NICKEL INDUSTRIES

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ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages)

ENC HPAL PROJECT FINANCING ESTABLISHED

Nickel Industries Limited (**Nickel Industries** or **the Company**) is pleased to advise that PT Fajar Metal Industry (**FMI**) has signed a US$245m non-recourse project finance facility (the **Facility**), arranged and led by Oversea-Chinese Banking Corporation Limited (**OCBC**). FMI is the Indonesian operating company that owns the Excelsior Nickel Cobalt (**ENC**) HPAL Project within the Indonesia Morowali Industrial Park, and is 100% owned by the ENC joint venture in which Nickel Industries holds a 46% interest.

The Facility has been secured despite challenging conditions for the HPAL sector during 2026, including sulphur supply disruption linked to the conflict in the Middle East and the impact of drought conditions from El Niño.

Key terms of the Facility are:

- US$245m, comprising a US$220m amortising term loan and a US$25m working capital facility;
- 7-year tenor from first drawdown;
- margin of 2.00% per annum above the Secured Overnight Financing Rate (**SOFR**);
- non-recourse to Nickel Industries, secured over FMI's project assets;
- financial covenants customary for a financing of this nature, including a maximum net debt to EBITDA ratio of 3.0x; and
- drawdown subject to customary conditions precedent.

The Facility allows FMI to make a distribution to its shareholders from the term loan proceeds, of which Nickel Industries will receive its 46% share of any distribution, which will be used for general corporate purposes.

Nickel Industries equity accounts for its 46% interest in the ENC Project. The Facility will therefore not be consolidated into the Company's group debt and does not impact the Company's existing group financial covenants.

The Facility contains an "accordion feature" allowing the term loan to be increased in the future (potentially up to US$800m). FMI continues to discuss participation in the Facility with other banks on the same terms, and the Company will update the market should further lenders join.

Commenting on the financing, Managing Director Justin Werner said:

"We thank OCBC for leading this financing and for its continued support of the ENC Project. Securing a non-recourse project financing on these terms, in what has been a difficult year for the HPAL sector, reflects the quality of the asset and our partners. The Facility strengthens ENC's funding position as it ramps up towards nameplate capacity, without adding to Nickel Industries' group debt."

This announcement has been approved by the Executive Directors.

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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 has transitioned its production to focus on the electric vehicle battery supply chain – 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 current 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 46% interest in ENC. ENC is expected to produce in excess of 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.

A video filmed in September 2026 showing an overview of the ENC Project can be seen by clicking here.

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

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