI)	447,975	1,122,284
Amortized cost	50,000	–
Prepayments and other current assets	1,167,872	2,581,867
Total Current Assets	20,955,174	24,011,065
Noncurrent Assets		
Property and equipment	13,815,041	17,238,357
Investments in associates	7,147,565	3,812,554
Geothermal exploration and evaluation assets	1,882,318	1,849,936
Financial assets at - net of current portion:		
FVTPL	758,760	731,813
Amortized cost	410,000	460,000
Deferred income tax assets - net	400,605	309,746
Other noncurrent assets	4,389,579	3,287,411
Total Noncurrent Assets	28,803,868	27,689,817
TOTAL ASSETS	₱49,759,042	₱51,700,882

LIABILITIES AND EQUITY**Current Liabilities**

Trade and other payables	₱2,207,412	₱9,226,190
Short-term debts	1,498,266	1,492,916
Income tax payable	625,319	773,450
Other current liability	336,731	300,731
Current portion of:		
Long-term debts	97,571	89,248
Lease liabilities	7,621	35,754
Long-term payable	–	6,693
Total Current Liabilities	4,772,920	11,924,982

Noncurrent Liabilities

Noncurrent portion of:

Long-term debts	2,119,280	867,111
Lease liabilities	603,548	578,190
Deferred income	37,709	41,899
Provision for mine rehabilitation and decommissioning	791,060	823,962
Deferred income tax liabilities - net	468,263	511,428
Pension liability	435,443	624,110
Total Noncurrent Liabilities	4,455,303	3,446,700
Total Liabilities	9,228,223	15,371,682

(Forward)

	December 31	
	2022	2021
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	1,400,235	599,215
Cost of share-based payment plan	522,837	473,442
Asset revaluation surplus	30,182	30,565
Net valuation gains (losses) on financial assets at FVOCI	(5,934)	3,363
Retained earnings:		
Unappropriated	18,618,593	16,710,460
Appropriated	135,000	135,000
Treasury stock	(134,014)	(134,014)
	35,688,635	32,939,767
Non-controlling Interests (NCI)	4,842,184	3,389,433
Total Equity	40,530,819	36,329,200
TOTAL LIABILITIES AND EQUITY	₱49,759,042	₱51,700,882

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings per Share)

	Years Ended December 31		
	2022	2021	2020
REVENUES			
Sale of ore and limestone	₱25,739,009	₱26,099,020	₱20,456,629
Services and others	1,490,693	797,163	1,026,794
Sale of power	773,448	507,932	288,158
	28,003,150	27,404,115	21,771,581
COSTS			
Cost of sales	7,930,989	7,611,841	7,519,981
Services	902,235	321,622	328,562
Power generation	403,893	361,121	313,250
	9,237,117	8,294,584	8,161,793
OPERATING EXPENSES			
Excise taxes and royalties	2,486,312	2,705,929	2,244,402
Shipping and loading costs	2,161,858	2,255,570	2,122,779
General and administrative	1,306,278	1,145,907	1,117,666
Marketing	172,124	209,121	208,078
	6,126,572	6,316,527	5,692,925
FINANCE INCOME	188,622	162,075	238,293
FINANCE EXPENSES	(306,783)	(244,081)	(274,502)
EQUITY IN NET INCOME OF ASSOCIATES	942,143	557,863	190,447

OTHER INCOME (CHARGES) - net	841,806	701,593	(263,209)
INCOME BEFORE INCOME TAX	14,305,249	13,970,454	7,807,892
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	3,604,509	3,162,852	2,564,732
Deferred	(175,373)	169,428	(245,882)
	3,429,136	3,332,280	2,318,850
NET INCOME	₱10,876,113	₱10,638,174	₱5,489,042
Net income attributable to:			
Equity holders of the parent	₱7,931,150	₱7,812,575	₱4,068,732
NCI	2,944,963	2,825,599	1,420,310
	₱10,876,113	₱10,638,174	₱5,489,042
Basic/Diluted Earnings Per Share	₱0.58	₱0.57	₱0.30

About Nickel Asia Corp.

Nickel Asia Corp. (PSE: NIKL) is a diversified natural resources development company in the Philippines, comprising five operating and three exploratory mines with interests in the country's only two high-pressure acid leach plants and in a renewable energy subsidiary. Here at NAC, our aim is to contribute to sustainable national development by adopting our ESG roadmap in order to achieve the highest standards in the responsible utilization of our country's natural resources. Our mines produce two types of saprolite ore: high-grade and mid-grade. Most of our high-grade saprolite ore is used as feed for ferronickel smelters while our mid-grade saprolite ore is used as feed for electric furnaces to produce high- and medium-grade nickel pig iron. Our renewable energy subsidiary aims to engage in power generation exclusively from renewable sources. In a short period of time, we have built up through acquisitions a portfolio of renewable energy service contracts across solar, onshore wind, and geothermal which are at various stages of development. Through our operations and along with our partners of over 1,000 employees across communities, we aim to help bring products that would move the world towards a progressive and sustainable future, always conscious of being stewards of the environment where we operate. Learn more at www.nickelasia.com and follow us on Twitter, Facebook, and LinkedIn.