

# **NICKEL**

---

## **INDUSTRIES**

**QUARTERLY ACTIVITIES PRESENTATION  
FOR THE PERIOD ENDED  
31 December 2023**

**Record Group EBITDA from operations of US\$135.4M underpins increased final dividend and share buyback**

This presentation has been prepared by Nickel Industries Limited (ABN 44 127 510 589) ('NIC'). The information contained in this presentation is for information purposes only and has been prepared for use in conjunction with a verbal presentation and should be read in that context.

The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Please note that, in providing this presentation, NIC has not considered the objectives, financial position or needs of any particular recipient. NIC strongly suggests that investors consult a financial advisor prior to making an investment decision.

This presentation is strictly confidential and is intended for the exclusive use of the institution to which it is presented. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of NIC.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of NIC, their respective related bodies corporates, shareholders, directors, officers, employees, agents or advisors, nor any other person accepts any liability, including, without limitation, any liability for any loss arising from the use of information contained in this presentation.

This presentation may include "forward looking statements". Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of NIC and their respective officers, employees, agents or associates that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. NIC assumes no obligation to update such information.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities and neither this presentation nor anything contained in it forms the basis of any contract or commitment.

### Record Group EBITDA from operations of US\$135.4M underpins increased FY dividend and share buyback

- Over 16.7 million LTI-free man hours across all of NIC's operations in 2023
- Record RKEF nickel metal production of 34,450 tonnes (100% basis)
  - 1.8% higher than September quarter (33,852 tonnes)
- RKEF EBITDA of US\$85.1M
  - 12.8% lower higher than September quarter (US\$97.6M) due to lower realised contract prices reflecting widespread softness across the entire nickel complex
  - modest cost reductions across most operations driven primarily by declining nickel ore, coal and electricity prices
- Record Hengjaya Mine EBITDA of US\$42.0M
  - 81.8% higher than September quarter (US\$23.1M) despite lower realised ore prices
- Full year dividend of 2.5 cents per share
  - 25% increase on prior period
- On-market share buyback of up to US\$100M over the next 12 months announced

## Safety

- Over 16.7 million LTI-free man hours achieved for 2023
- 5.5 million at Hengjaya Mine (HM) / 11.2 million at RKEF/HPAL operations

## Environmental

- Award of GREEN PROPER rating to HM by the Ministry of Environment and Forestry (KLHK), for the second consecutive year
- Only 196 companies of the 3,694 audited achieved this rating, HM the only mine in Central Sulawesi to achieve this rank, confirming HM as an industry leader in responsible and sustainable nickel mining in Indonesia

## Renewable energy

- Execution of Operational Lease Agreement for Indonesia's largest solar project, 200MWp + 20MWh battery storage within the IMIP
- Power generated to supply the Company's ENC HPAL project (currently under construction) will enable it to have one of the lowest carbon footprints globally

## Presentation to COP28 Climate Summit and announcement of future emission targets

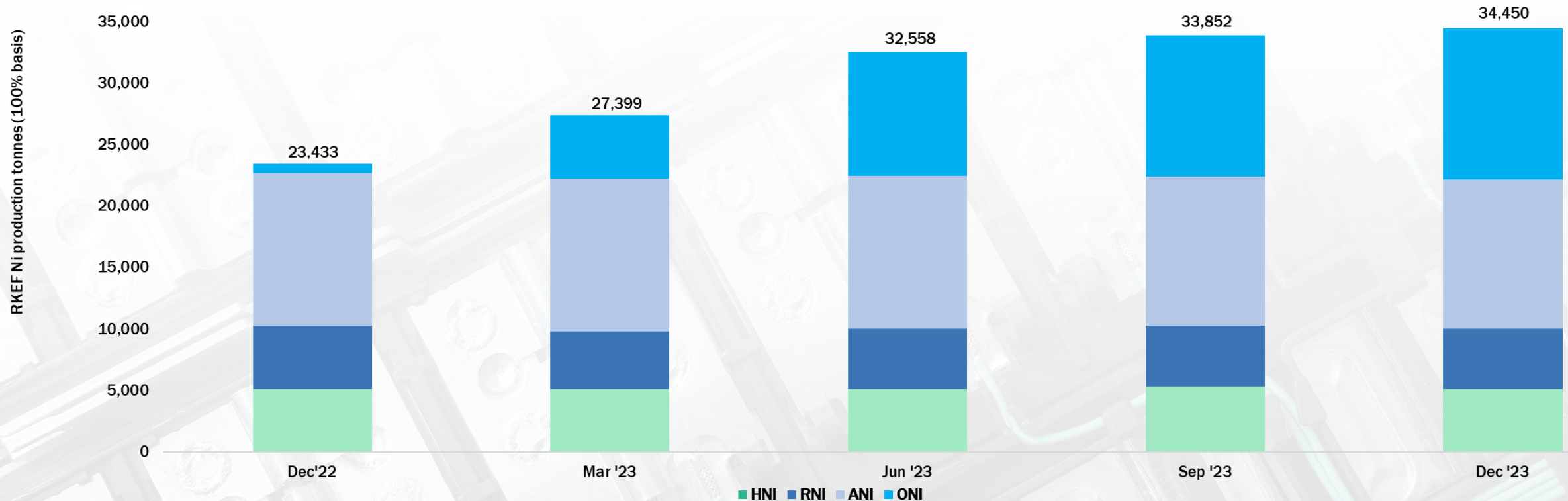
- One of only two companies with mining operations in Indonesia invited to present at the 2023 United Nations Climate Change Conference (COP28) in the United Arab Emirates on 2 December 2023
- Announcement of future emission targets, committing to a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050

## EV truck trial

- First nickel mining company in Indonesia to trial the use of EV trucks for hauling as part of NIC's net zero target

# Strong EBITDA generated in difficult operating environment

EBITDA from operations (US\$M)	106.1	113.2	55.9	120.7	135.4
Average LME Ni price (US\$/t)	25,460	25,973	22,277	20,392	17,288



- Record RKEF quarterly production of 34,450 tonnes of nickel metal (+1.8% from September quarter), comprising 29,367 tonnes in NPI and 5,083 tonnes in nickel matte, in addition to 1,823 tonnes of MHP from HNC, representing NIC's 10% attributable share of production
- Maintenance of strong EBITDA from operations despite materially weaker nickel price environment during the December quarter

# Record quarter of production at Hengjaya Mine

Production summary		September quarter	December quarter
Saprolite mined	wmt	1,013,949	1,463,943
Limonite mined	wmt	2,616,041	3,100,155
Nickel ore mined	wmt	3,629,990	4,564,098
Overburden mined	BCM <sup>(1)</sup>	332,155	381,494
Strip ratio	BCM/wmt	0.09	0.08
<b>Saprolite EBITDA</b>	<b>\$M</b>	15.2	25.1
<b>Limonite EBITDA</b>	<b>\$M</b>	7.9	16.9



*Aerial view of Central Pit 1*

- Record quarterly production of 4,564,09 wmt, up 17.5% from September quarter
  - saprolite production of 1,463,943 wmt, up 44.4%
  - limonite production of 3,100,155 wmt, up 18.5% (~13M tonnes of limonite stockpiled)
  - ongoing increase in sales expected over 2024 with additional fleet continuing to be added to the Hengjaya Mine to IMIP haul road
- Quarterly EBITDA of US\$42.0M, up 81.8% despite lower realised ore prices

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

(1) BCM represents "bank cubic metres".

### Acquisition of a 13.75% equity interest in ENC HPAL Project

- FID taken in October to commit to the participation and investment in the Excelsior Nickel Project (**ENC**) which is expected to produce 72,000 tonnes per annum of contained nickel equivalent metal across the three major class 1 nickel products, being mixed hydroxide precipitate (**MHP**), nickel sulphate and nickel cathode, the first HPAL globally to have this product diversification
- NIC to benefit from capex, commissioning and timeframe guarantees
- Acquisition executed via two payments totalling US\$316.3M

### Establishment of US\$400m loan facility with leading Indonesian bank

- Execution of financing facilities totalling US\$400M with PT Bank Negara Indonesia (Persero) Tbk Singapore Branch (**BNI**), a tier-1 Indonesian Bank, to support the Company's funding obligations in relation to the ENC Project
- US\$350M - 5-year senior term loan facility
- US\$50M revolving credit facility (**RCF**), for general working capital purposes

### Nickel matte sales contract with Glencore

- Executed a maiden nickel matte sales contract with Glencore
- The contract, commencing January 2024 and running for an initial 6-month term, will result in nickel matte from the Company's Hengjaya Nickel Project being sold to Glencore and represents the Company's first direct sales to western customers

### Board changes

- Retirement of Non-Executive Directors Huang Weifeng and Mark Lochtenberg
- Retirement of Non-Executive Chairman Rob Neale with Company Founder and Deputy Chairman Norm Seckold appointed as Executive Chairman

## FURTHER INFORMATION:

Justin Werner  
Managing Director  
[jwerner@nickelindustries.com](mailto:jwerner@nickelindustries.com)

Cameron Peacock  
Investor Relations and Business Development  
[cpeacock@nickelindustries.com](mailto:cpeacock@nickelindustries.com)