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The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(6 pages by email)

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**CONDITIONAL SHARE PLACEMENT AND EXECUTION OF COLLABORATION  
AGREEMENT WITH PT UNITED TRACTORS SUBSIDIARY  
PT DANUSA TAMBANG NUSANTARA**

**CONDITIONAL EXPANSION OF  
THE EXCELSIOR NICKEL COBALT PROJECT ('ENC')**

**Transaction Highlights**

- Conditional 19.99% placement to PT United Tractors Tbk ('UT'), through its subsidiary, PT Danusa Tambang Nusantara ('DTN') at A\$1.10 per share raising proceeds of A\$943 million (US\$628 million), representing a 27.2% premium to Nickel Industries' last traded price.
- Nickel Industries and DTN have executed a Collaboration Agreement covering a conditional 20% direct investment in the ENC Project, as well as potential future Indonesian nickel mining and processing initiatives.
- UT with its deep local knowledge and network as well as industry expertise is an ideal long-term partner to support Nickel Industries in its future growth plans.

Commenting on the conditional placement and the execution of the Collaboration Agreement with DTN, Nickel Industries' Managing Director Justin Werner said:

*"We are delighted to welcome DTN and the wider UT Group as a strategic shareholder of the Company. We believe that benefits of collaboration with UT are significant for Nickel Industries and will enable us to partner with a large and influential Indonesian mining company to jointly pursue growth opportunities in Indonesian Nickel, of which we believe there are many. UT with its significant mining, power and infrastructure development and operating experience in Indonesia, substantial financial resources, and long-term return focus, will add substantial value to us in helping to achieve the Board's vision to build Nickel Industries into the leading global diversified nickel company."*

*We are also delighted to report that Shanghai Decent has informed Nickel Industries of its intention to increase the expected production of Stage 1 of the ENC project by an additional 10% from 67,000 to 72,000 metric tons of contained nickel equivalent with no reciprocal increase to the capex guarantee, further reducing its capital intensity and enhancing the project's economics."*

## Conditional Placement

The Directors of Nickel Industries Limited ('Nickel Industries' or 'the Company') are pleased to advise that the Company has entered into a conditional share subscription agreement ('Subscription Agreement') for a A\$943 million (US\$628 million) placement of shares in Nickel Industries to DTN ('Conditional Placement').

The Conditional Placement will comprise the issuance of 857 million new fully paid ordinary shares ('New Shares') at A\$1.10 per New Share ('Placement Price'), representing a 27.2% premium to the last traded price of A\$0.87 on Thursday, 8 June 2023. Immediately following the completion of the Conditional Placement, the New Shares will represent approximately 19.99% of the Company's total ordinary shares outstanding.

UT will have the right to appoint a director to the Nickel Industries Board on completion of the Subscription Agreement.

The Conditional Placement is conditional on Nickel Industries shareholder approval, and completion of the HNC Placement (refer to 'Update on the ENC Project' below) on or before 29 September 2023.

## Collaboration Agreement with DTN

In addition, the Directors of the Company are pleased to announce that the Company has executed a conditional Collaboration Agreement with DTN. Under the terms of the Collaboration Agreement, DTN intends to participate in the acquisition of a 20% equity interest in the ENC Project, reducing Nickel Industries' investment in the ENC Project by a similar amount. The Collaboration Agreement is subject to certain conditions precedent including completion of a feasibility study and Nickel Industries making a final investment decision ('FID') to proceed with the ENC Project. If the conditions precedent are not satisfied by 29 September 2023 either party may terminate the Collaboration Agreement.

## Benefits of Collaboration with United Tractors and DTN

- **UT adds local knowledge and operational expertise:** UT is one of the largest heavy equipment distributors and mine operators in Indonesia and has deep knowledge of the Indonesian mining landscape.
- **Financial firepower:** DTN's investment provides Nickel Industries with an immediate capital injection of A\$943 million, strengthens Nickel Industries' balance sheet, and assuming that DTN invests in the ENC Project, reduces Nickel Industries' capital commitment for the ENC Project, and brings the ENC project closer to realisation.
- **Potential expansion of the ENC Project:** Collaboration with UT and DTN also provides the potential opportunity to investigate doubling the expected production of the ENC Project via Stage 2 Expansion (as defined below), which would further establish Nickel Industries as a leading global and diversified nickel company.

## Update on the ENC Project

### *Stage 1*

The Company is well advanced with the feasibility study that will allow the Nickel Industries Board of Directors to make a FID with respect to the ENC Project. The expected production has increased from 67,000 metric tons of contained nickel equivalent, to 72,000 metric tons. Despite the production increase, the total subscription price from Shanghai Decent has remained fixed at US\$2.3 billion. In addition, Shanghai Decent will provide Nickel Industries with capital expenditure, timeframe and commissioning guarantees.

In addition to producing a mixed hydroxide precipitate ('MHP'), ENC will be capable of producing both nickel sulphate and nickel cathode, differentiating it from the current generation of HPAL plants currently being constructed across Indonesia, and providing the Company with significant product flexibility through the cycle. The ENC Project will benefit from existing Indonesia Morowali Industrial Park infrastructure and be supported from existing and future laterite resources that the Company has identified.

Nickel Industries' investment in the ENC Project is subject to the following:

- shareholder approval for the placement to Shanghai Decent in exchange for the acquisition by Nickel Industries of an indirect 10% equity interest in PT Huayue Nickel Cobalt Project ('HNC') from Newstride Development Limited, an entity affiliated with Shanghai Decent ('HNC Placement') – the extraordinary general meeting ('EGM') for the shareholder approval is scheduled for 5 July 2023;
- completion of the feasibility study for the ENC Project;
- shareholder approval for the investment in the ENC Project; and
- execution of definitive ENC Project documents.

Construction of the ENC Project is expected to commence in Q4 FY23, and commissioning to commence within twenty-four months thereafter. Subject to the Company making a positive FID and receiving all necessary shareholder approvals, and DTN participating in the ENC Project, the Company anticipates owning a 55.0% equity interest in the ENC Project, with Shanghai Decent owning 25.0%, and United Tractors owning 20.0%.

### *Stage 2*

With the introduction of DTN as a major shareholder and potential operating partner of Nickel Industries, Nickel Industries and Shanghai Decent are investigating the expansion of the ENC Project – such expansion would result in an increase in expected production from 72,000 tons to 144,000 tons of contained nickel equivalent ('Stage 2 Expansion'). The Stage 2 Expansion will be subject to a positive FID by the respective shareholders of Stage 1 of the ENC Project, with the ownership interests expected to match those of Stage 1<sup>1</sup>.

### **Sources and Uses of Funds**

The proceeds from the Conditional Placement, combined with the potential reduction in Nickel Industries' capital expenditure commitment for the ENC Project, position the Company strongly for growth. If the Company decides to proceed with an investment in the ENC Project, it will explore various options to raise third party debt to partly fund the ENC project. No further equity issuance is expected to be required by the Company to fund Stage 1 or Stage 2 of the ENC Project<sup>1</sup>.

Commenting on the investment by UT in Nickel Industries and the announcement of future collaboration between UT, Nickel Industries, and Shanghai Decent, United Tractors President Director Mr Frans Kesuma commented:

*“The acquisition of a strategic minority stake in Nickel Industries is another important step in the diversification of our business. It builds on our integrated nickel strategy and our broader Group’s continued expansion in the electric vehicle supply chain.”*

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<sup>1</sup> Assuming that DTN invests in the ENC Project

Commenting on the investment by DTN in Nickel Industries and the announcement of future collaboration between United Tractors and Nickel Industries, Shanghai Decent Chairman Mr Weifeng Huang commented:

*“We are delighted to welcome UT as a fellow shareholder in Nickel Industries and as a future partner in the ENC Project. UT is one of Indonesia’s largest public companies with deep knowledge and expertise of the Indonesian mining landscape. This partnership with UT, reaffirms Nickel Industries’ position as a champion of sustainably produced nickel, building on Shanghai Decent’s extensive experience in HPAL technology, to jointly achieve our collective ambition of promoting the long-term growth of Indonesia’s Nickel Industry and delivering value for our shareholders.”*

**Conditional Placement Process**

The Company will shortly seek shareholder approval for the issuance of new shares to DTN and the investment in the ENC Project (if the Company has made an investment decision at the time the meeting materials are dispatched) with a Notice of Meeting expected to be issued shortly.

The timetable for the completion of the Conditional Placement below is indicative only and subject to change. Nickel Industries reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).

Event	Date
Announcement of Conditional Placement and Collaboration Agreement	Friday, 9 June 2023
Shareholder meeting to approve the HNC Placement	Wednesday, 5 July 2023
Shareholder meeting to approve the Conditional Placement	Q3 FY23
Allotment of new ordinary shares under the Conditional Placement	Q3 FY23

HSBC is acting as financial advisor to Nickel Industries.

## About Nickel Industries and United Tractors

### Nickel Industries

Nickel Industries is an ASX listed company incorporated in September 2007. The Company has become a globally significant, low-cost producer of nickel pig iron ('NPI'), a key ingredient in the production of stainless steel, as well as recently moving into the production of nickel matte for the electric vehicle battery market. The Company has established a financial, operational and strategic partnership with China's Shanghai Decent and the broader Tsingshan group, the world's largest stainless-steel producer.

The Group's principal operations, located in Indonesia, are the Hengjaya Nickel (80% stake), Oracle Nickel (70% stake) and Ranger Nickel (80% stake) rotary kiln electric furnace ('RKEF') projects located within the Indonesia Morowali Industrial Park ('IMIP'), the Angel Nickel RKEF Project (80% interest) at the Indonesia Weda Bay Industrial Park ('IWIP') and the Hengjaya Mine, a large tonnage, high grade nickel laterite deposit in close proximity to the IMIP.

### PT Danusa Tambang Nusantara

DTN is a wholly owned subsidiary of UT and acts as a holding company for UT's mineral business. Currently, DTN's focus is to expand its business in gold and nickel commodities.

### United Tractors

UT, which is known as the largest heavy equipment distributor in Indonesia, has been established since 1972. UT has five business pillars, namely Construction Machinery, Mining Contracting, Mining, Construction Industry, and Energy.

UT is a 59.5% subsidiary of PT Astra International Tbk, a well-established and one of the largest business groups in Indonesia with robust experience of serving various industries and sectors.

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### Important Notices

The release of this announcement was authorised by the Board of Nickel Industries.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Placement have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward-looking statements and comments about future events, including about the plans, objectives and strategies of Nickel Industries' management, the industry and the markets in which Nickel Industries operates, Nickel Industries' expectations about the financial and operating performance of its businesses, the timetable and outcome of the Proposed Transaction and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections, and other forward-looking statements will not be achieved. A number of important factors could cause Nickel Industries' actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements and many of these factors are beyond Nickel Industries' control. Refer to the investor presentation entitled "*Strategic Partnership with United Tractors*" released to the ASX on Friday, 9 June 2023.

Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty, and other factors, many of which are outside the control of Nickel Industries. As such, undue reliance should not be placed on any forward-looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Industries.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting, or legal advice), is not a recommendation to acquire Nickel Industries shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nickel Industries is not licensed to provide investment or financial product advice in respect of Nickel Industries shares.

This announcement relates to the Proposed Transaction. Nickel Industries will file a Notice of Extraordinary General Meeting in respect of the requisite shareholder approvals. The documents filed by Nickel Industries with ASIC and ASX may also be obtained free of charge at Nickel Industries website at <https://nickelindustries.com/>.