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ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages)

COMPLETION OF ENC 10% ACQUISITION BY STRATEGIC PARTNER

- **Completion of Sphere's acquisition of a 10% interest in the ENC project, at a US$2.4 billion valuation**
- **Sphere is a key accredited supplier to SpaceX, and its investment represents a strong external validation of both NIC and ENC as global showcases for sustainable, high-quality, low-carbon nickel production**
- **Nickel Industries has also reached agreement with its largest shareholder, Shanghai Decent, to revise the ENC acquisition schedule. Under the revised arrangement, NIC will acquire a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project**
- **Nickel Industries will make a final payment of US$46 million by 31 March 2026 for the additional 2% interest in ENC. This replaces and fully supersedes the previously expected payments of totalling US$253 million (being two US$126.5 million payments scheduled for 1 July 2026 and 1 October 2026) – reducing expected cash outflows for Nickel Industries and providing certainty and finality to its remaining ENC acquisition payments**
- **Sampala Project exclusive 15-year, 14 million wmt per annum limonite ore supply MOU**

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Revised ENC Acquisition Payment Schedule and Optimised Ownership Structure

Nickel Industries Limited (**Nickel Industries** or **the Company**) is pleased to announce the completion of Sphere Corp's (**Sphere's**) acquisition of a 10% equity interest in the Excelsior Nickel Cobalt HPAL project (**ENC**). Sphere's acquisition has been implemented with Decent Resource, an affiliate of Shanghai Decent, reducing its shareholding in ENC.

Nickel Industries has reached agreement with Shanghai Decent to revise the ENC acquisition schedule, such that Nickel Industries will acquire a final additional 2% interest in ENC, increasing its shareholding from 44% to 46%, thereby becoming the largest shareholder in the project.

Nickel Industries will make a single final payment of US$46 million by 31 March 2026 for the additional 2% equity interest in ENC, based on an implied US$2.3 billion valuation. This replaces and fully supersedes the previously expected payments of US$126.5 million that were scheduled for 1 July 2026 and 1 October 2026, respectively – reducing expected cash outflows for Nickel Industries by US$207 million and providing certainty and finality to its remaining ENC acquisition payments.

Following this final acquisition payment, Nickel Industries will hold a 46% shareholding, with Decent Resource holding a 44% and Sphere holding a 10% shareholding, respectively.

Sphere Acquisition Funding

To complete its investment in ENC, Sphere raised a US$210 million senior secured amortising term loan from external lenders (**the Sphere Acquisition Loan**). To facilitate this financing, Nickel Industries has agreed to provide a credit enhancement to Sphere's lenders by granting them recourse to Nickel Industries in the event Sphere defaults. Depending on the nature of any default, Nickel Industries would either repay the outstanding principal and accrued interest and receive Sphere's ENC shares, or call Sphere's shares in ENC and assume the loan as borrower. Under either enforcement scenario, the credit enhancement gives Nickel Industries effective priority over Sphere's 10% ENC stake, ensuring that this interest cannot be acquired by third parties or competitors in a default situation. Importantly, because the Sphere Acquisition Loan is US$210 million and amortises over time, Nickel Industries contingent exposure remains materially lower than Sphere's US$240 million acquisition consideration, allowing Nickel Industries to acquire an additional 10% interest at a discount in the unlikely scenario that situation occurs.

Nickel Industries will also receive compensation from Sphere for providing this support, appropriately recognising the value of the guarantee.

Overall, the completion of Sphere's acquisition and the optimised ENC ownership structure strengthens alignment among shareholders, reinforces ENC's strategic positioning, and improves NIC's future funding requirements.

Sampala Ore Supply Memorandum of Understanding (MOU)

The Company is pleased to advise it has executed a MOU for its Sampala Project to exclusively supply up to 14 million wet metric tonnes (**wmt**) per annum of limonite ore to a HPAL project adjacent to ENC, which is currently under construction. The MOU provides for a 15-year term with market-linked pricing.

The MOU promotes cooperation in the construction and operation of a feed preparation plant and connecting slurry pipeline between Sampala and the HPAL project. Importantly, the MOU contemplates an innovative solution to blend low-grade saprolite with limonite ore. This low-grade saprolite was previously uneconomic to transport by haul truck; however, due to the unique chemical properties of the Sampala ore body, it may be suitable for transport via slurry pipeline. This approach represents a first-of-its-kind solution and has the potential to unlock additional value from the Sampala Project.

Commenting on Sphere's investment and the Sampala MOU, Managing Director Justin Werner said:

"We are pleased to welcome Sphere as a strategic partner in ENC. Sphere's position as a key accredited supplier to SpaceX underscores the importance of quality, traceability and reliability in advanced and high-performance end-markets, and its decision to invest in ENC is a strong endorsement of the project and the quality of ENC's nickel cathode.

The reduced ENC acquisition percentage reduces payment obligations to our largest shareholder, reinforcing the strength of our balance sheet and enhances the Company's financial flexibility.

Finally, the exclusive 15 year, 14 million wmt per annum ore supply MOU reinforces the value of the Sampala Project. Consistent with our integrated business model, the ore supply MOU positions the Company well for any future downstream growth opportunities."

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A video filmed in December 2025 showing an overview of the ENC Project can be seen by clicking here.

Nickel Industries is being advised by Morgan Stanley Australia Limited as financial adviser, and White & Case and Linklaters as legal advisors.

This announcement has been approved by the Managing Director.

For further information please contact:

Justin Werner
Managing Director
jwerner@nickelindustries.com
+62 813 8191 2391

Chris Shepherd
Chief Financial Officer
cshepherd@nickelindustries.com
+61 474 697 143

Overview of Nickel Industries:

Nickel Industries Limited (**NIC**) is an ASX-listed company which owns a portfolio of mining and low-cost downstream nickel processing assets in Indonesia.

The Company has a long history in Indonesia, with controlling interests in the world-class Hengjaya Mine, as well as four rotary kiln electric furnace (**RKEF**) projects which produce nickel pig iron (**NPI**) for the stainless-steel industry.

Having established itself as a globally significant producer of NPI, the Company is now rapidly transitioning its production to focus on the electric vehicle battery supply chain – recently, the Company has acquired a 10% interest in the Huayue Nickel Cobalt (**HNC**) HPAL project, adding mixed hydroxide precipitate (**MHP**) to its product portfolio.

Nickel Industries next transformative step is the upcoming commissioning of Excelsior Nickel Cobalt (**ENC**), a next-generation HPAL project capable of producing MHP, nickel and cobalt sulphate and nickel cathode. The Company currently holds a 44% interest in ENC (and will increase to 46% in March 2026). ENC is expected to produce approximately 72,000 tonnes of nickel metal per annum, diversifying the Company's production and reducing the Company's carbon emissions profile – reflecting the strong commitment to sustainable operations.

Overview of Sphere Corp.:

Sphere Corporation (Sphere) is a publicly listed Korean company specializing in the supply of high-performance specialty alloys for the aerospace sector, with a proven track record as a Tier 1 vendor to global space and aviation leaders.

To learn more, please visit: www.nickelindustries.com/

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