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PRESS RELEASE

NICKEL ASIA CORPORATION ANNOUNCES P3.83B NET INCOME FOR H1 2022, UP 41% YoY

Taguig, August 4, 2022 – Nickel Asia Corporation (NAC) (PSE:NIKL), the Philippines' largest producer of lateritic nickel ore, reported a 41-percent increase in attributable net income for the first semester this year.

Based on unaudited financial and operating results for the six-month period ended June 30, 2022, attributable net income increased to P3.83 billion from P2.73 billion while earnings before interest, tax, depreciation, and amortization (EBITDA) increased by 19 percent to P6.33 billion from P5.32 billion the year prior.

Despite lower ore volume sold during the period, revenues increased by 7 percent to P11.78 billion from P11.01 billion last year, owed largely to higher nickel ore prices and favorable exchange rates.

NAC's four operating mines sold a combined 6.95 million wet metric tons (WMT) of nickel ore during the first half of the year, down 16 percent from 8.30 million WMT in the same period last year.

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

The weighted average nickel ore sales price over the first half of year 2022 rose by 18 percent to \$30.03 per WMT against \$25.54 per WMT in the same period last year. The Company also realized P52.56 per US dollar from these nickel ore sales, a 9-percent increase from P48.25 last year.

Breaking down the ore sales, the Company exported 3.12 million WMT of saprolite and limonite ore at the average price of \$42.05 per WMT during the six-month period compared to 4.55 million WMT at \$37.62 per WMT in the same period last year.

Likewise, the Company delivered 3.83 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 \$12.52 per pound of payable nickel. This compares to 3.74 million WMT at \$7.92 per pound of payable nickel in 2021. Expressed in US dollar per WMT, the average price for the deliveries to the HPAL plants were \$20.23 and \$10.85 in the first half of 2022 and 2021, respectively.

“The first half of 2022 was not without its challenges especially for our mining operations, brought about by weather conditions at our mine sites, particularly in Surigao, and continuing lockdowns in China, our major market,” said Martin Antonio G. Zamora, President and CEO. “However, the higher LME nickel price and stronger US dollar tempered the impact on our revenues.”

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 P1.09 billion against P244.1 million year-on-year.

The stronger US dollar further enabled NAC to log a 353-percent hike in net foreign exchange gains from its foreign currency-denominated net financial assets to P863.5 million from P190.6 million the year prior.

Total operating cash costs decreased by 2 percent year-on-year to P5.19 billion from P5.32 billion last year. On a per-WMT sold basis, total operating cash costs increased to P747 per WMT compared to P641 per WMT in 2021.

For the Company’s renewable energy business, its subsidiary, Emerging Power, Inc. (EPI) energized in June 2022 another 38-megawatt (MW) solar farm in Subic, Zambales, bringing total capacity on this site to 100MW. For 2022, the Subic plant has been operating at an 18-19% plant efficiency factor with 90% of generation contracted under power sales agreements. EPI has realized an average tariff of P4.65 per kilowatt hour. EPI has another 100MW service contract for the Subic site and will commence construction of a 68-MW farm in August. Completion is expected by the third quarter of next year.

EPI was also chosen by Shell Overseas Investments B.V. to be its exclusive local partner in a solar, onshore wind, and battery storage joint venture that aims to contribute up to 3GW into the Philippines’ renewable capacity. NAC is evaluating a range of financing alternatives including accessing global debt capital markets to raise EPI’s share of the equity required for an initial 1GW target by 2028, among other uses. The Company’s strong financial position will allow it to be opportunistic in evaluating funding options that meet the primary objective of maintaining a flexible low-cost capital structure.

“We remain confident that our mining and renewable energy businesses provide a solid foundation on which to realize the OneNAC Vision’s twin objectives, which is to become the premier ESG investment in the country and to be counted among the Top 25 PSE-listed companies in terms of market capitalization by 2025,” said Zamora.

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.

Disclaimer

This press release includes forward-looking statements. Such forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

The reader is cautioned not to rely on such forward-looking statements, which speak only as of the date they were made. All subsequent forward-looking statements attributable to the Company, its affiliates or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referred to in this press release.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022

(With Comparative Audited Figures as at December 31, 2021)

(Amounts in Thousands)

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱11,582,155	₱10,826,806
Trade and other receivables	2,977,323	1,971,096
Inventories	2,395,109	2,242,932
Financial assets at:		
Fair value through profit or loss (FVTPL)	4,737,740	5,266,080
Fair value through other comprehensive income (FVOCI)	532,400	1,122,284
Prepayments and other current assets	2,996,031	2,581,867
Total Current Assets	25,220,758	24,011,065
Noncurrent Assets		
Property and equipment	17,297,982	17,238,357
Investments in associates	5,385,718	3,812,554
Geothermal exploration and evaluation assets	1,876,598	1,849,936
Financial assets at - net of current portion:		
FVTPL	718,683	731,813
Amortized cost	460,000	460,000
Deferred income tax assets - net	339,682	309,746
Long-term stockpile inventory - net of current portion	42,535	42,535
Other noncurrent assets	3,504,548	3,244,876
Total Noncurrent Assets	29,625,746	27,689,817
TOTAL ASSETS	₱54,846,504	₱51,700,882
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱8,933,356	₱9,226,190
Short-term debts	1,498,515	1,492,916
Income tax payable	935,093	773,450
Other current liability	300,731	300,731
Current portion of:		
Long-term debt	96,206	89,248
Lease liabilities	24,196	35,754
Long-term payable	6,846	6,693
Total Current Liabilities	11,794,943	11,924,982
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	2,166,601	867,111
Lease liabilities	587,359	578,190
Deferred income	39,804	41,899
Provision for mine rehabilitation and decommissioning	833,283	823,962
Pension liability	695,882	624,110
Deferred income tax liabilities	569,282	511,428
Total Noncurrent Liabilities	4,892,211	3,446,700
Total Liabilities	16,687,154	15,371,682

(Forward)

	June 30, 2022	December 31, 2021
	(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	1,007,531	599,215
Cost of share-based payment plan	479,677	473,442
Asset revaluation surplus	30,374	30,565
Net valuation gains (losses) on financial assets at FVOCI	(2,687)	3,363
Retained earnings:		
Unappropriated	17,546,695	16,710,460
Appropriated	135,000	135,000
Treasury stock	(134,014)	(134,014)
	34,184,312	32,939,767
Non-controlling Interests (NCI)	3,975,038	3,389,433
Total Equity	38,159,350	36,329,200
TOTAL LIABILITIES AND EQUITY	₱54,846,504	₱51,700,882

NICKEL ASIA CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME****FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021****(Amounts in Thousands, Except Earnings per Share)**

	2022	2021
	(Unaudited)	
REVENUES		
Sale of ore and limestone	₱11,065,099	₱10,351,818
Services and others	415,448	411,246
Sale of power	296,905	247,866
	11,777,452	11,010,930
COSTS		
Cost of sales	3,416,464	3,532,239
Services	189,539	196,589
Power generation	183,417	179,761
	3,789,420	3,908,589
OPERATING EXPENSES		
Excise taxes and royalties	965,704	974,627
Shipping and loading costs	865,528	1,054,869
General and administrative	595,383	479,255
Marketing	44,655	70,978
	2,471,270	2,579,729
FINANCE INCOME	42,969	103,649
FINANCE EXPENSES	(126,826)	(121,871)
EQUITY IN NET INCOME OF ASSOCIATES	1,092,792	244,056
OTHER INCOME – Net	378,867	216,949
INCOME BEFORE INCOME TAX	6,904,564	4,965,395
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	1,603,266	954,963
Deferred	(44,138)	149,025
	1,559,128	1,103,988
NET INCOME	₱5,345,436	₱3,861,407
Net income attributable to:		
Equity holders of the parent	₱3,834,831	₱2,727,146
NCI	1,510,605	1,134,261
	₱5,345,436	₱3,861,407
Basic/Diluted Earnings Per Share	₱0.28	₱0.20