

18 February 2026

ASX Limited
20 Bridge Street
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(2 pages)

OPERATING UPDATE AND 2026 RKAB QUOTA RECEIVED

Nickel Industries Limited (**Nickel Industries** or **the Company**) is pleased to advise that Hengjaya Mine has received its Rencana Kerja dan Anggaran Biaya (**RKAB**) quota for 2026 nickel ore sales, which has been increased from 9.0 million wet metric tonnes (**wmt**) to 14.3 million wmt.

The Indonesian Government has recently placed increased focus on managing supply across a range of commodities, including nickel, coal, bauxite and tin, with the objectives of improving environmental outcomes and stabilising supply. The ~60% sales quota increase, compares favourably with peers, many of whom have received less than 30% of their requested quotas, and underscores the strong ESG performance and credentials of the Hengjaya Mine.

The significant reduction in RKAB quotas has materially contributed to large increases in nickel prices recently, this has resulted in NIC delivering Adjusted EBITDA from Operations of ~US\$50m in January.

Of the 14.3 million wmt RKAB quota for 2026, up to 6.0 million wmt of saprolite ore is expected to be supplied to the Company's RKEF operations at IMIP, with the remaining 8.3 million wmt sufficient to meet the ENC HPAL limonite ore demand for 2026.

The Company is now submitting the required documentation for the 2026 RKAB approval at 14.3 million wmt, and will be eligible to make an application for further increases in its RKAB quota in the middle and end of this year; the Company intends to take advantage of both windows to seek to further increase its RKAB post commissioning and ramp up of the ENC project.

Commenting on the issuance of the 2026 RKAB quota, Managing Director Justin Werner said:

"We are pleased to announce the issuance of an almost 60% increase to our 2026 RKAB quota. We thank all of the Ministry of Mines and Environment staff who worked closely with the Hengjaya Mine technical team to ensure a detailed and comprehensive RKAB quota was delivered. We are now working for official implementation of the approved quota which will allow us to maintain the same amount of saprolite ore supply as 2025 to our RKEF operations in the IMIP and most importantly ensure we have sufficient limonite ore supply for the commissioning and ramp up of our ENC HPAL project this year."

Whilst the 14.3 million wmt falls short of our desired 19 million wmt, this shortfall is more than offset by the recent rally in the nickel price related to significant industry wide RKAB quota cuts. This impact is already reflected in our January 2026 results where we have seen NPI margins from our RKEF operations increase by ~150% from US\$1,114/t for Q42025 to ~US\$2,800/t for the month of January and HPAL margins increasing above US\$10,000/t. With further NPI and nickel price increases expected to be captured in the coming months, and given the Company's significant NPI production base of 124,966 Ni tonnes for 2025 and the anticipated ramp up this year of ENC to its nameplate capacity of 72,000 tpa, the Company is highly leveraged to a sustained higher nickel and NPI price from RKAB cuts, which could deliver significant EBITDA improvements across 2026."

This announcement has been approved by the Managing Director.

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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 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 sulphate and nickel cathode. The Company currently holds a 44% interest in ENC. 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.

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