

NICKEL

INDUSTRIES

**QUARTERLY ACTIVITIES PRESENTATION
FOR THE PERIOD ENDED
30 September 2023**

Increased production and lower costs contribute to record EBITDA from operations of US\$120.7M

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Increased production and lower costs contribute to record EBITDA from operations of US\$120.7M

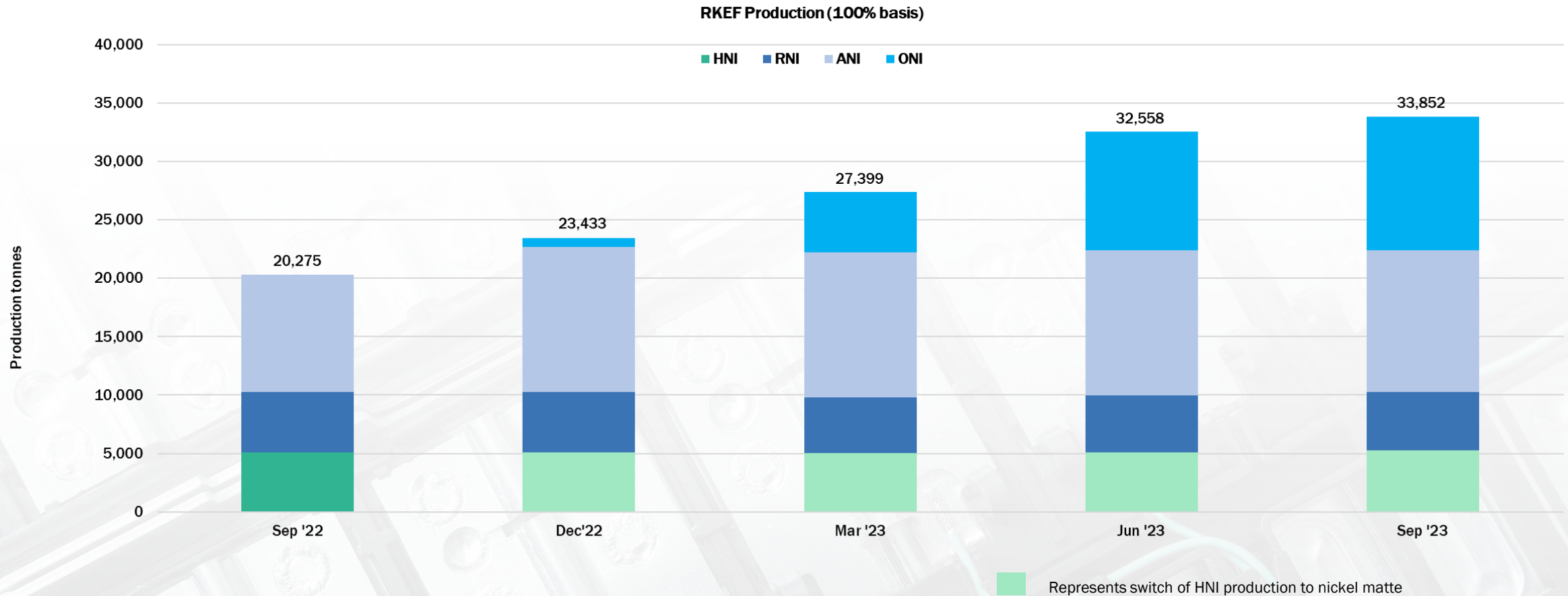
- Record RKEF nickel metal production of 33,852 tonnes (100% basis)
 - 4.0% higher than June quarter (32,558 tonnes)
- Record attributable production of 28,132 tonnes
 - 26,692 tonnes from RKEF operations
 - 1,410 tonnes from HPAL operations (representing maiden contribution of attributable nickel tonnes from HNC)
- RKEF EBITDA of US\$97.6M
 - 117.2% higher than June quarter (US\$43.9M) despite an ~US\$500/t decrease in weighted average contract pricing
 - costs at all operations lower (between 13-22%) driven primarily by declining nickel ore, coal and electricity prices
 - production-weighted margins (EBITDA/tonne sold) of US\$2,849/t, up 85.8% from US\$1,533/t in March quarter, with ANI and ONI margins at US\$3,247/t and US\$3,502/t respectively
- Record Hengjaya Mine ore production of 3,629,990 wmt
 - 33.3% higher than 2,722,561 in June quarter - saprolite 1,013,949 wmt / limonite 2,616,041 wmt
 - increased sales expected in the near-term with the HM to IMIP haul road now operational (~11M tonnes of limonite stockpiled)
- Record Hengjaya Mine EBITDA of US\$23.1M
 - 93.6% higher than June quarter (US\$12.0M) despite lower realised ore prices

September quarter 2023 financial results

Presented on a 100% basis unless otherwise stated	Units	September quarter 2023 results	Movement (Sep '23 vs. Jun'23)	June quarter 2023 results
RKEF production	Nickel metal tonnes	Record 33,852	+4.0%	32,558
- NPI production	Nickel metal tonnes	28,561	+4.0%	27,454
- Matte production	Nickel metal tonnes	5,291	+3.7%	5,104
NIC attributable RKEF production	Nickel metal tonnes	26,692	+6.6	25,032
NIC attributable HPAL production	Nickel metal tonnes	1,410	n/a	n/a
RKEF sales	Nickel metal tonnes	34,263	+7.7%	31,817
RKEF EBITDA	US\$M	97.6	+122.3%	43.9
Hengjaya Mine production	wmt	Record 3,629,990	+33.3%	2,722,561
Hengjaya Mine EBITDA	US\$M	Record 23.1	+93.6%	12.0
Cash balance	US\$M	827.6	+127.9%	363.1

Note: Figures reflect unaudited numbers from monthly operating entity financial reporting.

Continued growth in production



- Record RKEF quarterly production of 33,852 tonnes of nickel metal (+4% from June quarter), comprising 28,561 tonnes in NPI and 5,291 tonnes in low-grade nickel matte
- In addition, attributable 1,410 tonnes of MHP from HNC, representing NIC's share of 2 months of production since completion of the acquisition of a 10% equity interest in August
- ONI ramp-up to steady-state production is now complete

Record quarter of production at Hengjaya Mine

Production summary		June quarter	September quarter
Saprolite mined	wmt	692,937	1,013,949
Limonite mined	wmt	2,029,624	2,616,041
Nickel ore mined	wmt	2,722,561	3,629,990
Overburden mined	BCM ⁽¹⁾	226,798	332,155
Strip ratio	BCM/wmt	0.08	0.09
Saprolite EBITDA		\$M	\$M
		9.2	15.2
Limonite EBITDA		\$M	\$M
		2.8	7.9

- Record quarterly production of 3,629,990 wmt, up 33.3% from June quarter
 - saprolite production of 1,013,949 wmt, up 46.3%
 - limonite production of 2,029,624 wmt, up 28.9%
 - increased sales expected in the near-term with the Hengjaya Mine to IMIP haul road now operational (~11M tonnes of limonite stockpiled)
- Quarterly EBITDA of US\$23.1M, up 92.5% despite lower realised ore prices



Aerial view of Central Pit at Hengjaya Mine



Hengjaya Mine nursery for rehabilitation

Note: Figures reflect unaudited numbers from monthly operating entity financial reporting.

(1) BCM represents "bank cubic metres".

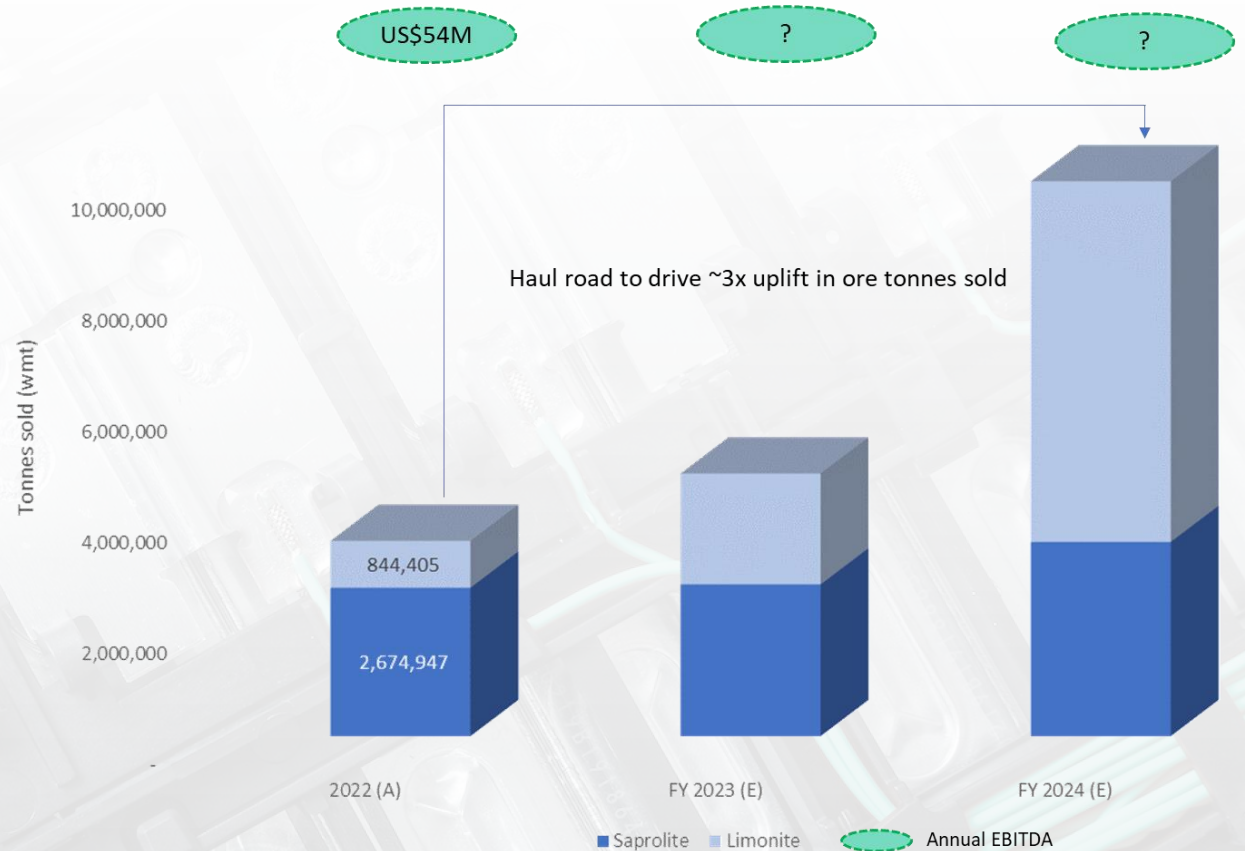
Hengjaya Mine to IMIP haul road is now complete

- In August 2023, the Company announced the completion of the Hengjaya Mine to IMIP haul road
- The haul road features a 70-metre double lane bridge with public road underpass near the entrance of the IMIP
- Haulage tenders now finalised – first ore commenced trucking in late September
- Haul road to transform mining operations, alleviating previous bottlenecks with barging and jetty capacity
- Ore sales volumes expected to increase from current levels of ~3.5M wmt pa to >10M wmt pa (~6.5M wmt limonite / 3.5M wmt saprolite)



Deputy Chairman Norman Seckold and Managing Director Justin Werner officially open the Hengjaya Mine to IMIP Haul Road with Tsingshan Chairman Xiang Guangda

Hengjaya Mine – Ore tonnes sold

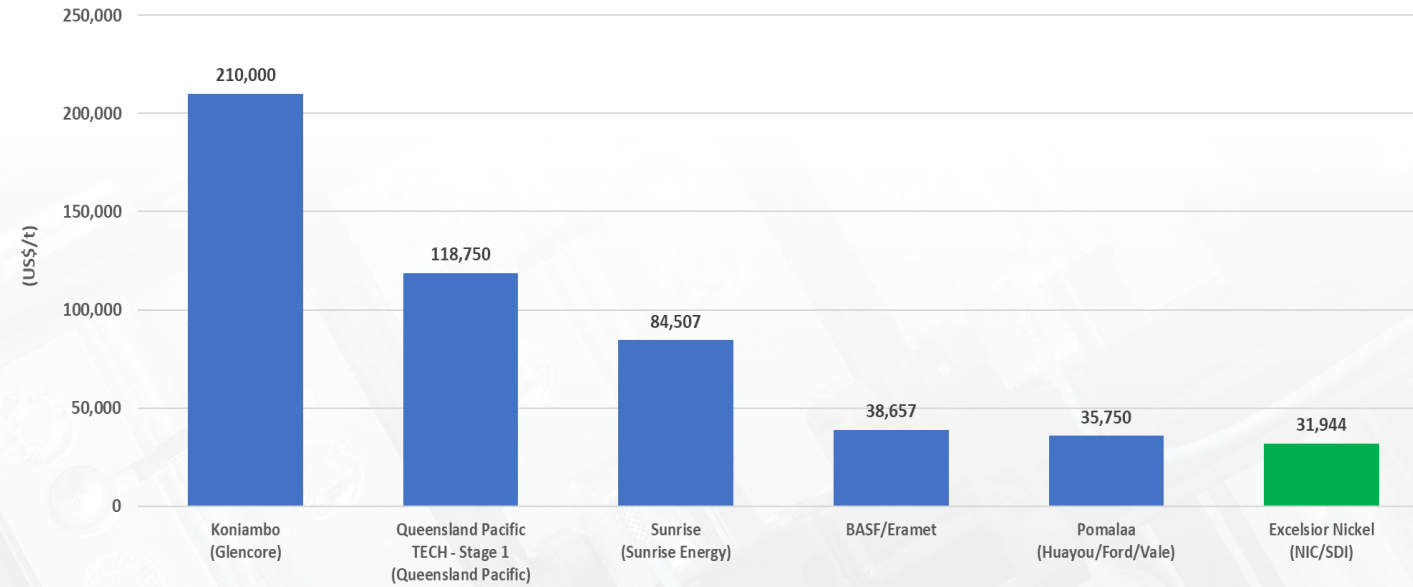


Excelsior Nickel Project (ENC) – positive final investment decision

Positive final investment decision taken in October 2023

- Collaboration agreement with Shanghai Decent to build a “next generation” 72kt HPAL plant
 - Project will be capable of producing MHP, nickel sulphate and nickel cathode, differentiating from other HPAL projects
- NIC to own 55% with Shanghai Decent to own 45%
 - interests may dilute upon the introduction of a strategic partner (Global offtake/investment process underway with strong interest from EV and battery manufacturers)
- “Capex Guarantee” of US\$2.3bn
 - Guarantee includes tailings facility, sulphuric acid plant and other supporting infrastructure
 - Guarantee is more than just EPC construction costs, includes commissioning and ramp-up of Project to nameplate capacity
- “Timeframe guarantee” of not more than 2 years to construct
- 15-year corporate income tax holiday confirmed

Comparison of HPAL capex intensity

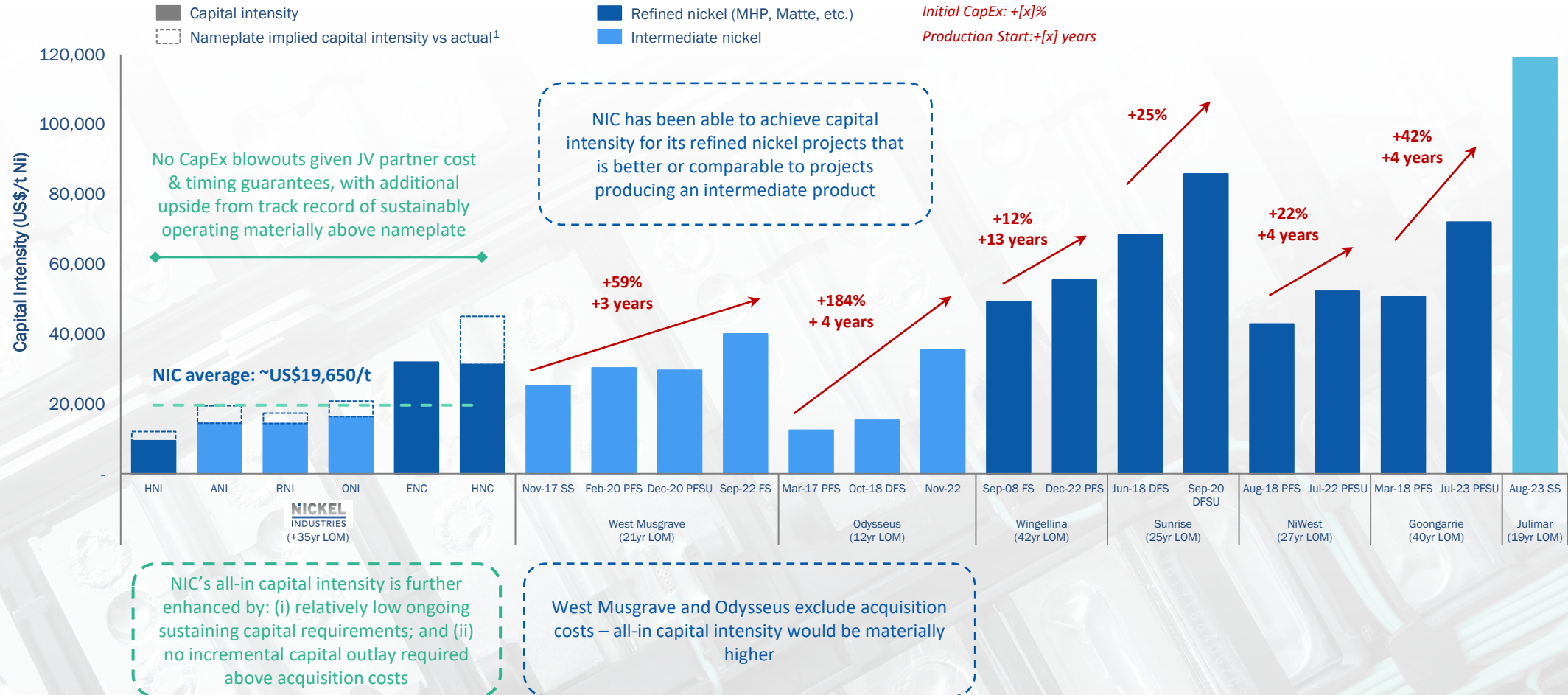


- ENC Project is ‘fully funded’ with NIC’s 55% share (US\$1.265B) covered by:
 - existing cash on balance sheet
 - A\$943M (~US\$620M) placement to United Tractors
 - US\$400M loan facilities from BNI
 - cash flow from existing operations (RKEF, Hengjaya Mine, HNC)

The true value of a “capex” guarantee

There are many recent examples of material cost inflation for development projects owned by ASX listed companies, both in the nickel complex and more broadly in other commodities

Capital intensity benchmarking – NIC vs. ASX-listed nickel development projects



Source: Company filings and Wood Mackenzie

(1) NIC actual capacity based on Q3 2023 results annualized; (2) ENC Stage 1 only.

Illustrative overview of funding for Excelsior Nickel Cobalt over the next two years

Funding required	US\$M
ENC acquisition (55% of US\$2.3Bn)	1,265
April 2024 bonds	245
Debt servicing ⁽¹⁾	302
NIC dividends ⁽²⁾	223
General corporate purposes ⁽³⁾	50
Total funding required	2,085

Funding sources	US\$M
Current cash (attributable) ⁽⁴⁾	807
Interest on attributable cash ⁽⁵⁾	81
BNI loan facilities	400
April 2024 bond refinancing ⁽⁶⁾	245
Required cash flow from existing operations (8 quarters)	552
Total funding sources	2,085

- Required cash flow from existing operations of US\$552M = US\$69M/quarter
- NIC's existing operations include:
 - **12 RKEF lines**
 - operating at steady-state production; produced 33,852t Ni for the September quarter
 - RKEF EBITDA of US\$97.6M for September quarter, at a weighted average margin of US\$2,849/t sold
 - **Hengjaya Mine**
 - HM EBITDA of US\$23.1M for the September quarter
 - limonite trucking on haul road commenced in the month of September
 - **HNC interest**
 - 1,410t attributable Ni produced for 2 months since acquisition
 - financial contribution of production is not included in the September quarter financials

(1) Includes estimated interest on potential new bonds from an expected April 2024 bond refinancing (refer footnote 6 below)

(2) A dividend of A\$0.02/share per half year has been assumed for illustrative purposes only - there is no guarantee that any dividends (or the quantum) will be paid in the future. Refer Company dividend policy in ASX release dated 9 July 2021

(3) US\$25M per annum assumed for illustrative purposes only

(4) Cash as at 30 September 2023, attributable to NIC only

(5) Interest on cash assumed at 5% per annum for two years

(6) A refinancing of the April 2024 bonds have been assumed as a 'base case' - there is no guarantee that the Company will pursue a refinancing - any decision will depend on prevailing market conditions

Completion of placement with PT United Tractors

- Extraordinary General Meeting (EGM) held on 8 September 2023 – approved the placement of 857M new fully paid ordinary shares at A\$1.10 per share to PT Danusa Tambang Nusantara (DTN), a subsidiary of United Tractors, representing 19.99% of the Company's issued capital
- Mr Muliady Sutio appointed as a Non-Executive Director of the Company, as a representative of United Tractors

Completion of HNC HPAL and Oracle Nickel acquisitions

- Shanghai Decent was issued 381,365,628 ordinary shares in Nickel Industries at an issue price of \$1.02 in satisfaction of the Company's US\$270M acquisition price for its 10% equity interest in the Huayue Nickel Cobalt (HNC) HPAL project
- The Company paid US\$75M cash to Shanghai Decent as consideration for the acquisition of an additional 10% equity interest in Oracle Nickel Project (increasing from 70% to 80%)
- The Company paid US\$40M cash to Shanghai Decent to secure:
 - option to invest in the Excelsior Nickel Cobalt HPAL project (US\$25M)
 - option to invest in high-grade matte converter at Oracle Nickel (US\$15M)
- Both options secure access to proprietary technology and experienced technical teams from Shanghai Decent to support the future success of these projects

US\$400m loan facilities with leading Indonesian bank

- US\$400M loan facilities with PT Bank Negara Indonesia (Persero) Tbk (BNI), a tier-1 Indonesian Bank, to support the Company's funding obligations in relation to the ENC Project
- Facility comprises a 5-year senior term loan facility of US\$350M, split across two tranches:
 - tranche A: US\$200m (secured against the Company's Angel Nickel Project and associated shareholder loans); and
 - tranche B: US\$150m (unsecured)
- In addition, the Company has secured a US\$50M revolving credit facility (RCF), for general working capital purposes
- These facilities, along with placement funds of A\$942.7M (~US\$620M) from United Tractors, in addition to the Company's existing cash and strong ongoing cash flows from its existing operations, leave the Company comfortably positioned to fund its share of the ENC acquisition payments (US\$1.265 billion) over the Project construction period of 2023 to 2025

'BBB' MSCI rating

- Recently awarded a 'BBB' rating from MSCI – the highest ESG rating given to an Indonesian based metals and mining company

TrenAsia ESG Award

- Recently won the 2023 TrenAsia ESG Award for excellence in the nickel sector

Execution of binding agreement for solar project at IMIP

- Binding Operational Lease and Service Agreement (OLSA) signed with PT Sumber Energi Surya Nusantara (SESNA) with respect to the development, installation, operation and maintenance of a 200MWp + 20MWh battery solar project within the IMIP
- This solar project is designed to supply electricity to the Company's existing RKEF operations, along with the future ENC Project, and represents a transition of the Company's operations to renewable energy sources and signals its commitment to a more sustainable future for Indonesia's mining industry
- Under the terms of the OLSA, Nickel Industries will be the long-term offtake partner for SESNA and will not be required to contribute any capital funding. The indicative tariff for electricity (expressed as US cents per kWh), is currently competitive with the Company's existing power costs, with the electricity pricing expected to remain constant over the life of the project
- This solar project supplements the Company's existing 450kWp plus 250kWh battery storage project at the Hengjaya Mine (also in partnership with SENS) which replaced diesel-powered generators and expected to reduce diesel consumption by approximately 31 million litres over the 25-year projected project life

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