

# **NICKEL** **INDUSTRIES**

## **Strategic Partnership with United Tractors Investor Presentation**

**9 June 2023**

**A top 10 nickel producer strongly positioned to capture growing battery grade nickel demand**

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## **Additional information and where to find it**

This Presentation 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/>.

## United Tractors, through its subsidiary PT Danusa Tambang Nusantara, to become a substantial shareholder of Nickel Industries, providing local operational, regulatory and balance sheet support for future growth

### Transaction overview

1

#### Conditional Placement<sup>(2)</sup>

Conditional 19.99% placement of Nickel Industries shares to United Tractors, through its subsidiary PT Danusa Tambang Nusantara ('DTN'), for A\$943 million (US\$628 million)

Proposed placement price at A\$1.10, representing a 27.2% premium to Nickel Industries last traded share price as of 8 June 2023

2

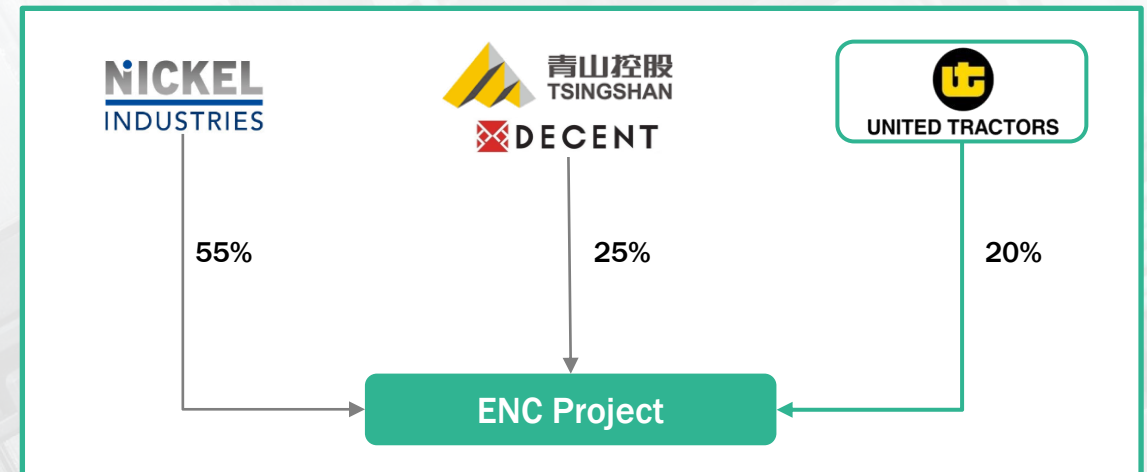
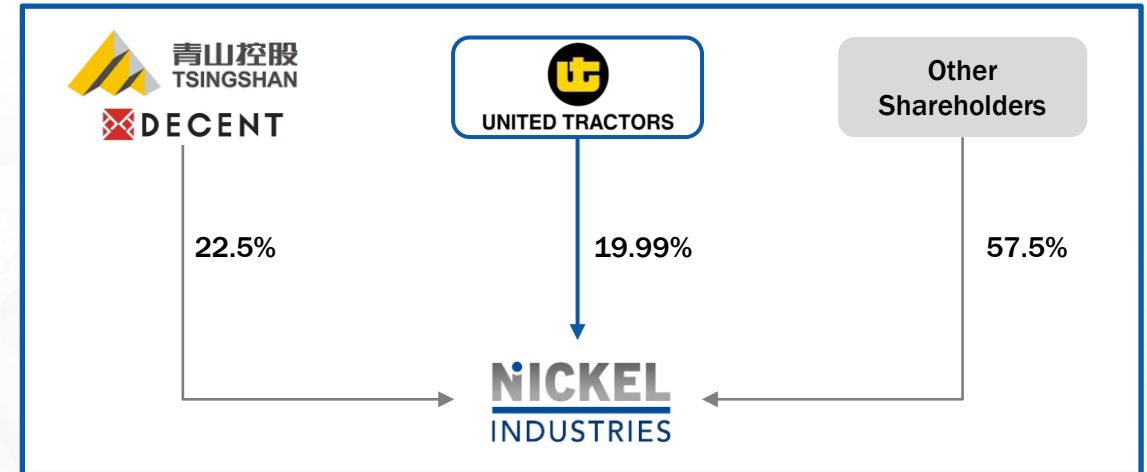
#### Collaboration Agreement for the ENC Project

DTN intends to participate in the acquisition of a 20% equity interest in Stage 1 of the ENC Project<sup>(2)</sup>

Transaction provides opportunity to double expected production of ENC Project from 72,000 tons to 144,000 tons

DTN obtains the right to acquire a 20% equity interest in Stage 2 of the ENC Project<sup>(2)</sup>

### Pro-forma ownership structure<sup>(1)</sup>



Notes:  
 (1) Assumes completion of the HNC Acquisition which is subject to i) shareholder approval at the Company's EGM on 5 July 2023; and ii) FIRB approval  
 (2) Subject to satisfaction of certain conditions, set out on slide 8

# Introduction to United Tractors ('UT')

## One of Indonesia's largest industrial conglomerates

### Key metrics

**US\$8.3bn**

FY22 Revenue

**US\$1.4bn**

FY22 Net Profit

**US\$5.7bn**

Market Cap<sup>(1)</sup>

**US\$5.4bn**

FY22 Total Shareholder's Equity

**US\$2.3bn**

FY22 Net Cash

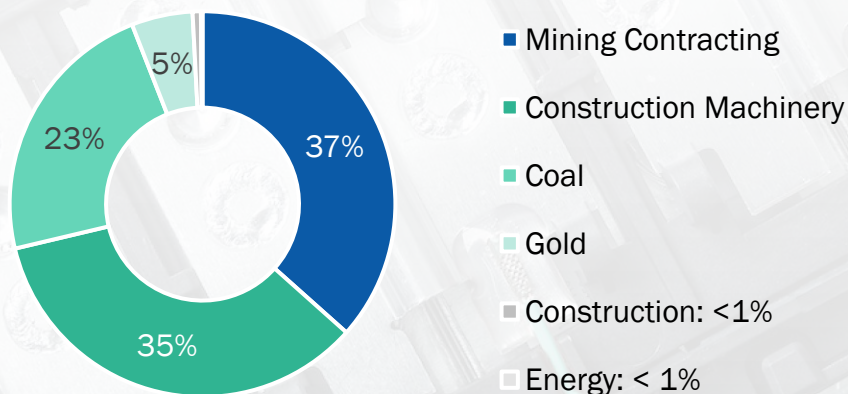
**32,700**

Employees

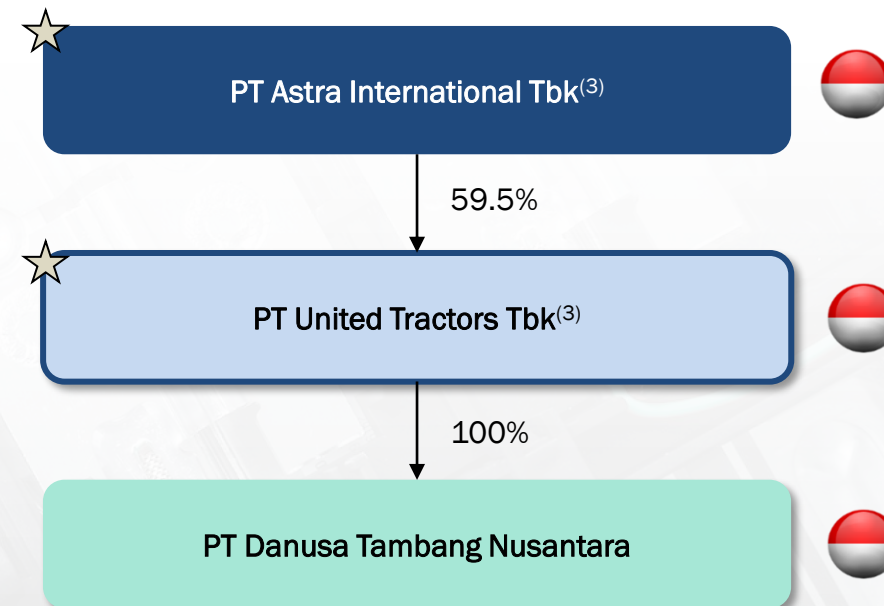
### Established presence across Indonesia

- One of the largest **heavy equipment distributors** and providers of **mining services** in Indonesia
- Direct subsidiary of **PT Astra International**, a diversified business group and 6<sup>th</sup> largest listed company<sup>(2)</sup> in Indonesia
- In 2022, expansion and diversification into nickel mining by acquiring a 90% stake in **PT Stargate Pacific Resources** (nickel mining company) and in **PT Stargate Mineral Asia** (licensed to develop and build nickel processing plant)

### Key local player across six business pillars



### Blue Chip Indonesian Shareholders



Danusa Tambang Nusantara, as the **investment company for the Conditional Placement**, has expertise in Indonesia mineral mining sector

☆ Listed Entities

Sources: FactSet, Company information

Notes:

(1) As at 8 Jun 23  
 (2) By market capitalization  
 (3) PT Astra International Tbk and PT United Tractors Tbk are listed in Indonesia

# Introduction to Astra International (59.5% shareholder in UT)

Largest listed conglomerate in Indonesia and a partner of choice for international players

## Key metrics

**US\$20.3bn**

FY22 Revenue

**US\$1.9bn**

FY22 Net Profit

**US\$18.5bn**

Market Cap<sup>(1)</sup>

**US\$12.3bn**

FY22 Total Shareholder's Equity

**US\$26.5bn**

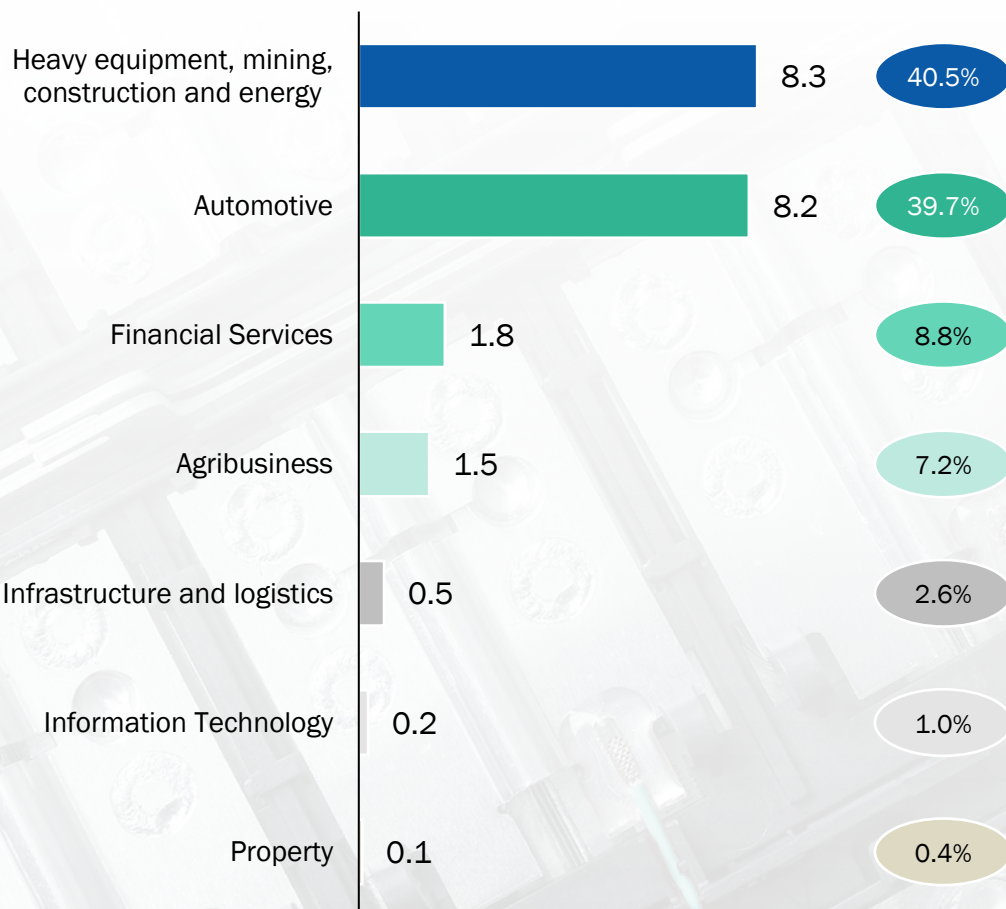
FY22 Total Assets

**200,000**

Employees

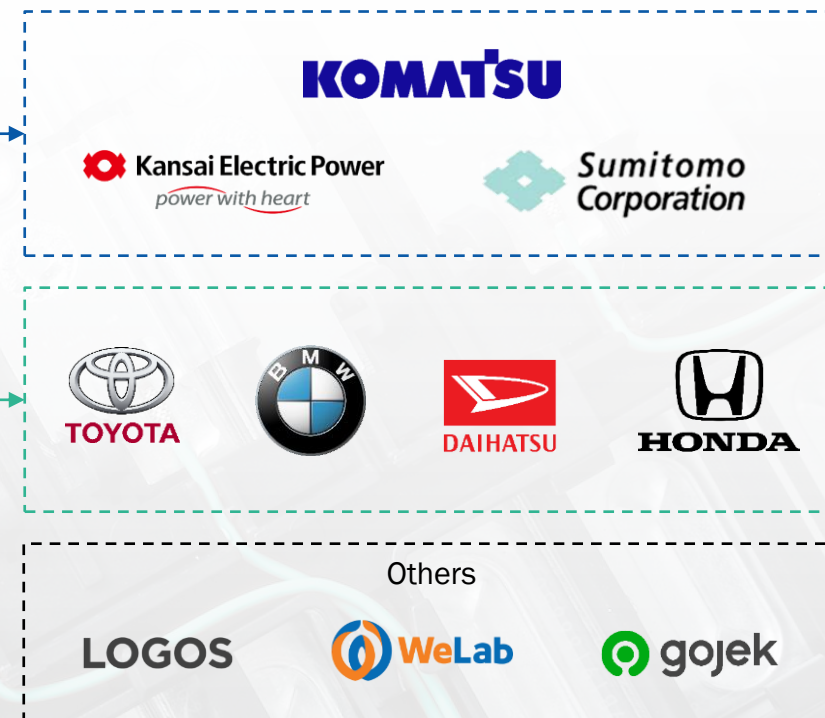
## Diversified presence across various sectors

Net revenue<sup>(2)</sup> (US\$bn)



## Partner of choice in Indonesia as evidenced by collaboration with multiple international brands

Selected Key Partners <sup>(3)</sup>



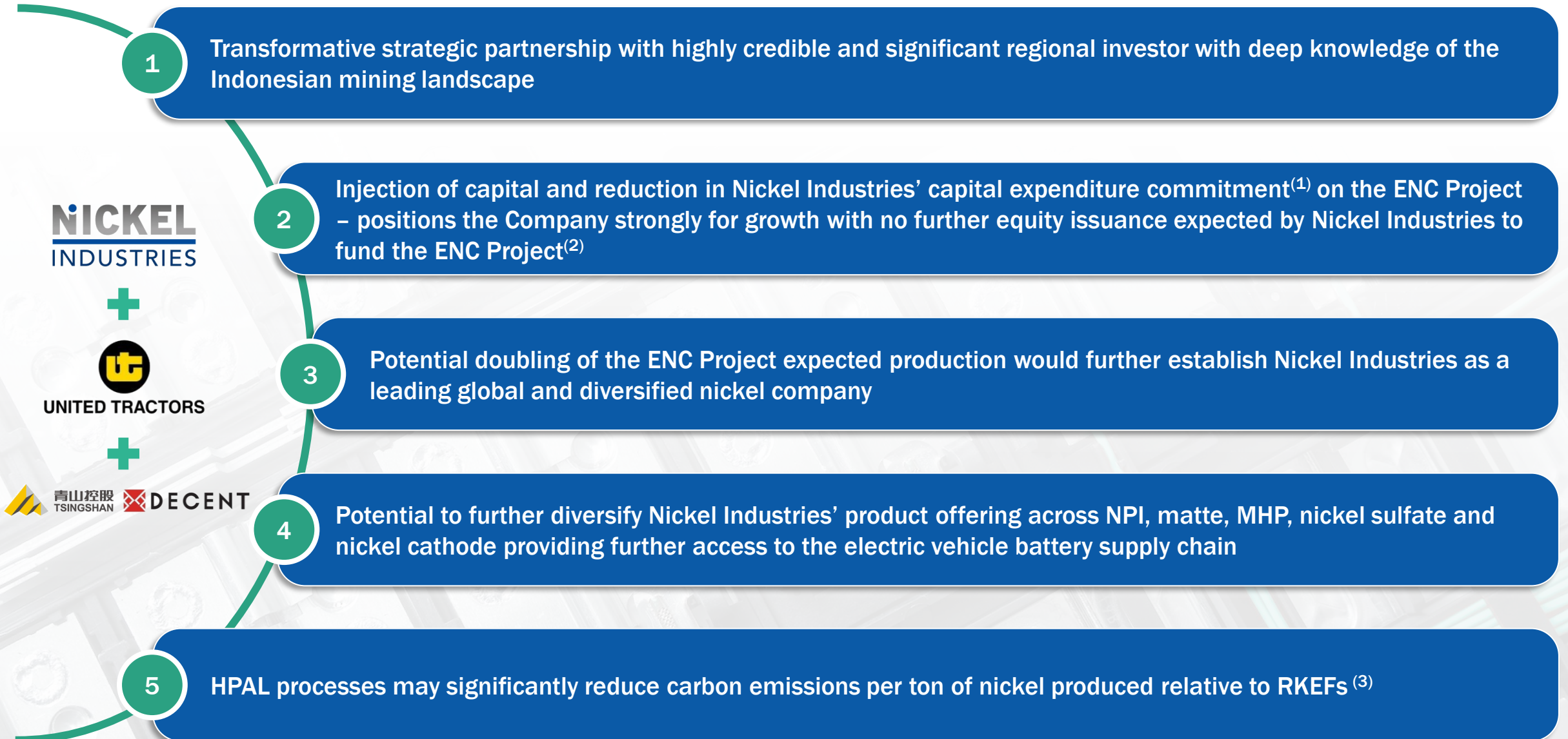
Sources: FactSet, Company information

Notes:

(1) As at 8 Jun 23

(2) Net revenue before eliminations

(3) Sourced from Company Information



Notes:  
(1) Assuming United Tractors acquires a 20% equity interest in the ENC Project  
(2) Nickel Industries has not taken a final investment decision on the ENC Project. Participation by Nickel Industries in the ENC Project will be subject to shareholder approval  
(3) Sources: IEA article titled "GHG emissions intensity for class 1 nickel by resource type and processing route", October 2022

## 1

### Conditional Placement

#### Consideration

- Conditional placement of 857m Nickel Industries shares to United Tractors, through its subsidiary DTN, for A\$943m representing 19.99% of pro forma total ordinary shares outstanding upon completion
- Placement price of A\$1.10 representing a 27.2% premium to the last traded share price (as at 8 June 2023)
- Right for United Tractors to appoint a director to the Nickel Industries Board

#### Key documents

- Nickel Industries has entered into a conditional share subscription agreement with DTN

#### Timetable

- Shareholder approval is expected in Q3 2023
- Completion is expected in Q3 2023

#### Key conditions precedent to completion

- Nickel Industries 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')
- Nickel Industries shareholder approval for a Conditional Placement to DNT by 29 September 2023

## 2

### Collaboration Agreement for the ENC Project

- DTN intends to participate in the acquisition of a 20% interest in the ENC Project, subject to satisfaction of certain conditions (as set out below)<sup>(1)</sup>

- Nickel Industries has executed a Collaboration Agreement with DTN

- If Nickel Industries makes a FID to invest in the ENC Project, it will nominate DTN to acquire a 20% interest in the ENC Project
- If Nickel Industries does not make a FID by 29 September 2023, the Collaboration Agreement will terminate

- Completion of the HNC Placement
- Completion of the Conditional Placement
- Nickel Industries making a decision to invest in the ENC Project
- Completion of the feasibility study and additional due diligence required by DTN
- Nickel Industries shareholder approval for the investment in the ENC Project
- Execution of definitive ENC Project documents

Notes:

(1) United Tractors will acquire an interest in the ENC Project via a subscription in the special purpose entity that will own the ENC Project. Nickel Industries will not transfer any interest in the ENC Project to United Tractors, nor receive any of the funds invested by United Tractors



Event	Date
Announcement of Execution 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 2023
Allotment of new ordinary shares under the Conditional Placement	Q3 2023

# Partnership with United Tractors anticipated to add significant value



## Highly credible partner

- **United Tractors** is a direct subsidiary of **PT Astra International Tbk**
  - **Astra International** is the largest listed conglomerate in Indonesia and a partner of choice for large international operators
  - **United Tractors** is one of the largest heavy equipment distributors in Indonesia
  - **Danusa Tambang Nusantara** has expertise in the Indonesian mineral mining sector



## Long-term investment approach

- Long-term approach to capital allocation
- Supportive and collaborative approach from **Astra International** and **United Tractors** to management of portfolio investments with the aim of generating sustained value over time



## Local knowledge and operational expertise

- Deep local knowledge and regional network of **Astra International** in Indonesia
- **United Tractors'** strong operational expertise in the provision of mining services and sector-specific heavy equipment



## Significant financial strength

- Strong emphasis on financial discipline within the **United Tractors** conglomerate
- Immediate cash injection<sup>(1)</sup> and capital commitment<sup>(1,2)</sup> strengthens **Nickel Industries** funding profile

Sources: FactSet, Company information

Notes:

(1) Conditions to the placement and acquisition are set out on slide 8

(2) Assuming **United Tractors** acquires a 20% equity interest in the **ENC Project**

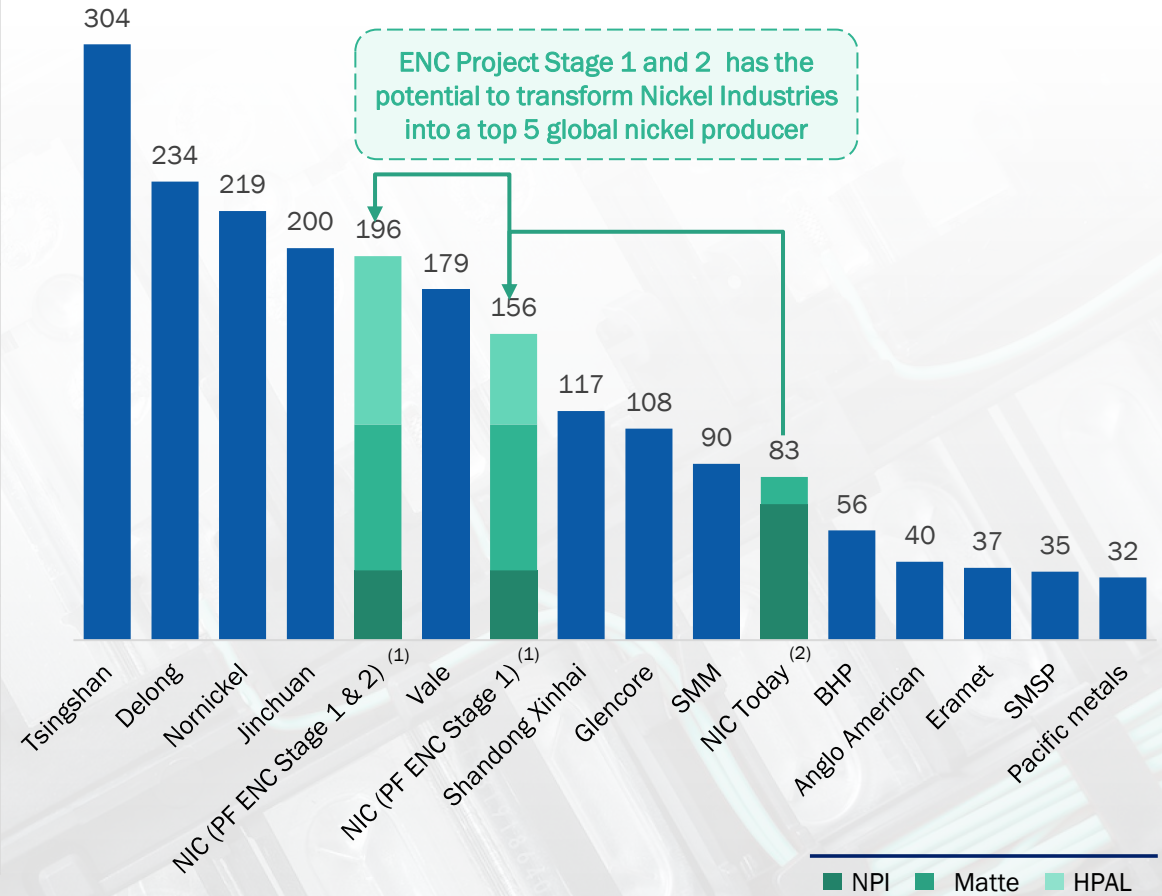
# Strategic partnership reinforces Nickel Industries as a leading global nickel producer

Funding from UT provides NIC with additional capital to progress the ENC Project and significantly expand production...

1	ENC Project	<ul style="list-style-type: none"> <li>Existing and additional nickel laterite resources have been identified and are being secured</li> <li>Existing infrastructure at IMIP to be utilised</li> <li>Potential opportunity to double expected ENC production via Stage 2 expansion</li> <li>Investment by UT<sup>(3)</sup> reduces NIC's investment in Stage 1</li> </ul>
2	Next steps to progress	<ul style="list-style-type: none"> <li>NIC is well advanced with the feasibility study, necessary for a positive final investment decision</li> <li>Construction expected to commence in Q4 2023, and commissioning within 24 months thereafter</li> <li>NIC anticipates owning a 55.0% equity interest in the ENC Project (subject to NIC shareholder approval), with Shanghai Decent owning 25.0% and UT owning 20.0%</li> </ul>
3	ENC contribution	<ul style="list-style-type: none"> <li>The expected production has increased from 67,000 metric tons of contained nickel equivalent, to 72,000 metric tons for Stage 1</li> <li>Investigating the expansion of the ENC Project (Stage 2) which would result in an increase in expected production from 72,000 tons to 144,000 tons of contained nickel equivalent</li> </ul>

...further establishing Nickel Industries as a leading battery nickel producer

2022 Finished nickel production (kt, attributable)<sup>(4)</sup>



Source: Company Information (Comparable production data reflects 2021 figures unless stated otherwise)

Note: Comparable production data reflects 2021 figures unless stated otherwise. NIC pro forma figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts

(1) NIC NiEq production based on attributable nickel metal nameplate capacities of 12ktpa for HNI and RNI and 28.8ktpa ANI and ONI (pro forma 80% ownership) respectively. Assumes HNI and ONI are fully converted to nickel matte production, and ANI converts 50% to matte production. Outperformance assumption of 35% for HNI, RNI, ANI and ONI. In addition, includes HNC Project attributable nameplate capacity of 6ktpa (10% of 60ktpa) and outperformance of 10% and Stage 1 includes ENC Project attributable nameplate capacity of 40ktpa (55% of 72ktpa) and no outperformance; Stage 2 expansion includes an additional ENC Project attributable nameplate capacity of 40ktpa (55% of 72ktpa) and no outperformance; Displays net impact of exercising Acquired Options to convert ONI to nickel matte and developing ENC Project (HPAL production) relative to NIC pro forma for acquisition (increasing 10% interest in ONI and 10% of HNC Project)

(2) NIC today based on March Quarter 2023 attributable production of ~20.8kt annualized

(3) Assuming UT acquires a 20% stake in the ENC Project Stage 1. Conditions to this acquisition are set out on slide 8

# THANK YOU

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