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The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

NEW CAPITAL MANAGEMENT FRAMEWORK INCLUDING INITIAL ON-MARKET SHARE BUYBACK

The Directors of Nickel Industries Limited (**the Company** or **Nickel Industries**) are pleased to announce the adoption of a new Capital Management Framework targeting higher shareholder returns via a revised dividend policy and the commencement of an initial on-market share buyback.

This new Capital Management Framework has been adopted having assessed the operating performance of the Company's mining and downstream processing businesses and taking into account future capital requirements, with the objective of delivering higher levels of sustainable returns to shareholders.

Revised Dividend Policy

Moving forward, the Directors intend that between 30-60% of free cash flow¹ generated by Nickel Industries will be returned to shareholders by way of regular dividends declared on an interim and final basis each financial year. This policy in and of itself is intended to represent an increase to recent dividends declared by the Company.

The Company's commitment to future dividend payments and their quantum will be guided by the following considerations:

- maintaining a satisfactory level of performance across the Company's operations measured by revenues, profitability and free cash flow generation. The Directors will take into consideration variables such as underlying economic conditions, the prevailing and outlook for relevant commodity prices and the ongoing internal requirements of the business – namely, any working and sustaining capital commitments and debt servicing obligations. These requirements will be necessarily prioritised ahead of dividend distributions; and
- competition for capital. In recent years, the Company has grown quickly and is in the fortunate position of having an operating footprint in two of the largest nickel production centres globally, with a growing strategic partnership with the Tsingshan group. The Directors will continue to make decisions whether available funds are best utilised for attractive growth options or returned to shareholders as dividends.

In noting the above considerations, the Capital Management Framework seeks to balance reliable and consistent return of capital to shareholders, with maintaining balance sheet strength and the flexibility to allocate capital to high-returning growth opportunities as they may arise. The Capital Management Framework will ensure that the business rewards shareholders as the financial performance improves.

¹ Free cash flow is defined as: net cash from operating activities less capital expenditure, amounts required for debt servicing and distributions to non-controlling interests.

Share Buyback

In addition, Nickel Industries today announced that it intends to return up to US\$100m of additional capital to shareholders. This capital management program, which complements the Company's dividend policy, will initially take the form of an on-market share buyback in Australia.

The timing and number of shares purchased under the on-market share buyback will be contingent upon the prevailing share price and market conditions. The on-market share buyback is not subject to shareholder approval and will be funded from existing cash reserves. Appendix 3C in respect of the on-market share buyback is attached to the announcement.

The buyback of up to US\$100m is expected to be conducted over a 12-month period.

Given that United Tractors (UT) subsidiary PT Danusa Tambang Nusantara (DTN) has a current ownership interest in the Company of ~20.0%, and hence execution of the buyback will result in its ownership interest exceeding 20%, DTN will require FIRB approval ahead of the Company purchasing any of its shares. Therefore, the Company will only commence purchasing its shares once FIRB approval has been received by DTN.

Commenting on the new Capital Management Framework and share buyback Managing Director Justin Werner said:

"Nickel Industries has transitioned into a position to target higher shareholder returns via our new Capital Management Framework through strong operating performance. The revised dividend policy represents a significant uplift from existing dividend levels and will allow for greater returns to shareholders. We are pleased to announce an initial on-market share buyback as we strongly believe the current share price undervalues the Company."

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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 matte for the electric vehicle (**EV**) supply chain and 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 EV battery supply chain – recently, the Company has converted some of its existing production from NPI to nickel matte, and also acquired a 10% interest in the Huayue Nickel Cobalt (**HNC**) HPAL project, adding mixed hydroxide precipitate (**MHP**) to its product portfolio.

Nickel Industries is now embarking on its next transformative step, investing in Excelsior Nickel Cobalt (**ENC**), a next-generation HPAL project capable of producing MHP, nickel sulphate and nickel cathode. ENC will 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.

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

Important Notices

The release of this announcement was authorised by the Board of Nickel Industries.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Placement have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward-looking statements and comments about future events, including about the plans, objectives and strategies of Nickel Industries’ management, the industry and the markets in which Nickel Industries operates, Nickel Industries’ expectations about the financial and operating performance of its businesses, the timetable and outcome of the Placement and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause Nickel Industries' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are beyond Nickel Industries' control.

Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nickel Industries. As such, undue reliance should not be placed on any forward-looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Industries.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Nickel Industries shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nickel Industries is not licensed to provide investment or financial product advice in respect of Nickel Industries shares.

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