

# BUILDING A NICKEL EMPIRE

Results Presentation

1H 2022

Rapidly expanding RKEF and Mine operations deliver record half year result

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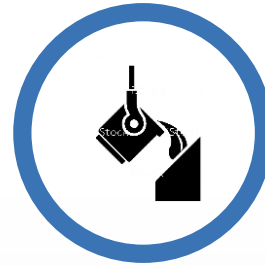
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- Gross Profit of US\$161.2M
- Operating Profit of US\$140.1M
- Profit after Tax of US\$118.4M
- Continued strong conversion of EBITDA to FCF
- Material corporate income tax concessions for both Angel Nickel ('ANI') and Oracle Nickel ('ONI') projects
- Declaration of A\$0.02 per share interim dividend



- 26,733 tonnes Ni production
- Attributable Ni production of 21,386 tonnes
- RKEF sales revenue of US\$511.3M
- RKEF EBITDA of US\$158.6M
- EBITDA margin of US\$6,122/t



- Mine production of >2.3M wmt
- HM EBITDA of US\$27.6M
- Recommencement of limonite ore sales to IMIP HPAL projects
- Haul road under construction to further unlock HM's strategic value to the IMIP



- Completion of US\$212M capital raising
- Successful commissioning and ramp-up of ANI
- Acquisition of initial 30% interest in ONI
- Acquisition of the Siduarsi Nickel-Cobalt Project
- Release of maiden Sustainability Report
- MoUs for 2 solar projects at IMIP and Hengjaya Mine
- Change of Company name to Nickel Industries Limited

All figures in US\$M	HY 2022	HY 2021	▲
Sales Revenue	\$515.0	\$288.7	78%
Gross Profit	\$161.2	\$93.4	73%
Operating Profit	\$140.1	\$88.9	58%
Profit After Tax	\$118.4	\$83.0	43%
Profit Attributable to NIC	\$92.4	\$65.3	42%
EBITDA from RKEF Operations	\$158.6	\$101.3	37%
EBITDA from Mine Operations	\$27.6	\$11.5	140%
Dividends	A\$0.02	A\$0.02	-

- Record 1H financial performance underpinned by:
  - Strong and consistent RKEF production from HNI and RNI
  - Commissioning and ramp-up of ANI
  - Higher realised NPI prices
  - Strong EBITDA margins (US\$6,122/t) despite cost pressures from rising nickel ore, coal and electricity prices
  - Material profit contribution from Hengjaya Mine resulting from significant investment in mine expansion initiatives over the last 2 years
- Declaration of a 1H 2022 interim dividend of A\$0.02 cps (1H 2021 : A\$0.02 cps)
  - Record date - 7 September 2022
  - Payment date - 14 September 2022

## Balance Sheet – conservatively structured with significant flexibility for the future

All figures in US\$M	30 June 2022	31 December 2021
Current Assets	\$518.8	\$385.2
Total Assets	\$2,246.6	\$1,802.6
Current Liabilities	\$143.9	\$73.8
Total Liabilities	\$544.2	\$472.7
Net Assets	\$1,720.3	\$1,329.9
Gross Debt / Total Assets	14.5%	18.0%

- Strong operational performance has underpinned the maintenance of a robust balance sheet.
- As at 30 June 2022:
  - Cash US\$97.9M / (Debt US\$325M)
  - Net debt US\$227.1M
- In August 2022 the Company successfully completed the issuance of US\$225M of Senior Secured Notes to a selection of private credit funds with proceeds to be used to increase its ownership interest in ONI to 70%.
- Total debt now stands at US\$550M
  - US\$325M Senior Unsecured Notes
  - 6.5% semi-annual coupon
  - April 2024 maturity
  - US\$225M Senior Secured Notes
  - 10% pa coupon (payable quarterly)
  - August 2025 maturity

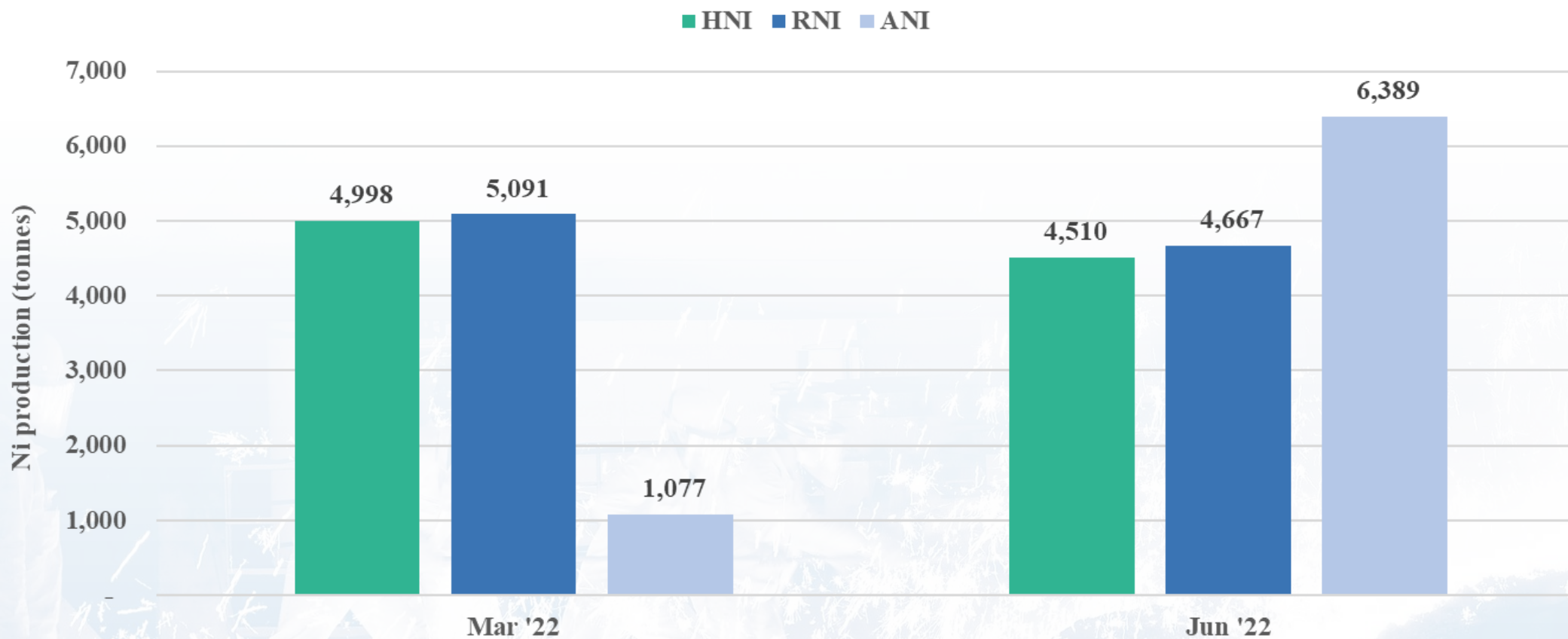
\* Based on Nickel Industries Attributable EBITDA of US\$194M

## RKEF operations deliver a record half year result

EBITDA figures in US\$M EBITDA margins in US\$/t	1H 2022	1H 2021	▲
Hengjaya Nickel Production (Ni tonnes)	9,509	10,073	(5.6%)
Ranger Nickel Production (Ni tonnes)	9,758	10,137	(3.7%)
Angel Nickel Production (Ni tonnes)	7,466	n/a	
Total RKEF Production (Ni tonnes)	26,733	20,210	32.3%
NIC Attributable Production (Ni tonnes)	21,386	16,168	32.3%
Total Ni tonnes sold	25,906	20,862	24.2%
Realised Price per Ni tonne sold	\$19,719	13,838	42.5%
RKEF EBITDA Margin /tonne production	\$6,122/t	\$5,022/t	21.9%

- HNI and RNI production slightly down on pcp due to:
  - Marginally lower NPI grades
  - Power constraints across April/May 2022 as new RKEF lines came online ahead of new power capacity
- Maiden production from ANI
  - All four lines commissioned by May 2022
  - Designated power plant came online in July 2022
  - Currently running at >130% of nameplate capacity
- Significantly higher realised prices outpaced cost increases to deliver material margin expansion

### 1H 2022 RKEF production performance

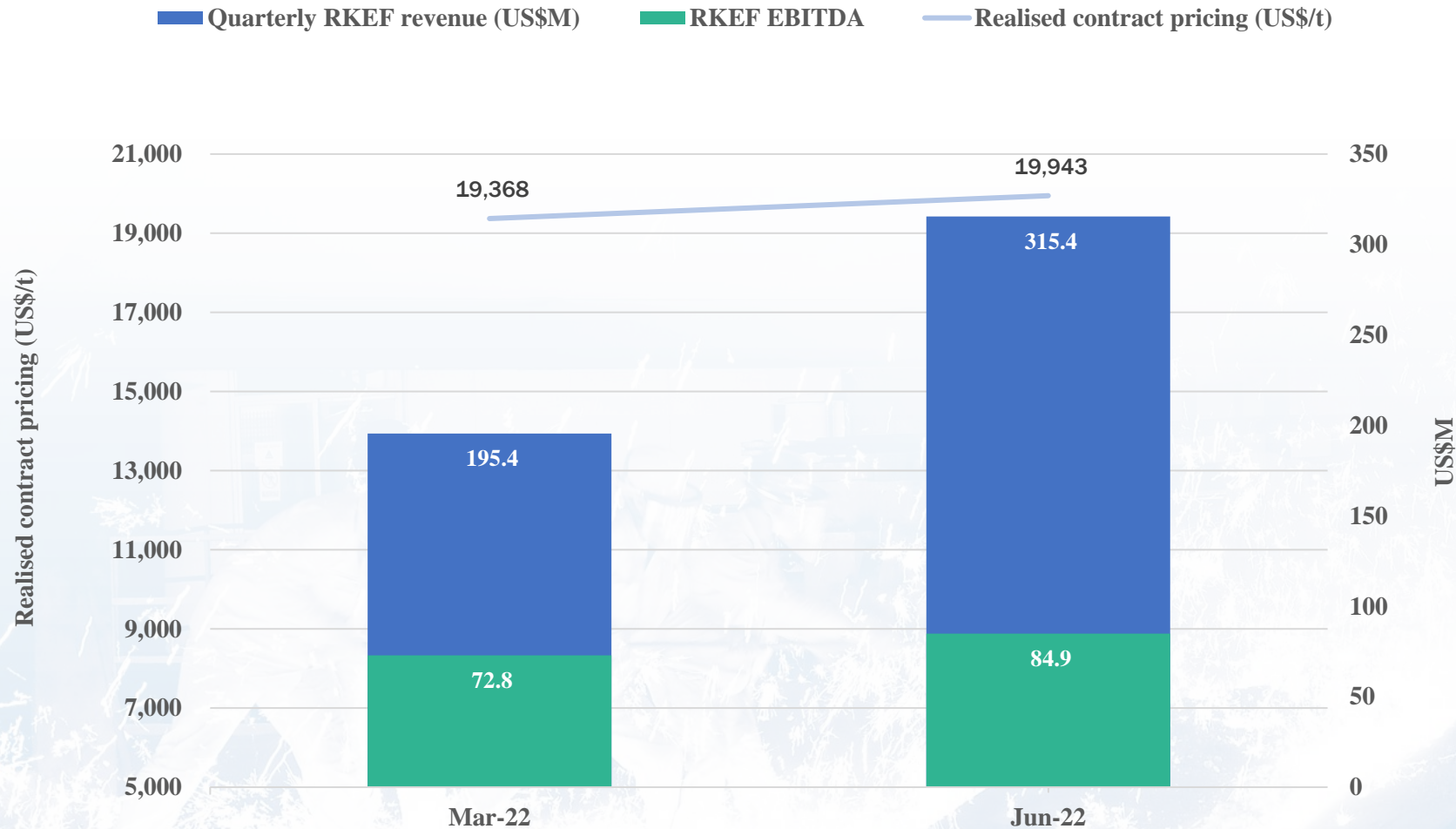


**1H 2022:**  
**26,733 tonnes**  
**NIC attributable:**  
**21,386 tonnes**

- ❑ Record half-year production of 26,733 tonnes Ni production (+32.3% from pcp) including 7,466 tonnes Ni production from ANI.
- ❑ ANI production to increase materially in 2H 2022 with the Project's designated power plant coming online in July 2022.
- ❑ HNI and RNI to resume production run-rate of ~20,000 tonnes Ni production per half with new power capacity available within IMIP.

# Record HY RKEF EBITDA driven by higher tonnes sold, higher realised prices and expanded margins

1H 2022 RKEF revenue and realised contract prices

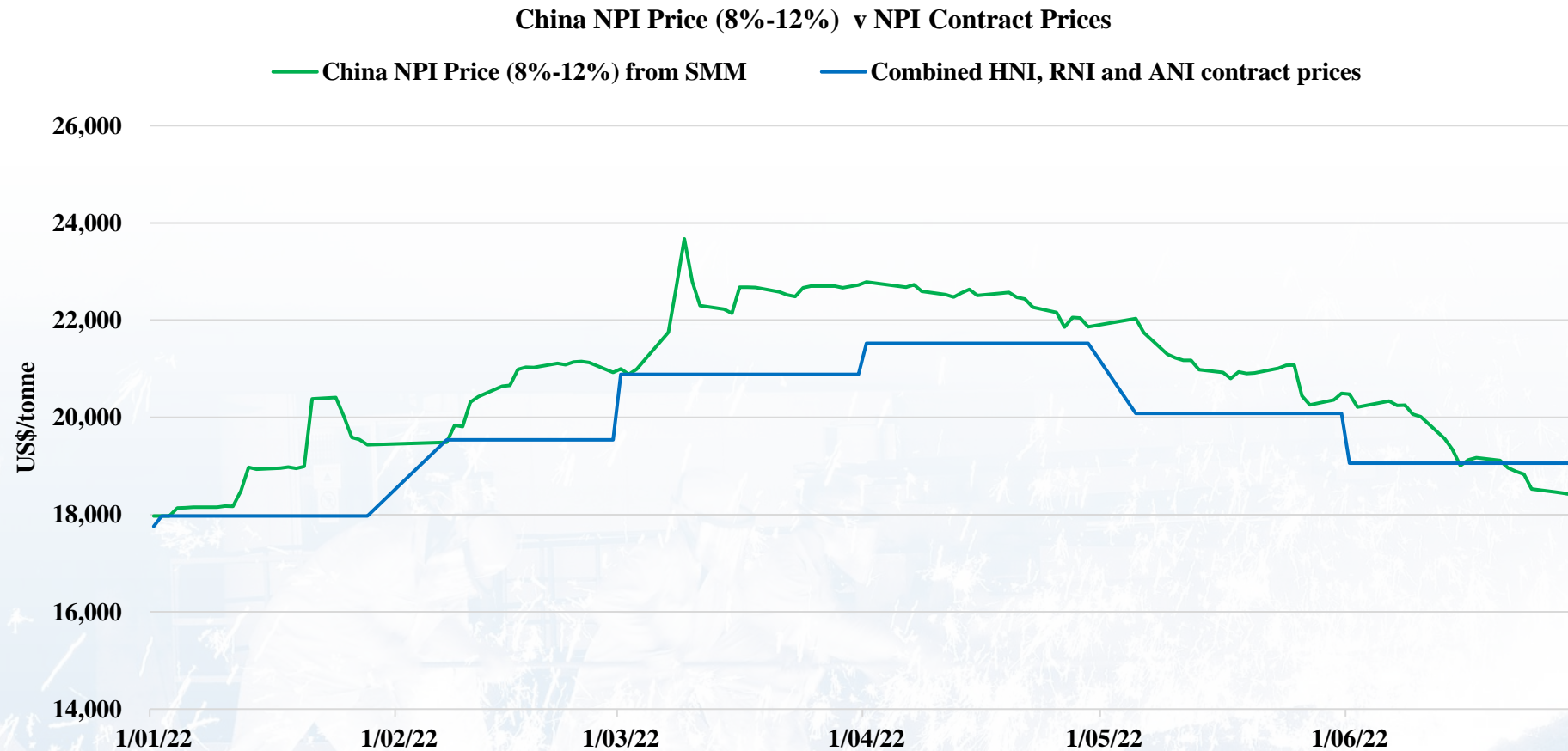


1H 2022:

- Record RKEF Revenue of US\$510.8M driven by a 24.2% increase in nickel tonnes sold and a 42.5% increase in realised contract prices.
- Record RKEF EBITDA of US\$158.6M at an EBITDA margin of US\$6,122/t, a 21.9% increase on the pcp (US\$5,122/t)



# Record quarterly RKEF EBITDA driven by significantly higher nickel tonnes sold



1H 2022

- ❑ The global nickel market saw increased volatility in 1H 2022 driven by the Russia-Ukraine conflict and the “short squeeze” event in March/April.
- ❑ The average realised contract price across 1H 2022 was US\$19,719/t with contract prices moving broadly in line with underlying Chinese NPI prices.

## A record half year of production at Hengjaya Mine

Production summary		March Quarter	June Quarter
Saprolite mined	wmt	810,324	792,630
Limonite mined	wmt	263,201	520,862
Nickel ore mined		1,073,525	1,313,492
Overburden mined	BCM <sup>1</sup>	936,648	826,553
Strip ratio <sup>2</sup>	BCM/wmt	0.87	0.63
<b>Saprolite</b>			
Tonnes sold	wmt	710,136	673,664
Average grade	% Ni	1.72	1.74
Average price received	US\$/wmt	40.04	52.43
Average cost of production <sup>3</sup>	US\$/wmt	25.13	26.02
<b>Limonite</b>			
Tonnes sold	wmt	-	258,212
Average grade	% Ni	-	1.19
Average price received	US\$/wmt	-	14.69
Average cost of production	US\$/wmt	1.65	7.99

<sup>1</sup> BCM represents 'bank cubic metres'.

<sup>2</sup> With limonite now being supplied to IMIP, the strip ratio is overburden mined divided by total nickel ore mined.

<sup>3</sup> Monthly costs are a six-month average of mining costs plus port/selling costs for the actual month. Reported costs also include US\$0.9M of drilling costs incurred during the June quarter



- ❑ Record half year production of 2,387,017 wmt
  - 1,602,954 wmt saprolite production
  - 784,063 wmt of limonite production
  
- ❑ Record half year EBITDA of US\$27.6M, an increase of 140% from the pcp resulting from higher realised ore prices and limonite ore sales
  
- ❑ Haul road under construction to further unlock HM's strategic value to the IMIP

# 1H Highlights

## Equity capital raising

- ❑ Completion of Institutional Placement raising ~ A\$148M (US\$106M) at A\$1.37 per share strongly supported by both new and existing shareholders.
- ❑ Placement of 108.1M shares to Shanghai Decent at A\$1.37 per share (US\$106M) following FIRB approval and approved by shareholders at an EGM on 3 May 2022.

## Successful commissioning and ramp-up of ANI

- ❑ All 4 RKEF lines now successfully commissioned, delivering production of 7,466 tonnes of nickel metal for the half.
- ❑ Commencement of commissioning of the Project's designated power plant on 22 July 2022 is now seeing the Project operating at >130% of nameplate capacity.

## Ownership interest in Oracle Nickel increased to 30%

- ❑ Placement of 108.1M shares to Shanghai Decent at A\$1.37 per share approved by shareholders at an EGM on 3 May 2022.
- ❑ Issuance of these shares satisfied the US\$106M payment required for the Company to increase its equity interest in Oracle Nickel from 10% to 30%.
- ❑ US\$81.2M of early construction payments made during the June quarter to expedite construction of the Project.
- ❑ Commissioning of the Project's first line is now expected in October 2022

## Nickel matte

- ❑ Minor capital modifications to produce nickel matte completed at Hengjaya Nickel during the half.
- ❑ Decision to switch from NPI to nickel matte production will be determined by prevailing pricing relativities between each product.

## Acquisition of the Siduarsi Nickel-Cobalt Project

- ❑ Binding, definitive agreement signed for staged acquisition of 100% of the Project in Papua province, Indonesia.
- ❑ 6th generation Contract of Work ('CoW') with strong potential to host a large, world class limonite resource (opens up potential downstream HPAL opportunities).

## Change of Company name

- ❑ Following shareholder approval at the Company's AGM on 31 May 2022, the Company's name was changed from Nickel Mines Limited to Nickel Industries Limited.
- ❑ Names change reflects the underlying nature of the Company's operations and its growing suite of downstream "industrial-style" processing assets.

**THANK YOU**