

23 February 2026

The Manager, Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(136 pages)

Dear Sir/Madam,

**ANNUAL REPORT AND APPENDIX 4E**

I attach the Nickel Industries Limited and its controlled entities (**Nickel Industries Group**) Annual Report for the year ended 31 December 2025 and Appendix 4E, Preliminary Final Report.

**Highlights:**

	<b>12 Months to 31 December 2025 US\$m</b>	<b>12 Months to 31 December 2024 US\$m</b>
• Nickel Industries Group Results:		
○ Sales revenue:	1,649.1	1,744.5
○ Gross profit:	165.7	186.7
○ Impairment expense:	(8.1)	(236.6)
○ Operating profit/(loss):	126.4	(78.5)
○ Loss after tax:	(41.2)	(189.8)
○ Adjusted EBITDA:	283.0	326.0
	<b>31 December 2025 US\$m</b>	<b>31 December 2024 US\$m</b>
• Nickel Industries Group Balance Sheet:		
○ Total assets:	4,264.4	3,896.2
○ Net assets:	2,458.5	2,548.2
• 133,469 tonnes of finished nickel metal produced in NPI and MHP		
• A record 19.2 million tonnes of saprolite and limonite ore mined at the Hengjaya Mine		
• Introduction of Sphere Corp., supplier to SpaceX, as a strategic investor in the ENC Project		
• Refinancing to extend debt maturity profile		

Yours sincerely



Richard Edwards  
Company Secretary

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# Appendix 4E

## Preliminary final report

Name of entity

**NICKEL INDUSTRIES LIMITED**

ABN or equivalent company reference

**44 127 510 589**

Financial year ended ('current period')

**31 DECEMBER 2025**

### Results for announcement to the market

Revenues from ordinary activities	Down	5.5%	to	US\$1,649.1m
Loss from ordinary activities after tax attributable to members	Down	66.2%	to	(US\$57.1m)
Net loss for the period attributable to members	Down	66.2%	to	(US\$57.1m)
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security	
Final dividend	Nil		Nil	
Interim dividend	Nil		Nil	
Previous corresponding period				
Final dividend	A\$0.015		Nil	
Interim dividend	A\$0.025		Nil	
Record date for determining entitlements to the dividend.	N/A			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer attached audited financial reports for the year ended 31 December 2025.				
<b>NTA backing</b>	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	US\$0.55		US\$0.58	

The attached Annual Report which forms part of this Appendix 4E has been audited.

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**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

A.B.N. 44 127 510 589

**ANNUAL REPORT**

**FOR THE YEAR ENDED**  
**31 DECEMBER 2025**

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**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**CONTENTS**

	<b>Page</b>
Chairman's Letter	3
Review of Operations	4
Corporate Governance Statement	17
Directors' Report	18
Lead Auditor's Independence Declaration	35
AASB S2 Sustainability Report	36
Independent Auditor's Review Report	65
Consolidated Statement of Profit or Loss and Other Comprehensive Income	69
Consolidated Statement of Financial Position	70
Consolidated Statement of Changes in Equity	71
Consolidated Statement of Cash Flows	72
Notes to the Consolidated Financial Statements	74
Consolidated Entity Disclosure Statement	122
Directors' Declaration	123
Independent Auditor's Report	124
Additional ASX Information	133
Corporate Directory	134

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**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**CHAIRMAN'S LETTER**

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Dear Fellow Shareholders,

In a year defined by continued volatility across global nickel markets, the Company remained focused on disciplined capital management, operational integration and positioning the business to deliver value through the cycle. Importantly, production and sales volumes during the year remained broadly consistent with 2024 levels, demonstrating the resilience and reliability of our operations despite a challenging pricing and market environment.

A key milestone during the year was the successful issuance of US\$800 million of senior unsecured notes. This transaction materially extended our debt maturities, reduced our overall cost of debt and eliminated significant near-term amortisation requirements, enhancing balance sheet flexibility and supporting the funding of our growth strategy.

Operationally, we achieved important regulatory and permitting outcomes in Indonesia that underpin our vertically integrated model. The approval of an expanded RKAB quota for 2026 of 14.3 million wmt for the Hengjaya Mine, supported by a five-year AMDAL, enables increased ore sales while also incorporating innovative environmental solutions. These include Indonesia's first approved in-pit tailings storage facility, dedicated slurry pipelines linking mining and processing operations, and materially lower-cost, lower-emissions ore supply and tailings transport. These approvals not only deliver operational efficiencies but also strengthen environmental performance and traceability for end customers.

At the project level, the ENC HPAL Project continued to be strategically de-risked. The entry of Sphere Corp as a 10% equity partner provides strong external validation of ENC as a globally significant, low-carbon nickel operation. Importantly, we also reached agreement with our partner, Shanghai Decent, to revise the remaining ENC acquisition schedule, allowing us to increase our ownership to 46% while materially reducing expected future cash outflows and providing certainty and finality around our remaining acquisition commitments.

We also continued to advance long-term ore security and integration initiatives. The execution of a memorandum of understanding for the exclusive supply of limonite ore from the Sampala Project to an adjacent HPAL facility further solidifies the value of the limonite ore body and introduces first-of-its-kind solutions to unlock additional value from previously uneconomic low-grade saprolite ore. The development of the Sampala Project strengthens our pathway toward self-sufficiency in ore supply and reinforces the strategic advantages of our integrated mining and processing footprint.

We advanced our broader resource portfolio during the year. At Sampala, the maiden JORC Resource was further supported by an extensive drilling program, and construction of the first 8 kilometre section of the 24 kilometre haul road to IMIP is now 90% complete. Together with Siduarsi, these developments strengthen our ability to manage anticipated ore constraints and reinforce long-term supply to our processing operations. The addition of large-tonnage, high-grade ore sources remains central to our pathway toward ore self-sufficiency.

I would like to acknowledge the continued efforts of our Management team, whose commitment and execution have been instrumental in strengthening the Company during a demanding period for the industry. Against a challenging macroeconomic backdrop, management has remained focused on building resilience into the business, mitigating external risks and continuing to advance responsible and sustainable mining practices in Indonesia.

Looking forward, the Company enters 2026 with clear near-term catalysts. The anticipated commissioning of the ENC HPAL Project in the first half of 2026 will mark a significant milestone for Nickel Industries, materially expanding our production profile, diversifying our product mix and further lowering the carbon intensity of our nickel output. In parallel, expanded sales volumes from the Hengjaya Mine, underpinned by recent RKAB and AMDAL approvals, will enhance ore security, support higher levels of integration and deliver incremental cash flow. Together, these developments position the Company to generate stronger operational and financial outcomes as market conditions improve and reinforce our confidence in the long-term growth and sustainability of the business.

Yours sincerely



Norman Seckold  
Executive Chairman

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

### Principal Activities and Review of Operations

(All amounts in US\$ unless otherwise stated)

Nickel Industries Limited (**the Company** or **Nickel Industries**) was incorporated on 12 September 2007, under the laws of the State of New South Wales, Australia. Nickel Industries and its controlled entities (together **the Group**) has become a globally significant, low-cost producer of nickel pig iron (**NPI**), a key input in the production of stainless steel. Additionally, the Group has diversified into the production of nickel matte and acquired interests in high pressure acid leach (**HPAL**) projects, producing mixed hydroxide precipitate (**MHP**) for use in the electric vehicle (**EV**) supply chain. The Group's principal operations, located in Indonesia, are the Hengjaya Nickel, Oracle Nickel and Ranger Nickel rotary kiln electric furnace (**RKEF**) projects located within the Indonesia Morowali Industrial Park (**IMIP**), the Angel Nickel RKEF Project within the Indonesia Weda Bay Industrial Park (**IWIP**) and the Hengjaya Mine, a large tonnage, high grade nickel laterite deposit in close proximity to the IMIP. At year end, the Company held an 80% interest in each of the Angel Nickel, Hengjaya Nickel, Oracle Nickel and Ranger Nickel projects and the Hengjaya Mine, a 10% interest in the Huayue Nickel Cobalt HPAL project (**HNC**) and a 44% interest in the Excelsior Nickel HPAL project (**ENC**).

The loss of **the Group** for the year ended 31 December 2025 after income tax was \$41,166,969 (31 December 2024: \$189,796,366 loss, the loss includes post tax impairment charges of \$204,695,078).

During the year ended 31 December 2025 significant milestones were achieved as set out below.

- The Company's RKEF projects produced 124,966 tonnes of nickel metal in NPI and HPAL projects produced 8,503 tonnes of attributable nickel and 802 tonnes of attributable cobalt in MHP. Adjusted EBITDA<sup>1</sup> for the year was \$150.1m for RKEF operations and the Company's Adjusted EBITDA from HPAL operations (its 10% interest in the HNC HPAL and its NIC trading division) was \$57.6 million.
- 19.2 million wet metric tonnes (**wmt**) of nickel ore were mined at the Hengjaya Mine (15.1m wmt of limonite ore and 4.1m wmt of saprolite ore) and 9.9 million wmt of nickel ore were sold (5.2 million wmt of limonite ore and 4.7 million wmt of saprolite ore). Adjusted EBITDA from the Hengjaya Mine for the year was \$91.6 million.
- In February 2025, the Company declared a final dividend of A\$0.015 per share, with respect to the full year 2024 financial result, taking the total dividends for 2024 to \$0.04 per share. At the same time, the Company implemented a Dividend Reinvestment Plan, whereby shareholders could elect to subscribe for additional ordinary shares in the Company in lieu of receiving a cash payment.
- The construction of the integrated nickel refinery at the ENC project reached a point at which staged commissioning could commence, but that with the issuance of ENC's Izin Usaha Industri (**IUI**) which is an industrial business licence that allows commercial sales to be undertaken, to follow construction completion commissioning would be delayed until the IUI was in place, with focus then on the completion of the HPAL smelter and sulphate circuit.
- At the end of 2025, Sphere Corp., a global key vendor supplying special alloys to aerospace company SpaceX was introduced as a strategic offtake partner at the ENC Project, acquiring a 10% interest in ENC
- In September 2025, the Company completed the issuance of US\$800 million of senior unsecured notes at a coupon of 9.0%, maturing 2030. At the same time, the Company undertook a tender offer and fully repaid its existing 11.250% senior unsecured notes which were to mature in October 2028. Following this, the Company also repaid US\$150 million of its existing amortising bank loans.

<sup>1</sup> Adjusted EBITDA is defined as profit/(loss) before tax for the period plus the following adjustments: depreciation and amortisation costs, impairment, foreign exchange gains/(losses), Net Finance Cost, withholding tax expense and the proportionate share of these adjustments in equity accounted associates (EAA). This non-IFRS financial measure, which is referred to throughout the directors' report, is used internally by management to assess the performance of the Group's business and make decisions on allocation of resources.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**REVIEW OF OPERATIONS**

- Subsequent to the end of the year the Company reached an agreement with Shanghai Decent to revise its ENC acquisition schedule. Under the revised arrangement, Nickel Industries will acquire a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project, with a final payment of US\$46 million due by 31 March 2026. This replaces and fully supersedes the previously expected payments totalling US\$253 million to increase shareholding to 55%.
- Subsequent to the end of the year the Company received an increase in its RKAB quota for 2026 to 14.3 million wmt.

**Group Safety**

The Company-wide 12-month lost time injury frequency rate (**LTIFR**) as at the end of December 2025 was 0.00, with no lost time injuries (**LTI**) recorded during the quarter, against 3.8 million safe man hours registered. For the twelve months to 31 December 2025, there were 17.7 million safe man hours registered, with no LTI's occurring.

The Company-wide 12-month rolling total recordable injury frequency rate (**TRIFR**) as at the end of December 2025 was 0.68. The Hengjaya Mine has recorded over 26.1 million work hours since the last reported LTI in November 2021. The Company will continue to strengthen its 'best practice' mining and processing standards. All the operations are focused on safety training, risk assessments and change management. The Company is committed to continuous improvement in all operations and will continue to work collaboratively with stakeholders to drive positive environmental, safety, social, and governance outcomes.



*Award ceremonies*

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**REVIEW OF OPERATIONS**

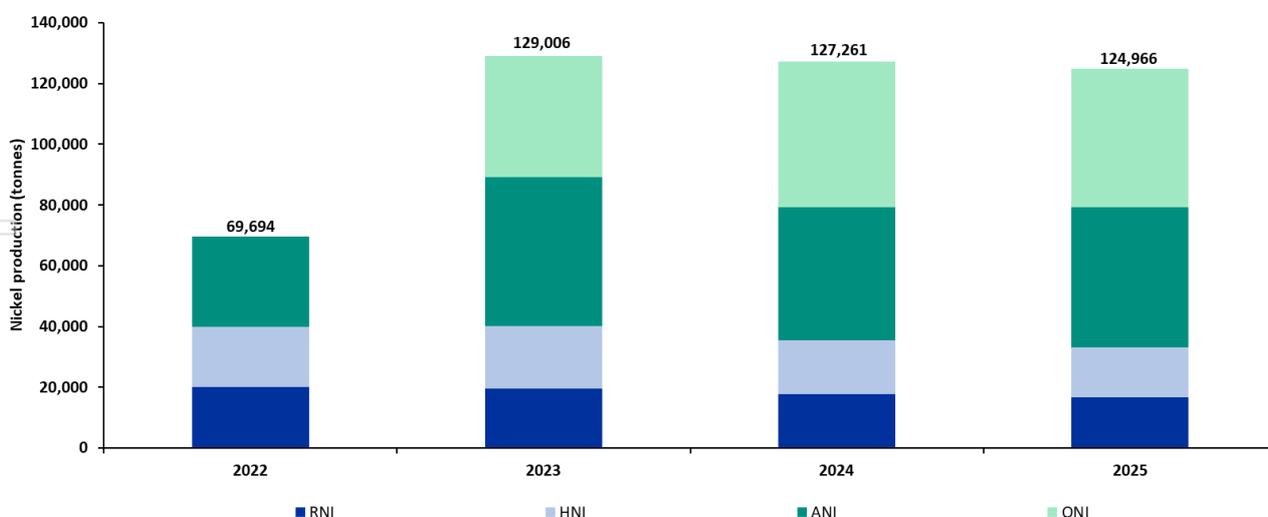
**RKEF operations** (80% indirect interest held by Nickel Industries)

The Company's RKEF operations delivered record production of another 1,055,658 tonnes of NPI produced. The 124,966 tonnes of nickel metal produced was below 2024's 127,261 tonnes of nickel metal due to a lower grade of nickel ore feed. Adjusted EBITDA from RKEF operations was \$150.1 million for the year ended 31 December 2025 (31 December 2024: \$187.2 million). The decrease in Adjusted EBITDA was driven by a 8.8% decrease in sale price, partially offset by 1.8% decrease in cash costs, predominately driven by lower nickel ore and coal costs, as Group RKEF cash costs remain at 2021 levels.

Production	Units	2024	2025
NPI production	tonnes	1,042,655	1,055,658
Nickel grade	%	12.2	11.8
<b>Total nickel production</b>	<b>tonnes</b>	<b>127,261</b>	<b>124,966</b>
Cash costs	\$/t Ni	10,223	10,042

Sales	Units	2024	2025
Wtd. Avg contract price	\$/t Ni	12,265	11,187
Sales	tonnes	128,418	125,341
Revenue	US\$m	1,575	1,402
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>187.2</b>	<b>150.1</b>
Adjusted EBITDA p/t sold	\$/t Ni	1,458	1,197

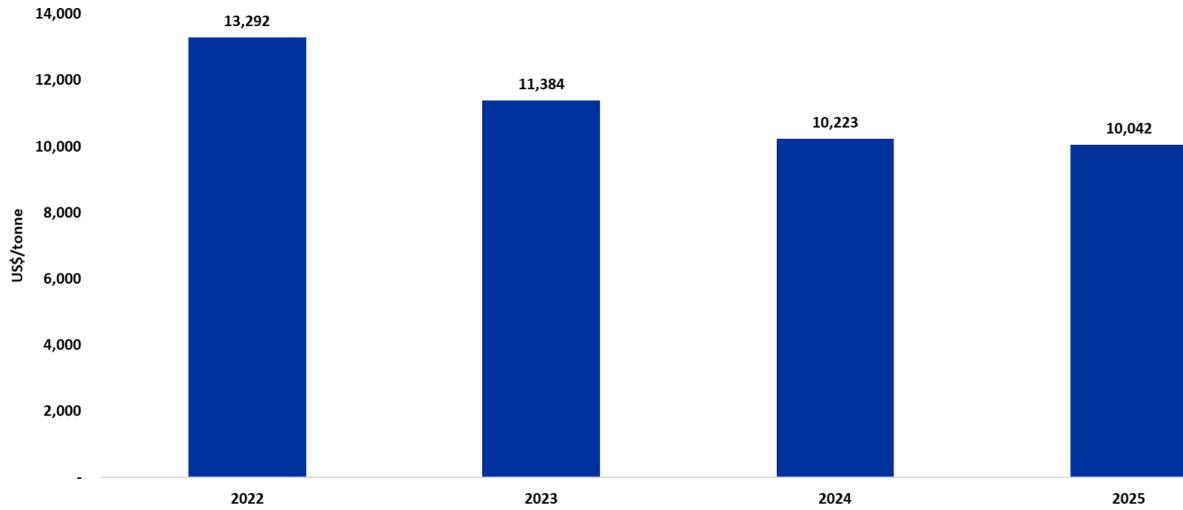
**RKEF production**



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and its controlled entities

**REVIEW OF OPERATIONS**

RKEF operating cash costs



*RKEF operations training*

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and its controlled entities

**REVIEW OF OPERATIONS**

**HPAL operations**

**Huayue Nickel Cobalt Project (10% indirect interest held by Nickel Industries)**

During the year, the Huayue Nickel Cobalt (**HNC**) Project produced 85,031 tonnes of nickel and 8,023 tonnes of cobalt in mixed hydroxide precipitate (**MHP**), outperforming nameplate capacity (60,000 tonnes of nickel per annum) by 42%. Combined operating cash costs increased by 9% year on year, primarily due to higher sulfur costs.

MHP contract prices increased by 8% to US\$14,990/t Ni year on year supported by higher metal payability and stronger cobalt prices with the cobalt byproduct increasing to ~US\$1,900/t Ni. Adjusted EBITDA for the year of US\$6,677/t Ni was 12% higher than US\$5,693/t in 2024.

<b>Production</b>	<b>Units</b>	<b>2024</b>	<b>2025</b>
Attributable HNC production (10%)	Ni tonnes	8,341	8,503
	Co tonnes	769	802
Cash costs <sup>2</sup>	\$/t Ni	7,115	7,765

<b>Sales</b>	<b>Units</b>	<b>2024</b>	<b>2025</b>
Sale price	\$/t Ni	13,883	14,990
Attributable HNC sales (10%)	Ni tonnes	8,110	8,626
	Co tonnes	747	812
Attributable HNC Adjusted EBITDA (10%)	US\$m	36.8	41.3
NIC trading division Adjusted EBITDA	US\$m	11.5	16.3
<b>Total Adjusted EBITDA</b>	<b>US\$m</b>	<b>48.3</b>	<b>57.6</b>
Total Adjusted EBITDA/t	US\$/t Ni	5,963	6,677



*Nickel Industries' HPAL operations*

<sup>2</sup> Cash costs do not include the benefit of credits from byproducts. The cobalt byproduct increased to ~US\$1,900/t Ni in 2025.

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

### Excelsior Nickel Cobalt Project (44% indirect interest currently held by Nickel Industries)<sup>3</sup>

Construction at the ENC Project continued to make strong progress throughout the year. By year end, testing commenced for the autoclave, first line of the sulfuric acid plant, counter current decantation circuit, thickeners, precipitation tanks, slurry storage tanks, reagent storage tank and other associated equipment at the HPAL Smelter. These activities were undertaken to confirm mechanical completion and operational readiness. This achievement enables integrated slurry transfer testing and supports the progression toward full HPAL system commissioning.



*ENC HPAL Smelter construction progress*



*ENC integrated sulfate and cathode Refinery construction progress*

<sup>3</sup> The Company is scheduled to move to a 46% equity interest in ENC by 31 March 2026.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**REVIEW OF OPERATIONS**

**Mining operations**

Hengjaya Mine (80% interest held by Nickel Industries)

The Company's Hengjaya Mine delivered another year of record production of 19.2 million wmt of nickel ore (15.1 million wmt of limonite and 4.1 million wmt of saprolite), and record sales of 9.9 million wmt under the existing Rencana Kerja dan Anggaran Biaya (RKAB) annual mining quota. The saprolite contract price is based on the Indonesian benchmark price plus a local premium. During the year, the saprolite contract price decreased 30%, driven by a reduction in the local premium. Despite the limonite nickel grade decreasing during the year, the limonite contract price increased 31% due to the increased demand for limonite ore from Indonesian HPAL projects. During the year, the Company experienced substantial downtime and \$21.3 million in standby charges at the Hengjaya Mine as the RKAB extension was not granted until 12 December 2025 and consequently the Adjusted EBITDA decreased from \$100.9m in 2024 to \$91.6m in 2025. Subsequent to the end of the year the Company received an increase in its RKAB quota for 2026 to 14.3 million wmt.

Production	Units	2024	2025
Saprolite production	wmt	5,017,222	4,070,654
Limonite production	wmt	14,010,958	15,085,829
<b>Total production</b>	<b>wmt</b>	<b>19,028,180</b>	<b>19,156,483</b>
Overburden	BCM	2,162,342	2,396,522
Strip ratio	BCM/wmt	0.11	0.13

Sales	Units	2024	2025
Saprolite sales	wmt	5,216,474	4,714,393
Limonite sales	wmt	3,783,526	5,188,111
<b>Total sales</b>	<b>wmt</b>	<b>9,000,000</b>	<b>9,902,504</b>
Saprolite grade	%	1.54	1.46
Limonite grade	%	1.15	1.12
Saprolite sale price	US\$/wmt	36.9	26.0
Limonite sale price	US\$/wmt	18.1	23.6
<b>Average sale price</b>	<b>US\$/wmt</b>	<b>28.9</b>	<b>24.7</b>
Unit operating costs	US\$/wmt	17.7	15.6
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>100.9</b>	<b>91.6</b>
Adjusted EBITDA/wmt	US\$/wmt	11.2	9.3



*Hengjaya Mine operation*

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

### Sampala Project (Nickel Industries with rights to acquire a 60% interest)

The Sampala Project continues to progress well. The Company anticipates receiving approval for the ETL RKAB by the end of Q1'2026. Additionally, the Company is targeting submitting the feasibility study for the ANN IUP by the end of Q1'2026. The feasibility study includes mine planning, slurry preparation plant and mine infrastructure layout, as well as a centralised mine infrastructure area, including main office, assay laboratory, accommodation and support facilities. The project continues to work closely with stakeholders and the community on various local projects, including employment.

Construction of 8 kilometres of haul road, a 60-metre bridge, internal road systems and stage one accommodation is progressing well. Internal haul roads between ETL and MJN are 72% complete. The construction activities have resulted in the creation of approximately 800 new jobs.

During 2025, a total of 103,554 metres (3,534 holes) were drilled, covering an area of 2,264ha on mostly 100 metre spacing. Exploration drilling focused on GF exploration area, with infill drilling programs at the ANN area to support detailed mine planning. In addition to the Resource drilling, the required geotechnical drilling has been completed for mine planning. Drilling programs will continue to focus on resource infill drilling throughout 2026.

Further details on the Sampala acquisition can be found on the Company's website ([ASX Announcement – 17 September 2024](#)) and ([ASX Announcement – 5 February 2025](#)).



*Sampala Mine camp and bridge construction*

### Siduarsi Project (51% interest held by Nickel Industries, with rights to move to 100%)

Exploration activities at the Siduarsi Project advanced across multiple workstreams, including surface mapping and sampling, geophysical surveying, metallurgical testing and environmental studies. Detailed surface mapping and sampling defined two priority prospect areas totalling ~1,200 ha. A ground-penetrating radar (GPR) survey successfully delineated lateritic weathering profiles. Bulk sampling and metallurgical test work progressed to evaluate nickel and cobalt HPAL leaching kinetics and reagent consumption. Regional surface sampling across the southern block identified additional laterite prospectivity.

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

### Environmental Social Governance

#### Fleet electrification

The Company's fleet electrification and energy efficiency initiatives aim to reduce diesel reliance, lower Scope 1 emissions, and improve operating cost efficiency by progressively deploying electric mobile equipment where operationally feasible. The Hengjaya Mine expanded electrified haulage, increasing the electric truck fleet from 8 units in 2024 to 37 units, reducing diesel use and improving haulage energy intensity, and supporting the progressive electrification of mobile equipment where operationally feasible. The RKEF assets deployed additional electric mobile equipment comprising 20 electric loaders, 4 electric excavators and 1 electric forklift. The electric equipment delivered 2.41 times higher energy efficiency and around 80% lower energy cost per operating hour than diesel units, and electric loaders delivered 2.46 times higher efficiency and around 76% lower operating costs, supporting medium-term objectives to reduce fuel-related operating costs and Scope 1 emissions.



*EV battery swap station and electric loader*

#### Solar and battery energy storage system offtake

The solar project in the Indonesian Morowali Industrial Park (SESMO) that will supply ENC with renewable power successfully achieved financial close on 23 January 2026. The SESMO project consisting of 262MWp photovoltaic and 80MWh battery energy storage system (BESS) will be the largest solar and BESS in Indonesia and the first limited-recourse project financing for a renewable energy project supporting a corporate end-user in Indonesia. The renewal energy source will enable the ENC HPAL to produce some of the lowest carbon nickel units globally. The electricity offtake power purchase agreement includes a 25-year fixed rate tariff with no escalation.

#### University scholarship program

Delivered through an ongoing education partnership with Universitas Hasanuddin since 2024, university scholarships continued in 2025 to support local undergraduate students from Morowali. In 2025, it funded 20 students across disciplines, including geology, environmental science, engineering, mining, law, accounting, and informatics, with an average GPA of 3.21, exceeding the minimum target of 2.00. Applications increased from 30 to 60 year-on-year, and the 2025 allocation totalled IDR 1 million with forward targets focused on community-based projects in Morowali and leadership development through formal organisations.



*NIC scholarship recipients socialising university life at high school to increase interest in college*

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

### Biodiversity & Watershed Rehabilitation

In 2025, Hengjaya completed 100% of its watershed rehabilitation obligations in the ENSA and BOMBA areas—two government-designated watershed rehabilitation zones in Central Sulawesi where the Company has planted over two million trees across more than 2,000 hectares to restore watershed stability, reduce erosion and flood risks, and fulfil national rehabilitation requirements under PPKH Number 3/1/IPPKH/PMA/2018. These obligations have been implemented progressively since 2019 and were formalised through the Company’s submission to the Directorate General of Watershed Management and Forest Rehabilitation dated 18 December 2025, marking the full completion of planting across 545 hectares in Protected and Production Forest areas under KPH Tepo Asa Aroa as part of Indonesia’s watershed restoration program.

### Local community development

The Indonesian Ministry of Energy and Mineral Resources also recognised the Hengjaya Mine among Indonesia’s top five mining operations for innovative social community development, underscoring the effectiveness of the Company’s social investment strategy in delivering inclusive programs and shared value outcomes.

The Company allocated approximately IDR 20 billion to support development initiatives in surrounding communities. These initiatives covered a broad range of programs, including charitable assistance, infrastructure development, capacity building, and community empowerment. Key social development programs implemented during the year included sustainable agriculture initiatives aimed at strengthening farmers’ capacities through the Harmoni Makarti program, marine biodiversity development in collaboration with local communities, as well as community healthcare services and emergency response support delivered through the HEALTHLink program.

### ESG Awards

During the year, the Company received multiple external recognitions that reflect the effectiveness of its sustainability strategy. Hengjaya Mine was awarded the Subroto Award by the Ministry of Energy and Mineral Resources for its innovative community development programs, while at the international level, the Company earned the Best Community Award at the Global CSR & ESG Summit in Vietnam for the Harmoni Makarti initiative. Additional accolades included a Biodiversity Management Award at ISRA 2025 for the BIO-SPARK conservation program, Nickel Industries’ inclusion in the Fortune Indonesia Change the World 2025 list, multiple recognitions at the IntechSEA 2025 Awards for energy and marine ecosystem innovations, and the Excellent in Sustainability Leadership honor at the CNBC Indonesia Awards 2025.

In addition to these recognitions, Hengjaya Mine achieved a Green PROPER rating for the 2024 assessment year, officially announced in the second quarter of 2025, marking its third consecutive Green PROPER rating since 2022. This achievement demonstrates environmental performance beyond regulatory compliance and positions Hengjaya Mine as the only mining operation in Central Sulawesi to consistently maintain a Green PROPER rating over the year.



*Award ceremonies*

# NICKEL INDUSTRIES LIMITED and its controlled entities

## REVIEW OF OPERATIONS

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### Corporate

#### Declaration and payment of dividend

In February 2025, the Company declared a dividend for 2025 of A\$0.015 per share, being a distribution of A\$26.9 million (\$17.0 million) after 58% of shareholders participated in the dividend reinvestment plan. The Company issued 50,125,995 shares in March 2025 to participants in the dividend reinvestment plan.

#### Successful issuance of US\$800 million notes

During September 2025, the Company issued US\$800 million of 5-year bullet senior unsecured notes at a coupon of 9%. Proceeds from the notes were used during October to tender the existing US\$400 million senior unsecured notes and repay US\$150 million of existing amortising bank loans. The transaction extends the Company's debt maturities, reduces the Company's cost of debt and removes US\$88 million in annual note amortisation and approximately US\$31 million in annual loan amortisation.

#### RKAB sales quota extension

During December 2025, the Hengjaya Mine received approval to increase its Rencana Kerja dan Anggaran Biaya (RKAB) for 2025 nickel ore sales from 9 million wmt to 10.5 million wmt for 2025.

Approval of the 2025 RKAB follows the approval of the Analisis Mengenai Dampak Lingkungan (AMDAL) by the Kementerian Lingkungan Hidup (**Ministry of Environment**). While the RKAB sales license is applied for and issued annually, the supporting AMDAL is for a 5-year period and will not require modification during that period. The AMDAL also underpins approval for an increased RKAB to 19 million+- wmt in 2026, with the Company in the process of achieving final approvals for its 2026 RKAB. Subsequent to the end of the year the Company received an increase in its RKAB quota for 2026 to 14.3 million wmt.

The approved AMDAL includes Indonesia's first in-pit tailings storage, featuring a dedicated pipeline between the ENC HPAL and Hengjaya Mine to transport tailings prior to dry stack storage and pit recontouring. This innovative approach delivers meaningful environmental and traceability benefits for end customers. In addition, the AMDAL permits Hengjaya Mine to transport limonite via slurry pipeline to the ENC HPAL at significantly lower cost and emissions intensity compared to conventional vehicle hauling.

#### ENC strategic partnership

On 31 December 2025, Sphere Corp (**Sphere**) acquired a 10% equity interest in ENC, with the equity transfer completed on that date and a deposit paid at settlement of \$1 million. The balance of the consideration was deferred until after year-end and has now been paid. Sphere's acquisition has been implemented with Decent Resource, an affiliate of Shanghai Decent, reducing its shareholding in ENC. Sphere is a key accredited supplier to US aerospace company SpaceX, and its investment represents a strong external validation of both the Company and ENC as global showcases for sustainable, high quality, low carbon nickel production.

To complete its investment in ENC, subsequent to year end Sphere entered into a US\$210 million senior secured amortising term loan from external lenders (the **Sphere Acquisition Loan**). To facilitate this financing, the Company has agreed to provide a credit enhancement to Sphere's lenders by granting them recourse to the Company in the event Sphere defaults. Depending on the nature of any default, the Company 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 the Company 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, the Company contingent exposure remains materially lower than Sphere's US\$240 million acquisition consideration, allowing the Company to acquire an additional 10% interest at a discount in the unlikely scenario that situation occurs.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**REVIEW OF OPERATIONS**

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Subsequent to year end, the Company has also reached agreement with its largest shareholder, Shanghai Decent, to revise the ENC acquisition schedule. Under the revised arrangement, Nickel Industries 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) originally scheduled to take the Company to a 55% interest in ENC – reducing expected cash outflows for Nickel Industries and providing certainty and finality to its remaining ENC acquisition payments.

**Sampala Ore Supply Memorandum of Understanding (MOU)**

The Sampala Project has executed a MOU to exclusively supply up to 14 million 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.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**REVIEW OF OPERATIONS**

**Resources**

**Mineral Resource in accordance with JORC Code 2012**

Project	Mineral Resource Category	Million wmt	Million dmt	Ni (%)	Co (%)	Nickel metal (million tonnes)	Report date
<b>Hengjaya Mine</b>	Measured	196	121	1.2%	0.1%	1,494	Oct-25
	Indicated	196	121	1.2%	0.1%	869	
	Inferred	144	88	1.1%	0.1%	980	
	<b>Total</b>	<b>462</b>	<b>285</b>	<b>1.2%</b>	<b>0.1%</b>	<b>3,344</b>	
<b>Sampala Project</b>	Indicated	99	55	1.1%	0.1%	0.6	Aug-24
	Inferred	218	132	1.3%	0.1%	1.7	
	<b>Total</b>	<b>317</b>	<b>187</b>	<b>1.2%</b>	<b>0.1%</b>	<b>2.3</b>	
<b>Siduarsi Project</b>	Indicated	25	16	1.1%	0.1%	0.2	May-24
	Inferred	58	36	1.1%	0.1%	0.4	
	<b>Total</b>	<b>84</b>	<b>52</b>	<b>1.1%</b>	<b>0.1%</b>	<b>0.6</b>	

The above nickel resources use a cut-off grade of 0.7% Ni for the Hengjaya Mine and 0.8% Ni for the other Resource projects. Figures shown represent 100% of total resources at this time. Nickel Industries owns 80% of the Hengjaya Mine, 51% of the Siduarsi Project with definitive agreements to move to 100% in 2026 and definitive agreements to acquire 60% of the Sampala Project in 2026.

**Key updates from previous reporting period**

From October 2025 to December 2025, Hengjaya Mine has sold 0.8 million wmt of saprolite at 1.5% Ni and 0.1 million wmt of limonite at 1.1% Ni. Whilst ongoing exploration continues at the Sampala and Siduarsi Project and 5,965 infill holes have been drilled with a cumulative total depth of 164,854 metres, the information is not yet available to determine an updated JORC Resource and no mining has occurred. Nickel Industries is not aware of any new information that materially affects the information included in the Mineral Resource Statement above and all material assumptions and technical parameters continue to apply.

**Governance and internal controls**

The Mineral Resource estimates have been prepared by external consultants independently from the Company. Exploration at our projects follows standard operating procedures in the field to ensure JORC Code Compliance. This includes photography of all drill cores for future reference. Drill core samples are sent to the Hengjaya Mine internal laboratory or independent certified laboratories for analysis. All assays are subject to stringent quality assurance and control protocols. A program of data verification is included in all exploration programs to confirm the validity of the exploration and assay data. Nickel ore sales are weighed at the mining concession weighbridge and again at the customers location to ensure all products sent are delivered and can be reconciled. Additionally, surveys are completed monthly to audit the production volumes.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**REVIEW OF OPERATIONS**

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*Competent Persons Statement*

The information in this announcement is based on and fairly represents information and supporting documentation that relates to mineral exploration data and a Mineral Resource Estimate compiled and prepared by Daniel Madre, Charles Watson and Tobias Maya.

Daniel Madre of PT Danmar Explorindo is a member of the Australian Institute of Mining and Metallurgy (**AusIMM**) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australian Code for Reporting Mineral Resources and Ore Reserves”. Mr Madre is an independent consulting geologist and consents to the inclusion of the matters based on this information in the form and context in which it appears. Mr Madre has more than 24 years’ experience in exploration and mining of nickel laterites in Indonesia.

Charles Watson is a geologist with more than 46 years’ experience in Indonesia, Africa, Australia and New Zealand and has provided a detailed review of laboratory procedures, quality control procedures and assay result reliability at the Hengjaya Mine for the purpose of this report. Charles Watson has acted as a consultant to Nickel Industries for the last 5 years.

Tobias Maya has a Bachelor of Science degree majoring in Spatial Science from Charles Sturt University, Australia. Tobias Maya is a Mineral Resource modelling specialist with more than 24 years of experience in exploration and modelling lateritic nickel resources in Indonesia. Tobias Maya is currently a director of PT Geo Search and a consultant to PT Danmar Explorindo for the purpose of this study. PT Geo Search has also provided ultra- ground penetrating radar (**GPR**) survey services to Hengjaya Mine.

Daniel Madre, Charles Watson and Tobias Maya have sufficient experience which is relevant to the type of mineralisation and deposit under consideration and the reporting of Exploration Results and Mineral Resources.

*Corporate Governance Statement*

The Board is committed to maintaining standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practises against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The Corporate Governance Statement is dated as at 23 February 2026, reflecting the corporate governance practises throughout the 2025 financial year and was approved by the Board of Directors of the Company on 23 February 2026. A description of the Company’s current corporate governance practises is set out in the Company’s Corporate Governance Statement, which can be viewed at [www.nickelindustries.com.au/corporate-governance/](http://www.nickelindustries.com.au/corporate-governance/).

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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The Directors present their report together with the financial report of Nickel Industries Group, being Nickel Industries Limited ('the Company' or 'Nickel Industries') and its controlled entities ('the Group'), for the year ended 31 December 2025 and the auditor's report thereon:

**Directors**

The names and particulars of the Directors of the Company at any time during or since the end of the year are:

**Norman Alfred Seckold – Executive Chairman**

Executive Chairman to 16 April 2018 and again from 31 December 2023. Director since 12 September 2007.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 40 years in the full time management of natural resource companies, both in Australia and overseas.

Mr Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered and developed the Palmarejo and Guadalupe gold and silver mines in Mexico.

Mr Seckold is currently Chairman of ASX-listed companies Alpha HPA Limited, Fulcrum Lithium Ltd, Minerals Exploration Limited, Sky Metals Limited and director of unlisted public company Aluminium Industries Limited.

Mr Seckold is Chairman of the Company's Risk Management and Sustainability Committee.

**Justin Charles Werner – Managing Director**

Director since 23 August 2012.

Mr Werner holds a Bachelor of Management from the University of Sydney and has been involved in the mining industry for 20 years. He was a founding partner of PT Gemala Borneo Utama, a private Indonesian exploration and mining company, which developed a heap leach gold mine in West Kalimantan and also discovered the highly prospective Romang Island with then ASX-listed Robust Resources Limited.

Prior to developing projects in Indonesia, Justin worked as a consultant, leading many successful turnaround projects for blue chip mining companies around the world including Freeport McMoran (Grasberg deposit, Indonesia where he spent 2 years), Lihir Gold (Lihir mine, Papua New Guinea), Placer Dome (Nevada, USA), BHP Billiton (Ingwe Coal, South Africa), Rio Tinto (West Angeles Iron Ore, Australia), Nickel West (Western Australia) and QNI Yabulu refinery (Queensland, Australia). He was a Director of ASX listed Alpha HPA Limited until November 2023.

Mr Werner is currently a non-executive director of ASX-listed EV Resources Limited, FMR Resources Limited, non-executive chairman of ASX-listed Far East Gold Limited and vice chairman of unlisted public company Aluminium Industries Limited.

Mr Werner is a member of the Company's Risk Management and Sustainability Committee.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

---

**Christopher Shepherd – Director and Chief Financial Officer**

Chief Financial Officer since 15 November 2021. Director since 23 December 2022.

Chris Shepherd is a Chartered Accountant who holds Bachelor degrees in Applied Finance and Commerce. Prior to joining the Company, Chris was a Partner and Managing Director of The Pallinghurst Group in London and has over 20 years' experience in private equity, investment banking and corporate finance, advising on more than \$30 billion in transactions across Australasia, North America, Europe and Africa.

Prior to The Pallinghurst Group, Chris was an investment banker at Merrill Lynch and Deutsche Bank gaining extensive experience in transaction origination, structuring and execution across the mining, industrial and consumer sectors.

Mr Shepherd is currently a non-executive director of unlisted public company Aluminium Industries Limited.

Mr Shepherd is a member of the Company's Risk Management and Sustainability Committee.

**James Crombie – Non-Executive Director**

Director since 23 May 2008.

Jim Crombie graduated from the Royal School of Mines, London, with a B.Sc. (Hons) in Mining Engineering, having been awarded an Anglo American Scholarship. Mr. Crombie held various positions with DeBeers Consolidated Mines and the Anglo American Corporation in South Africa and Angola between 1980 and 1986. He spent the next thirteen years as a Mining Analyst and Investment Banker with Shepards, Merrill Lynch, James Capel & Co. and finally with Yorkton Securities. Mr Crombie was the Vice President, Corporate Development of Hope Bay Mining Corporation Inc. from February 1999 through May 2002 and President and CEO of Ariane Gold Corp. from August 2002 to November 2003. Mr Crombie was President, CEO and a director of Palmarejo Silver and Gold Corporation until the merger with Coeur d'Alene Mines Corporation, one of the world's leading silver companies, in December 2007. Currently, Mr Crombie is President and CEO of Odyssey Resources Corp.

Mr Crombie is Chairman of the Company's Audit Committee.

**Dasa Sutantio – Non-Executive Director**

Director from 29 May 2020 to 11 March 2025

Mr Sutantio graduated with a Bachelor of Commerce degree from the Australian National University in 1987 and has been involved in the Asian financial sector for more than 20 years, holding various senior positions at Citibank N.A., Bank Tiara Asia Tbk., the Indonesian Bank Restructuring Agency and PT Bank Mandiri Tbk. He joined the Indonesian Tanito Group in 2010.

**Muliady Sutio – Non-Executive Director**

Director since 21 September 2023.

Mr Sutio has a Bachelor of Industrial Engineering degree from Trisakti University in 1994. His career began at PT Astra International Tbk in 1994 as an Efficiency Division Analyst. Mr Sutio was appointed as Team Leader for PT Pamapersada Nusantara's business processes in 2000. In 2004, he was appointed as Corporate Planning and System Development Head and in 2007, he was appointed as Head of Supply Management. In 2014, he was appointed as President Director of PT Energia Prima Nusantara, as well as the Director of PT Pama Indo Mining. From 2015 until 2017, he was also appointed President Director of PT Unitra Persada Energia.

Mr Sutio currently serves as the President Director of DTN, President Director of PT Agincourt Resources and is Commissioner of the following companies: PT Energia Prima Nusantara (a renewable energy company with interests in solar- and hydro-power operations), PT Persada Tambang Mulia, PT Sumbawa Jutaraya, PT Bhumi Jepara Services and PT Unitra Nusantara Persada, all of which are subsidiaries companies of the United Tractors group.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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**Haijun Wang – Non-Executive Director**

Director since 1 November 2023.

Mr Wang has a Degree from Beijing University of Aeronautics and Astronautics, majoring in Solid Rocket Engines, as well as post graduate degree from the China Academy of Launch Vehicle Technology majoring in Liquid Rocket Engines. Mr Wang was the CEO of Shanghai Decent from 2008 and then became President Director of Shanghai Decent in 2023. He has worked in various senior roles with Tsingshan since 2004, including as CEO of Ruipu Technology Group from 2013 to 2016.

Mr Wang is a member of the Company's Audit Committee.

**William Shangjaya – Non-Executive Director**

Director since 9 May 2023.

Mr Shangjaya has been a key member of the rapid development of Tsingshan since 2000. His previous experience spans many senior roles and operations including head of AOD Department of Zhejiang Tsingshan Special Steel Company Limited, the General Manager of Zhejiang Tsingshan Steel Company Limited, the Chairman of Zhejiang Ruipu Machinery Company Limited, the Vice President of Ruipu Technology Group Company Limited, the Chairman of Fujian Dingxin Nickel Company Limited and the Vice Chairman of Tsingtuo Group Company Limited.

Mr Shangjaya has already played a key role in the development of the Company's RKEF operations, as a Shanghai Decent nominee to the Board of the Company's Indonesian RKEF entities, as well as director of the Company's Singaporean subsidiary companies.

In his current role as Chairman of Eternal Tsingshan he has successfully led the management, development and operations of the IMIP and the IWIP, which are the world's largest integrated nickel processing industrial parks with nearly 100,000 employees.

Mr Shangjaya is a member of the Company's Risk Management and Sustainability Committee.

**Yuanyuan Xu – Non-Executive Director**

Director since 26 April 2018.

Ms Yuanyuan Xu graduated with a Bachelor Degree in Fashion Business and Fashion Design from Instituto Marangoni and then obtained a Masters Degree in Economics from the Business Institute of Pennsylvania. After graduation, Ms Xu worked on marketing, public relations and procurement activities in the fashion industry before joining the financial industry, working for Pin An Securities and IDG Capital, particularly in macro policy analysis, new energy industry research, investment and mergers and acquisitions.

She is currently an Executive Director of Shanghai Wanlu Investment Co., Ltd.

**Emma Hall – Non-Executive Director**

Director since 11 June 2024.

Ms Hall has held senior executive level positions at several multi-national companies in the critical minerals industry. These companies specialised in mining, as well as downstream processing, where Emma led strategy, marketing and business development functions. Prior to this, Emma's earlier career was in investment banking in Sydney and London. Emma has over 10 years' experience in the global battery metals industry including wide-ranging commercial and technical engagements with battery manufacturers and OEMs in USA, Europe, Japan, China and South Korea. This experience includes 5 years as Vice President Corporate Development at Tianqi Lithium Corporation during which the company significantly grew its presence in Australia, Chile and North Asia. Emma holds Bachelor of Commerce and Bachelor of Laws (Hons) degrees from the University of Western Australia and a Masters of Applied Finance from Macquarie University and is a graduate of the Australian Institute of Company Directors.

Ms Hall is a member of the Company's Audit Committee and Chair of the Remuneration Committee.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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**Management**

**Richard James Edwards – Company Secretary**

Company Secretary since 28 March 2012.

Richard Edwards graduated with a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Governance Institute of Australia, a member of CPA Australia and holds a Graduate Diploma of Applied Finance and Investment from FINSIA. Mr Edwards has worked for over twenty years providing financial reporting and company secretarial services to a range of publicly listed companies in Australia with a focus on the mining sector. He is also Company Secretary of ASX-listed Alpha HPA Limited, European Resources Limited and unlisted public company Aluminium Industries Limited.

**Tony Green – Chief Operating Officer**

Chief Operating Officer since 1 November 2018

30 years in the development of international mining infrastructure and operations. Under his leadership, the Hengjaya mine has transformed from a small nickel ore producer to one of the largest nickel production mines in Indonesia. Notably, the mine received the "Green Proper Award" in 2022 for environmental excellence and safety culture. Mr Green has also led the exploration and development program for the Sampala project. Prior to joining Nickel Industries, he successfully managed several international projects through development, commissioning, and operations, including as Director General of Cassidy Gold (Kousussa Project, Guinea), Anglo Ashanti Gold Engineering/Processing Manager, Deputy GM (10 mtpa Siguri Gold Mine, Guinea, West Africa) and General Manager of QLD Exploration, Operations Director Quartzite Gold Project for Bolnisi PL and Operations for Cockatoo Coal in the Bowen Basin (Baralaba Coal Mine), QLD.

**Simon Miller – General Manager Battery Materials**

General Manager Battery Materials since 14 October 2024.

Mr Miller graduated from Deakin University with a Bachelor of Engineering Technology and Bachelor of Commerce, with an additional postgraduate Master of Commerce in International Finance and Trade. Mr Miller spent 10 years in Australia and Europe in the mining and smelting industries (Copper and Zinc) before moving downstream into lithium-ion battery cell manufacturing, where he spent the last five years leading the department commercially responsible for raw materials, precursors and cathode active materials (Lithium, Nickel, Cobalt and Manganese). He has previously sat on LME committees for Lithium and Cobalt and currently sits on the LME Nickel advisory committee.

**Vijay Nair – CFO Mining Operations**

CFO Mining Operations since 1 July 2010.

Mr Nair is an accountant with more than 30 years' experience in the mining and exploration industry mainly working on gold and nickel projects. Involved in the successful implementation of a series of social programs in the Community Development and Empowerment (PPM). The Hengjaya Mine's social programs have successfully contributed to the achievement of Green PROPER since 2022. He has broad experience with finance and administrative functions with a number of large successful companies in South East Asia, Central Asia, Portugal and Papua New Guinea including Sumatra Copper & Gold PLC, Avocet Mining PLC and Tamaya Resources Limited.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Muchtazar – Sustainability Manager**

Sustainability Manager since 16 August 2021.

Muchtazar holds a Bachelor of Engineering degree from the Bandung Institute of Technology (ITB) and a Master of Environmental Science from the University of Indonesia. In 2019, he was honoured with the SDG Pioneer award from the United Nations Global Compact, becoming the second Indonesian to receive this distinguished accolade. Since his appointment as Head of Sustainability in 2021, Muchtazar has effectively led the company's Sustainability Department, focusing on the development and implementation of various ESG programs. His efforts have resulted in significant ESG milestones, including the announcement of corporate commitment to achieving net zero emissions by 2050 and a reduction in carbon intensity by 50% by 2035 at the United Nations Climate Change Conference 2023 (COP28) in Dubai. Furthermore, the Hengjaya Mine has been recognised as a model for sustainable mining operations in Indonesia, having received the prestigious Green PROPER rating from the Indonesia Ministry of Environment and Forestry since 2022.

**Directors' Meetings**

The number of Directors' meetings held and number of meetings attended by each of the Directors of the Company, while they were a Director, during the year are:

Director	Board meetings		Audit Committee meetings		Remuneration Committee meetings		Risk Management and Sustainability Committee meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
	Norman Seckold	5	5	-	-	-	-	2
Justin Werner	5	5	-	-	-	-	2	2
Chris Shepherd	5	5	-	-	-	-	2	2
James Crombie	5	5	2	2	2	2	-	-
Emma Hall	5	4	2	2	2	2	-	-
Dasa Sutantio <sup>(1)</sup>	1	1	-	-	-	-	-	-
Muliady Sutio	5	4	-	-	-	-	-	-
Haijun Wang	5	5	2	2	-	-	-	-
William Shangjaya	5	5	-	-	-	-	2	2
Yuanyuan Xu	5	5	-	-	-	-	-	-

<sup>(1)</sup> Resigned as a Director on 11 March 2025.

**Directors' Interests**

The beneficial interests of each Director of the Company at the date of this report in the equity securities of the Company are as follows:

Director	Shares	Performance Rights	Share Rights
Norman Seckold	107,699,390	453,514	-
Justin Werner	32,611,228	907,029	-
James Crombie	6,580,000	-	-
Emma Hall	-	-	-
Chris Shepherd	1,058,418	680,272	2,000,000
Dasa Sutantio <sup>(1)</sup>	-	-	-
William Shangjaya	-	-	-
Muliady Sutio	-	-	-
Haijun Wang	-	-	-
Yuanyuan Xu	121,456,741	-	-

<sup>(1)</sup> Resigned as a Director on 11 March 2025.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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**Dividends**

The Company paid a final unfranked dividend of A\$0.015 per share in February 2025, with respect to the full year 2024 financial result, amounting to \$40,738,510. At the same time, the Company implemented a Dividend Reinvestment Plan, whereby shareholders could elect to subscribe for additional ordinary shares in the Company in lieu of receiving a cash payment. No interim or final dividend for 2025 was declared.

**Significant Changes in State of Affairs**

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 31 December 2025 were as follows:

- The construction of the integrated nickel refinery at the ENC project reached a point at which staged commissioning could commence, but that with the issuance of ENC's Izin Usaha Industri (**IUI**), which is an industrial business licence that allows commercial sales to be undertaken, commissioning would be delayed until the IUI was in place, with focus then on the completion of the HPAL smelter and sulphate circuit. The Company expects the IUI to be issued early in the first half of 2026.
- In September 2025, the Company completed the issuance of US\$800 million of senior unsecured notes at a coupon of 9.0%, maturing 2030. At the same time, the Company undertook a tender offer for its existing 11.250% senior unsecured notes which were to mature in October 2028. Following this, the Company also repaid US\$150 million of its existing amortising bank loans.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group during the year ended 31 December 2025 other than as disclosed in this Directors' Report, or in the financial statements.

**Impact of Legislation and Other External Requirements**

On 12 January 2014 the Indonesian Government introduced a ban on the export of unprocessed minerals. As a consequence, the mining operations at the Hengjaya Mine ceased. Whilst the ban on the export of unprocessed minerals remains in place, mining operations were recommenced in October 2015 following the signing of a series of offtake agreements to supply ore to Tsingshan group companies within the IMIP.

Indonesia utilises an annual mining quota Rencana Kerja dan Anggaran Biaya (**RKAB**) system to limit the annual supply of nickel ore. In 2025 the issuance of RKAB licences reverted to an annual renewal, having moved briefly to a 3-year approval. During the year the Company experienced delays in receiving its RKAB extension from its existing limit of 9 million wmt per annum. This resulted in substantial downtime at the Hengjaya Mine as the RKAB extension to a limit of 10.5 million wmt per annum was not granted until 12 December 2025 and consequently no mining activities were undertaken from mid-September until the grant of the extension.

There were no environmental or other legislative requirements during the year that have significantly impacted the results or operations of the Group.

**Environmental Regulations**

The Group's operations are subject to environmental regulations in the Republic of Indonesia.

The Board of Directors, the Risk Management and Sustainability Committee of the Company and its Sustainability Manager regularly monitor compliance with environmental regulations. The Directors are not aware of any significant breaches of these regulations during the period covered by this report.

The Group's fourth Sustainability Report was published in June 2025.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Likely Developments**

Information as to likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because disclosure of this information would be likely to result in unreasonable prejudice to the Group.

**Indemnification of Officers and Auditors**

During or since the end of the year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company against a liability incurred by such an officer or auditor. In addition, the Company has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

**Non-audit Services**

During the year ended 31 December 2025 KPMG, the Company's auditor, has performed other services in addition to their statutory audit duties.

	<b>2025</b>	<b>2024</b>
<i><b>Auditors of the Company</b></i>	<b>\$</b>	<b>\$</b>
Audit and review of financial reports – KPMG Australia	737,976	540,656
Audit and review of financial reports – KPMG Indonesia	259,969	290,995
Regulatory sustainability report assurance services - KPMG Australia	63,370	-
Other assurance services – KPMG Australia*	199,882	54,783*
Other assurance services – KPMG Indonesia	17,790	27,996
Advisory services – KPMG Australia	289,166	117,218
Advisory services – KPMG Indonesia	-	3,211
	<u>1,568,153</u>	<u>1,034,859</u>

\* Additionally, KPMG was paid \$182,613 for other assurance services undertaken on behalf of PT Danusa Tambang Nusantara, for which the Company was reimbursed.

The Directors are satisfied that the provision of non-audit services, during the 2025 year, by the auditor, or by another person or firm on the auditor's behalf, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth). The Directors are of the opinion that these services, do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved by those charged with governance to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence, as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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**Events Subsequent to Balance Date**

Subsequent to the end of the period, Sphere Corp (**Sphere**) completed the acquisition of a 10% interest in the ENC project, at a \$2.4 billion valuation. To complete its investment in ENC, Sphere entered into a US\$210 million senior secured amortising term loan from external lenders. 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.

In January 2026, the Company reached an agreement with Shanghai Decent to revise its ENC acquisition schedule. Under the revised arrangement, Nickel Industries will acquire a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project, with a final payment of \$46 million due by 31 March 2026.

Also in January 2026, the Company executed a MOU for the Sampala Project to exclusively supply up to 14 million 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.

In February 2026, the Company received an increase in its RKAB quota for 2026 to 14.3 million wmt.

Other than the matters outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

**Business Risk Disclosures**

**Risk**  
**Commodity price**  
**fluctuations**

**Description**

As a producer of NPI, nickel matte and MHP, the earnings of Nickel Industries are correlated to the price of NPI and nickel matte, and Nickel Industries' cash costs are correlated to the price of other commodities including coal and nickel ore.

Commodity prices, including NPI, nickel matte, coal and nickel ore can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities, general global economic conditions, and short positions taken by traders, miners and processors.

A decline in the market price of NPI, nickel matte or MHP, and price fluctuations for other commodities may have an adverse effect on the Company's revenues and operations and the Company's ability to fund those operations. At 31 December 2024 the Company impaired the carrying value of its Hengjaya Nickel and Ranger Nickel RKEF operations. Should margins remain low for a prolonged period, further impairment of carrying values may be required in the future.

The continued operations of Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel and the development of HPAL and potential nickel matte converter projects are reliant on the relationship between the Company and Tsingshan, and Tsinghan's role in developing and constructing those projects.

**Sales**

All sales of NPI and MHP are currently sold to Tsingshan group companies and the Company has heavy reliance on the Tsingshan group as a purchaser of NPI produced from Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel.

There may be a materially adverse effect on the Company's financial performance and that of Hengjaya Nickel, Ranger Nickel, Angel Nickel, Oracle Nickel and Tsing Creation if Shanghai Decent fails to purchase all of the offtake and alternative customers are not found.

**Supply of ancillary services within the IMIP and IWIP**

The Company and the Group Entities do not have any formal contractual agreements for the supply of ancillary services within the IMIP or IWIP that support the operations of Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel (for example, power and access to port). The operations of the Company and the Group Entities may be affected if these services are not supplied as in the past.

**Design and construction of the ENC Project**

Additionally, Shanghai Decent is responsible for the design and construction of the Excelsior Nickel Cobalt project and currently holds a 46% interest in the project.

**Mitigant**

The Company continues to focus on minimising the cost of production, which we believe provides a level of cash flow protection through the cycle.

The Company's continued diversification of its product offering, including once the ENC is in production increased MHP as well as nickel cathode and nickel sulphate - these products all have different price drivers that over the medium to long-term, should increase the stability of the Company's earnings.

To facilitate the operations of Hengjaya Nickel, Ranger Nickel and Oracle Nickel within the IMIP, and Angel Nickel within the IWIP, Shanghai Decent entered into formal collaboration agreements with the Company in which:

- Shanghai Decent has committed to purchase all of the Company's NPI production. The production of nickel products other than NPI may be sold to third parties (which Shanghai Decent encourages) providing customer diversification;
- IMIP/IWIP provides such services to the relevant Group Entity in accordance with the 'principle of non-discrimination', substantially the same manner, with the same degree of care and at the same price without discrimination of any kind (such as priority of entry) as it does for users within the IMIP or IWIP (as the case may be); and
- Shanghai Decent has provided a nameplate (i.e. production level) and commissioning guarantee to the Company, and Shanghai Decent has an extensive history of successfully doing as such.

Finally, the Board of Directors believes the interests of Shanghai Decent are closely aligned with that of the Company, given Shanghai Decent's major shareholding in the Company (directly) and its ownership interests in each of the Company's RKEF projects and the ENC HPAL project.

**Reliance on Tsingshan**  
**group**

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**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

Risk	Description	Mitigant
<b>Environmental, social and governance risk</b>	<p>Mining for ore and processing NPI, nickel matte and MHP can be potentially environmentally hazardous and may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses.</p> <p>Significant liability could be imposed on the Hengjaya Mine, Hengjaya Nickel entities, the Ranger Nickel entities, the Angel Nickel entities, the Oracle Nickel entities, and the ENC and HNC HPAL projects for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations. Further, the failure of the Company or its related entities to engage with the local communities would risk disaffection on the part of the communities, which may have adverse implications for the Company's operations.</p>	<p>The Company seeks to minimise these risks by conducting its activities (including its operating entities where within its control) in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.</p> <p>Further, the Company maintains strong community relations to ensure that the local stakeholders are supportive of the Company's operations in Indonesia.</p>
<b>Management and key personnel risk</b>	<p>The Company's business and future success heavily depends upon the continued services of a small group of executive management and other key personnel.</p> <p>If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all.</p> <p>The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.</p>	<p>Remuneration consultants have been engaged by the Group during the year ended 31 December 2025 and based on their finding remuneration levels were adjusted and the Company introduced both Short Term Incentive (STI) and Long Term Incentive (LTI) programs with the aim of ensuring better alignment with long-term shareholder outcomes and to reward strong outperformance.</p>
<b>Climate risk</b>	<p>The Hengjaya Mine and the IMIP, where the Hengjaya Nickel, Ranger Nickel and Oracle Nickel RKEF lines and the HNC and ENC Projects are located, is located in the Indonesian province of Central Sulawesi. The IWIP, where the Angel Nickel RKEF lines are located, is located in Halmahera Island in Indonesia's North Maluku province.</p> <p>The Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, Oracle Nickel and HNC operations are therefore subject to the local climate of Central Sulawesi and North Maluku. Exploration, mining production and transportation activities may be susceptible to risks and hazards resulting from sustained precipitation or other weather conditions. If these risks do occur, they may result in production delays, increased costs and increased liabilities.</p> <p>Further, changes in laws and policies, including in relation to carbon pricing, greenhouse gas emissions and energy efficiency, may adversely impact operations. Technological changes, including increasing use of renewable energy, may affect operations.</p>	<p>For a discussion on the Company's current strategy to mitigate these risks, please refer to the Climate-related Financial Disclosure section of this report.</p>
<b>Cyber risk</b>	<p>The Company and its Group Entities rely on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. The Company's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error. These events may cause one or more of the Company's core technologies to become unavailable. Any interruptions to these operations would impact the Company's ability to operate and could result in business interruption, loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect the Company's operating and financial performance.</p>	<p>The Company engages a reputable third-party IT firm to manage its IT infrastructure and cyber-security.</p>
<b>Changes in taxation laws and policies</b>	<p>Changes to tax laws may affect the Company and its shareholders, and the Group Entities.</p>	<p>The Company, with its advisors, monitors developments in this respect and would</p>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

Risk	Description	Mitigant
	<p>There may be tax implications arising from ownership of the Company's shares, the receipt of dividends (if any) from the Company, receiving returns of capital and the disposal of the shares. Taxation concessions available to any Group Entity may change or cease to be applicable over time.</p> <p>Further, there are tax implications and risks resulting from the Base Erosion and Profit Shifting (BEPS) Pillar 2.0. Broadly, the rules are on new global minimum tax and aim to ensure that multinational enterprises (MNEs) pay a minimum effective corporate tax rate of 15%. The Group has a presence in jurisdictions that have enacted or substantively enacted legislation in relation to the OECD/G20 BEPS Pillar Two model rules.</p>	<p>seek to engage the relevant authorities should any of these risks emerge.</p> <p>Further, the Company continues to diversify its production mix which may provide some protection against the effects of any changes in tax laws and policies that affect any one nickel product.</p> <p>With respect to BEPS Pillar 2.0, The Group continues to monitor and evaluate the domestic implementation of the Pillar Two rules in the jurisdictions in which it operates.</p>

**Remuneration Report - (Audited)**

All amounts in this remuneration report are in Australian Dollars unless otherwise stated.

**Principles of Compensation - (Audited)**

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Company. No other employees have been deemed to be key management personnel. The policy of remuneration of Directors and senior executives is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Compensation levels have been, and will be, set to be in line with Australian listed entities of equivalent size and comparable operations in order to attract and retain suitably qualified and experienced key management personnel but also having regard to the prevailing financial capacity of the Company.

The Board is responsible for reviewing and evaluating its own performance. The evaluation process is intended to assess the Group's business performance, whether long term strategic objectives are being achieved and the achievement of individual performance objectives.

Remuneration generally consists of salary payments and in 2025 the Company introduced both short term and long term incentive programs, with the aim of ensuring better alignment with long-term shareholder outcomes and to reward strong outperformance. The remuneration disclosed below represents the cost to the Group for the services provided under these arrangements. At the same time, the remuneration levels of both executive and non-executive directors were increased, following the conclusion of a broad review of the Company's remuneration levels. As part of this review, which commenced in 2023, the Company engaged remuneration consultant's Mercer Consulting (Australia) Pty Ltd (Mercer). The results of this review were provided to the Company in January 2025. Executive Directors amended remuneration levels took effect from 1 January 2025 and non-executive director levels following the Company's Annual General Meeting (AGM) on 22 May 2025, at which shareholders approved an increase the aggregate amount of fees available to be paid to non-executive Directors to an aggregate amount of A\$1,700,000 per annum.

***Consultancy Agreements with key management personnel***

The Company has entered into an executive consultancy agreement with a company associated with Norman Seckold. Under this executive consultancy agreement, the consultancy company of Mr Seckold agrees to make Mr Seckold available to perform the duties and responsibilities of the position of Executive Chairman. During the year the Company received a fee of A\$50,000 per month, equating to A\$600,000 per annum (2024: a fee of A\$33,333 per month, equating to A\$400,000 per annum). The consultancy agreement commenced on 1 May 2018 and continues until terminated in accordance with its terms. Mr Seckold is a participant in the Company's long term incentive program.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

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**Remuneration Report - (Audited)**

**Principles of Compensation - (Audited) (Cont.)**

The Company has entered into an executive consultancy agreement with a company associated with Justin Werner. Under this executive consultancy agreement, the consultancy company of Mr Werner agrees to make Mr Werner available to perform the duties and responsibilities of the position of Managing Director. During the year the consultancy company received a fee of A\$76,856 per month, equating to A\$922,272 per annum. Additionally, Mr Werner is paid a salary by PT Hengjaya Mineralindo, which combined with his consultancy fee received by the Company is to take his underlying salary to A\$1,200,000 (2024: an equivalent of A\$941,506). His compensation shown in the table below includes amounts paid to him directly in Indonesia for travel allowance, taxes and an operational bonus equivalent to A\$17,193, which combined took his total remuneration by the group to the equivalent of A\$1,217,193, excluding short term and long-term incentives. The consultancy agreement commenced on 1 April 2018 and continues until terminated in accordance with its terms, the employment agreement with PT Hengjaya Mineralindo being ongoing until terminated in accordance with its terms. Mr Werner is a participant in both the Company's short term and long-term incentive programs.

The Company has entered into an employment agreement with Director and Chief Financial Officer Chris Shepherd. During the year, Mr Shepherd received A\$75,000 per month, including superannuation, equating to A\$900,000 per annum, inclusive of superannuation (2024: A\$50,000 per month from January to July 2024, A\$75,000 per month from 1 August 2024). Mr Shepherd is a participant in both the Company's short term and long-term incentive programs and at the Company's AGM was granted share rights following approval of shareholders.

Each Executive Director is entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board and any committee on which he or she serves. The consultancy and employment agreements may be terminated by the Company or the consultancy company by either party giving three months' notice. The Company may in its absolute discretion make a payment in lieu of all or part of such notice and the employment would terminate on the date that the Company notifies the Director of the termination. The Company may terminate the consultancy agreements without notice in certain circumstances, including but not limited to a breach of contract, criminal activity or serious misconduct by the consultancy company or the key management personnel.

Each of the Company's Non-Executive Directors have entered into Letters of Appointment with the Company to serve as Non-Executive Directors. From 1 January 2025 to 22 May 2025, the date of the Company's Annual General Meeting (AGM), each of the Non-Executive Directors James Crombie, Dasa Sutantio, Muliady Sutio, William Shangjaya, Haijun Wang, Yuanyuan Xu and Emma Hall received a fee of A\$8,333 per month, equating to A\$100,000 per annum. Following shareholder approval at the AGM on 22 May 2025 to increase the non-executive director fee pool, non-executive directors fees were increased to A\$15,000 per month, equating to A\$180,000 per annum.

From 1 January 2025 to 22 May 2025, each Non-Executive Director received a fee of A\$10,000 per annum for each Board committee on which they served. From 22 May 2025 this fee was increased to A\$20,000 per annum for each Board committee, with the Chair of each committee to receive a fee of \$40,000. That is, James Crombie and Emma Hall on two committees, with James Crombie Chair of the Audit Committee and Emma Hall Chair of the Remuneration Committee and Haijun Wang and William Shangjaya on one committee each.

Remuneration consultants were engaged by the Group during the year ended 31 December 2025. During 2025 they were paid A\$60,685.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Remuneration Report - (Audited)**

**Details of Remuneration for the Year Ended 31 December 2025 - (Audited)**

*Consequences of performance on shareholder wealth*

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following information in respect of the current year ended 31 December 2025 and the previous five financial periods.

US\$	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Net profit/(loss) attributable to owners of the Company	(57,061,395)	(168,589,135)	121,597,563	158,978,977	137,938,917	110,610,841
Dividends paid	40,738,510	142,731,425	85,569,052	72,724,697	75,088,707	15,441,648
Change in share price	\$0.01	\$0.13	(\$0.28)	(\$0.46)	\$0.33	\$0.41

The Board also considers non-financial indices in assessing the Group's performance and the shareholders wealth. This includes obtaining the permits and approvals to further develop the mining operations, identifying and opportunities for potential strategic business partnerships and ventures and the success of fundraising activities.

Details of Director remuneration and the nature and amount of each major element of the remuneration of each Director of the Company are set out below. All balances included are denominated in Australian dollars.

*Remuneration for year ended 31 December 2025:*

Key management personnel	Short term	Super and Other Benefits A\$	Share based payments		Short Term Incentives <sup>(3)</sup> A\$	Total A\$	Proportion of remuneration performance related %	Value of rights as a proportion of remuneration %
	Salary and fees A\$		Shares Rights A\$	Performance Rights A\$				
<b>Executive Directors</b>								
<i>Norman Seckold</i>	600,000	-	-	21,339	-	621,339	3.4	3.4
<i>Justin Werner</i>	1,200,000	17,193 <sup>(1)</sup>	-	42,678	696,000	1,955,871	38.6	2.2
<i>Christopher Shepherd</i>	869,529	30,471	1,397,854	32,008	522,000	2,851,862	19.4	50.1
<b>Non-Executive Directors</b>								
<i>James Crombie</i>	192,903	-	-	-	-	192,903	-	-
<i>Emma Hall</i>	192,903	-	-	-	-	192,903	-	-
<i>Dasa Sutantio</i> <sup>(2)</sup>	16,667	-	-	-	-	16,667	-	-
<i>Muliady Sutio</i>	148,602	-	-	-	-	148,602	-	-
<i>Haijun Wang</i>	164,677	-	-	-	-	164,677	-	-
<i>William Shangjaya</i>	164,677	-	-	-	-	164,677	-	-
<i>Yuan Yuan Xu</i>	148,602	-	-	-	-	148,602	-	-
<b>Total</b>	<b>3,698,560</b>	<b>47,664</b>	<b>1,397,854</b>	<b>96,025</b>	<b>1,218,000</b>	<b>6,458,103</b>		

<sup>(1)</sup> Other benefit includes bonuses paid

<sup>(2)</sup> Resigned as a Director on 11 March 2025.

<sup>(3)</sup> 50% to be paid in cash following the release of the 2025 Annual Report and 50% to be paid following the release of the 2026 Annual Report, subject to continued employment with the Company.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Remuneration Report - (Audited)**

**Details of Remuneration for the Year Ended 31 December 2025 - (Audited)**

Remuneration for year ended 31 December 2024:

Key management personnel	Short term	Post-employment	Share based payments	Other Benefit <sup>(1)</sup>	Total	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
	Salary and fees A\$	Superannuation A\$	Shares A\$				
<b>Executive Directors</b>							
<i>Norman Seckold</i>	400,000	-	-	-	400,000	-	-
<i>Justin Werner</i>	879,912	-	-	61,594	941,506	6.5	-
<i>Christopher Shepherd</i> <sup>(1)</sup>	650,885	73,587	-	608,270	1,332,742	45.6	-
<b>Non-Executive Directors</b>							
<i>James Crombie</i>	120,000	-	-	-	120,000	-	-
<i>Emma Hall</i> <sup>(2)</sup>	66,667	-	-	-	66,667	-	-
<i>Dasa Sutantio</i>	100,000	-	-	-	100,000	-	-
<i>Muliady Sutio</i>	100,000	-	-	-	100,000	-	-
<i>Haijun Wang</i>	110,000	-	-	-	110,000	-	-
<i>William Shangjaya</i>	100,000	-	-	-	100,000	-	-
<i>Yuanyuan Xu</i>	100,000	-	-	-	100,000	-	-
<b>Total</b>	<b>2,627,464</b>	<b>73,587</b>	<b>-</b>	<b>669,864</b>	<b>3,370,915</b>		

<sup>(1)</sup> Other benefit includes bonuses paid and increase in annual leave balance accrued carried forward.

<sup>(2)</sup> Appointed as a Director on 11 June 2024.

The total remuneration expense for the year ended 31 December 2025 of A\$6,458,103 (December 2024: A\$3,370,915) has been recognised in the Statement of Profit or Loss at the US\$ equivalent of \$4,167,935 (December 2024: \$2,192,117).

**Movement in shares - (Audited)**

The movement during the reporting year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	1 January 2025	Purchased	Rights Conversion	Sold	31 December 2025
Norman Seckold	113,715,661	1,219,086	-	(7,235,357)	107,699,390
Justin Werner	32,611,228	-	-	-	32,611,228
Christopher Shepherd	57,273	1,145	1,000,000	-	1,058,418
James Crombie	6,580,000	-	-	-	6,580,000
Emma Hall	-	-	-	-	-
Dasa Sutantio <sup>(1)</sup>	-	-	-	-	-
Muliady Sutio	-	-	-	-	-
Haijun Wang	-	-	-	-	-
William Shangjaya	-	-	-	-	-
Yuanyuan Xu	119,075,237	2,381,504	-	-	121,456,741

<sup>(1)</sup> Resigned as a Director on 11 March 2025.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Remuneration Report - (Audited)**

**Movement in shares - (Audited)**

	1 January 2024	Purchased	Rights Conversion	Sold	31 December 2024
Norman Seckold	113,715,661	-	-	-	113,715,661
Justin Werner	32,611,228	-	-	-	32,611,228
Christopher Shepherd	57,273	-	-	-	57,273
James Crombie	6,580,000	-	-	-	6,580,000
Emma Hall <sup>(1)</sup>	-	-	-	-	-
Dasa Sutantio	-	-	-	-	-
Muliady Sutio	-	-	-	-	-
Haijun Wang	-	-	-	-	-
William Shangjaya	-	-	-	-	-
Yuanyuan Xu	119,075,237	-	-	-	119,075,237

<sup>(1)</sup> Appointed as a Director on 11 June 2024.

**Options granted as compensation - (Audited)**

No options were granted to key management personnel as compensation during the 2024 and 2025 financial years.

**Performance Rights granted as compensation - (Audited)**

On 30 June 2025 the Company issued 2,040,815 performance rights with market and non-market based conditions to Executive Directors Norman Seckold, Justin Werner and Chris Shepherd, following shareholder approval at the Company's AGM.

The vesting conditions for the performance rights comprise the following performance metrics (Performance Conditions), tested over the 3-year vesting period commencing on 1 January 2025:

1. a relative total shareholder return (TSR) metric compared to the S&P/ASX 200 Materials Sector Index, representing 30% of the total weighting;
2. an earnings per share (EPS) metric, representing 30% of the total weighting; and
3. strategic objectives metrics to diversify customer base, establish a charitable foundation, increased RKAB sales quota and transition to EV trucks, representing 40% of the total weighting.

The fair value of the performance rights granted that related to market conditions was measured using a Monte Carlo Simulation pricing model. The Monte Carlo Simulation pricing model inputs were the Company's share price of \$0.66 at the grant date (determined to be 22 May 2025 when shareholder approval to grant the rights was received at the AGM), a volatility factor of 47.33% (based on historical share price performance), a risk-free interest rate of 3.37% and a dividend yield of 4.09%. The fair value of the portion of the award that is conditional upon specific non-market conditions and the completion of a service period are first valued by the share price at grant date, less the present value of estimated dividends paid prior to the time of exercise. This 'unconditional fair value' is then discounted by the probability of not achieving the non-market performance conditions. For Executive Directors the probability of the service period not being completed was assessed as 5%. The Company is on track to meet its diversified customer base, charitable foundation and EV truck transition objectives. The weighted fair value of the 2,040,815 rights granted to the Executive Directors was calculated as \$0.50 per right, based on a fair value of the rights based on market conditions of \$0.29 per right and the non-market fair value of the rights as \$0.59 per right.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

**Remuneration Report - (Audited)**

**Performance Rights granted as compensation - (Audited) (Cont.)**

The movement during the reporting period in the number of performance rights in the Company held directly, indirectly or beneficially, by each key management person, including their personally related entities, is as follows:

	1 January 2025	Granted	Cancelled	Vested	31 December 2025
Norman Seckold	-	453,514	-	-	453,514
Justin Werner	-	907,029	-	-	907,029
Christopher Shepherd	-	680,272	-	-	680,272
James Crombie	-	-	-	-	-
Emma Hall	-	-	-	-	-
Dasa Sutantio <sup>(1)</sup>	-	-	-	-	-
Muliady Sutio	-	-	-	-	-
Haijun Wang	-	-	-	-	-
William Shangjaya	-	-	-	-	-
Yuanyuan Xu	-	-	-	-	-

<sup>(1)</sup> Resigned as a Director on 11 March 2025.

**Share Rights granted as compensation - (Audited)**

On 30 June 2025 the Company granted and issued 3,000,000 share rights for no consideration to Director and Chief Financial Officer Chris Shepherd. The issuance was approved by shareholders at the Company's AGM. Each Share Right provides a right to acquire one Share at nil cost.

The Share Rights vest in three equal tranches:

1. First Tranche: 1 million Share Rights immediately vested on the date that the Share Rights were granted to Mr Shepherd (and/or his nominee);
2. Second Tranche: 1 million Shares Rights will vest on the business day immediately following the release of the Company's FY25 annual financial results, provided that Mr Shepherd is an employee of, or service provider to, the Company on that date; and
3. Third Tranche: 1 million Share Rights will vest on the business day immediately following the release of the Company's FY26 annual financial results, provided that Mr Shepherd is an employee of, or service provider to, the Company on that date.

The fair value of the share rights granted was measured using a Black-Scholes formula, taking into account the terms and conditions upon which the share rights were granted. The First and Second Tranche rights were valued at \$0.66 per right and the Tranche 3 rights at \$0.6393 per right. The fair value of rights granted is measured at grant date and recognised as an expense over the period until the rights vest and the participant becomes unconditionally entitled to the rights.

	1 January 2025	Granted	Cancelled	Vested	31 December 2025
Norman Seckold	-	-	-	-	-
Justin Werner	-	-	-	-	-
Christopher Shepherd	-	3,000,000	-	(1,000,000)	2,000,000
James Crombie	-	-	-	-	-
Emma Hall	-	-	-	-	-
Dasa Sutantio <sup>(1)</sup>	-	-	-	-	-
Muliady Sutio	-	-	-	-	-
Haijun Wang	-	-	-	-	-
William Shangjaya	-	-	-	-	-
Yuanyuan Xu	-	-	-	-	-

<sup>(1)</sup> Resigned as a Director on 11 March 2025.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

**Short term incentives granted as compensation - (Audited)**

The Company introduced a 'at-risk' short term incentive (STI) component to executive director, key employee and contractor remuneration packages in 2025. The incentives were determined by measuring performance against six performance metrics ('Metric') determined by the Company's Remuneration Committee, being:

1. Adjusted EBITDA
2. Production volume at the Hengjaya Mine
3. Strategic growth, including projects under acquisition
4. ESG, including MSCI rating, society and governance
5. Safety, based on actual LTIR performance
6. Individual KPIs

Each Metric has a threshold that must be achieved for that Metric to be included in the calculations, earning 50% of the eligible Metric points. The next level is the Target which will earn 100% of the Metric Points. There is also a Maximum (**Stretch Target**) which earns 150% of the Metric points. Once the Threshold has been achieved for the Metric, the points earned will increase on a straight-line percentage basis. As an example, if the Threshold of 10 is achieved, then the Metric is in play earning 50% of the eligible points. If the Target for this Metric is 20 but only 15 is achieved, then that Metric will earn 75% of the eligible Metric points.

The maximum level that can be achieved is a short-term incentive of 75% of Fixed Annual Remuneration (FAR).

For Executive Directors Justin Werner and Chris Shepherd, the Remuneration Committee determined a level equivalent to 58% of FAR was achieved. i.e. an award of A\$696,000 for Mr Werner and A\$522,000 for Mr Shepherd. 50% of the awards are to be paid following the release of the Company's 2025 Annual Financial Report and 50% following the release of the Company's 2026 Annual Financial Report, subject to continued employment with the Company.

**Transactions with Key Management Personnel - (Audited)**

Director Norman Seckold holds a beneficial interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including administrative, accounting and company secretarial staff both within Australia and Indonesia, rental accommodation, services and supplies to the Group. Fees charged by MIS during the year amounted to A\$600,000 (31 December 2024: A\$600,000). As at 31 December 2025 A\$50,000 (31 December 2024: A\$50,000) remained outstanding.

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 35 and forms part of the Directors' Report for the year ended 31 December 2025.

Signed at Sydney this 23<sup>rd</sup> day of February 2026 in accordance with a resolution of the Board of Directors:



**Norman Seckold**  
**Chairman**



**Justin Werner**  
**Managing Director**



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nickel Industries Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Nickel Industries Limited for the financial year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

Adam Twemlow

Partner

Brisbane

23 February 2026

For personal use only

**Nickel Industries Limited**

**Sustainability Report prepared in accordance with the Corporations Act 2001 and  
AASB S2 Climate-related Disclosures (AASB S2 Sustainability Report)**

**For the year 31 December 2025**

For personal use only

## Basis of Preparation

### Reporting Entity

This report represents Nickel Industries Limited (**Nickel Industries**) climate-related disclosures for the year ended 31 December 2025 and provides information about our approach to identification, management and disclosure of material exposure to climate-related risks and opportunities.

The AASB S2 Sustainability Report Nickel Industries is for the same reporting entity as the related financial statements.

*The AASB S2 Sustainability Report covers Nickel Industries and its consolidated entities (collectively referred to as the Group), as well as the entities in which it holds an equity accounted interest during the year ended 31 December 2025.*

This AASB S2 Sustainability Report was authorised for issue on 23 February 2026 in accordance with a resolution of directors.

### Statement of Compliance

The Climate-related Financial Disclosure Report for Nickel Industries Limited has been prepared in accordance with the Australian Sustainability Reporting Standards adopted by the Australian Accounting Standards Board (AASB S2 Climate-related Disclosures) and the Corporations Act 2001.

### Transition Reliefs

In preparing this report, the Group has applied the following transition reliefs for the first annual reporting period:

- Not to disclose the comparative information for any period before the date of initial application
- Not to disclose Scope 3 GHG emissions

### Connectivity

This AASB S2 Sustainability Report for Nickel Industries Limited contains the climate-related disclosures of the Group for the financial year ended 31 December 2025. It aligns with the reporting period of the Group's consolidated financial statements.

This report makes connections with other reports, including the financial statements, to present a cohesive view of how relevant climate related risks and opportunities could impact the Group's financial position, performance and cash flows over the short, medium and long term.

### Function and presentation currency

Climate-related financial information is presented in US\$. Numbers have been rounded to millions, to one decimal place.

## Judgements and Uncertainties

The identification and assessment of climate-related risks and opportunities was considered using all reasonable and supportable information available without undue cost or effort for a comprehensive understanding of the climate-related risks and opportunities. Where management has made significant judgements, estimates and assumptions this has been disclosed within the AASB S2 Sustainability Report. The estimation and measurement of anticipated financial impacts are subjective and based on various estimates and assumptions which are forward looking, long term, and are inherently uncertain by nature. These estimates and assumptions are based on the Groups current expectations of the impacts of climate risks and opportunities, which may change over time. Any changes in the estimates and assumption used, will impact the Groups financial assessment of anticipated risks.

### Judgements

The preparation and presentation of the sustainability disclosures involves applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility. The table below summarises key judgements applied.

Topic	Description
Materiality assessment	To identify relevant risks and opportunities and material information, the Group exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence the Group's strategy, business model or financial position and performance.
GHG emissions	The Group exercised judgement when selecting: <ul style="list-style-type: none"> <li>• appropriate emission factors</li> </ul> For more detail see 'Methodology for the calculation of GHG emissions'.
Scenario assumptions selection	Nickel Industries undertook climate-related scenario analysis during the reporting period as part of its assessment of climate resilience. The analysis was conducted using externally developed climate-related assumptions, selected to capture a range of plausible future transition and physical risk outcomes relevant to the Group's operations and value chain.

### Measurement uncertainty

Measurement uncertainty in the climate disclosure arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed in the AASB S2 Sustainability Report.

Topic	Description
GHG emissions	GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data. The selection by management of different but acceptable emission factors or measurement techniques could have resulted in materially different GHG emissions reported.
Resilience assessment	Nickel Industries' assessment of climate resilience is subject to significant uncertainty, reflecting the inherent limitations of climate scenario analysis and the long-term nature of the risks considered. For physical climate-related risks, the assessment draws on the Intergovernmental Panel on Climate Change (IPCC) and The Nationally Determined Contributions (NDC) climate scenarios, which involve uncertainty in future temperature outcomes, precipitation patterns, sea-level rise and the frequency and severity of extreme weather events at regional and local scales. These uncertainties affect the ability to precisely assess the timing, location and magnitude of potential physical impacts on assets and operations.

# 1. Governance

## Roles and responsibilities for Governance

### Board oversight

Nickel Industries Board of Directors (**Board**) oversees sustainability-related risks and opportunities, incorporating sustainability considerations into decision-making processes.

The Group follows regulatory requirements, ensuring compliance with applicable laws and industry standards. A copy of the Board Charter can be seen on the Group's website.

The Board provides strategic oversight grounded in extensive experience across mining, finance, commercial operations, and international markets. Detailed biographies of all Directors are available under the Directors Report.

Climate and sustainability matters form a recurring part of the Board's oversight responsibilities. Through the Risk Management and Sustainability Committee, Directors receive regular updates on climate-related risks and opportunities, decarbonisation initiatives, regulatory developments, and progress toward the Group's emissions-reduction commitments. The Charter of the Risk Management and Sustainability Committee set out that the Committee is to meet at least four times a year. In 2025 there were only two formal meetings held. However, the fact that the Committee membership comprises executive directors Norman Seckold, Justin Werner and Chris Shepherd, as well as William Shanghaya, who whilst a non-executive director is based at the Indonesia Morowali Industrial Park ('IMIP') means that the Committee is overseeing and involved in matters under the remit of the Committee. Additionally, the Committee has three associate members. These are the Group's Sustainability Manager Muchtazar, the Group's Chief of Operations and the Group's Chief Development Officer Ms Fanfan 'Rachel' Zhao. Both Muchtazar and Tony Green are based in Indonesia, as is Managing Director Justin Werner.

The Board is informed about climate risks and opportunities regularly, including after each Risk Management and Sustainability Committee meeting, where minutes and other supporting documents are shared with the Board.

During 2025, key topics covered by the Risk Management and Sustainability Committee included such topics as climate risks and opportunities, environmental and social programs, community development projects, solar projects, sustainability reporting, and the review and approval of the Group's sustainability reporting and its climate-related disclosures.

## Committees in place to support Board Oversight

### Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee supports the Board of Directors to oversee sustainability policies, climate-related risks, and stakeholder engagement. It reviews and monitors the Group's sustainability strategy, making recommendations to the Board of Directors to ensure alignment with operational, local, and global sustainability objectives. The Risk Management and Sustainability Committee also evaluate climate-related performance metrics and their integration into corporate governance and risk management processes.

The Risk Management and Sustainability Committee has the authority to conduct investigations, engage external experts, and request information from employees and management. It comprises at least three Board members, with additional senior executives as associate members. While it provides recommendations, final decisions remain with the Board of Directors. A copy of the Charter of the Risk Management and Sustainability Committee can be seen on the Group's website. It sets out that objectives of the Committee is to assist and advise the Board on all matters pertaining to the Sustainability of the Group and assist the board in reporting and compliance with its published sustainability targets.

## Remuneration Committee

The Remuneration Committee assists the Board in overseeing measures and outcomes against measures as they pertain to executive remuneration. In 2025 the Remuneration Committee oversaw the introduction of a performance rights incentive program under which both the short-term incentive (STI) and long-term incentive (LTI) components of the program included specific sustainability related performance conditions. This included metrics such as the establishment of a charitable foundation, transitioning to electricity vehicle hauling trucks, safety based on actual LTIR performance, ESG based on the Group's MSCI rating, society based on any industrial strike action and corporate governance breaches. The number of performance rights to vest will be determined by the level of achievement of the specific performance conditions. A copy of the Charter of the Remuneration Committee can be seen on the Group's website.

## Governance of climate strategy and targets

The Board is responsible for overseeing the Group's strategy, which includes consideration of climate-related risks and opportunities as part of broader environmental and operational oversight. Any climate-related targets must be approved by the Board and the Risk Management and Sustainability Committee. In addition, the Board receive regular updates on climate-related risks, decarbonisation initiatives, regulatory developments, and progress toward the Group's emissions-reduction commitments in the Risk Management and Sustainability Committee meetings, in which this information is taken into account as part of strategy assessments and business development of the Group. The Risk Management and Sustainability Committee responsibilities include supporting the Board in monitoring with the development and execution of transition plans, as well as the Groups climate risks and opportunities. The Group has committed to a 50% reduction in carbon intensity by 2035 and net-zero emissions by 2050, using 2022 as a baseline.

The Board considers climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions, as well as its risk management processes.

This can be seen in the Group's transition into investments in HPAL projects, which produce mixed hydroxide precipitate (MHP) for use in the electric vehicle supply chain. The HPAL technology has been implemented to process nickel ores with lower emissions and energy requirements, utilising power from the captive waste heat boiler system from the acid plant, which provides power needs. This new technology is capable of processing limonite nickel ore, which can be moved through a slurry pipeline instead of conventional truck transportation. The ENC HPAL expansion is anticipated to lower the Group's emissions intensity.

Another example of how the Board considered climate related risk and opportunities as part of its strategy, is the installation of a solar energy system at Hengjaya Mine, which is now supplying approximately 20% of the site's electricity needs. This was also complemented by the introduction of electric vehicle (EV) haul trucks and the adoption of electric loaders to improve operational efficiency and reduce emissions.

The Board is responsible for monitoring targets related to climate related risks and opportunities, including how performance measures have been set for Senior Management, which impacts remuneration incentives, including short-term and long-term incentives. . The remuneration committee meets at least twice per year to discuss the monitoring of these targets.

## **Management responsibilities**

Management is responsible for monitoring, managing, and overseeing climate-related risks and opportunities, as well as implementing the strategies and priorities set by the Board, including matters relating to sustainability. Day-to-day management of the Group is overseen by the Managing Director, who is supported by the senior executive team.

### **Key roles that are delegated to executives to support Board oversight include:**

Day-to-day management of Nickel Industries is carried out by the senior executive team. The Board delegates responsibility for implementing corporate strategy—including matters relating to sustainability and risk—to management, who report through established governance and committee structures.

#### **Managing Director**

The Managing Director leads the Group's operations and is responsible for managing and overseeing climate-related risks and opportunities through the strategies and decisions approved by the Board. This includes oversight of project development and operational performance across the Group's interests in Indonesia.

#### **Director and Chief Financial Officer**

The Chief Financial Officer is responsible for the Group's financial management, including budgeting, capital allocation for the Group's climate-related programs.

#### **Chief Operating Officer, Sustainability Manager and the Sustainability Department**

The Chief Operating Officer (**COO**) and the Sustainability Manager, supported by the Sustainability Department, are responsible for developing and implementing the Group's climate-related strategy and monitoring climate risks and opportunities. Reporting occurs from the sustainability manager to the Risk Management and Sustainability Committee, which in-turn reports to the board of directors'. This includes establishing policies and frameworks including those related to climate risks and opportunities, overseeing sustainability reporting and disclosures, and coordinating internal and external stakeholders.

The COO, in conjunction with the Sustainability Manager is responsible for preparing updates for the Risk Management and Sustainability Committee, outlining progress against emissions-reduction targets, monitoring external sustainability-related developments relevant to the Group, updates on the climate strategy, and key climate-related risks and opportunities for the reporting period, including the relevant metrics and performance.

The processes used to measure emissions, assess environmental impacts, and prepare sustainability disclosures are coordinated by the internal sustainability function and support management's responsibilities for reporting environmental and climate-related information to the Board and its committees. Management provides regular updates on operational, financial, environmental, and sustainability matters in line with the Group's established governance framework.

## Risk Governance

Risk governance at Nickel Industries is overseen by the Board, with day-to-day risk considerations managed by senior management as part of the Group's operational and strategic decision-making processes. The Board is responsible for overseeing the Group's overall risk profile and ensuring that material risks, including climate-related risks, are considered in the context of the Group's strategy, performance and long-term objectives.

Climate-related risks are governed through existing governance arrangements rather than through a standalone climate-specific framework. These risks are considered alongside other operational, regulatory and market risks relevant to the Group's mining and processing activities.

Management is responsible for identifying and managing climate-related risks within their areas of responsibility. This includes consideration of physical climate risks identified through the Group's physical climate risk assessment, as well as transition-related factors such as energy supply, emissions intensity, regulatory developments and market expectations for lower-emission nickel products.

The Board receives information on material risks through regular reporting and review processes, which inform oversight of strategy, capital allocation and operational planning. Climate-related considerations are therefore embedded within broader governance and oversight mechanisms rather than managed in isolation.

The Group's governance approach recognises that climate-related risks may influence other business risks and strategic decisions over time. As such, responsibility for managing these risks is integrated across the organisation, with ongoing oversight by the Board.

Line / Role	Includes	Responsibilities
<b>Board of Directors</b>	The Board of Nickel Industries, including Board committees as described in the Governance section of the Annual Report.	Provides oversight of the Group's overall risk profile and strategy. Considers material risks, including climate-related risks, in the context of long-term business resilience, capital allocation and strategic direction. Reviews information provided by management on emerging climate risks and opportunities.
<b>Senior Management</b>	Executive management responsible for operations, strategy, and performance across the Group.	Responsible for identifying, managing and responding to climate-related risks and opportunities within their areas of responsibility. Integrates physical climate risk findings, energy and emissions considerations, and transition-related factors into operational planning, investment decisions and strategic discussions.
<b>Operational Management and Site Teams</b>	Site-level and operational teams across mining and processing operations.	Responsible for implementing operational controls and practices that address climate-related risks, including managing exposure to extreme weather, energy use, emissions performance and site-specific physical risks identified through assessments and scenario analysis. Provides input and data to management to support climate risk monitoring.

## **Climate-related skills and experience**

The Board has a process to ensure that the members of the Risk Management and Sustainability Committee, who are all Directors of the Group and senior management have the appropriate climate-related skills and experience, this includes both the Directors, senior management, the Group's Sustainability Manager and members of the sustainability team attending climate and sustainability conferences, workshops and seminars. This is monitored by the Board to ensure appropriate skills and experience are developed and maintained among those charged with governance. Given the evolving nature of climate risks, opportunities and sustainability more generally, the Directors and senior management will continue to upskill overtime.

Additionally, the Group engages external consultants from time to time to support specialised technical work, including environmental assessments, studies within the Indonesian operating parks, and preparation of sustainability-related information where required. These external inputs complement the work of the internal sustainability function, which coordinates emissions reporting, environmental monitoring, and the preparation of the sustainability report. Sustainability and climate related skills and experience across the organisation is supported through these ongoing operational reporting and monitoring activities.

## **Controls and procedures used by management to support oversight of climate matters**

The controls and procedures over climate related risks and opportunities implemented by the Board and management include the establishment of the Risk Management and Sustainability Committee, and the appointment of the sustainability manager. The ongoing monitoring and oversight of climate matters occurs through regular reporting by the sustainability manager to the Risk Management and Sustainability Committee. This reporting is planned to occur four times a year and ultimately informs the Board.

Other controls include the engaging of external experts and consultants to supplement the Risk Management and Sustainability Committee, and sustainability manager where required.

The Group continues to develop controls and processes for climate and sustainability related matters, from both a governance and oversight perspective, and within day-to-day operations, including the reporting of emissions data.

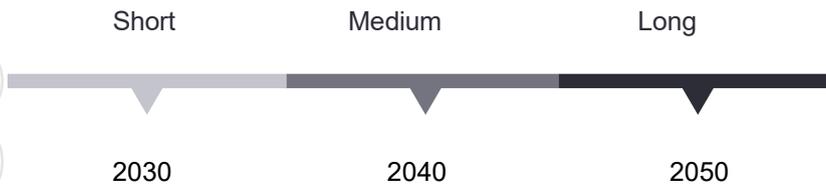
Management is responsible for emissions measurement, environmental monitoring, and the preparation of climate and sustainability-related disclosures. These processes form part of the Group's broader risk-management and reporting framework. Management provides updates to the Board and its committees on operational, financial, environmental, and sustainability matters as required under the Group's governance processes.

## 2. Strategy

### Business strategy

The Strategy section includes climate-related transition and physical risks, opportunities, and resilience for the Group. This includes current and anticipated financial effects.

Nickel Industries supports the global transition to a low-carbon economy while managing climate-related risks and leveraging emerging opportunities. Nickel Industries strategic planning is informed by climate scenario analysis and is aligned with the long-term decarbonisation trajectory outlined across its mining, rotary kiln electric furnace (RKEF), and HPAL operations. Nickel Industries have used the following timeframes to support the relevant disclosures



The **short-term horizon to 2030** aligns with the Group's near-term operational and capital planning cycles, including budgeting, maintenance programs and incremental optimisation initiatives across mining and processing assets. This timeframe also reflects the period over which near-term climate-related physical risks and regulatory developments are most reasonably assessable, enabling practical integration into current risk management and investment decisions.

The **medium-term horizon to 2040** captures the period over which more substantive changes in technology, market conditions and climate policy settings are expected to emerge. This timeframe is relevant for assessing the resilience of existing processing assets, evaluating potential changes in customer demand and value-chain requirements, and considering transition-related risks that may influence competitiveness and strategic positioning beyond current planning cycles.

The **long-term horizon to 2050** aligns with widely adopted global decarbonisation benchmarks and net-zero objectives that underpin climate-related scenario analysis. This horizon supports assessment of longer-term transition risks and opportunities, including structural shifts in end-markets, emissions-intensity expectations and asset longevity. While uncertainty increases over longer timeframes, the 2050 horizon provides a reference point for evaluating strategic resilience under different climate pathways.

### Climate risk and opportunities impacting the business

Nickel Industries recognises that climate change has the potential to affect its operations, supply chain and broader business models through both physical and transition-related impacts. The Group has undertaken climate-related risk and opportunity assessments to understand where these impacts may arise across its operations and value chain, which includes;

Value chain	Activity	Nickel Operations	Ownership
Upstream	Including, exploration, development and mining of Nickel Ore	Hengjaya Mine.	80%
Midstream	Nickel Processing	RKEF processing plants – Angel Nickel, Hengjaya Nickel, Ranger Nickel and Oracle Nickel	80%
		HPAL projects: HNC ENC	10% 44%

The downstream value chain, which includes the use of Nickel in the production/manufacturing is outside of the Groups ownership, however this has been considered with respect to the Groups climate risks and opportunities.

## Concentrations of risks

Nickel Industries risks have been found to be within two core areas, firstly within Nickel Industries core asset base which largely exists within Indonesia and includes RKEF and HPAL refineries, as well as the mining site. This contributes to the likelihood of certain exposures within the physical risks such as temperature, rainfall and sea level increases, which all have the potential to hinder local operations and place sustained pressures on other operating responsibilities such as community and worker safety.

Due to the concentration of Nickel Industries buyer market within China, there are significant value chain risks from both a physical and transition risk perspective to be managed. This includes increased adverse weather impacting buyer ports, impacting the value chain, which caveats into a potential to decrease demand from increased risks in transport. There are also secondary transition risks for the on-selling of products such as batteries to western markets from a transition risk viewpoint. Regulations such as battery passports of cross border adjustment mechanisms in the EU factor in emissions intensities in the production process which, if implemented, could reduce the demand from Nickel Industries products.

The physical impacts of climate change, together with the global shift toward a net-zero emissions economy, are expected to influence different parts of the Group's business and value chain in varying ways. The Group has undertaken an initial assessment to identify and evaluate the current and potential impacts of climate-related risks and opportunities across its business model and value chain. This assessment highlighted specific components of the business where these risks and opportunities are most concentrated. Through this process, the Group identified a series of climate-related risks that could reasonably be expected to influence the Group's outlook, particularly with respect to cash flows and impacts on the balance sheet, over the short, medium, and long term.

- For each of the identified risks the Group determined the potential effects on the strategy and business model. Please see the table below, the identified risks and the impact on the business model as well as mitigation activities in place across time horizons of short term (current - 2030), medium term (2030 - 2040), and long term (2040 – 2050).

Climate Risks	Potential Impact from Risk	Potential mitigations
<b>Chronic Physical Risks</b>		
<p>Higher Temperatures, Extreme Heat, Solar Radiation &amp; Heatwaves</p> <p>Time Horizon: Short, medium, and long</p> <p>Status: Increasing</p>	<p>Temperature increase leads to changes to working conditions affecting worker productivity and operating conditions of the refining processes, reducing efficiency and increasing costs of production.</p>	<p>Evaluation of the suitability and potential improvement of existing infrastructure and processes that are heat-sensitive, including HVAC/load management, heat exchangers, process insulation/controls and work-rest cycles for staff.</p>
<p>Sea Level Rise</p> <p>Time Horizon: Short, Medium and long</p> <p>Status: Increasing</p>	<p>Rising sea levels combined with high tides, storms, tidal waves or tsunami/earthquakes can threaten operations and damage assets. Most of the costs are attributed to the event of a tsunami.</p>	<p>Work with the IMIP industrial park operator to investigate the potential for mitigation measures such as elevated foundations, dikes and roads at the port, and zoning restrictions and requirements with re-development and new development.</p> <p>Changing structure of facilities e.g. raising areas of production site or installing mounds provides opportunities to change/add/upgrade other infrastructure to promote operational efficiency.</p> <p>Implementing mangrove and coral reef restoration which act as natural shock absorbers for tsunami and high-tide wave.</p>
<b>Acute Physical Risks</b>		
<p>Extreme Rainfall and Flooding</p> <p>Time Horizon: Short, medium and long</p>	<p>Extreme rainfall and subsequent flood event could potentially lead to a breach of tailings waste storage resulting in uncontrolled discharge to the</p>	<p>Work with the IMIP industrial park operator to support a study into the effectiveness, risks and potential improvements to the IMIP tailings facility.</p>

Climate Risks	Potential Impact from Risk	Potential mitigations
Status: Increasing	environment; environmental impact, discharge and clean-up.	Assess measures to minimise impacts of flooding to assets, such as to elevate electrical infrastructure and backup power, equalisation basins, stormwater separation, and to elevate/strengthen haul roads.
<p>Extreme Weather including Tropical Cyclones</p> <p>Time Horizon: Short, Medium and long</p> <p>Status: Increasing</p>	<p>Extreme weather includes increased frequency, severity, and duration of tropical cyclones, heavy rain that increases the chances of flooding and landslide and lightning.</p> <p>This may cause equipment failures, landslides, lost production, safety risks and damage to assets and haul roads, and supply chain disruption.</p> <p>Increased tropical cyclone frequency and intensity can lead to higher insurance risk and premiums, requiring additional protection to mitigate risk.</p>	<p>Establishment of early warnings, safety drills, suitable backup power, rapid recovery processes; with training of staff.</p> <p>Engineering resilience measures include design and application of wind-resistant infrastructure where it is practical and securing loose equipment protocols.</p> <p>Investigate upgrading facilities into cyclone-resilient architecture such as hardened storages for critical spares and electrical components. Including designing refineries with modular, "plug-and-play" units allows for rapid dismantling or reinforced protection before a storm hits.</p> <p>Implement dry-stacking tailing placement to avoid any dam breach during extreme rainfall and more stable in monsoonal climates.</p> <p>Investigate opportunities to expand the capacity of solar captive microgrids which equipped with battery storage systems. Both in mining and refining processes.</p> <p>Investigate direct-to-sulfate refining technology through bypasses intermediate stages to create battery-grade nickel sulfate directly from lateritic ore. This "one-step" high-purity processing reduces the number of vulnerable transport links in the supply chain.</p> <p>Deploy dewatering &amp; classification technology tools which allow facilities to process slurry and recover water more efficient when ambient moisture levels are extremely high and reduce the cost of stormwater ponds construction.</p>
<p>Landslide associated with steep terrain heavy rainfall and deforestation</p> <p>Time Horizon: Short, Medium and long</p> <p>Status: Increasing</p>	Soil and rock movement during and after heavy rains or seismic activity can potentially injure workers, damage infrastructure, disrupt transport and production.	<p>Limit slope clearing, retain buffers, slope drains/retaining walls, movement monitoring/exclusion zones to mitigate any impacts of heavy rainfall and reduce the risk of landslides.</p> <p>Work with the IMIP industrial park operator to support a study into the landslide risks and potential improvements to the IMIP tailings facility.</p> <p>Investigate opportunities to deploy InSAR &amp; LiDAR technology for geotechnical monitoring to detect ground movement in 1-2 millimetres accuracy and send an early warning system also provide predictive analytics before a failure occurs.</p> <p>Identify opportunities to reduce stripping ratios through controlled post-event recovery to provide immediate access to the exposed</p>

Climate Risks	Potential Impact from Risk	Potential mitigations
		<p>saprolite layer without massive energy and fuel costs to remove 20-30 metres of overburden.</p> <p>Identify opportunities to reuse on-site landslide debris and waste rock into high-durability aggregates for cyclone-proof haul road-base and embankments.</p> <p>Reuse stabilised landslide debris to build reinforcements for water infrastructure storage (tailings, sediment ponds, embankments) which significantly increasing their Factor of Safety (FK) during extreme rain events.</p>
<p>Extreme weather - Downstream value chain</p> <p>Time Horizon: Medium to Long</p> <p>Status: Increasing</p>	<p>Flood risk from extreme rainfall, surface water/river flooding, and sea-level rise of downstream customer sites which could affect demand for products downstream particularly in China, including:</p> <ul style="list-style-type: none"> <li>• Large stainless steel mills, shipyards, port logistics, electronics and machinery manufacturing</li> <li>• Electronics, appliances, automotive assembly, machinery and metalworking using stainless and nickel alloys.</li> <li>• Steel and heavy industry, port based manufacturing and petrochemicals.</li> </ul>	<p>Enquire with customers to determine the extent to which they are conducting climate risk assessments of their operations.</p> <p>Consider further customer diversification, including geographically, across sectors, as well as investigation of alternative logistics and delivery.</p>

Transition risks	Potential Impact from Risk	Potential mitigations
<p>Carbon Pricing</p> <p>Time Horizon: Short, Medium and Long</p> <p>Status: Increasing</p>	<p>Increases in carbon pricing across scope 1 and 2 emissions could directly increase energy costs, reduce operating margins, and affect the long-term competitiveness particularly for Nickel Industries' Indonesian RKEF operations. There is also the potential to further contribute to stranded asset risk without carbon pricing risk mitigation.</p>	<p>Continue development of the Net Zero roadmap.</p> <p>Investigate to deploy captive renewable power source integration like solar power to mitigate the carbon taxes from coal-fired power energy use.</p> <p>Investigate opportunity to adopt waste heat recovery by installing organic rankine cycle (ORC) systems to capture waste heat from smelters which allows the Group to reduce carbon tax and total energy purchase requirements.</p> <p>Explore opportunities of phytomining and bio-leaching technology by using plant to extract nickel from low-grade soil and act as carbon sink while it grow which allows for production of "carbon-negative nickel".</p>

Transition risks	Potential Impact from Risk	Potential mitigations
<p>Energy Costs</p> <p>Time Horizon: Short , medium and long term</p> <p>Status: Increasing</p>	<p>Elevated energy costs increase production expenses across all forms of nickel production. Sustained cost inflation may reduce competitiveness against lower-carbon producers.</p> <p>This could lead to volatility in earnings and margins linked to energy and fuel price fluctuations and contribute to impairment risk for high-cost, energy-intensive smelting assets.</p> <p>As a result, there will be increased sustaining and transition capex to manage energy efficiency and decarbonisation requirements.</p>	<p>Continued development of the Net Zero roadmap.</p> <p>Integrating large-scale captive solar grids which low-rate energy costs in long-term rather than oil and coal which its price often spikes due to geopolitics changes.</p> <p>Invest on coking oven gas power plant to avoid financial risk due to either shortage supply of coal or commodity prices spikes.</p> <p>Invest on high-efficiency HPAL technology which equipped by advanced heat exchangers and organic rankine cycle (ORC) systems to capture waste heat from autoclaves and turn back into electricity by effectively recycling their energy spend.</p>

## Overview of Current and Anticipated Financial Effects

### Impact in reporting year

In March 2025, extreme rainfall (~870 mm that month, including ~96.5 mm in 9 hours) led to an overflow from the main IMIP tailings storage which is not owned or operated by the Group, but is within the same IMIP as some of the Group's assets and facilities.

There were impacts across the IMIP and wider area because of the overflow, however it only impacted the Group's Oracle Nickel RKEF refinery, which stopped production for two days given the inundation of contaminated water which damaged equipment. This caused approximately US\$5.8 million in lost production and damage/repairs.

Other impacts related to the overflow of the IMIP tailings storage were outside of the Groups assets and given the tailings dam is not owned or operated by the Group fall outside of the Groups obligations.

This is an example of the short term impact of the extreme weather risks which has been identified in the table of risks above.

### Significant risk of material adjustment in the next reporting period

No impact to to the carrying amount of assets and liabilities reported in the related financial statements. .

### Overview of anticipated financial effects over the short, medium and long term

The estimation and measurement of anticipated financial impacts are subjective and based on various estimates and assumptions which are forward looking, long term, and are inherently uncertain by nature. These estimates and assumptions are based on the Groups current expectations of the impacts of climate risks and opportunities, which may change over time. Any changes in the estimates and assumption used, will impact the Groups financial assessment of anticipated risks.

The Group faces a range of physical climate-related risks that are expected to increasingly influence operational performance and financial outcomes over the short, medium and long term. Including rising temperatures, extreme heat, solar radiation and heatwaves are anticipated to reduce thermal and chemical efficiency across refining operations, increasing energy intensity and operating costs. The cost impacts of physical climate risks are estimated in a single-year rise by approximately US\$11.7 million by 2030, to US\$20.0 million by 2040, and US\$26.2 million by 2050, driven by higher cooling requirements, lost productivity, production downtime, and increased health and insurance costs. These impacts are expected to intensify over time as temperature extremes become more frequent and prolonged.

Extreme rainfall and flooding present another material risk, with the potential to disrupt operations, damage infrastructure and create environmental liabilities, particularly in relation to tailings storage facilities. Financial impacts

are expected to affect cash flows primarily in the short to medium term, with increasing severity over the long term. Initial estimates indicate potential single-year costs of approximately US\$8.3 million in 2030, rising to US\$9.4 million in 2040 and US\$10.5 million by 2050. Sea level rise, especially when combined with storm surge or tsunami events, also threatens coastal assets and operations, with estimated costs of around US\$5.1 million in 2030, increasing to US\$5.8 million in 2040 and US\$6.5 million by 2050, most of which are attributable to low-probability, high-impact events.

Additional climate hazards— extreme weather events such as tropical cyclones, and landslides—introduce further operational and financial pressures. Extreme weather events are projected to result in costs of approximately US\$1.3 million in 2030, rising to US\$1.6 million by 2050, reflecting increased infrastructure damage, maintenance requirements and operational disruptions. The Landslide risk, while not currently quantifiable due to uncertainty and data limitations, has the potential to materially affect operating costs, revenues, asset values and capital expenditure through unplanned stabilisation works, production interruptions and potential impairments. The Downstream value chain risk doesn't sit within the Groups operations, or control. As a result, the Group is not currently able to quantify due to uncertainty and data limitations, however this risk has the potential to materially affect revenues and asset values.

Alongside these risks, the Group has identified several adaptation and resilience mitigations that could mitigate exposure while delivering operational and financial benefits. These include upgrading infrastructure to be more heat-resilient and energy efficient, improving tailings facilities in collaboration with partners, raising infrastructure and installing flood protections, enhancing weather warning systems, and implementing operational controls. While the financial impacts of these mitigations have not been reliably quantified, they are expected to reduce costs of sales through lower energy intensity and fewer unplanned shutdowns, protect asset values, improve safety outcomes, and support more stable revenues and customer relationships over the long term.

The Group also faces a range of climate transition risks arising from evolving carbon pricing mechanisms, regulatory changes, energy market shifts and changing stakeholder expectations as the global economy moves toward lower-emissions production. The most material quantified exposure relates to carbon pricing, where increasing explicit or implicit carbon costs linked to Scope 1 and Scope 2 emissions could significantly increase operating costs. Under an NDC-aligned scenario, potential single-year carbon pricing costs are estimated at approximately US\$283 million in 2030, rising to US\$341 million in 2040 and US\$411 million by 2050. These costs represent a substantial long-term financial risk if emissions intensity is not reduced.

Energy cost transition risk also affects operating expenditure, reflecting changes in fuel and electricity prices driven by policy, market dynamics and energy-mix transitions. Modelling under the same NDC scenario indicates an increase in net energy costs of approximately US\$32 million by 2030, followed by a decline of around US\$43 million in 2040 and US\$61.4 million by 2050, reflecting assumed structural shifts in energy markets and potential efficiency improvements over time. While these later reductions partially offset other transition costs, near-term cost increases may still pressure margins.

Other transition risks, including global regulatory change and reputation and financing risk, have been assessed qualitatively due to significant measurement uncertainty and downstream impacts. These risks could influence customer demand, pricing and margins, increase compliance and reporting costs, and raise capital expenditure requirements for decarbonisation, electrification and low-emissions processing. Reputational impacts and tighter ESG expectations from investors, lenders and insurers may also affect revenue, cost of capital and access to financing if transition plans are not perceived as credible.

In parallel, the transition presents several strategic opportunities, however these are not considered material at this point. Implementation of the Group's Net Zero Roadmap provides a structured pathway to manage transition risks, with potential longer-term benefits including lower costs of sales through reduced emissions, lower fuel use and avoidance of future carbon charges, although financial impacts have not yet been quantified. Additional opportunities include green financing, which could reduce borrowing costs through access to sustainability-linked capital, and market positioning, where lower-emissions nickel production may support preferred supplier status, secure long-term offtake agreements and protect revenues as demand for responsibly sourced battery materials increases.

## Cumulative risk impact

A summary of cumulative risk impacts is provided below.

Physical Risk	Estimated Annual Loss (US\$million)		
	2030	2040	2050
Higher Temperatures, Extreme Heat, Solar Radiation & Heatwaves	\$11.7	\$20.0	\$26.2
Sea Level Rise	\$5.1	\$5.8	\$6.5
Extreme Rainfall & Flooding	\$8.3	\$9.4	\$10.5
Extreme Weather including Tropical Cyclones	\$1.3	\$1.4	\$1.6
Landslide associated with steep terrain, heavy rainfall and deforestation	<b>Not quantified</b>		
Extreme weather - Downstream value chain	<b>Not quantified</b>		
<b>TOTAL PHYSICAL RISK</b>	\$26.4	\$36.6	\$44.8
Transition Risk	Estimated Annual Loss (US\$million)		
	2030	2040	2050
Carbon Pricing	\$283	\$341	\$411
Energy Costs (income)	\$32	\$(43)	\$(61.4)
<b>TOTAL TRANSITION RISK</b>	\$315	\$298	\$349.6
<b>TOTAL RISK IMPACT</b>	<b>\$341.4</b>	<b>\$334.6</b>	<b>\$394.5</b>

Physical Risk	The amount of assets vulnerable		
	Asset type	Carrying value at 31 December 2025 US\$million	Percentage of total assets
Climate related physical and transition risks	Property, plant and Equipment	1,484	35%
	Exploration and evaluation	77.4	2%
	Investment in equity accounted investee	1,248.6	29%

## Climate risk and opportunity integration into business strategy

Nickel Industries operates in a sector with elevated exposure to physical and transition climate-related risks, which may affect the resilience of operations, value-chain continuity and long-term competitiveness. The Group has undertaken preliminary assessments to understand how these risks could influence its business and broader strategic position.

As part of this work, Nickel Industries has identified a number of potential decarbonisation pathways and considered them at a high level for strategic and risk assessment purposes. The Group expects to continue evaluating climate-related risks and transition considerations and to progressively assess their relevance to longer-term strategy as external conditions and internal capabilities evolve. Any future integration of climate considerations into strategy will be subject to further analysis and decision-making in subsequent reporting periods.

## Transition plan and Decarbonisation targets

Nickel Industries is committed to a 50% reduction in carbon intensity by 2035 and achieving net-zero emissions by 2050, using 2022 as a baseline.

Actions taken during the current period towards this commitment include;

### Fleet Electrification

Fleet electrification and energy efficiency initiatives focus on reducing diesel use, Scope 1 emissions and operating costs by deploying electric mobile equipment where feasible. At Hengjaya Mine, the electric truck fleet expanded from 8 units in 2024 to 37 units, lowering diesel consumption and haulage energy intensity. RKEF deployed additional electric equipment, including 20 loaders, 4 excavators and 1 forklift.

### Greenhouse gas emissions reduction target

Nickel Industries has established a **GHG** emissions reduction target and has identified a range of potential pathways that may support achievement of that target. A key part of this transition is the Group's move from investing in RKEF refineries into HPAL projects, which produce MHP for use in the electric vehicle supply chain. The HPAL technology has been implemented to process nickel ores with lower emissions and energy requirements, utilising power from the captive waste heat boiler system from the acid plant, which can provide up to 40% of power needs. This new technology is capable of processing limonite nickel ore, which can be moved through a slurry pipeline instead of conventional truck transportation. The commissioning of the ENC HPAL project in 2026 is expected to deliver material reductions in carbon emissions intensity. At 31 December 2025 the Group had acquired 44% interest for \$1,012.0 million.

### Solar and Battery

The Group is a participant in the solar project in the IMIP that will supply ENC with renewable power. This successfully achieved financial close on 23 January 2026. This project consists of 262MWp photovoltaic and 80MWh battery energy storage system (BESS). The renewal energy source will enable the ENC HPAL to produce lower carbon nickel units. The electricity offtake power purchase agreement includes a 25-year fixed rate tariff with no escalation.

The installation of a solar energy system at Hengjaya Mine, now supplying approximately 20% of the site's electricity needs, was complemented by the introduction of electric vehicle (**EV**) haul trucks and the adoption of electric loaders to improve operational efficiency and reduce emissions. In addition, through Oracle Nickel, we transitioned to the use of recycled furnace gas for industrial processes, reducing reliance on coal and further lowering our carbon footprint.

Other forms of carbon reduction such as carbon credits are also being considered but are not currently being used.

## Climate resilience

### Overview

Nickel Industries has assessed its climate resilience by considering the potential effects of climate-related transition and physical risks on its business model and strategy under a range of plausible climate scenarios. This assessment focuses on the Group's capacity to continue operating in the presence of climate-related risks, recognising the uncertainty inherent in longer-term climate outcomes.

The Group's resilience to climate change is dependent on its ability to maintain flexibility in its financial resources. This flexibility will allow the Group to efficiently allocate capital towards emerging climate priorities, ensuring a swift response to evolving risks and opportunities driven by global actions. Any future development of climate-related targets will be determined by the Board as the Group's sustainability strategy matures. This will be with consideration of the availability of and flexibility of the Groups existing financing, and financial resources, the ability for the Group to redeploy, repurpose, upgrade, or decommission existing assets. All these factors are considered when planning investments in climate-related mitigation, adaptation and opportunities for climate resilience.

Under lower-temperature scenarios, Nickel Industries is exposed to elevated transition risk, including increased carbon costs, emissions-related regulation and changing market expectations for carbon-intensive products. These factors may place pressure on operating costs, margins and demand. The Group's resilience under these scenarios is dependent on the timing, scale and nature of future policy and market developments.

Under higher-temperature scenarios, Nickel Industries faces increased physical climate-related risks, including flooding, extreme weather events and changes in temperature and rainfall patterns. These risks may disrupt operations and supply chains and increase operational and safety-related pressures. Existing operational risk management processes provide a baseline level of resilience; however, the likelihood and severity of impacts may increase under higher-temperature outcomes.

Overall, Nickel Industries' climate resilience reflects its current operating profile and risk management arrangements. Nickel Industries will continue to monitor climate-related developments and reassess its resilience as conditions evolve and as further information becomes available

Nickel Industries' strategy and business planning are informed by a defined set of climate assumptions that reflect Nickel Industries assessment of how climate change may evolve over time. These assumptions are used to support the evaluation of climate-related risks and opportunities across the Group's operations and assets.

As outlined in the physical climate risk assessment, Nickel Industries has analysed its exposure to climate-related physical and transition risks under different warming pathways. This analysis supports Nickel Industries understanding of how climate change may affect its operations over the short, medium and long term, including through changes in weather patterns, extreme weather events and broader transition dynamics.

Climate-related risks and opportunities identified through this process are considered in the context of strategic planning and operational decision-making. This includes consideration of physical climate impacts as well as broader transition factors such as policy developments, market trends and technological change associated with the global transition to a lower-emissions economy.

The scenario assumptions used by Nickel Industries are intended to support resilience planning and strategic decision-making, rather than to predict a single future outcome. These assumptions are reviewed as part of Nickel Industries ongoing assessment of climate-related risks and opportunities.

### **Implications for business model**

Nickel Industries' assessment of climate-related risks indicates that both transition and physical climate risks may have implications for its strategy and business model over time, under both a high and low temperature assumption. Under lower-temperature scenarios, the Group's carbon-intensive operating profile may expose it to increased costs and reduced competitiveness as carbon pricing, emissions-related regulation and customer expectations for lower-emissions products intensify. These outcomes suggest that, over time, Nickel Industries may need to consider how reductions in the carbon intensity of its operations could be achieved in order to support the resilience of its business model and maintain market access.

Under higher-temperature scenarios, the assessment indicates increased exposure to physical climate-related risks, including flooding, extreme weather events and changes in temperature and rainfall patterns. These impacts may affect asset performance, operational continuity and supply-chain reliability. In response, Nickel Industries may need to consider how physical risk exposures are addressed within its operating model, including the resilience of assets, infrastructure and operational practices in climate-exposed locations.

At the reporting date, these implications have not resulted in changes to Nickel Industries' strategy or business model. The Group expects that the findings of its climate-related scenario analysis will be progressively considered alongside broader strategic planning and capital allocation decisions as external conditions evolve and as further analysis is undertaken. Any future responses would be subject to governance, financial and operational assessment prior to implementation.

## Uncertainty

Nickel Industries' assessment of climate resilience is subject to significant uncertainty, reflecting the inherent limitations of climate scenario analysis and the long-term nature of the risks considered. For physical climate-related risks, the assessment draws on IPCC climate scenarios, which involve uncertainty in future temperature outcomes, precipitation patterns, sea-level rise and the frequency and severity of extreme weather events at regional and local scales. These uncertainties affect the ability to precisely assess the timing, location and magnitude of potential physical impacts on assets and operations.

For transition climate-related risks, the assessment uses Network for Greening the Financial System (NGFS) scenarios, which incorporate assumptions regarding the pace and effectiveness of global policy responses, carbon pricing trajectories, technology development and market behaviour. There is uncertainty in how these factors may evolve, particularly in relation to the timing and stringency of regulation, the response of end markets and the translation of global transition pathways into jurisdiction- and sector-specific outcomes relevant to the Group.

In addition, there is uncertainty in translating scenario outputs into business-specific impacts, including the attribution of physical hazards and transition drivers to operational, financial and strategic outcomes. As a result, the climate resilience assessment is based on a range of plausible outcomes rather than precise forecasts, and will be refined over time as climate science, scenario data and decision-useful information continue to develop

### Scenario analysis inputs

Nickel Industries undertook climate-related scenario analysis during the reporting period as part of its assessment of climate resilience. The analysis was conducted using externally developed climate-related scenarios, selected to capture a range of plausible future transition and physical risk outcomes relevant to the Group's operations and value chain.

To assess physical climate-related risks, Nickel Industries applied three IPCC Shared Socioeconomic Pathways (SSPs) representing a range of temperature and emissions outcomes:

- SSP1-1.9, reflecting a lower-warming pathway associated with strong global mitigation efforts;
- SSP2-4.5, reflecting an intermediate pathway with stabilisation-oriented mitigation outcomes; and
- SSP5-8.5, reflecting a higher-warming pathway associated with limited mitigation and increased physical climate impacts.

These scenarios were used to assess exposure to physical climate-related hazards across the Group's operations and value chain, including extreme weather events, flooding, changes in temperature and rainfall patterns, and sea-level rise, where relevant. Together, these scenarios support the Group's assessment of reasonably expected physical climate-related risks and opportunities across a range of plausible climate futures.

To assess transition climate-related risks, Nickel Industries applied four scenarios developed by the Network for Greening the Financial System (NGFS), representing a range of transition pathways and policy outcomes:

- Net Zero 2050, representing an orderly transition consistent with limiting global warming to approximately 1.4°C;
- Fragmented World, representing a delayed and regionally uneven transition with heightened transition risk;
- Current Policies, representing limited additional climate policy action and higher long-term temperature outcomes; and
- Nationally Determined Contributions (NDCs), reflecting implementation of existing national climate commitments.

These scenarios were used to assess transition risks and opportunities arising from changes in climate policy, regulation, market dynamics, technology and stakeholder expectations.

These scenarios incorporate differing assumptions regarding the timing and stringency of climate policy, carbon pricing trajectories, technology deployment and market responses. Together, they were used to assess Nickel Industries' exposure to transition risks under orderly, delayed and limited-action transition pathways. The scenario analysis therefore included a diverse range of climate-related scenarios, spanning both lower-temperature transition pathways and higher-temperature outcomes, and addressing both transition and physical climate-related risks. This approach was adopted to assess the Group's resilience across a range of plausible future conditions, rather than relying on a single scenario.

Nickel Industries considers the selected scenarios to be relevant for assessing its resilience to climate-related changes, developments and uncertainties because they are globally recognised, widely used frameworks and reflect differing combinations of policy ambition, market response and physical climate outcomes. The Group recognises that scenario analysis involves inherent uncertainty and does not represent forecasts.

The analysis was undertaken using short-term (to 2030), medium-term (to 2040) and long-term (to 2050) time horizons, reflecting operational planning cycles, asset lifecycles and longer-term climate transition benchmarks.

Nickel Industries has undertaken both risk assessments and climate scenario analysis to assess the resilience of its strategy under different climate futures.

Physical Climate Change Scenario	Long term temperature (2081-2100)		Socioeconomic pathway for chosen scenarios	Key scenario assumptions used
	Best estimate (°C)	Very likely range (°C)		
SSP1-1.9	1.4	1.0 to 1.8	Globally coordinated focus on sustainable development.	that net zero emissions are achieved, and global warming is limited to 1.5°C above pre-industrial levels by 2050. It anticipated strong climate-related policies across all operating jurisdictions, including stringent emissions reduction targets and carbon pricing mechanisms. Macroeconomic trends reflect moderate population growth, stable economic expansion, and prioritisation of sustainable development. National and regional variables include improved infrastructure resilience, proactive land-use planning favouring reforestation, and stable local weather patterns with enhanced resource efficiency. Energy usage shifts rapidly towards renewables, supported by a declining reliance on fossil fuels and widespread electrification. Technological developments are assumed to advance clean energy systems, carbon capture, and efficiency innovations at scale. These integrated assumptions underpin a pathway aligned with global climate goals and sustainable growth.
SSP2-4.5	2.7	2.1 to 3.5	Middle of the road, moderate mitigation	Moderate climate-related policies that vary by jurisdiction, with gradual implementation of carbon pricing and emissions standards rather than aggressive measures. Macroeconomic trends follow a middle-of-the-road trajectory, with steady population growth and economic development that balances sustainability with conventional practices. National and regional variables include incremental improvements in infrastructure, mixed land-use changes, and continued pressure on natural resources due to uneven adaptation. Energy usage remains diversified, with fossil fuels still significant but gradually declining as renewables and low-carbon technologies expand. Technological developments progress at a moderate pace, enabling efficiency gains and some decarbonisation but without transformative breakthroughs.
SSP5-8.5	4.4	3.3 to 5.7	Fossil-fueled development, very high emissions.	Rapid fossil fuel reliance, high economic growth, minimal climate policy, slow energy efficiency gains, higher energy and food demand, high population growth, low challenges to adoption and unrealistically high emissions
Transition Climate Change Scenario	Long term temperature (2081-2100)		Pathway description	Key scenario assumptions used
	Best estimate (°C)	Very likely range (°C)		
Net Zero 2050	1.4	1.3 – 1.8	Represents rapid, globally coordinated decarbonisation to achieve net zero CO <sub>2</sub> around 2050.	Assumes 2/3 of energy generation is renewable in source, coal and oil phases out by 2030 in advanced economies, drastic increases in electricity across transport, industry and building sectors, rapid acceleration of new, often unproven technology, total energy demand decreases by 8% by 2050 due to improved efficiency, significant carbon removal, annual global energy investments rise and behavioural changes such as consumer behaviour shift
NDCs	2.3	2.3 – 3.0	Represents full implementation of current NDCs without further strengthening.	Assume a linear transition from the 2030 target towards net zero goals by 2050, use of SSP2 pathways, technological development of low carbon technology, net sink capacity of land and forestry are critical and future GDP growth
Current Policies	3.0	2.7 – 3.6	Shows current emissions trajectory and assumes no new climate policies beyond those already implemented as of 2024.	Assume existing policies only, no new targets, time bound expiry of current policy, low bound aspiration, slower tech deployment and persistence of fossils fuels. Modest efficiency gains. Continues current population and economic trends, higher financing costs and market driven changes lacking governmental support.
Fragmented World	2.4	3.3 – 4.5+	Represents minimal coordination and limited mitigation efforts.	Assumes policy inconsistency, a focus on regionalism and self reliance, lower and more fragmented economic growth, environmental degradation occurs, aligned with SSP3 regional rivalry.

## 3. Risk Management

### Risk processes

The Group identifies, assesses, prioritises and monitors climate-related risks through management oversight, site-level assessments and strategic planning activities. Climate-related risks are considered alongside other operational and market risks relevant to the Group's mining and processing activities, rather than through a standalone climate risk framework.

Within the business, the Group uses climate scenarios associated with different global temperature outcomes, as set out in its physical climate risk assessment, to identify potential physical climate risks. These scenarios are used to understand possible short-, medium- and long-term impacts on operations, assets and business continuity, including risks arising from extreme rainfall, flooding, heat stress and disruption to infrastructure and logistics.

The Group considers the findings of scenario analysis and physical risk assessments when assessing the relative significance of climate-related risks. Transition-related factors, such as energy supply, emissions intensity and evolving market expectations for lower-emission nickel products, are considered in management and strategic discussions.

Climate-related risks are monitored through ongoing operational oversight and periodic review as part of broader business planning and in response to material changes in circumstances, including significant weather events or changes in the external operating environment. Scenario analysis also informs the identification of opportunities, including improvements in asset efficiency, renewable energy integration and alignment with demand for lower-emission nickel products.

Nickel Industries identifies and manages risks through its Board and management oversight processes as described in the Risk section of the 2025 Annual Report. Climate-related risks are considered as part of the Group's broader approach to risk identification and oversight, alongside other operational, regulatory and market-related risks relevant to the business.

The Group recognises that climate-related risks may affect its operations, supply chains, costs, and long-term business resilience. These risks are considered within management discussions and strategic planning activities, rather than through a separate standalone climate risk framework.

### Inputs and parameters

Climate-related risks are identified using a combination of internal and external inputs. Internal considerations include operational exposure to weather-related disruption, energy consumption, emissions intensity, and site-specific physical risks identified through the Group's physical climate risk assessment. External considerations include regulatory developments, market expectations for lower-emission nickel products, and broader industry trends relevant to the energy transition.

This approach supports the identification of climate-related risks that could influence operational continuity, cost structures, market access and longer-term strategic positioning.

### Scenario analysis

Climate-related scenario analysis is used to support the identification of both risks and opportunities and to assess the resilience of the Group's strategy and business model. The physical climate risk assessment examines potential outcomes under different warming pathways, including low-warming and high-warming scenarios, to evaluate the nature and severity of physical climate risks. The findings are used to understand how climate-related risks may evolve over time, identify areas of heightened exposure and inform consideration of climate resilience across the Group's operations.

Nickel Industries uses climate-related scenario analysis to support its understanding of how transition and physical climate risks may affect its operations and assets over the short, medium and long term. Scenario analysis is used to explore the potential nature and severity of climate-related risks under different warming pathways, including low-warming and high-warming scenarios, as described in the physical climate risk assessment.

The assessment focuses primarily on understanding exposure to chronic physical risks, such as changes in temperature and rainfall patterns, and acute physical risks, including extreme weather events that may disrupt operations and logistics. The outcomes of scenario analysis are used to inform management's understanding of climate-related risks and support strategic and operational considerations, rather than to produce detailed quantitative financial modelling.

Nickel Industries assesses physical climate risks based on site-specific exposure and operating conditions identified through the physical risk assessment. Acute physical risks are evaluated with reference to the frequency and severity of extreme weather events, while longer-term risks are considered in the context of potential changes to operating environments over time.

The insights from scenario analysis contribute to broader discussions on operational resilience and adaptation planning, including consideration of measures to manage exposure to physical climate risks across the Group's operations.

#### **Nature likelihood and magnitude of risk**

Nickel Industries considers climate-related risks and opportunities by assessing how climate change may affect its operations, assets and business performance over the short, medium and long term. This assessment is informed by the Group's physical climate risk assessment and scenario analysis, which examine the potential impacts of different warming outcomes on operating sites and infrastructure.

The Group assesses physical climate risks by considering the severity and frequency of climate hazards, such as extreme rainfall, flooding, and heat stress, as identified in the physical risk assessment. These impacts are evaluated in the context of site-specific exposure and operating conditions.

Transition-related risks and opportunities are considered in the context of energy use, emissions intensity, regulatory developments and market demand for nickel products used in energy transition applications. Scenario analysis is used to understand how these risks and opportunities may evolve under different climate pathways and across different time horizons.

The outcomes of this assessment support management's understanding of climate-related risks and opportunities and inform broader strategic and operational discussions, including consideration of resilience and adaptation measures.

# Prioritisation of climate risk

## **Risk and opportunity monitoring**

The Group uses publicly available climate data and scenario information referenced in its physical climate risk assessment, including climate scenarios aligned to different global temperature outcomes, to assess potential physical climate impacts on its operations. This assessment considers exposure across the Group's operating locations and assets, including mining, processing and associated infrastructure, to understand how climate risks may affect operations over the short, medium and long term.

Nickel Industries monitors climate-related risks and opportunities through ongoing management oversight and periodic reassessment as part of its broader operational and strategic processes. Climate-related considerations are reviewed over time to reflect changes in operating conditions, climate science, regulatory developments and market dynamics.

The outcomes of climate-related assessments, including physical climate risk assessments and scenario analysis, are used to inform management's understanding of evolving risks and opportunities across the Group's operations. These assessments are revisited as part of ongoing sustainability and operational planning activities to ensure that emerging climate-related issues are identified.

Climate-related risks are monitored in the context of their potential to affect operational continuity, asset exposure and long-term resilience. Monitoring focuses on changes in exposure to physical climate hazards, such as extreme weather events and longer-term climatic shifts, as well as transition-related developments associated with the global move toward a lower-emissions economy.

Climate-related opportunities, including initiatives to improve energy efficiency, increase renewable energy use and support demand for nickel in energy transition applications, are monitored through operational performance and progress against sustainability objectives. This ongoing monitoring supports informed decision-making and helps Nickel Industries adapt its approach as external conditions evolve.

## **Change in risk processes**

Climate-related risks are monitored through ongoing management oversight and are revisited as part of strategic planning, operational reviews and in response to material changes in circumstances, such as significant weather events, regulatory developments or changes in the operating environment. The Group continues to refine its understanding of climate-related risks through improved data, site-level assessments and scenario analysis, including the outcomes of its physical climate risk assessment.

Nickel Industries has continued to develop its understanding of climate-related risks and opportunities through the use of climate risk assessments and climate-related scenario analysis. These assessments build on prior work by expanding consideration of climate-related impacts across the Group's operations and geographic locations.

The use of scenario analysis supports Nickel Industries' understanding of how different climate pathways may affect its assets and operations over the short, medium and long term. This approach assists in strengthening Nickel Industries consideration of climate resilience and informing strategic and operational discussions.

Nickel Industries recognises the importance of maintaining an up-to-date understanding of climate-related issues. Climate-related risks and opportunities are reassessed over time to reflect changes in operating conditions, climate science and external developments, including significant changes in circumstances that may affect the Group's operations or risk profile.

## Risk and opportunity identification process

Potential climate-related risks are identified through consideration of entity-specific information and external sources relevant to the Group's operations. Internal considerations include exposure of mining and processing operations to weather-related disruption, energy use, emissions intensity and site-specific physical risks identified through the Group's physical climate risk assessment. External considerations include regulatory developments, market expectations for lower-emission nickel products, industry trends and publicly available climate-related information.

Opportunities are identified as part of the same process, recognising that climate-related risks may also give rise to opportunities. These opportunities include improvements in operational efficiency, renewable energy integration and alignment with demand for nickel products supporting the energy transition

Nickel Industries considers climate-related opportunities as part of its broader strategic and operational decision-making processes. Opportunities are assessed in the context of their alignment with Nickel Industries business strategy, operational priorities and long-term resilience, rather than through a standalone climate opportunity framework.

Nickel Industries identifies opportunities associated with reducing emissions intensity, improving energy efficiency and increasing the use of renewable energy across its operations. These opportunities are considered alongside market demand for nickel products that support the energy transition, including demand from battery and electric vehicle supply chains.

Consideration is also given to external factors such as regulatory developments, energy market conditions and technological advancements that may influence the feasibility and timing of climate-related opportunities. Climate-related opportunities are evaluated within Nickel Industries' strategic planning and investment discussions to support long-term competitiveness and resilience.

## Risk and opportunity prioritisation

Nickel Industries considers climate-related risks and opportunities as part of its broader assessment of risks that may affect Nickel Industries operations and long-term resilience. Climate-related risks are evaluated in the context of their potential to impact operational continuity, asset exposure and strategic objectives across the Group's portfolio.

The prioritisation of climate-related risks is informed by the outcomes of climate-related scenario analysis and physical climate risk assessments. These assessments help identify assets and regions that may be more exposed to climate-related physical or transition risks over the short, medium and long term. Risks that are considered more likely to affect operations or strategic outcomes receive greater management attention.

Scenario analysis is used to explore how different climate pathways may influence the severity and timing of climate-related risks and opportunities. This includes consideration of low-warming and high-warming scenarios to understand potential impacts on operations, infrastructure and supply chains across different time horizons.

Climate-related risks and opportunities are not prioritised in isolation but are considered alongside other operational and strategic considerations. This approach supports informed decision-making and helps Nickel Industries focus on areas where climate-related factors may have a more material influence on its business.

Opportunities are evaluated with reference to how they support operational resilience, emissions reduction efforts and alignment with market demand for nickel products associated with the energy transition. Nickel Industries focuses on opportunities related to improving energy efficiency, increasing the use of renewable energy and supporting the supply of nickel to downstream industries involved in electrification and battery technologies. These opportunities are considered alongside broader strategic and operational priorities rather than through a standalone prioritisation framework.

Climate-related opportunities are viewed across short-, medium- and long-term horizons, recognising that the timing and scale of benefits may vary depending on technology development, market conditions and external policy settings. This approach supports informed strategic discussions and helps Nickel Industries consider how climate-related opportunities may contribute to its long-term resilience and competitiveness.

## **Integration with risk management processes**

Identified climate-related risks are assessed qualitatively based on their potential impact on the Group's operations and business performance. Physical climate risks, such as extreme rainfall, flooding and heat stress, are evaluated using the findings of the Group's physical climate risk assessment and scenario analysis. Transition-related risks, including changes in energy markets and customer expectations, are considered in strategic and investment discussions.

The Group acknowledges that climate-related risks can act as drivers or amplifiers of other business risks, including operational, regulatory and market risks. Accordingly, climate considerations are integrated into broader business decision-making rather than treated as a separate risk category.

Nickel Industries identifies climate-related opportunities as part of its broader risk management and governance processes. Climate-related risks are considered alongside other operational and strategic risks, reflecting the potential for climate factors to influence Nickel Industries operations, performance and long-term resilience.

The assessment of climate-related risks considers both the nature of the potential impact and the likelihood of occurrence, informed by scenario analysis, physical climate risk assessments and management judgement. Impacts may relate to operational disruption, asset exposure or broader strategic considerations, including transition-related factors.

Climate-related risks and opportunities are not assessed in isolation but are considered within the context of Nickel Industries' overall business and risk profile. This approach supports the integration of climate considerations into strategic planning and operational decision-making.

## **Likelihood of physical risks**

Nickel Industries has undertaken assessments to understand its exposure to climate-related physical and transition risks across its operations. These assessments consider how current and projected climate conditions may affect operational sites in the short, medium and long term and supporting physical climate risk assessment.

The physical climate risk assessment evaluates exposure across geographic locations in which Nickel Industries operates, taking into account factors such as temperature changes, rainfall variability and extreme weather events. This analysis supports the identification of assets that may be more exposed to physical climate risks and informs management's understanding of potential operational impacts.

Transition risks are considered in the context of broader changes associated with the global transition to a lower-emissions economy, including evolving policy settings, market dynamics and demand for nickel products used in energy transition applications. The assessment recognises that climate-related risks and opportunities may differ across regions and asset types.

The outcomes of these assessments are used to support strategic and operational discussions, including consideration of site-specific responses and adaptation measures where relevant

# Metrics & Targets

## Climate related metrics

### Greenhouse gases (GHG): 2025 Results

#### Operational GHG emissions

For the reporting period, which represents Nickel Industries' first year of mandatory climate related reporting, GHG emissions are measured and compiled using energy and fuel consumption data at the operational level, in accordance with the methodologies described below. Further detail on emissions sources and categorisation is provided in the Group's GHG inventory (see page below).

The Group has applied the transition relief available under AASB S2 paragraph C4(b). Accordingly, Scope 3 greenhouse gas emissions are not disclosed in this AASB S2 Sustainability Report.

The GHG inventory comprises emissions from mining and processing operations operated by Nickel Industries, for which fuel and electricity consumption data are collected at the site level.

Nickel Industries has elected to apply the equity share approach as its primary organisational boundary for all GHG emissions. Under the equity share approach, a Group accounts for GHG emissions from operations according to its share of equity in the operation. The equity share reflects economic interest, which is the extent of rights a Group has to the risks and rewards flowing from an operation. Equity share emissions are calculated by multiplying Nickel Industries gross emissions by its percentage equity share in the joint venture or underlying ownership percentage. Nickel Industries believes the equity share method is most appropriate based on a consideration of factors such as organisational structure, operational boundaries and the nature of activities.

The emissions inventory includes operated mining assets and RKEF processing lines, and HPAL across Nickel Industries' operating entities via the equity-based approach. Assets and activities that are not in the operational phase are not included in the reported Scope 1 and Scope 2 emissions.

The Group's Scope 1 and Scope 2 GHG emissions arise primarily from its mining and processing operations in Indonesia. These emissions are associated with fuel combustion and electricity consumption at the Group's operated mining sites and RKEF processing facilities. The smaller proportion of scope 1 and 2 emissions is from HPAL, Huayue Nickel Cobalt.

The Group's reported Scope 1 and Scope 2 emissions do not include emissions from Europe, the Americas or other regions, as the Group does not operate mining or processing assets in those jurisdictions. Further detail on the entities and locations included in the emissions inventory is provided in the Group's GHG inventory data below.

Operational GHG emissions for Nickel Industries reflect changes in production levels, energy consumption and operating conditions across the Group's mining and processing assets during the reporting period. Variations in emissions are primarily driven by the scale and intensity of operations and the mix of fuel and electricity consumed at operated sites.

Nickel Industries continues to focus on improving operational efficiency and managing energy use across its assets. These actions support the Group's broader objective of managing emissions intensity over time.

Nickel Industries continues to improve the collation and reporting of its Scope 1 and Scope 2 GHG emissions data across its operated mining and processing assets. The Group's emissions inventory includes electricity consumption from operational sites where Nickel Industries has direct operational involvement, with Scope 2 emissions calculated on a location-based basis consistent with the disclosed methodology.

For Nickel Industries Scope 1 GHG emissions represent direct GHG emissions from sources that are owned or controlled by the Group. In line with the Group's disclosures, these emissions arise primarily from fuel combustion associated with mining and processing operations, including the use of mobile equipment and on-site industrial activities within the Group's operational boundaries.

The Group's disaggregated Scope 1 and Scope 2 GHG emissions:

<b>GHG Emissions (million metric tonnes of CO2-e)</b>		
	<b>Unit</b>	<b>2025</b>
Scope 1 emissions for the consolidated entities	tCO2-e	4,055,322
Scope 2* emissions for the consolidated entities	tCO2-e	3,743,827
Scope 1 emissions for the invested entities	tCO2-e	43,618
Scope 2* emissions for the invested entities	tCO2-e	19,356

\*Scope 2 are location-based.

## Methodology for the calculation of GHG emissions

The emission factors have been sources from the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2019)

<b>Emission category</b>	<b>Activity</b>	<b>Data Source</b>	<b>Methodology, Data quality and uncertainty</b>
<b>Scope 1</b>			
Industrial Process Emission – Semi-coking coal	Coal consumption (kg consumed)	Production records	Mass balance: t coal × EF; Primary data, high quality; ±10–15% (NCV/EF variance)
Industrial Process Emission – Sub-bituminous Coal	Coal reductant use (kg consumed)	Fuel logs/metres	Tier 2: Activity × EF; Good coverage; ±15% (moisture/NCV)
Industrial Process Emission – Bituminous (Smelting) Coal	Coal consumption (kg burned)	Production records	Tier 2: Activity × EF; Good coverage; ±15% (moisture/NCV)
Industrial Process Emission – Anthracite Coal	Coal reductant use (kg consumed)	Supplier Data	Similar to semi-coking; High quality; ±10% (NCV variance)
Stationary combustion – Biodiesel (B35)	Diesel equiv. for vehicles (kl/litres)	Fuel logs/metres	Volume × EF; Primary, accurate; ±5–10% (blending ratio)
Mobile fuel combustion – Biodiesel (B35) Mobile	Diesel equiv. for vehicles (kl/litres)	Production data and fuel dispensers/tank dips	Volume × EF; Primary, accurate; ±5–10% (blending ratio)
Land use emission – Deforestation	Total deforested area (hectares)	Total land disturbance area from survey team	Total area x EF
Land use emission – Reforestation	Total reforested area (hectares)	Total revegetated area from environmental team	Total area x EF

Industrial Process Emission – Coking Oven Gas (COG)	Gas volume consumed (Nm <sup>3</sup> )	Supplier data	Volume × EF; Primary, accurate; ±5–10% (blending ratio)
Industrial Process Emission – Electrode paste	Electrode paste consumed (kg burned)	Consumption records	Mass x EF; Primary; accurate
Carbon fraction in NPI (nickel pig iron)	C in nickel pig iron product (t C sequestered)	Production records (tNi × C content)	Mass balance (input C – stack); Verified by assay; ±5–10% (C assay)
<b>Scope 2</b>			
Electricity	kWh purchased	Utility bills/metres (PLN/IMIP grid)	Location-based: kWh × grid avg EF; Annual bills, high; ±15–20% (grid coal mix shifts)

#### Calculation standard

For the calculation of its Scope 1 and Scope 2 GHG emissions, Nickel Industries applies the recognised greenhouse gas accounting methodologies set out in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The GHG emissions inventory is prepared using data collected from the Group’s operated mining and processing assets, including fuel consumption and electricity usage.

Scope 1 emissions reflect direct emissions from operated activities, while Scope 2 emissions reflect indirect emissions associated with the generation of purchased electricity consumed by the Group’s operations and are reported on a location-based basis.

## Challenges for the measurement of emissions

### Other cross-industry metrics

The calculation of Scope 1 and Scope 2 GHG emissions for Nickel Industries is based on activity data collected from the Group’s operated mining and processing assets. Emissions are calculated using fuel consumption and electricity usage data recorded at the site level, as reflected in the Group’s GHG inventory.

Data availability and consistency across multiple operating sites present challenges in the measurement of emissions. The accuracy of emissions calculations is dependent on the quality of underlying fuel and electricity consumption data, as well as the completeness of operational records for each asset. Variations in operational practices and energy use across sites may also affect the comparability of emissions data.

The Group’s GHG inventory focuses on material Scope 1 and Scope 2 emission sources associated with its core mining and processing activities. No new Scope 1 or Scope 2 emission sources were identified or added to the emissions inventory during the reporting period. Emissions sources considered immaterial to the Group’s overall emissions profile are not included in the reported figures.

## Climate-related targets

Nickel Industries has publicly communicated longer-term climate targets that frame its strategic approach to greenhouse gas emissions. In 2023, Nickel Industries announced a commitment to reduce **carbon intensity by 50% by 2035** compared to a historical base year and to achieve **net-zero emissions by 2050**.

1a.	Reduction of GHG intensity.
Metric	Reduce <b>carbon intensity by 50% by 2035</b> based on a 2022 baseline measured in tCO <sub>2</sub> -e/tNi.
Objective	Mitigation of Scope 1 and 2 GHG emissions.
Scope	Applies across the portfolio within the reporting entity.
Period	2025-2035.
Base period	2022.
Milestones and interim targets	Nil.
Target type (absolute or intensity)	Intensity GHG target.
Alignment with jurisdictional commitment	Not aligned with any jurisdictional commitment.
Validation	The target and methodology have not been validated by a third party.
Review process	This target is reviewed by the Risk Management and Sustainability committee.
Metrics for monitoring progress:	Measure of tCO <sub>2</sub> -e/tNi (annually).
Revision	No revisions have been made to the target in the current period.
Which GHG are covered	<p><b>Carbon dioxide (CO<sub>2</sub>)</b> From stationary fuel and mobile fuel combustion</p> <p><b>Methane (CH<sub>4</sub>)</b> From coal mining, oil &amp; gas, agriculture (livestock, rice), waste</p> <p><b>Nitrous oxide (N<sub>2</sub>O)</b> From fertilisers, industrial processes, combustion</p> <p><b>Hydrofluorocarbons (HFCs)</b> Synthetic refrigerants (air-conditioning, refrigeration)</p> <p><b>Perfluorocarbons (PFCs)</b> Aluminium production, semiconductor manufacturing</p>
Scope 1,2 or 3 target	Scope 1 and 2
Gross or net GHG target	Gross
Sectoral decarbonisation approach	No

1b)	Achieve <b>net-zero emissions by 2050</b> .
Metric	Portfolio-wide emissions (carbon dioxide, methane and nitrous oxide) reduction to net zero for Scope 1 and 2 emissions by 2050 measured in CO <sub>2</sub> -e.
Objective	Mitigation of Scope 1 and 2 GHG emissions.
Scope	Applies across the portfolio within the reporting entity.
Period	2022-2050.

Base period	2022
Milestones and interim targets	Nil
Target type (absolute or intensity)	Absolute quantitative target.
Carbon credits	The Group is committed to reducing its carbon footprint primarily through direct abatement measures, with carbon credits playing a limited and supportive role in the Group's overall emissions reduction strategy.
Alignment with jurisdictional commitment	Not aligned with any jurisdictional commitment.
Validation	Not validated.
Review process	This target is reviewed quarterly by the Risk Management and Sustainability Committee and follows the escalation process of the ESG targets as set out in the Governance section.
Metrics for monitoring progress:	Nil
Revisions	Any revision to the target will be disclosed and explained in the annual climate-related report. No revisions have been made to the target in the current period.
Which GHG are covered	<p><b>Carbon dioxide (CO<sub>2</sub>)</b></p> <p><b>Methane (CH<sub>4</sub>)</b> – From coal mining, oil &amp; gas, agriculture (livestock, rice), waste</p> <p><b>Nitrous oxide (N<sub>2</sub>O)</b> – From fertilisers, industrial processes, combustion</p> <p><b>Hydrofluorocarbons (HFCs)</b> – Synthetic refrigerants (air-conditioning, refrigeration)</p> <p><b>Perfluorocarbons (PFCs)</b> – Aluminium production, semiconductor manufacturing</p>
Scope 1,2 or 3 target	Scope 1 and 2
Gross or net GHG target	Net target
Sectoral decarbonisation approach	No



# Independent Auditor's Review Report

To the shareholders of Nickel Industries Limited

**Report on specified Sustainability Disclosures of Nickel Industries Limited presented in the Sustainability Report titled Sustainability Report prepared in accordance with the Corporations Act 2001**

## Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Nickel Industries Limited titled "Sustainability Report" for the year ended 31 December 2025 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

<i>specified Sustainability Disclosures</i>	<i>Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)</i>	<i>Locations in Sustainability Report</i>
<i>Governance disclosures</i>	<i>Paragraph 6</i>	<i>Governance section 1 – pages 39 - 43</i>
<i>Strategy (risk and opportunities) disclosures</i>	<i>Subparagraphs 9(a), 10(a) and 10(b)</i>	<i>Climate risks and opportunities table page 45 - 48</i>
<i>Scope 1 greenhouse gas emissions</i>	<i>Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)</i>	<i>Greenhouse Gas Emissions (GHG) table – page 61, including the emissions calculation methodology described in the accompanying notes pages 61 and 62</i>
<i>Scope 2 greenhouse gas emissions</i>		

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).



We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

## Basis for Conclusion

### **Basis for Conclusion**

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited related to sustainability assurance engagements.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Other Information

The Directors of Nickel Industries Limited are responsible for the other information. The other information comprises the financial and non-financial information included in the Nickel Industries Limited Annual Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities for the specified Sustainability Disclosures

The Directors of Nickel Industries Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

## Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

## Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period.
- Obtained and read the reports prepared by the Group's engaged experts and assessed their qualifications and competency.
- Enquired with management, read charters and minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures.
- Reviewed the appropriateness of the reporting boundaries applied, including consideration of equity accounted investments.
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information.
- Agreed the selective sustainability information disclosures made with the underlying records.
- Reviewed the emission factors applied in the greenhouse gas emission process.
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.

KPMG

Adam Twemlow

*Partner*

Brisbane

23 February 2026

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

US\$	Notes	31 December 2025 \$	31 December 2024 \$
Sales revenue	25	1,649,099,517	1,744,452,733
Cost of sales		(1,368,137,145)	(1,429,798,345)
Depreciation and amortisation expense	12, 18	(115,255,303)	(127,978,181)
Gross profit		165,707,069	186,676,207
Consultants' and administrative expenses*		(15,728,865)	(13,158,264)
Directors' fees*		(3,215,110)	(2,192,117)
Exploration and evaluation expenditure		(348,410)	(1,317,061)
Share of profit of equity accounted investee	18	18,360,597	7,235,507
Share based payments	17	(1,130,620)	-
Other expenses	4	(29,053,439)	(19,125,238)
Impairment expense	9	(8,111,368)	(236,582,302)
<b>Results from operating activities</b>		126,479,854	(78,463,268)
Financial income	5	7,394,215	13,202,476
Financial expense	5	(140,532,001)	(108,198,973)
<b>Net financial expense</b>		(133,137,786)	(94,996,497)
<b>Loss before income tax</b>		(6,657,932)	(173,459,765)
Income tax expense	11	(34,509,037)	(16,336,601)
<b>Loss for the year</b>		(41,166,969)	(189,796,366)
<b>Other comprehensive income</b>			
Items that may be classified subsequently to profit or loss		(12,685)	(19,493)
<b>Total comprehensive loss for the year</b>		(41,179,654)	(189,815,859)
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		(57,061,395)	(168,589,135)
Non-controlling interest	19	15,894,426	(21,207,231)
<b>Loss for the year</b>		(41,166,969)	(189,796,366)
<b>Total comprehensive profit/(loss) attributable to:</b>			
Owners of the Company		(57,071,543)	(168,604,729)
Non-controlling interest	19	15,891,889	(21,211,130)
<b>Total comprehensive Loss for the year</b>		(41,179,654)	(189,815,859)
<b>Earnings per share</b>			
Basic and diluted loss per share (cents) for the year	10	(1.32)	(3.93)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

\* Refer to Note 2 for reclassification of prior period expenses.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

US\$	Notes	31 December 2025 \$	31 December 2024 \$
<b>Current assets</b>			
Cash and cash equivalents	21	323,327,295	210,953,629
Cash reserve	6	33,435,076	11,514,444
Trade and other receivables	7	309,818,888	345,632,514
Inventory	9	224,221,385	139,818,686
Other current assets	8	25,753,396	36,002,832
Receivable for a 10% interest in ENC Project	18	239,000,000	-
<b>Total current assets</b>		<u>1,155,556,040</u>	<u>743,922,105</u>
<b>Non-current assets</b>			
Other non-current assets	8	51,327,766	68,243,467
Trade and other receivables	7	39,142,419	49,498,824
Inventory	9	90,581,818	53,035,397
Property, plant and equipment	12	1,484,079,002	1,572,652,484
Exploration and evaluation assets	13	77,365,914	56,211,778
Investment in equity accounted investees	18	1,248,635,514	1,230,274,917
Intangible Assets	18	70,386,364	75,065,789
Goodwill	19	47,343,509	47,343,509
<b>Total non-current assets</b>		<u>3,108,862,306</u>	<u>3,152,326,165</u>
<b>Total assets</b>		<u>4,264,418,346</u>	<u>3,896,248,270</u>
<b>Current liabilities</b>			
Trade and other payables	14	241,129,464	194,768,408
Current tax payable	11	16,453,985	21,571,187
Provision – employees’ benefit obligation		3,743,580	2,256,151
Borrowings	15	123,849,223	136,381,806
Payable for a 10% interest in ENC Project	18	240,000,000	-
<b>Total current liabilities</b>		<u>625,176,252</u>	<u>354,977,552</u>
<b>Non-current liabilities</b>			
Provision – rehabilitation		3,548,868	921,522
Deferred income tax liability	11	64,212,593	64,212,593
Other non-current liability		10,709,697	9,726,283
Borrowings	15	1,102,263,793	918,180,614
<b>Total non-current liabilities</b>		<u>1,180,734,951</u>	<u>993,041,012</u>
<b>Total liabilities</b>		<u>1,805,911,203</u>	<u>1,348,018,564</u>
<b>Net assets</b>		<u>2,458,507,143</u>	<u>2,548,229,706</u>
<b>Equity</b>			
Share capital	16	2,059,371,236	2,035,227,454
Reserves	16	19,751,916	19,050,346
Retained profits		(36,060,365)	61,739,540
<b>Total equity attributable to equity holders of the Company</b>		<u>2,043,062,787</u>	<u>2,116,017,340</u>
Non-controlling interest	19	415,444,356	432,212,366
<b>Total equity</b>		<u>2,458,507,143</u>	<u>2,548,229,706</u>

The above consolidated statement of financial position should be read in conjunction with accompanying notes.

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**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Share capital	Retained profits	Reserves	Total	Non- controlling Interest	Total equity
US\$		\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2024</b>		2,032,927,026	373,060,100	19,065,940	2,425,053,066	481,588,522	2,906,641,588
<b>Total comprehensive income for the year</b>							
Loss for the year		-	(168,589,135)	-	(168,589,135)	(21,207,231)	(189,796,366)
Remeasurement of defined benefit obligation		-	-	(15,594)	(15,594)	(3,899)	(19,493)
Total comprehensive income for the year		-	(168,589,135)	(15,594)	(168,604,729)	(21,211,130)	(189,815,859)
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	16	2,300,428	-	-	2,300,428	201,154	2,501,582
Dividends	16	-	(142,731,425)	-	(142,731,425)	-	(142,731,425)
Transaction with non-controlling interest without a change of control	19	-	-	-	-	3,028,627	3,028,627
Distributions to non-controlling interest		-	-	-	-	(31,394,807)	(31,394,807)
<b>Balance at 31 December 2024</b>		<u>2,035,227,454</u>	<u>61,739,540</u>	<u>19,050,346</u>	<u>2,116,017,340</u>	<u>432,212,366</u>	<u>2,548,229,706</u>
<b>Balance at 1 January 2025</b>		2,035,227,454	61,739,540	19,050,346	2,116,017,340	432,212,366	2,548,229,706
<b>Total comprehensive income for the year</b>							
Profit for the year		-	(57,061,395)	-	(57,061,395)	15,894,426	(41,166,969)
Remeasurement of defined benefit obligation		-	-	(10,148)	(10,148)	(2,537)	(12,685)
Total comprehensive loss for the year		-	(57,061,395)	(10,148)	(57,071,543)	15,891,889	(41,179,654)
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	16	23,724,880	-	-	23,724,880	8,040	23,732,920
Share based payments	17	-	-	1,130,620	1,130,620	-	1,130,620
Fair value of share rights vested	16,17	418,902	-	(418,902)	-	-	-
Dividends	16	-	(40,738,510)	-	(40,738,510)	-	(40,738,510)
Distributions to non-controlling interest		-	-	-	-	(32,667,939)	(32,667,939)
<b>Balance at 31 December 2025</b>		<u>2,059,371,236</u>	<u>(36,060,365)</u>	<u>19,751,916</u>	<u>2,043,062,787</u>	<u>415,444,356</u>	<u>2,458,507,143</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

US\$	Notes	31 December 2025 \$	31 December 2024 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,682,564,984	1,805,677,055
Cash payments to employees and suppliers		(1,477,324,222)	(1,481,759,638)
Interest received		6,447,076	14,232,475
Taxes and fees paid		(23,151,200)	(55,293,324)
Payments for exploration and evaluation		(617,875)	(1,463,231)
<b>Net cash from operating activities</b>	21	<u>187,918,763</u>	<u>281,393,337</u>
<b>Cash flows from investing activities</b>			
Receipts from term deposits	6	-	490,913,689
Payments for exploration and evaluation assets		(21,945,037)	(18,414,666)
Payments for property, plant and equipment	12	(13,998,859)	(54,188,935)
Payments for construction in progress	12	(2,122,663)	(3,704,714)
Payments for investments	18	-	(695,800,000)
Cash on acquisition of controlled entity	19	-	601,151
Advancement of loan monies	8	(2,095,615)	(8,311,781)
<b>Net cash used in investing activities</b>		<u>(40,162,174)</u>	<u>(288,905,256)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares <sup>1</sup>	16	-	-
Dividend distributions	16	(17,013,629)	(142,731,425)
Payments for cash reserve amount	6	(21,920,633)	(7,675,026)
Proceeds from borrowings, net of borrowing costs	15, 21	780,859,701	454,762,003
Repayment of borrowings	15, 21	(627,087,500)	(252,718,000)
Payment of interest charges	21	(86,211,463)	(84,253,942)
Payment of financing expenses	5	(22,323,961)	-
Payment for letter of credit		(4,351,742)	-
Distributions to non-controlling interest		(32,667,939)	(31,394,807)
<b>Net cash used in financing activities</b>		<u>(30,717,166)</u>	<u>(64,011,197)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		117,039,423	(71,523,116)
Effect of exchange rate adjustments on cash held		(4,665,757)	(1,576,750)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>210,953,629</u>	<u>284,053,495</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>323,327,295</u>	<u>210,953,629</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

Non-cash financing and investing activities:

<sup>1</sup> The issuance of ordinary shares disclosed in Note 16 included non-cash transactions of \$23,724,880 relating to the Company's Dividend Reinvestment Plan and \$418,902 related to the issue of shares to Chris Shepherd.

The acquisition of an investment disclosed in Note 18 included a non-cash transaction of \$2,300,428 which was funded through the issue of \$2,300,428 in shares.

**Non-cash investing activities**

Payment for acquisition of controlled entity	19	-	2,300,428
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<b>Total non-cash investing activities</b>		-	2,300,428
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**Non-cash financing activities**

Proceeds from issue of shares	16	23,724,880	2,300,428
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Dividend distributions		(23,724,880)	-
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<b>Total non-cash investing activities</b>		-	2,300,428
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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 1 - REPORTING ENTITY**

Nickel Industries Limited (the **Company**) is a company domiciled in Australia. The consolidated financial report for the year ended 31 December 2025 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is involved in nickel ore mining, nickel pig iron and nickel matte production operations and now the production of mixed hydroxide precipitate for use in the electric vehicle supply chain.

**NOTE 2 - BASIS OF PREPARATION**

**Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (**AASBs**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (**IFRS**) and interpretations adopted by the International Accounting Standards Board (**IASB**).

The financial report was authorised for issue by the Directors on 23 February 2026.

**Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

**Functional and presentation currency**

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 11 – Income tax expense and the recoverability of deferred tax assets: The Group only recognised deferred tax assets where it's expected that the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
- Note 12 – Depreciation of property, plant and equipment. The Group allocates depreciation expenses to its property, plant, and equipment based on their assessed useful lifespans, which involves estimating the appropriate duration.
- Note 13 – Exploration and evaluation assets: The Group capitalises expenditures relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.
- Note 17 – Investments in equity accounted investees: The Group exerts judgements related to the determination of the level of influence exercisable over the investees.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 2 - BASIS OF PREPARATION (Cont.)**

**Use of estimates and judgements (Cont.)**

- Note 17 – Share Based Payments. On initial grant of performance rights under the Company’s long term incentive plan, an assessment has to be made on the likelihood of non-market based performance metrics being made, as well as the likelihood of service based conditions being met.
- Note 19 – Impairment of carrying values of cash generating units (CGUs) including goodwill: The Group assesses impairment at the end of each reporting period for each CGU by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using the higher of fair value less costs of disposal or value-in-use calculations which incorporate various key assumptions. The preparation of annual impairment models involves the use of key estimates.

In forming views on these significant areas of estimation uncertainty, management have also had regard to the broader macroeconomic environment.

**Going concern**

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group reported a loss after tax for the period ended 31 December 2025 of \$41,166,969 (period ended 31 December 2024: \$189,815,859) and generated positive net cash from operations of \$187,918,763 (period ended 31 December 2024: \$281,393,337). As at 31 December 2025, the Group has a net current asset surplus of \$530,379,788 (31 December 2024: \$388,944,553) and cash and cash equivalents of \$323,327,295 (31 December 2024: \$210,953,629) excluding cash reserves.

In September 2025, the Company completed the issuance of US\$800 million of senior unsecured notes at a coupon of 9.0%, maturing in 2030 with a single bullet payment. At the same time, the Company undertook a concurrent tender offer of its existing 11.250% senior unsecured notes which were to mature in October 2028. The Company also repaid US\$150 million of its existing amortising bank loans. Following this refinancing, the Group has significantly improved its liquidity and available cash flow for working capital purposes. As outlined in Note 15, the Group has financing liabilities at 31 December 2025 amounting to \$426,684,609 in connection with Bank Facilities which include specific covenant requirements. Refer to Note 15 for details of forecast covenant compliance.

In January 2026, the Company reached an agreement with Shanghai Decent to cancel the two final ENC acquisition payments, due on 1 July 2026 and 1 October 2026 of \$126,500,000 each. Under the revised arrangement, Nickel Industries will acquire an additional 2% interest in ENC, increasing its shareholding from 44% to 46% and become the largest shareholder in the project, with a final payment of \$46 million due by 31 March 2026.

In recent years, the RKEF operating margins remained below longer-term historical averages. During December 2025 and subsequent to year end, nickel prices have improved. Management have had regard to these factors when assessing the short to medium-term outlook and the impacts this has on the financial performance of the Group.

Management have prepared detailed cash flow projections for the period 1 January 2026 to 31 March 2027, which support the ability of the Group to continue as a going concern, and the going concern basis of preparation in the presentation of the consolidated financial statements.

**Reclassification of prior period expenses**

Certain types of expenses have been reclassified within the Consolidated Statement of Profit or Loss and Other Comprehensive Income to more appropriately reflect the underlying nature of the expenses. The impact of this change on the previously reported comparative period was directors’ fees of \$2,192,117 being reclassified from consultants’ and administrative expenses to directors’ fees.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES**

**Basis of consolidation**

***Business combinations***

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

***Non-controlling interest***

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

***Transactions eliminated on consolidation***

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Where a controlled entity issues shares to minority interests which does not result in loss of control by the Group, any gain or loss arising on the Group's interest in the controlled entity is recognised directly in equity.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Basis of consolidation (Cont.)**

***Investments in equity-accounted investees***

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

**Nickel ore, nickel pig iron and MHP**

Saprolite and limonite nickel ore, low grade matte and nickel pig iron sales revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over goods or a service to a customer, based on the seller's loading position.

Invoices for saprolite nickel ore sales are generated on a per barge basis and are usually payable within 10 working days. Invoices for limonite nickel ore sales are issued every two weeks, with payment terms remaining consistent with saprolite sales, namely payable within ten working days from the invoice date.

Invoices for sales of nickel pig iron within the Indonesia Morowali Industrial Park (**IMIP**) in Indonesia (from Hengjaya Nickel, Ranger Nickel and Oracle Nickel) are generated at the end of each month of production, based on a pricing formula referencing the average nickel pig iron price on the Shanghai Metal Exchange of the delivery month. Payment is due within one month from the last delivery in the month.

Invoices for sales of nickel pig iron exported from the Indonesia Weda Bay Industrial Park (**IWIP**) in Indonesia (from Angel Nickel) are generated based on the loading inspection report and a final invoice is issued based on the nickel content delivered, following receipt of third party assay results. The price is based on average nickel pig iron price on the Shanghai Metal Exchange of the month prior to delivery. A 20% upfront payment is made prior to shipment based on a provisional contract with the price based on the ten day average of the Shanghai Metal Exchange prior to delivery, with the balance usually payable within 60 days.

Invoices for sales of MHP are generated on a monthly basis, originally on a provisional basis until final assay results undertaken at the port of discharge have been received. When the final pricing is received, which happens approximately three months after the original invoice any adjustment is taken up in the month in which the amended final pricing is received. The pricing formula references an official market rate for nickel and cobalt respectively, multiplied by an agreed payable quotient. Payment is due within 5 working days after issuing the final invoice.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Foreign currency**

***Foreign currency transactions***

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to United States dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to United States dollars at foreign exchange rates ruling at the dates the fair value was determined.

The Group transacts in the following foreign currencies: Australian dollars (**A\$** or **AUD**), Indonesian Rupee (**IDR**) and Singapore Dollars (**SGD**).

***Financial statements of foreign operations***

The assets and liabilities of foreign entities are translated to United States dollars at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to United States dollars at rates using a monthly average rate for the month in which the transaction occurred. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve (**FCTR**), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to United States dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States dollars using a monthly average rate for the month in which the transaction occurred. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

At 31 December 2025, the functional currency of all components in the Group is United States dollars, with the exception of two intermediary holding companies acquired in 2024 as part of the acquisition of the Siduarsi project. The functional currency of these two entities is Indonesian Rupiah and Singapore dollars.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Property, plant and equipment**

***Owned assets***

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

***Construction in progress***

The Group recognises plant construction in progress costs at cost in a construction in progress account. Once construction has been completed and the plant is in service, costs recognised as construction in progress will be transferred to the appropriate assets category within property, plant and equipment and depreciation charges will commence.

***Depreciation and amortisation***

Mining properties' amortisation rate is applied on a straight-line basis over the remaining term of the mining licence, inclusive of the option periods to extend. The amortisation is included in the costs of conversion of inventories.

Depreciation is charged to the income statement using a reducing balance method from the date of acquisition using the following rates:

- Furniture and fittings are depreciated at 25%.
- Buildings and infrastructure are depreciated at 5%.
- Mine infrastructure assets are depreciated at 5%.
- Office equipment is depreciated at rates of between 25% and 40%.
- Plant and machinery are depreciated at rates of between 5% and 25%.
- Motor vehicles are depreciated at 25%.

**Impairment**

***Financial assets***

The Group recognises expected credit losses (**ECLs**), where material, on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through profit or loss are credit impaired.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

***Non-financial assets***

The carrying amounts of the Group's assets, other than deferred tax assets and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill, being an indefinite life intangible asset, is subject to annual impairment testing, in which the goodwill is allocated to a cash generating unit (CGU) for impairment testing and the value-in-use is compared to the carrying value of assets and liabilities in that CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

***Calculation of recoverable amount***

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

***Reversals of impairment***

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment charges against the carrying value of goodwill cannot be reversed.

***Intangible assets***

Intangible assets, including customer relationships and discounted offtake arrangements, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

***Share capital***

***Transaction costs***

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

***Dividends***

Dividends are recognised as a liability in the period in which they are declared.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination.

Interest income or interest expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Income tax**

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Income tax (Cont.)**

The following temporary differences are not provided for:

- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting previously published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy, including the implementation of a global minimum tax. The Group has a presence in jurisdictions that have enacted or substantively enacted legislation in relation to the OECD/G20 BEPS Pillar Two model rules. The Group continues to monitor and evaluate the domestic implementation of the Pillar Two rules in the jurisdictions in which it operates.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

**Goods and services tax and Value Added Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except where the amount of GST or VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST or VAT included. The net amount of GST or VAT recoverable from, or payable to taxation authorities is included as a current/non-current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST or VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to taxation authorities are classified as operating cash flows.

**Employee benefits**

***Wages, salaries, annual leave, sick leave and non-monetary benefits***

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Employee benefits (Cont.)**

***Share-based payment transactions***

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average costs over the relevant period of production, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories are classified as current or non-current assets based on whether the inventory is expected to be sold within 12 months of the reporting date.

**Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. It has been assessed that no such obligations exist presently in relation to the Company's RKEF operations which are undertaken within the confines of the IMIP and IWIP.

**Site restoration**

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land, and the related expense, is recognised when the land is disturbed. Site restoration and rehabilitation at the Company's Hengjaya Mine is conducted on a continual basis and as mining operations move from one area of operation to the next. Additionally, under the Company's forestry licence obligations pursuant to the Company being granted access to new areas, the Company is then obliged to plant equivalent acreage of new forest in an area designated by the local Indonesian authorities.

**Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes by referencing the acquisition cost of assets and liabilities on the date of acquisition and if available the findings of Independent Expert's Reports who prepared a valuation on a recent comparable transaction basis. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**Exploration, evaluation and development expenditure**

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised at cost or fair value, as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Exploration, evaluation and development expenditure (Cont.)**

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

**Financial instruments**

***Non-derivative financial assets***

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (**FVOCI**) – equity investment; or
- fair value through profit or loss (**FVTPL**).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**Financial instruments (Cont.)**

*Non-derivative financial assets (Cont.)*

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as fair value through profit or loss if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value through other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Subsequent measurement and gains and losses*

<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Equity instruments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.
<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Changes in material accounting policies**

All new standards and interpretations effective for periods commencing 1 January 2025 have been adopted by the Group in the preparation of these financial statements. The policy for recognising and measuring income taxes has been impacted by the below:

The Group has previously adopted AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* which provides a temporary mandatory exception from deferred tax accounting effective immediately. The Company has assessed the implications of the Pillar Two global minimum tax rules under IAS 12 and recognised an estimated tax expense of \$2,451,520 and corresponding liability in relation earnings in the jurisdiction of Hong Kong in 2025. The top-up tax relates to the Group's operations in Hong Kong, where the profit is not subject to Hong Kong profits tax and reduces its effective tax rate to below 15 percent.

Hong Kong has enacted legislation to implement Pillar Two rules for income years beginning on or after 1 January 2025. Therefore from 2025, Tsing Creation International Holding Limited will be liable for the top-up tax in relation to its operations instead of the Company.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 3 - MATERIAL ACCOUNTING POLICIES (Cont.)**

**New standards and interpretations**

A number of new standards, amendments to standards and interpretations are able to be early adopted for annual periods beginning after 1 January 2025 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

	<b>31 December 2025</b>	<b>31 December 2024</b>
	\$	\$
<b>NOTE 4 - OTHER EXPENSES</b>		
Audit fees – KPMG audit of financial reports	1,195,820	833,438
Travel	420,341	462,054
Legal fees	1,530,581	1,846,892
Withholding tax expense	10,265,967	10,724,042
Other	15,640,730	5,258,812
	<u>29,053,439</u>	<u>19,125,238</u>

**NOTE 5 - FINANCIAL INCOME AND FINANCE EXPENSE**

Interest income	7,394,215	13,202,476
Interest expense*	(106,065,315)	(91,748,931)
Financing expenses^	(22,243,572)	-
Foreign exchange loss	(12,223,114)	(16,450,042)
	<u>(133,137,786)</u>	<u>(94,996,497)</u>

\* Includes bond and debt issue costs of \$10,488,666 which are being expensed under the effective interest rate method. Refer to Note 15 for further details.

^ As detailed in Note 15, during the period the Company completed an \$800 million issuance of senior unsecured notes and a tender offer for \$400 million senior unsecured notes maturing in October 2028. The cost associated with the repurchase are reflected above.

**NOTE 6 – CASH RESERVE**

Cash reserve amount^	<u>33,435,076</u>	<u>11,514,444</u>
	<u>33,435,076</u>	<u>11,514,444</u>

^ Under the terms of the Company's bank facilities with PT Bank Negara Indonesia (Persero) Tbk (BNI) and DBS Bank Ltd (DBS), the Company is required to hold a Debt Service Reserve Amount (DSRA), equivalent to an estimated three months of interest, with BNI and DBS.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	\$	\$
<b>NOTE 7 – TRADE AND OTHER RECEIVABLES</b>		
<i>Current</i>		
Sales taxes receivable*	127,333,031	119,526,900
Trade receivables <sup>^</sup>	182,485,857	226,105,614
	309,818,888	345,632,514
<i>Non-current</i>		
Sales taxes receivable*	39,142,419	49,498,824
	39,142,419	49,498,824

\* The four RKEF entities have the following sales tax receivable (VAT) amounts outstanding at 31 December 2025: PT Hengjaya Nickel Industry \$16.5 million, PT Ranger Nickel Industry \$8.4 million, PT Angel Nickel Industry \$53.1 million and PT Oracle Nickel Industry \$88.2 million. PT Hengjaya Nickel Industry and PT Ranger Nickel Industry are receiving VAT refunds regularly in the normal course of operations. During the period the PT Angel Nickel Industry received the VAT claim \$50.8 million, including \$36.4 million for the 2022 year. PT Oracle Nickel Industry has not yet commenced receiving VAT refunds. The non-current portion has been determined with reference to expected timing to receive based on the Group's current understanding of Government processing times.

<sup>^</sup> Trade receivables are in the ordinary course of business and at 31 December 2025 are comprised as follows: Hengjaya Mine \$2.5 million (excludes saprolite ore receivables which are eliminated on consolidation), Hengjaya Nickel Project \$27.0 million, Ranger Nickel Project \$26.9 million, Angel Nickel Project \$37.8 million, Oracle Nickel Project \$88.2 million, and Tsing Creation \$0.7 million.

**NOTE 8 - OTHER ASSETS**

<i>Current</i>		
Prepayments	25,730,359	34,939,009
Interest receivable*	23,037	1,063,823
	25,753,396	36,002,832
<i>Non-current</i>		
Prepayments	9,026,222	27,650,080
Loans*	22,549,523	23,103,774
Other	4,752,021	2,489,613
Advance payment <sup>^</sup>	15,000,000	15,000,000
	51,327,766	68,243,467

<sup>^</sup> Option to invest in and construct a low-grade to high-grade nickel matte converter at Oracle Nickel.

\* Commencing in August 2021 the Company executed a series of facility agreements with PT Sinar Inti Pembangunan (PT SIP) and the Company's Indonesian partner at the Hengjaya Mine Adi Wijoyo, pursuant to which the Company has advanced funds to PT SIP to assist in funding the development and acquisition of the Sampala project. In August 2021 the Company advanced \$3.5 million to PT SIP. Interest is calculated at a rate of 8.5% p.a. In July 2022 the Company advanced to PT SIP an additional \$2.0 million to further advance the development of the Sampala project. This \$2.0 million has subsequently been converted to an acquisition payment for the Gita Flora IUP, meaning no additional amounts are payable to secure this IUP. In April 2023 the Company advanced an additional \$2.0 million, in August 2023 \$5.0 million, in November 2024 \$3.35 million and in February 2025 a further \$2.0 million. Interest on \$11.0 million of loans is calculated at a rate of 10.0% p.a., with 8.5% on the original \$3.5 million advance in August 2021. Additionally, PT Hengjaya Mineralindo has advanced Rp 77.5 billion (\$4.64 million) for the development of the project. The loans are secured. During the year management agreed that \$1.35 million of the \$3.35 million advanced in November 2024 would be written off.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	\$	\$
<b>NOTE 9 - INVENTORY</b>		
<i>Current</i>		
Inventory – Hengjaya mine nickel ore stockpiles	19,163,156	10,614,764
Inventory – nickel pig iron production raw materials	201,308,988	121,021,810
Inventory – nickel pig iron	3,749,241	8,182,112
	<u>224,221,385</u>	<u>139,818,686</u>
<i>Non-current</i>		
Inventory – Hengjaya mine nickel ore stockpiles*	90,581,818	53,035,397
	<u>90,581,818</u>	<u>53,035,397</u>

\* The carrying value of limonite ore not forecast to be delivered in the next 12 months has been classified as non-current.

During the year ended 31 December 2025, the Company's 80% subsidiary PT Hengjaya Mineralindo supplied saprolite nickel ore to the Company's 80% owned subsidiaries PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry under a series of offtake agreements to supply a minimum of 50,000 wmt of saprolite to each entity, with the exception of \$1.8 million of sales to PT Sai Niaga Internasional, a mining company operating Indonesia. During the year the PT Hengjaya Mineralindo supplied limonite ore to PT Longsen Metal Trading, a trading company operating in Indonesia under a contract to provide 850,000 wmt of limonite ore a month between January to September 2025. No deliveries were made from October 2025 as the contract could not be continued due to limitations under the approved RKAB. In December 2025, following the approval of an additional RKAB, PT Hengjaya Mineralindo resumed the supply of limonite ore to PT Longsen Metal Trading under a new contract providing for the supply of 250,000 wmt of limonite ore per month.

At 31 December 2025 limonite ore inventory value of \$8,111,368 was written off after developments at the ENC project made these stockpiles inaccessible.

Nickel pig iron production raw materials include nickel ore acquired by PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry from PT Hengjaya Mineralindo, operator of the Hengjaya Mine. This continues to be valued at the PT Hengjaya Mineralindo cost of production. Inventories are measured at the lower of cost and net realisable value.

**NOTE 10 – LOSS PER SHARE**

**Basic and diluted loss per share have been calculated using:**

Net loss for the year attributable to equity holders of the Company	<u>(57,061,395)</u>	<u>(168,589,135)</u>
	<b>N° of shares</b>	<b>N° of Shares</b>
<b>Weighted average number of ordinary shares (basic)</b>		
Issued ordinary shares at the beginning of the year	4,289,809,880	4,285,809,880
- Effect of shares issued on 20 September 2024	-	1,125,683
- Effect of shares issued on 20 March 2025	39,414,139	-
- Effect of shares issued on 1 July 2025	504,110	-
	<u>4,329,728,129</u>	<u>4,286,935,563</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 10 – LOSS PER SHARE (Con't)**

	N° of shares	N° of Shares
<b>Weighted average number of ordinary shares (diluted)*</b>		
Issued ordinary shares at the beginning of the year	4,289,809,880	4,285,809,880
- Effect of shares issued on 20 September 2024	-	1,125,683
- Effect of shares issued on 20 March 2025	39,414,139	-
- Effect of performance and share rights issued on 30 June 2025	5,177,596	-
- Effect of shares issued on 1 July 2025	504,110	-
Weighted average number of shares at the end of the year	<u>4,334,905,725</u>	<u>4,286,935,563</u>

\*As the Group is loss making, none of the potentially dilutive securities are currently dilutive in the calculation of the total loss per share.

31 December 2025	31 December 2024
\$	\$

**NOTE 11 - INCOME TAX EXPENSE**

Loss before tax – continuing operations	(6,657,932)	(173,459,765)
Prima facie income tax benefit at the Australian tax rate of 30% (31 December 2024: 30%)	(1,997,381)	(52,037,929)
Increase in income tax expense/(benefit) due to:		
- Effect of tax rates in foreign jurisdictions*	(3,688,569)	(6,659,883)
- Non-deductible/non-assessable income	30,933,559	56,854,888
- Deferred tax assets for tax losses not brought to account	3,948,929	2,626,942
- Effect of net deferred tax assets not brought to account	(2,284,579)	1,516,075
- Global minimum top-up tax^	2,451,520	1,726,130
- Effect of foreign currency conversion	(2,701,342)	(2,766,647)
- Tax on remitted foreign earnings	7,846,900	15,077,025
Income tax expense – current and deferred	<u>34,509,037</u>	<u>16,336,601</u>

\* The current Indonesian company tax rate is 22% but each of the Company's four RKEF projects currently operate under a holiday from Indonesian Company income tax. The effective tax rate of the Group's operations in Indonesia is above 15 percent.

^ The top-up tax relates to the Group's operations in Hong Kong, where the profit is not subject to Hong Kong profits tax and reduces its effective tax rate to below 15 percent. See Global minimum top-up tax section below for further details.

**Deferred tax liabilities have been recognised in respect of the following items:**

Opening balance	64,212,593	96,099,817
Reversal of deferred tax liability due to impairment of property plant and equipment*	-	(31,887,224)
	<u>64,212,593</u>	<u>64,212,593</u>

\* See Note 19 for further details.

**Deferred tax assets have not been recognised in respect of the following items:**

Net deductible temporary differences	10,488,297	1,713,502
Tax losses	26,126,208	20,549,429
	<u>36,614,505</u>	<u>22,262,931</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 11 - INCOME TAX EXPENSE (Cont.)**

The deductible temporary differences and tax losses do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits of the deferred tax asset. The Company does not have any franking credits.

**Global minimum top-up tax**

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation in Australia. The top-up tax relates to the Group's operations in Hong Kong, where the profit is not subject to Hong Kong profits tax and reduces its effective tax rate to below 15 percent. The Group recognised a current tax expense of \$2,451,520 related to the top-up tax which is levied on the Company under the Income Inclusion Rule.<sup>^</sup>

Hong Kong has enacted legislation to implement Pillar Two rules for income years beginning on or after 1 January 2025. Therefore from 2025, Tsing Creation International Holding Limited will be liable for the top-up tax in relation to its operations instead of the Company.

No top-up tax is required in relation to the Group's operations in Australia, Singapore and Indonesia. This is on the basis that Australia and Singapore satisfy the Routine Profits Test under the Transitional CbCR Safe Harbour Tests, deeming the jurisdictional top-up tax to be zero, whilst Indonesia has an effective tax rate above 15 percent.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

**Current tax payable:**

Income taxes payable	9,736,974	16,665,182
<i>Indirect taxes payable</i>		
Value added taxes payable	7,384	731,100
Withholding taxes payable	5,824,798	3,376,729
Other taxes payable	884,829	798,176
	16,453,985	21,571,187

<sup>^</sup> The top-up tax is calculated as 15% of the Profit before Tax in Hong Kong of \$16,343,467.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	31 December 2025	31 December 2024
	\$	\$
<b>NOTE 12 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Furniture and fittings</b>		
Furniture and fittings – cost	706,536	666,908
Accumulated depreciation	(629,949)	(556,218)
Net book value	<u>76,587</u>	<u>110,690</u>
<b>Mine infrastructure assets</b>		
Mine infrastructure assets – cost	37,769,946	34,047,169
Accumulated depreciation	(6,618,748)	(4,608,294)
Net book value	<u>31,151,198</u>	<u>29,438,875</u>
<b>Buildings and land</b>		
Buildings – cost	373,026,408	369,896,777
Accumulated depreciation	(68,753,771)	(50,837,315)
Net book value	<u>304,272,637</u>	<u>319,059,462</u>
<b>Mining properties</b>		
Mining properties – cost	38,847,652	34,498,562
Accumulated amortisation	(12,497,719)	(10,944,428)
Net book value	<u>26,349,933</u>	<u>23,554,134</u>
<b>Office equipment</b>		
Office equipment – cost	3,315,857	2,853,731
Accumulated depreciation	(2,375,469)	(1,906,736)
Net book value	<u>940,388</u>	<u>946,995</u>
<b>Plant and machinery</b>		
Plant and machinery – cost	1,525,314,419	1,523,723,313
Accumulated depreciation	(416,534,324)	(328,490,058)
Net book value	<u>1,108,780,095</u>	<u>1,195,233,255</u>
<b>Motor vehicles</b>		
Motor vehicles – cost	1,292,571	1,177,160
Accumulated depreciation	(894,786)	(790,560)
Net book value	<u>397,785</u>	<u>386,600</u>
<b>Construction in progress</b>		
Construction in progress	<u>12,110,379</u>	<u>3,922,473</u>
Net book value	<u>12,110,379</u>	<u>3,922,473</u>
Total property, plant and equipment	<u>1,484,079,002</u>	<u>1,572,652,484</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Cont.)**

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below.

	<b>31 December 2025</b>	<b>31 December 2024</b>
	\$	\$
<b>Furniture and fittings</b>		
Carrying amount at beginning of year	110,690	176,793
Additions	39,627	39,237
Depreciation	(73,730)	(105,340)
Net book value	<u>76,587</u>	<u>110,690</u>
<b>Mine infrastructure assets</b>		
Carrying amount at beginning of year	29,438,875	31,160,514
Additions	3,722,777	120,908
Depreciation	(2,010,454)	(1,842,547)
Net book value	<u>31,151,198</u>	<u>29,438,875</u>
<b>Buildings and land</b>		
Carrying amount at beginning of year	319,059,462	327,088,090
Additions	3,426,417	10,147,004
Depreciation	(18,213,242)	(18,175,632)
Net book value	<u>304,272,637</u>	<u>319,059,462</u>
<b>Mining properties</b>		
Carrying amount at beginning of year	23,554,134	25,092,774
Additions	6,034,397	8,208
Disposal	(1,685,308)	-
Amortisation	(1,553,290)	(1,546,848)
Net book value	<u>26,349,933</u>	<u>23,554,134</u>
<b>Office equipment</b>		
Carrying amount at beginning of year	946,995	866,302
Additions	462,125	476,410
Depreciation	(468,732)	(395,717)
Net book value	<u>940,388</u>	<u>946,995</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	31 December 2025	31 December 2024
	\$	\$
<b>NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Cont.)</b>		
<b>Plant and machinery</b>		
Carrying amount at beginning of year	1,195,233,255	1,451,756,907
Impairment	-	(181,177,407)
Additions	2,112,303	29,008,192
Disposal	(521,197)	(3,318,811)
Depreciation	(88,044,266)	(101,035,626)
Net book value	<u>1,108,780,095</u>	<u>1,195,233,255</u>
<b>Motor vehicles</b>		
Carrying amount at beginning of year	386,600	411,959
Additions	223,346	159,806
Depreciation	(212,161)	(185,165)
Net book value	<u>397,785</u>	<u>386,600</u>
<b>Construction in progress</b>		
Carrying amount at beginning of year	3,922,473	217,759
Additions	15,908,663	4,955,424
Disposal	(7,518)	(7,921)
Transfers <sup>^</sup>	(7,713,239)	(1,242,789)
Net book value	<u>12,110,379</u>	<u>3,922,473</u>
Total property, plant and equipment	<u>1,484,079,002</u>	<u>1,572,652,484</u>

<sup>^</sup> Balances in construction in progress are transferred into other categories, as additions, on commissioning of projects, or when available for use in a manner in which management intended.

**NOTE 13 - EXPLORATION AND EVALUATION ASSETS**

Sampala project	59,677,656	39,426,214
Siduarsi project	17,688,258	16,785,564
	<u>77,365,914</u>	<u>56,211,778</u>

The Company is advancing the exploration, development and acquisition of both the Sampala and Siduarsi nickel ore projects in, Indonesia. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**NOTE 14 - TRADE AND OTHER PAYABLES**

<i>Current</i>		
Creditors	220,580,948	182,038,005
Accruals	11,330,656	8,857,094
Other	9,217,860	3,873,309
	<u>241,129,464</u>	<u>194,768,408</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 15 - BORROWINGS**

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Interest on Bank facility - October 2028	3,110,360	2,332,680
Interest on Bank facility - May 2029	1,861,613	4,211,626
Interest on Senior Unsecured Notes – September 2030	18,000,000	-
Bank facility – October 2028	57,127,250	66,150,000
Bank facility – May 2029	43,750,000	10,937,500
Senior Unsecured Notes – October 2028	-	44,000,000
Interest on Senior Unsecured Notes – October 2028	-	8,750,000
	123,849,223	136,381,806
<i>Non-current</i>		
Bank Facility – October 2028	126,302,868	330,579,115
Bank facility – May 2029	194,542,519	236,696,642
Senior Unsecured Notes – September 2030	781,418,406	-
Senior Unsecured Notes – October 2028	-	350,904,857
	1,102,263,793	918,180,614

***Senior Unsecured Notes September 2030***

In September 2025, as part of a refinancing to extend the Company's debt maturity profile, the Company issued \$800,000,000 senior unsecured notes (**Senior Unsecured Notes Sep 2030**). At the same time the Company made a tender offer (**Concurrent Tender Offer 2025**) for its existing Senior Unsecured Notes (maturing October 2028) and purchased the outstanding \$400,000,000 of Senior Unsecured Notes October 2028. Key terms of the Senior Unsecured Notes Sep 2030 are as follows:

- Issue size of \$800,000,000;
- Coupon interest rate of 9% per annum;
- Interest is payable on a semi-annual basis in arrears;
- Final Maturity Date of 30 September 2030; and
- Total transaction costs totalled \$19,281,166, including a loan facility fee of \$12,000,000.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 15 - BORROWINGS (Cont.)**

***Bank facility October 2028***

In October 2023 the Company executed financing facilities totalling \$400,000,000 with Indonesian bank PT Bank Negara Indonesia (Persero) Tbk (BNI) to support the Company's funding obligations in relation to the ENC Project.

The facilities comprise a 5-year senior term loan facility (**Bank Facility Oct 2028**) of \$350,000,000, split across two tranches:

- tranche A: \$200,000,000 (secured against the Company's Angel Nickel Project and the Shareholder Loans); and
- tranche B: \$150,000,000 (unsecured).

In addition, the facilities include a \$50,000,000 revolving credit facility (**RCF**), for general working capital purposes.

The interest rate applicable on the 2028 Facility is a margin above the Secured Overnight Financing Rate (**SOFR**) (currently ~3.65%), according to the following schedule: (i) initial 12-month period: 2.00% (ii) months 12 -18: 3.00% and (iii) 18 months onwards: 3.50%.

The margin applicable to the RCF is 3.00%. Amortisation of both tranche A and tranche B commenced 18 months after the signing of the Facility Agreement (i.e. in April 2025), with 6.3% to be paid every three months until the final maturity date of the 2028 Facility in October 2028.

In March 2024, the Company drew down the remaining \$10,200,000 of tranche A and the \$150,000,000 of tranche B. Transaction costs totalled \$6,290,017. In July 2024, the Company drew down the \$50,000,000 RCF. Transaction costs totalled \$1,132,182.

In October 2025, following the issuance of the Senior Unsecured Notes September 2030 the Company repaid \$150,000,000 of the Bank facility October 2028. This comprised \$25,000,000 of tranche A, \$75,000,000 of tranche B and \$50,000,000 of the RCF.

***Bank facility May 2029***

In May 2024, the Company executed a \$250,000,000, unsecured 5-year term loan facility ('Bank Facility May 2029'), jointly provided by tier-1 banks BNI and DBS Bank Ltd.

Following the repayment in April 2024 of the \$245,000,000 balance of the Company's April 2024 notes, the 2029 Facility was established to support the remaining funding requirements for the Company's acquisition of its equity interest in the ENC project.

The interest rate applicable for the 2029 Facility will be a margin above the SOFR, according to the following schedule: (i) initial 12-month period: 2.00% (ii) months 12 -18: 3.00% and (iii) 18 months onwards: 3.50%. Amortisation will commence 6 months after the signing of the Facility Agreement (i.e. in November 2025), with 4.375% to be paid every three months until the final maturity date of the 2029 Facility in May 2029.

In July 2024, the Company drew down the \$250,000,000. Transaction costs totalled \$3,936,667.

The bank facilities maturing October 2028 and May 2029, both include covenants that need to be complied within 12 months of the reporting date. The covenants state that at the interim and full year reporting period, the Group's Leverage Ratio (Net Debt to Consolidated EBITDA) does not exceed 2.5 times, Debt Service Coverage Ratio (Cashflow to Debt Service) is less than 1.3 times, Debt to Equity Ratio does not exceed 1.5 times and Security Coverage Ratio from Angel Nickel Industry for the \$250,000,000 Secured Bank Facility is not less than 1.75 times, otherwise the loans will be repayable on demand unless the Group can remedy through an equity cure.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 15 - BORROWINGS (Cont.)**

Management have prepared covenant calculations for the above facilities which indicate compliance with the covenants outlined above at reporting date. Management have also prepared covenant forecasts which indicate potential non-compliance over the 12 months ended 31 December 2026. Ongoing compliance is dependent on the Group improving its overall net leverage to earnings ratios, whether through increased financial performance and/or through refinancing or repayment of existing Bank Facilities. Management is actively pursuing a number of alternative financing options, that provide the Group the ability to remove or remedy their ongoing covenant obligations across the forecast period.

**Senior Unsecured Notes October 2028**

In April 2023, the Company issued \$400,000,000 senior unsecured notes (**Senior Unsecured Notes Oct 2028**). Key terms of the Senior Unsecured Notes Oct 2028 were as follows:

- Issue size of \$400,000,000;
- Coupon interest rate of 11.25% per annum;
- Interest is payable on a semi-annual basis in arrears;
- 11% amortisation in April and October each year commencing on 21 October 2025; and
- Final Maturity Date of 21 October 2028.

In September 2025, ahead of the first amortisation date of 21 October 2025 and following the issuance of the \$800,000,000 Senior Unsecured Notes Sep 2030, the Company made the Concurrent Tender Offer 2025 for the Senior Unsecured Notes October 2028 and purchased the outstanding \$400,000,000 of Senior Unsecured Notes Oct 2028. The remaining transaction costs were expensed to the profit and loss at the date of repayment. The notes were purchased at a tender premium to the principal amount of the Notes and then were cancelled and ceased to be outstanding. The total cost of the tender premium was \$22,243,572. The banking group associated with the October 2028 Bank Facility provided the Company with consent to repay the Senior Unsecured Notes due October 2028.

The terms and conditions of the outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying Value 31 December 2025 \$	Face Value 31 December 2025 \$	Carrying Value 31 December 2024 \$	Face Value 31 December 2024 \$
Senior Unsecured Notes Oct 2028	US\$	11.25%	2028	-	-	403,654,857	400,000,000
Bank Facility Oct 2028	US\$	7.43%*	2028	186,540,478	183,850,000	399,061,795	400,000,000
Bank Facility May 2029	US\$	7.38%*	2029	240,154,132	239,062,500	251,845,768	250,000,000
Senior Unsecured Notes Sep 2030	US\$	9.00%	2030	799,418,406	800,000,000	-	-
<b>Total interest-bearing liabilities</b>				<b>1,226,113,016</b>	<b>1,222,912,500</b>	<b>1,054,562,420</b>	<b>1,050,000,000</b>

\*Interest rate charged on 31 December 2025 is SOFR plus the associated margin of 3.5%.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 16 - ISSUED CAPITAL AND RESERVES**

	Number of shares	\$
Ordinary shares on issue at 31 December 2024 - fully paid	4,289,809,880	2,035,227,454
Issue of shares	51,125,995	24,143,782
Ordinary shares on issue at 31 December 2025 - fully paid	4,340,935,875	2,059,371,236

**Year ended 31 December 2025**

In March 2025 the Company issued 50,125,995 fully paid ordinary shares to participants in the Company's Dividend Reinvestment Plan (DRP), following the Company's declaration of a Final Dividend for 2024 of A\$0.015 per share. The issue price of shares under the DRP was A\$0.75 per share.

In July 2025 the Company issued 1,000,000 fully paid ordinary shares to Director Chris Shepherd following the vesting of Share Rights, with an amount of \$418,902 taken up in issued capital. Refer to Note 17 Share Based Payments for further details.

**Options**

There were no options granted, exercised or lapsed unexercised during the years ended 31 December 2025 or 31 December 2024.

**Rights**

The Company issued both Performance and Share Rights during the year ended 31 December 2025. These are detailed in Note 17.

**Dividends**

The Company declared and paid a final unfranked dividend for 2024 of A\$0.015 per share during the year ended 31 December 2025 amounting to \$40,738,509. No interim dividend for 2025 was paid.

**Ordinary shares**

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time.

**Reserves**

	31 December 2025	31 December 2024
	\$	\$
Opening balance	19,050,346	19,065,940
Remeasurement of defined benefit obligation	(10,148)	(15,594)
Share based payments	1,130,620	-
Vesting of share rights	(418,902)	-
	19,751,916	19,050,346

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 17 - SHARE BASED PAYMENTS**

*Performance Rights*

Commencing in 2023 and during 2024, the Board of the Company undertook a comprehensive remuneration framework review of the fixed remuneration and incentive arrangements for employees and contractors, with assistance from independent remuneration consultant, Mercer Consulting (Australia) Pty Ltd. To ensure better alignment with long-term shareholder outcomes and to reward strong outperformance, commencing in 2025 the Company introduced both 'at-risk' short-term incentive (**STI**) and long-term incentive (**LTI**) components of employee and contractor remuneration packages.

Under the LTI component on 30 June 2025 the Company issued 7,215,256 performance rights for no consideration. This included 2,040,815 performance rights issued to the Company's executive directors, as approved by shareholders at the Company's Annual General Meeting (**AGM**) held on 22 May 2025. The balance was issued to management, employees and consultants of the Group.

The fair value of rights granted is measured at grant date and recognised as an expense over the period during which the director or employee becomes unconditionally entitled to the rights. The fair value of the rights granted is measured using a valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of rights that vest.

The vesting conditions for the performance rights comprise the following performance metrics (**Performance Conditions**), tested over the 3-year vesting period commencing on 1 January 2025:

1. a relative total shareholder return (**TSR**) metric compared to a defined peer group of ASX 200 listed entities, representing 30% of the total weighting;
2. an earnings per share (**EPS**) metric, representing 30% of the total weighting; and
3. strategic objectives metrics, representing 40% of the total weighting.

The Performance Conditions will be tested over a three-year period (**Performance Period**) from 1 January 2025 until 31 December 2027. Subject to satisfaction of the Performance Conditions, the Performance Rights will vest following release of the audited financial statements for 2027.

The fair value of the performance rights granted that related to market conditions was measured using a Monte Carlo Simulation pricing model. The fair value of the portion of the award that is conditional upon specific non-market conditions and the completion of a service period are first valued by the share price at grant date, less the present value of estimated dividends paid prior to the time of exercise. This 'unconditional fair value' is then discounted by the probability of not achieving the non-market performance conditions.

The fair value of the 5,174,441 rights granted to Group employees and consultants was calculated as \$0.55 per right. The Monte Carlo Simulation pricing model inputs were the Company's share price of \$0.705 at the grant date (determined to be 25 June 2025 when the Offers had been accepted), a volatility factor of 46.10% (based on historical share price performance), a risk-free interest rate of 3.17% and a dividend yield of 3.97%.

The fair value of the 2,040,815 rights granted to the Company's executive directors was calculated as \$0.50 per right. The Monte Carlo Simulation pricing model inputs were the Company's share price of \$0.66 at the grant date (determined to be 22 May 2025 when shareholder approval to grant the rights was received at the AGM), a volatility factor of 47.33% (based on historical share price performance), a risk-free interest rate of 3.37% and a dividend yield of 4.09%.

The assessed total value of the rights granted was \$1,134,273. Taking into account the progress against the vesting performance criteria detailed above, a share-based payment expense of \$230,740 was taken up during the year ended 31 December 2025.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 17 - SHARE BASED PAYMENTS (Cont.)**

The following performance rights were on issue at 31 December 2025.

Number of Rights	Issued to	Grant Date	Issue Date	Vesting Date	Value per right
5,174,441	Employee/Contractors	25 June 2025	30 June 2025	February 2028	\$0.55
2,040,815	Executive Directors	22 May 2025	30 June 2025	February 2028	\$0.50

The weighted average exercise price of these performance rights are nil.

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 2.16 years.

*Share Rights*

On 30 June 2025 the Company granted and issued 3,000,000 share rights for no consideration to Director and Chief Financial Officer Chris Shepherd. The issuance was approved by shareholders at the Company's AGM. Each Share Right will provide a right to acquire one Share at nil cost.

The Share Rights vest in three equal tranches:

1. First Tranche: 1 million Share Rights will immediately vest on the date that the Share Rights are granted to Mr Shepherd (and/or his nominee);
2. Second Tranche: 1 million Shares Rights will vest on the business day immediately following the release of the Company's FY25 annual financial results, provided that Mr Shepherd is an employee of, or service provider to, the Company on that date; and
3. Third Tranche: 1 million Share Rights will vest on the business day immediately following the release of the Company's FY26 annual financial results, provided that Mr Shepherd is an employee of, or service provider to, the Company on that date.

The fair value of the share rights granted was measured using a Black-Scholes formula, taking into account the terms and conditions upon which the share rights were granted. The Black-Scholes formula model inputs were the Company's share price of \$0.66 at the grant date (determined to be 22 May 2025 when shareholder approval to grant the rights was received at the AGM), a volatility factor of 45% (based on historical share price performance), a risk-free interest rate range of between 3.00% to 3.27% and a dividend yield of between 0.0% to 1.8%. The total fair value of the share rights granted was \$1,235,452. A share-based payment expense of \$899,881 was taken up during the year ended 31 December 2025.

The fair value of rights granted is measured at grant date and recognised as an expense over the period during which the participant becomes unconditionally entitled to the rights. The fair value of the rights granted is measured using a valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of rights that vest.

The following share rights were on issue at 31 December 2025.

Number of Rights	Issued to	Grant Date	Issue Date	Vesting Date	Value per right
1,000,000	Chris Shepherd	22 May 2025	30 June 2025	28 February 2026	\$0.66
1,000,000	Chris Shepherd	22 May 2025	30 June 2025	28 February 2027	\$0.64

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 17 – SHARE BASED PAYMENTS (Cont.)**

The weighted average exercise price of these share rights are nil.

The weighted average remaining contractual life of share rights outstanding at the end of the year was 0.67 years.

On 1 July 2025 the 1 million share rights which had vested converted to 1 million shares in the Company.

**NOTE 18 - INVESTMENTS IN EQUITY ACCOUNTED INVESTEES AND ASSOCIATED INTANGIBLE ASSETS**

**Investment in Equity Accounted Investee**

*HNC*

Opening balance	199,826,500	185,939,410
Share of profit of associate	20,498,712	13,887,090
Carrying value of investment in HNC	220,325,212	199,826,500

*Excelsior Nickel*

Opening balance	1,030,448,417	341,300,000
Acquisition of an additional 13.75% interest in Excelsior Nickel	-	316,300,000
Acquisition of an additional 16.5% interest in Excelsior Nickel	-	379,500,000
Share of loss of associate	(2,138,115)	(6,651,583)
Carrying value of investment in Excelsior Nickel	1,028,310,302	1,030,448,417
	1,248,635,514	1,230,274,917

**Intangible Asset**

*HNC*

Opening balance	75,065,789	79,745,215
Amortisation	(4,679,425)	(4,679,426)
	70,386,364	75,065,789

**Excelsior Nickel**

In 2023 the Company executed an acquisition agreement (**Acquisition Agreement**) to acquire a 55% equity interest in the Excelsior Nickel Cobalt HPAL project (**ENC**) from Decent Resource through the acquisition of shares in a Singaporean incorporated holding company, Excelsior International Investment Pte. Ltd (**EII**), and shareholder loans (**Shareholder Loans**) due or owing by EII (and/or its subsidiaries) (**ENC Acquisition**). EII directly and indirectly owns 100% of the issued share capital of PT Fajar Metal Industry, a private Indonesian company limited by shares which will develop and own the ENC Project, being constructed at the IMIP in Indonesia

In 2023, the Company initially paid the \$25 million option payment for the ENC projects and then as per the terms of the Acquisition Agreement the Company paid \$126.5 million to Shanghai Decent and its associates for an initial 5.5% equity interest in the ENC project and in December 2023 the Company paid the \$189.8 million to move to a 13.75% equity interest in the ENC project. In 2024, the Company paid an additional \$695.8 million to move to a 44% equity interest in the ENC project.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 18 - INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Cont.)**

In December 2025 Sphere Corp. (**Sphere**), was introduced into the ENC Project as a strategic partner. Under the transaction Sphere acquired a 10% interest in the Project from the Company at a \$2.4 billion valuation, which concurrently acquired a 10% interest based on the same \$2.4 billion valuation, leaving the Company's interest unchanged at 44%. Sphere will offtake its 10% share of nickel as cathode and has entered into an offtake agreement, at market price, for further volumes above its 10% ownership share. As at 31 December 2025, the Company has a receivable from Sphere in relation to its 10% interest in ENC, amounting to \$239 million. Subsequent to year end, Sphere has settled this amount fully. Concurrently, the Company has a payable to Shanghai Decent for \$240 million, which has been settled in full subsequent to year end.

Subsequent to the end of the year the Company has agreed with Shanghai Decent that it will move to only a 46% interest in the ENC project. See Note 27 for details on the Company's obligations to acquire a 46% interest in the Project.

The following table summarises the information relating to Excelsior Investment International Pte Ltd and its controlled entities of which the Group has a 44% ownership interest as at 31 December 2025 under the equity method:

	<b>Excelsior Investment International Pte Ltd and its controlled entities</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>
	\$	\$
Current assets	137,311,386	570,845,957
Non-current assets*	2,816,755,329	2,529,049,394
Current liabilities	(530,740,877)	(40,967,131)
Non-current liabilities	(86,256,970)	(717,000,000)
Net assets (100%)	2,337,068,868	2,341,928,220
* Includes the implicit fair value step up arising on acquisition.		
Group's share of net assets 44% (December 2024: 44%)	1,028,310,302	1,030,448,417
Carrying amount of interest in associate	1,028,310,302	1,030,448,417

**Huayue Nickel Cobalt (HNC)**

In August 2023, following shareholder approval at an EGM held in July 2023 the Company completed the acquisition of an indirect 10% interest in the Huayue Nickel Cobalt HPAL project (**HNC**), located in the IMIP in Indonesia, through the issuance to Shanghai Decent affiliate company Decent Investment International Private Limited 381,365,628 ordinary shares in Company at an issue price of A\$1.02, amounting to \$270M. Under the acquisition agreement the Company acquired 100% of the issued capital of Tsing Creation International Holding Limited (**Tsing Creation**) from Newstride Development Limited, an affiliate of Shanghai Decent. Tsing Creation is the holder of a direct 10% interest in PT Huayue Nickel Cobalt, the owner and operator of the HNC project.

Whilst the Group owns less than 20 percent of the equity and present voting rights, the Group has determined that it has significant influence because it has meaningful representation on the Board, and other rights under the Agreement.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 18 - INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Cont.)**

As part of the acquisition in August 2023 of a 10% interest in the HNC project, the Group also obtained a right to a fixed proportionate share of the MHP offtake of HNC, as per its equity interest, at a discount to the market price which has separately been recognised as an intangible asset. The consideration transferred under the agreement has been allocated as follows:

	<b>Consideration transferred \$</b>
Investment in associate – equity method	188,500,000
Other intangible – offtake agreement	81,500,000
	270,000,000

The following table summarises the information relating to PT HNC of which the Group has a 10% ownership interest as at 31 December 2025 under the equity method:

	<b>PT Huayue Nickel Cobalt</b>	
	<b>31 December 2025 \$</b>	<b>31 December 2024 \$</b>
Current assets	620,849,804	555,791,316
Non-current assets	1,848,554,467	2,242,520,030
Current liabilities	(122,380,546)	(93,914,552)
Non-current liabilities	(143,771,607)	(706,131,794)
Net assets (100%)	2,203,252,118	1,998,265,000
* Includes the implicit fair value step up arising on acquisition.		
Group's share of net assets (10%)	220,325,212	199,826,500
Carrying amount of interest in associate	220,325,212	199,826,500
Revenue	1,126,090,188	977,465,707
Profit from continuing operations (100%)	204,987,119	138,870,899
Other comprehensive income (100%)	-	-
Total comprehensive profit (100%)	204,987,119	138,870,899
Total comprehensive profit (10%)	20,498,712	13,887,090
Group's share of total comprehensive loss	20,498,712	13,887,090
Movement in the intangible asset acquired since date of acquisition is as follows:		
Carrying amount at beginning of the year	75,065,789	79,745,215
Amortisation	(4,679,426)	(4,679,426)
	70,386,363	75,065,789

Amortisation on the intangible asset has been recorded under Cost of Sales in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 19 - CONTROLLED ENTITIES**

**Particulars in relation to controlled entities:**

	<b>Company incorporation and tax jurisdiction</b>	<b>Ordinary shares – Group interest 31 December 2025 %</b>	<b>Ordinary shares – Group interest 31 December 2024 %</b>
<i>Parent entity</i>			
Nickel Industries Limited	Australia		
<i>Controlled entities</i>			
PT Hengjaya Mineralindo	Indonesia	80	80
Hengjaya Holdings Private Limited	Singapore	80	80
Hengjaya Nickel Private Limited	Singapore	80	80
PT Hengjaya Nickel Industry	Indonesia	80	80
Ranger Investment Private Limited	Singapore	80	80
Ranger Nickel Private Limited	Singapore	80	80
PT Ranger Nickel Industry	Indonesia	80	80
Angel Capital Private Limited	Singapore	80	80
Angel Nickel Private Limited	Singapore	80	80
PT Angel Nickel Industry	Indonesia	80	80
Oracle Development Private Limited	Singapore	80	80
Oracle Nickel Private Limited	Singapore	80	80
PT Oracle Nickel Industry	Indonesia	80	80
Tablasufa Pty Ltd	Australia	100	100
Iriana Cendrawana Pte Ltd	Singapore	52.4	52.4
PT Iriana Mutiara Mining	Indonesia	51	51
PT Mutiara Iriana Minerals	Indonesia	52.4	52.4
Tanis Resources S.A	British Virgin Islands	52.4	52.4
Tsing Creation International Holding Limited	Hong Kong	100	100
Minerals Harvest Limited	Hong Kong	100	-
PT. Tablasufa Nickel Mining	Indonesia	65	-

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 19 - CONTROLLED ENTITIES (Cont.)**

**Non-controlling interests**

The following table summarises the information relating to the Group's subsidiaries that have a material non-controlling interest, before any intra-group eliminations.

	<b>Hengjaya Holdings Private Limited and its controlled entities</b>		<b>Ranger Investment Private Limited and its controlled entities</b>		<b>Angel Capital Private Limited and its controlled entities</b>		<b>Oracle Development Private Limited and its controlled entities</b>	
	<b>December 2025</b>	<b>December 2024</b>	<b>December 2025</b>	<b>December 2024</b>	<b>December 2025</b>	<b>December 2024</b>	<b>December 2025</b>	<b>December 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Non-controlling interest percentage	20%	20%	20%	20%	20%	20%	20%	20%
Current assets	99,114,440	103,309,979	91,626,945	91,887,643	191,942,418	222,260,014	250,203,515	191,756,040
Non-current assets	120,499,720	137,008,390	123,791,734	136,723,379	591,367,691	604,511,859	665,357,877	744,795,216
Current liabilities	(34,454,801)	(19,214,011)	(26,070,974)	(17,154,278)	(71,086,213)	(82,816,359)	(115,854,887)	(102,604,775)
Non-current liabilities	(8,546,009)	(8,546,009)	(8,379,099)	(8,379,099)	(22,622,361)	(22,577,269)	(24,766,240)	(24,766,240)
<b>Net assets</b>	<b>176,613,350</b>	<b>212,558,349</b>	<b>180,968,606</b>	<b>203,077,645</b>	<b>689,601,535</b>	<b>721,378,245</b>	<b>774,940,265</b>	<b>809,180,241</b>
Carrying amount of non-controlling interest <sup>(2)</sup>	35,848,001	43,113,959	33,948,196	38,417,031	141,146,882	148,586,439	162,860,386	166,882,158
Revenue <sup>(1)</sup>	217,205,813	300,498,419	190,055,189	207,053,792	532,352,515	530,184,161	549,406,568	584,548,479
Profit/(loss)	(11,274,984)	(127,253,322)	(12,267,503)	(109,744,995)	13,108,637	28,492,047	32,792,592	36,309,825
Other comprehensive income	-	-	-	-	338	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(11,274,984)</b>	<b>(127,253,322)</b>	<b>(12,267,503)</b>	<b>(109,744,995)</b>	<b>13,108,975</b>	<b>28,492,047</b>	<b>32,792,592</b>	<b>36,309,825</b>
(Loss)/profit allocated to non-controlling interest <sup>(2)</sup>	(2,254,997)	(25,450,664)	(2,453,501)	(21,948,999)	2,621,727	5,698,409	6,558,518	7,261,965
Other comprehensive profit/(loss) allocated to non-controlling interest	-	-	-	-	68	-	-	-

<sup>(1)</sup> Includes saprolite nickel ore sales from the Company's controlled entity PT Hengjaya Mineralindo to the Company's controlled entities PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry.

<sup>(2)</sup> After intra-group eliminations.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 19 - CONTROLLED ENTITIES (Cont.)**

	PT Hengjaya Mineralindo		Siduarsari Project entities		Total	
	December 2025 \$	December 2024 \$	December 2025 \$	December 2024 \$	December 2025 \$	December 2024 \$
Non-controlling interest percentage	20%	20%	49%	49%		
Current assets	81,069,121	84,413,986	142,181	633,451	714,098,620	694,261,113
Non-current assets	172,092,699	128,219,951	21,302,113	20,316,186	1,694,411,834	1,771,574,981
Current liabilities	(47,316,085)	(43,087,474)	(8,828,995)	(7,841,803)	(303,611,955)	(272,718,700)
Non-current liabilities	(4,296,628)	(1,909,982)	(6,646,456)	(7,119,831)	(75,256,793)	(73,298,430)
<b>Net assets</b>	<b>201,549,107</b>	<b>167,636,481</b>	<b>5,968,843</b>	<b>5,988,003</b>	<b>2,029,641,706</b>	<b>2,119,818,964</b>
Carrying amount of non-controlling interest <sup>(2)</sup>	38,768,060	32,330,829	2,872,831	2,881,950	415,444,356	432,212,366
Revenue <sup>(1)</sup>	247,255,093	261,133,320	-	-	1,736,275,178	1,883,418,171
(Loss)/Profit	57,612,256	67,346,955	(19,158)	(308,269)	79,951,840	(105,157,759)
Other comprehensive loss	(13,023)	(19,493)	-	-	(12,685)	(19,493)
<b>Total comprehensive income/(loss)</b>	<b>57,599,233</b>	<b>67,327,462</b>	<b>(19,158)</b>	<b>(308,269)</b>	<b>79,939,155</b>	<b>(105,177,252)</b>
Profit allocated to non-controlling interest <sup>(2)</sup>	11,431,796	13,378,736	(9,117)	(146,678)	15,894,426	(21,207,231)
Other comprehensive profit/(loss) allocated to non-controlling interest	(2,605)	(3,899)	-	-	(2,537)	(3,899)

<sup>(1)</sup> Includes saprolite nickel ore sales from the Company's controlled entity PT Hengjaya Mineralindo to the Company's controlled entities PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry.

<sup>(2)</sup> After intra-group eliminations.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 19 - CONTROLLED ENTITIES (Cont.)**

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Goodwill</b>	<b>\$</b>	<b>\$</b>
Opening balance	47,343,509	102,748,404
Impairment	-	(55,404,895)
	47,343,509	47,343,509

The goodwill balance amounting to \$47,343,509 pertains to the Angel Nickel and Oracle Nickel RKEF Projects, which are considered to be individual cash generating units (CGUs).

In the current year, whilst nickel prices have improved marginally at and subsequent to year end, operating margins, particularly in the second half of the year, have remained well below historical averages. At 31 December 2025, each of the CGUs (the RKEF plants) were assessed for external and internal impairment indicators. Following this assessment, the Directors determined there were indicators that would trigger impairment tests. The Directors consider there to be no impairment on the basis the recoverable values of each individual CGU are equivalent to, or higher than, their respective carrying values.

The recoverable amount for each CGU was based on its value-in-use as determined through a discounted cash flow model. The key assumptions used in the underlying cash flows of each CGU are set out below. Nickel price and cash cost estimates used in the cash flows are based on a 'steady state' of operations:

CGU	Carrying amount of CGU (inc. impairment)	Carrying amount of goodwill	Nickel Production	5-yr average NPI price	5-yr average costs	Discount rate - real post tax	Remaining useful life (years)
Hengjaya Nickel	\$159,384,056	\$-	17,250t	\$12,467/t	\$11,100/t	10%	14 years
Ranger Nickel	\$157,188,780	\$-	17,250t	\$12,467/t	\$11,100/t	10%	14 years
Angel Nickel	\$670,444,607	\$22,577,269	46,000t	\$12,467/t	\$9,750/t	10%	17 years
Oracle Nickel	\$777,849,803	\$24,766,240	46,000t	\$12,467/t	\$9,550/t	10%	18 years

The cash flow projections include specific estimates for the first five years and a constant margin thereafter for the remaining useful life of the RKEF project. NPI prices have been forecast based on an average of external market analyst forecast nickel prices. The forecast cash costs incorporate certain savings based on an external market analyst forecast coal prices. Forecasts prices and costs are in real terms.

**Hengjaya Nickel and Ranger Nickel CGUs**

The recoverable amounts in the Hengjaya Nickel and Ranger Nickel CGUs were equal to the carrying amounts. Therefore, any adverse movement in a key assumption individually would likely lead to further impairment.

**Angel Nickel and Oracle Nickel CGUs**

The Angel Nickel and Oracle Nickel CGUs benefit from lower operating costs as a result of newer technology, economies of scale and captive electricity supply. These CGUs have demonstrated comparatively higher margins than Ranger Nickel and Hengjaya Nickel over their operating life to date, which has been factored into the forecast for these CGUs.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 20 - RELATED PARTIES**

Key management personnel of the Group during the year ended 31 December 2025 are the following:

Norman Seckold	Chairman	Justin Werner	Managing Director
Chris Shepherd	Director and Chief Financial Officer	James Crombie	Director (Non-Executive)
Muliady Sutio	Director (Non-Executive)	William Shangjaya	Director (Non-Executive)
Yuanyuan Xu	Director (Non-Executive)	Haijun Wang	Director (Non-Executive)
Emma Hall	Director (Non-Executive)		

Refer to the Remuneration Report contained in the Directors' Report for details of the total remuneration paid to key management personnel of the Group, which during the year is as follows:

**Key Management Personnel compensation**

	31 December 2025	31 December 2024
	\$	\$
Short term employee payments	2,421,881	1,751,882
Share based payments – performance rights	52,944	-
Share based payments – share rights	899,881	
Short term incentives and other benefits	793,229	440,235
	<u>4,167,935</u>	<u>2,192,117</u>

**Short term incentives**

The Company introduced a 'at-risk' short term incentive (STI) component to executive director, key employee and contractor remuneration packages in 2025. The incentives were determined by measuring performance against six performance metrics ('Metric') determined by the Company's Remuneration Committee, being:

1. Adjusted EBITDA
2. Production volume at the Hengjaya Mine
3. Strategic growth, including projects under acquisition
4. ESG, including MSCI rating, society and governance
5. Safety, based on actual LTIR performance
6. Individual KPIs

Each Metric has a threshold that must be achieved for that Metric to be included in the calculations, earning 50% of the eligible Metric points. The next level is the Target which will earn 100% of the Metric Points. There is also a Maximum (**Stretch Target**) which earns 150% of the Metric points. Once the Threshold has been achieved for the Metric, the points earned will increase on a straight-line percentage basis. As an example, if the Threshold of 10 is achieved, then the Metric is in play earning 50% of the eligible points. If the Target for this Metric is 20 but only 15 is achieved, then that Metric will earn 75% of the eligible Metric points.

The maximum level that can be achieved is a short term incentive of 75% of Fixed Annual Remuneration (**FAR**).

For Executive Directors Justin Werner and Chris Shepherd, the Remuneration Committee determined a level equivalent to 58% of FAR was achieved. i.e. an award of A\$696,000 for Mr Werner and A\$522,000 for Mr Shepherd. 50% of the awards are to be paid following the release of the Company's 2025 Annual Financial Report and 50% following the release of the Company's 2026 Annual Financial Report, subject to continued employment with the Company.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 20 - RELATED PARTIES (Cont.)**

**Key Management Personnel transactions**

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities. A number of these entities transacted with the Group during the year. The aggregate value of transactions and outstanding balances (excluding the compensation noted above) relating to key management personnel and entities over which they have control or joint control were as follows:

*Transaction with Director related entity*

Director Norman Seckold holds an interest in an entity, MIS Corporate Pty Limited (**MIS**), which provided full administrative services, including administrative, accounting, company secretarial and investor relations staff both within Australia and Indonesia, rental accommodation, services and supplies, to the Group. Fees during 2025 were charged at an agreed rate of A\$50,000 per month (31 December 2024: A\$50,000). Fees charged by MIS during the year amounted to A\$600,000 (31 December 2024: A\$600,000). As at 31 December 2025 \$50,000 (31 December 2024: A\$50,000) remained outstanding.

*Transactions with Director of subsidiary company*

Adi Wijoyo, the Company's Indonesian operating partner at the Hengjaya Mine is a director of the company operating the mine, PT Hengjaya Mineralindo, in which the Company holds an 80% interest. He is also the vendor of the Sampala Project. The Company has advanced various loan amounts for the development of the Sampala Project. See Note 8 for further details.

*Transaction with equity accounted associate*

The Company holds a 10% interest in the HNC HPAL project, operating within the IMIP. As part of the acquisition agreement for the HNC HPAL project, the Company acquired a 100% interest in Tsing Creation. During the year HNC sold mixed hydroxide precipitate (MHP) to Tsing Creation totalling \$105,130,566 (2024: \$99,554,089). At 31 December 2025 there were \$30,678,818 trade payables outstanding from Tsing Creation to HNC (2024: \$13,675,632).

In January 2025, Hengjaya Mine entered into a land lease agreement with PT Fajar Metal Industry, an associate in the ENC project, for the lease of approximately 74.11 hectares of land located in Indonesia. The lease has a term of 15 years ending 17 January 2040 with an option period to further five years to 17 January 2045. During the year to 31 December 2025, the Group recognised rental income of \$852,428.

*Transaction with other related entities*

During the year ended 31 December 2025 the Group sold NPI, MHP and electricity totalling \$1,424,229,931 (2024: \$1,597,916,911) to Shanghai Decent-related entities and \$312,360,351 (2024: \$311,921,105) of raw materials and services, and fixed assets were purchased from Shanghai Decent-related entities. At 31 December 2025 trade receivables of \$175,774,516 (2024: \$205,085,338) from Shanghai Decent-related entities remained outstanding and was included in the receivables balance, and trade payables of \$34,946,898 (2024: \$50,599,208) to Shanghai Decent-related entities remained outstanding and was included in the creditor's balance.

During the year ended 31 December 2025 dividend, interest and other distributions from the Company's 80% owned subsidiaries Hengjaya Holdings Private Limited, Ranger Investment Private Limited and Angel Capital Private Limited to Shanghai Decent's associates Decent Investment International Private Limited and Decent Resource Limited, totalled \$27,667,939.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 20 - RELATED PARTIES (Cont.)**

Shanghai Decent and its associates hold 20% equity interests in the Angel Nickel, Hengjaya Nickel, Oracle Nickel and Ranger Nickel RKEF project, which reflects the non-controlling interest in the Group amounting to \$373,803,465 (2024: \$396,999,587) as at 31 December 2025.

Shanghai Decent and its associates are the Company's collaboration partner at each of the Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel projects. Shanghai Decent and its associates also have responsibility for the design and construction of the ENC project. Under the terms of the acquisition agreement for the ENC project the Company has committed to acquiring a 46% interest in the ENC project for a total acquisition cost of \$1,058.1 million, plus the \$25 million option fee paid. At 31 December 2025 the Company has acquired a 44% interest for \$1,012.1 million.

As a result of the above arrangements, the Group is economically dependent on Shanghai Decent and its associates.

Apart from the details disclosed in this note, no Director or other related party has entered into a material contract with the Group during the year and there were no material contracts involving Director's interests subsisting at year end.

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	\$	\$

**NOTE 21 - STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash and cash equivalents**

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Bank balances	323,327,295	210,953,629
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**(b) Reconciliation of net loss from ordinary activities after tax to net cash used in operating activities**

Loss from ordinary activities after tax	(41,166,969)	(189,796,366)
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**Adjustments for:**

Depreciation and amortisation	115,255,303	127,978,181
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Foreign exchange loss	12,223,113	16,450,041
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Borrowing costs	128,308,888	91,748,931
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Deposit write-off	2,740,000	-
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Share based payments	1,130,620	-
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Share in profit from equity accounted investees	(18,360,597)	(7,235,507)
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Impairment charges	8,111,368	236,582,302
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Deferred tax benefit	-	(31,887,224)
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**Changes in assets and liabilities**

Trade receivables and other assets	56,419,467	85,391,461
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Inventory	(121,949,120)	19,261,428
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Provisions	2,627,347	1,042,065
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Trade and other payables	42,579,343	(68,141,975)
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<b>Net cash from operating activities</b>	<b>187,918,763</b>	<b>281,393,337</b>
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**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**(c) Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Liabilities	Equity	Total
	Loans and borrowings	Share capital	
	\$	\$	\$
<b>Opening balance at 1 January 2025</b>	1,054,562,420	2,035,227,454	3,089,789,874
<i>Changes from financing activities</i>			
Proceeds from issue of shares*	-	23,724,880	23,724,880
Proceeds from borrowings	800,000,000	-	800,000,000
Borrowing costs	(19,140,299)	-	(19,140,299)
Repayment of borrowings	(627,087,500)	-	(627,087,500)
Repayment of interest	(86,211,463)	-	(86,211,463)
Fair value of share rights vested	-	418,902	418,902
<b>Total changes from financing cash flows</b>	67,560,738	24,143,782	91,704,520
<i>Other changes</i>			
Finance expenses	93,501,192	-	93,501,192
Costs of issue expensed – non cash	10,488,666	-	10,488,666
<i>Total other changes</i>	103,989,858	-	103,989,858
<b>Closing balance at 31 December 2025</b>	1,226,113,016	2,059,371,236	3,285,484,252

\* The issuance of ordinary shares disclosed in Note 16 included on-cash transactions of \$23,724,880 relating to the Company's Dividend Reinvestment Plan.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 22 - FINANCIAL INSTRUMENTS DISCLOSURE**

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, currency risk and interest rate risk. The summaries below present information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

**Credit risk**

Credit risk arises mainly from the risk of counterparties defaulting on the terms of their agreements. The carrying amounts of the following assets represent the Group's maximum exposure to credit risk in relation to financial assets:

	<b>Note</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
		<b>\$</b>	<b>\$</b>
Cash and cash equivalents	20	323,327,295	210,953,629
Cash reserve	6	33,435,076	11,514,444
Trade and other receivables	7	348,961,307	395,131,338
Loan and interest receivable	8	22,572,560	24,167,597
Acquisition receivable		239,000,000	-
		967,296,238	641,767,008

**Cash and cash equivalents**

The Group mitigates credit risk on cash and cash equivalents and term deposits and cash reserve by dealing with regulated banks in Australia, China, Hong Kong, Indonesia and Singapore.

**Trade and other receivables**

Credit risk of trade and other receivables is low as it consists predominantly of saprolite and limonite nickel ore, nickel pig iron sales and sale of MHP. Saprolite ore sales are predominantly to the Company's 80% owned subsidiaries PT Hengjaya Nickel Industry PT Oracle Nickel Industry or PT Ranger Nickel Industry. Nickel pig iron trade receivables in 2025 were all from sales to six customers. These are Shanghai Decent in China, PT Indonesia Tsingshan Stainless Steel, PT Indonesia Guang Ching Nickel and Stainless Steel Industry, PT Qing Feng Ferrochrome, PT Sulawesi Mining Investment, stainless steel producers operating at the IMIP, and PT Glory Metal Indonesia, a provider of installation services of equipment, operating within the IMIP, related parties of the Group, through Shanghai Decent. MHP sales are to IXM S.A., Jingmen Gem Co.,Ltd and XTC Recycling Technology (Xiamen) Ltd located in China, Transamine Far East Limited located in Hong Kong, China-Base Resource Singapore Pte. Ltd., Golden Harbour International Pte. Ltd., Hengjaya Holdings Private Limited, Itochu Singapore Pte Ltd, Trafigura Asia Trading Pte. Ltd, located in Singapore and Minmetals North-Europe Aktiebolag located in Sweden. At year end a receivable existed following the acquisition by Sphere of a 10% equity interest in the ENC project. This was settled subsequent to year end. Additional amounts are recoverable from Australian and Indonesian Taxation Authorities.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 22 - FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)**

**Liquidity risk (Cont.)**

The following are the contractual maturities of financial liabilities, including estimated interest payments:

<b>Consolidated</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than one year</b>	<b>Between one and five years</b>	<b>More than five years</b>
	\$	\$	\$	\$	\$
<b>31 December 2025</b>					
Trade and other payables (including tax)	257,583,449	257,583,449	257,583,449	-	-
Acquisition payments	240,000,000	240,000,000	240,000,000		
Borrowings	1,226,113,016	1,651,240,910	201,847,173	1,449,393,737	-
	<b>1,723,696,465</b>	<b>2,148,824,359</b>	<b>699,430,622</b>	<b>1,449,393,737</b>	<b>-</b>
<b>31 December 2024</b>					
Trade and other payables (including tax)	216,339,595	216,339,595	216,339,595	-	-
Borrowings	1,054,562,420	1,319,737,094	212,063,864	1,107,673,230	-
	<b>1,270,902,015</b>	<b>1,536,076,689</b>	<b>428,403,459</b>	<b>1,107,673,230</b>	<b>-</b>

Ultimate responsibility for liquidity management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate funding where possible and monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of expected settlement of financial assets and liabilities. Refer to Note 3 for further details.

**Currency risk**

The functional currency in 2025 was assessed as being United States dollars for all group entities. The Group is exposed to foreign currency risks due to the fact that the domestic sales of its subsidiaries PT Hengjaya Mineralindo, PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry are in Indonesian Rupiah (although the underlying sale price is denominated in US dollars), liabilities of the Group are denominated in Australian dollars, Indonesian Rupiah and Singapore dollars and the issue of shares during the year was denominated in Australian dollars.

The Group's gross financial position exposure to foreign currency risk at 31 December is as follows:

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Foreign currency</b>	<b>USD</b>	<b>Foreign currency</b>	<b>USD</b>
<b>IDR</b>				
Cash at bank	IDR1,501,757,793,425	\$89,486,223	IDR1,923,886,615,583	\$119,037,592
Accounts receivable	IDR2,677,764,304,413	\$159,561,691	IDR2,837,124,209,427	\$175,542,783
Other current assets	IDR3,090,092,912,166	\$184,131,386	IDR2,930,800,849,749	\$181,338,884
Provisions and accrual	IDR299,902,191,227	\$17,870,468	IDR180,276,215,192	\$11,154,319
Taxes payable	IDR178,882,474,864	\$10,659,187	IDR187,193,737,594	\$11,582,330
Trade and other payables	IDR3,050,825,510,710	\$181,791,533	IDR1,798,790,405,072	\$111,297,444
<b>AUD</b>				
Cash at bank	A\$861,805	\$575,168	A\$1,305,864	\$807,938
Receivables	A\$248,532	\$165,870	A\$91,930	\$56,877
Provisions and accrual	A\$570,061	\$380,458	A\$495,376	\$306,489
Trade and other payables	A\$834,002	\$556,613	A\$370,333	\$229,125
<b>SGD</b>				
Cash at bank	SGD\$6,922	\$5,382	SGD\$100,618	\$73,672
Loan from Siduarsari NCI	SGD\$8,146,809	\$6,334,999	SGD\$8,628,870	\$6,318,045

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 22 - FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)**

**Currency risk (Cont.)**

The following significant exchange rates applied during the year:

USD	Average rate		Reporting date spot rate	
	12 months to 31 December 2025	12 months to 31 December 2024	31 December 2025	31 December 2024
IDR	16,475	15,847	16,782	16,162
AUD	1.5497	1.5216	1.4984	1.6163
SGD	1.3064	1.3381	1.2860	1.3658

The following sensitivity analysis is based on the exchange rate risk exposures at balance date. At balance date, if the exchange rate between the United States dollar and the Indonesian Rupiah, the Australian dollar or the Singaporean dollar had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

	Post tax loss (Higher)/Lower 31 December 2025 \$	Total equity (Higher)/Lower 31 December 2025 \$	Post tax loss (Higher)/Lower 31 December 2024 \$	Total equity (Higher)/Lower 31 December 2024 \$
+ 10% higher USD to IDR exchange rate	22,285,811	22,285,811	34,188,516	34,188,516
- 5% lower USD to IDR exchange rate	(11,142,906)	(11,142,906)	(17,094,258)	(17,094,258)
+ 10% higher USD to AUD exchange rate	(93,309)	(93,309)	32,920	32,920
- 5% lower USD to AUD exchange rate	46,655	46,655	(16,460)	(16,460)
+ 10% higher USD to SGD exchange rate	(632,962)	(632,962)	(624,437)	(624,437)
- 5% lower USD to SGD exchange rate	316,481	316,481	312,219	312,219

**Interest rate risk**

The Group's exposure to market interest rate relates to cash assets.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

		31 December 2025 \$	31 December 2024 \$
<b>Financial assets</b>			
Cash and cash equivalents	21	323,327,295	210,953,629
Cash reserve amount		33,435,076	11,514,444
		<u>356,762,371</u>	<u>222,468,073</u>
<b>Financial liabilities</b>			
Borrowings	15	<u>422,912,500</u>	<u>650,000,000</u>

**Sensitivity analysis**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative year.

	31 December 2025 \$	30 December 2024 \$
(Loss)/profit for the year	<u>(2,716,606)</u>	<u>(1,728,502)</u>

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 22 - FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)**

**Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board ensures, where possible, costs are not incurred in excess of available funds and if required will seek to raise additional funding through issues of shares or debt for the continuation of the Group's operation.

The Group is not subject to externally imposed capital requirements.

**NOTE 23 - PARENT ENTITY DISCLOSURES**

As at, and throughout the financial year ended 31 December 2025, the parent entity of the Group was Nickel Industries Limited.

	<b>Parent Entity</b>	<b>Parent Entity</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Result of the parent entity</b>		
Net loss	(134,557,483)	(267,457,225)
Other comprehensive income	-	-
Total comprehensive loss	<u>(134,557,483)</u>	<u>(267,457,225)</u>
	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Financial position of the parent entity at year end</b>		
Current assets	459,062,041	63,318,715
Non-current assets	2,119,280,501	2,252,361,919
Total assets	<u>2,578,342,542</u>	<u>2,315,680,634</u>
Current liabilities	370,716,897	140,884,315
Non-current liabilities	1,101,705,132	918,435,313
Total liabilities	<u>1,472,422,029</u>	<u>1,059,319,628</u>
<b>Net Assets</b>	<u>1,105,920,513</u>	<u>1,256,361,006</u>
<b>Equity</b>		
Share capital	2,059,371,234	2,035,227,452
Reserve	711,718	-
Retained losses*	<u>(954,162,439)</u>	<u>(778,866,446)</u>
<b>Total Equity</b>	<u>1,105,920,513</u>	<u>1,256,361,006</u>

\* During 2025 the Company made dividend payments totaling \$40,738,501 (2024: \$142,731,425) which is included within retained losses for the 2025 financial year.

At balance date, the Company has no capital commitments or contingencies (31 December 2024: \$nil), other than as outlined in Note 27.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 24 - SEGMENT INFORMATION**

Segment information is presented on a basis that is consistent with the Group's internal reporting structure, in which segment performance is reported to the Managing Director, who is the Chief Operating Decision Maker (CODM). For the year ended 31 December 2025, the Group had three segments, being nickel ore mining in Indonesia, the RKEF projects in Indonesia and Singapore and the HPAL projects in Indonesia. The Group has two separate HPAL factories within the HPAL Projects segment that are accounted for as equity method associates. They are considered as an aggregate portfolio with Group subsidiary, Tsing Creation International Holding Limited which acts as a trading entity for the HPAL factory's products.

The Group uses Adjusted EBITDA to make business decisions, as it represents the most useful reflection of the Group's underlying financial performance. Adjusted EBITDA is defined as profit/(loss) before tax for the period plus the following adjustments: depreciation and amortisation costs, impairment, foreign exchange gains/(losses), Net Finance Cost<sup>4</sup>, withholding tax expense and the proportionate share of these adjustments in equity accounted associates (EAA). This non-IFRS financial measure, which is used internally by management to assess the performance of the Group's segments and make decisions on allocation of resources. The objective of measuring and reporting Adjusted EBITDA is to provide a more meaningful and consistent representation of financial performance by removing items that distort performance and presents the Group's financial interest in material EAA on a proportional consolidation basis.

During the period, the definition of Adjusted EBITDA was amended to include the segment's proportionate share of the above adjustments in equity-accounted associates within each segment. This change better reflects the Group's transition toward HPAL processing, and the segment becoming a significant contributor to overall earnings. The change in measurement basis does not affect the Group's consolidated profit or loss. However, comparative segment information for the year ended 31 December 2024 has been restated to reflect the amended definition of Adjusted EBITDA for consistency.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise interest bearing loans, borrowings and expenses, and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period in that geographic region.

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<sup>4</sup> Net Finance Cost includes interest income, interest expense and financing expenses

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 24 - SEGMENT INFORMATION (Cont.)**

**Operating segments**

	Nickel ore mining	RKEF Projects <sup>(1)</sup>	HPAL Projects	Unallocated	Total
<b>31 December 2025</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment Revenue	223,072,715	1,430,319,675	235,358,266	-	1,888,750,656
Intercompany revenues <sup>(2)</sup>	(98,883,475)	-	(28,158,645)	-	(127,042,120)
Revenue of EAA <sup>(3)</sup>	-	-	(112,609,019)	-	(112,609,019)
External revenues <sup>(3)</sup>	124,189,240	1,430,319,675	94,590,602	-	1,649,099,517
Share of gain of EAA	-	-	18,360,597	-	18,360,597
<b>Adjusted EBITDA</b>	<b>91,616,835</b>	<b>150,085,521</b>	<b>57,605,582</b>	<b>(16,280,709)</b>	<b>283,027,229</b>
Losses on FX					(12,223,113)
Gains on FX on EAA					911,823
Withholding tax expense					(10,265,967)
Withholding tax expense on EAA					(2,734,422)
Depreciation and amortisation <sup>(4)</sup>					(115,255,303)
Depreciation and amortisation on EAA					(17,489,020)
Net Finance Cost					(120,914,672)
Net Finance Cost on EAA					(3,196,936)
Impairment					(8,111,368)
Tax in equity accounted units					(406,183)
<b>Loss before income tax</b>					<b>(6,657,932)</b>
Reportable segment assets <sup>(5)</sup>	335,525,870	2,123,695,907	1,593,689,475	211,507,094	4,264,418,346
Reportable segment liabilities	(58,723,593)	(236,556,981)	(278,261,880)	(1,232,368,749)	(1,805,911,203)

<sup>(1)</sup> As disclosed in Note 18, the Group has four separate CGUs (RKEF plants) in the RKEF Projects segment. They are considered as an aggregate portfolio and therefore are included within the one segment here.

<sup>(2)</sup> Sales of saprolite nickel ore are internal to the Group and so are eliminated on consolidation, whilst limonite ore sales are to parties external to the Group.

<sup>(3)</sup> Sales of HPAL products from equity accounted associates are internal to the HPAL segment and are eliminated on consolidation.

<sup>(4)</sup> Includes \$29,791,237 (2024: 42,364,726) of amortisation on the fair value uplift of property, plant and equipment resulting from the acquisition of the Angel Nickel, Hengjaya Nickel, Oracle Nickel, and Ranger Nickel RKEF projects.

<sup>(5)</sup> Includes \$1,248,635,514 of investment in EAA sitting within HPAL Projects

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Nickel ore mining	RKEF Projects <sup>(1)</sup>	HPAL Projects	Unallocated	Total
<b>31 December 2024 (restated)</b>	\$	\$	\$	\$	\$
Segment Revenue	210,451,726	1,566,448,766	207,139,952	-	1,984,040,444
Intercompany revenues <sup>(2)</sup>	(141,841,141)	-	-	-	(141,841,141)
Revenue of EAA <sup>(3)</sup>	-	-	(97,746,570)	-	(97,746,570)
External revenues <sup>(3)</sup>	68,610,585	1,566,448,766	109,393,382	-	1,744,452,733
Share of gain of EAA	-	-	7,235,507	-	7,235,507
<b>Adjusted EBITDA</b>	<b>100,602,348</b>	<b>187,235,890</b>	<b>48,253,521</b>	<b>(10,075,608)</b>	<b>326,016,151</b>
Losses on FX					(16,450,412)
Losses on FX on EAA					(5,803,044)
Withholding tax expense					(10,724,042)
Depreciation and amortisation <sup>(4)</sup>					(127,978,181)
Depreciation and amortisation on EAA					(17,256,898)
Net Finance Cost					(78,546,455)
Net Finance Cost on EAA					(6,134,582)
Impairment					(236,582,302)
<b>Loss before income tax</b>					<b>(173,459,765)</b>
Reportable segment assets <sup>(5)</sup>	286,401,924	2,227,293,710	1,325,330,109	57,222,527	3,896,248,270
Reportable segment liabilities	(52,129,072)	(221,422,802)	(13,675,632)	(1,060,791,060)	(1,348,018,566)

<sup>(1)</sup> Revenue number for sales of limonite ore only. Sales of saprolite nickel ore are internal to the Group and so are eliminated on consolidation, whilst limonite ore sales are to parties external to the Group.

<sup>(2)</sup> Includes \$29,791,237 (2024: \$42,364,726) of amortisation on the fair value uplift of property, plant and equipment resulting from the acquisition of the Angel Nickel, Hengjaya Nickel, Oracle Nickel, and Ranger Nickel RKEF projects.

<sup>(3)</sup> As disclosed in Note 18, the Group has four separate CGUs (RKEF plants) in the RKEF Projects segment. They are considered as an aggregate portfolio and therefore are included within the one segment here.

<sup>(4)</sup> Adjusted EBITDA is defined as profit/(loss) for the period, plus depreciation and amortisation costs, plus impairment, plus foreign exchange gains/(losses), plus interest income/(expenses), plus withholding tax expense.

<sup>(5)</sup> Includes \$ 1,230,274,917 of investment in EAA sitting within HPAL Projects

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 24 - SEGMENT INFORMATION (Cont.)**

	<b>31 December 2025</b>	<b>31 December 2024</b>
	\$	\$
<b>Reconciliations of reportable segment profit or loss</b>		
<b>Profit or loss</b>		
Total (loss)/profit for reportable segments	138,604,499	(77,747,116)
Net other corporate expenses	<u>(145,262,431)</u>	<u>(95,712,649)</u>
Consolidated (loss)/profit before tax	<u>(6,657,932)</u>	<u>(173,459,765)</u>
<b>Reconciliations of reportable assets and liabilities</b>		
<b>Assets</b>		
Total assets for reportable segments	4,052,911,252	3,839,025,743
Unallocated corporate assets	<u>211,507,094</u>	<u>57,222,527</u>
Consolidated total assets	<u>4,264,418,346</u>	<u>3,896,248,270</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	(573,542,454)	(287,227,506)
Unallocated corporate liabilities	<u>(1,232,368,749)</u>	<u>(1,060,791,058)</u>
Consolidated total liabilities	<u>(1,805,911,203)</u>	<u>(1,348,018,564)</u>

**Geography of reportable segment assets**

	<b>Indonesia</b>	<b>Singapore</b>	<b>Total</b>
	\$	\$	\$
<b>31 December 2025</b>			
Reportable segment assets	<u>4,047,463,128</u>	<u>5,448,124</u>	<u>4,052,911,252</u>
<b>31 December 2024</b>			
Reportable segment assets	<u>3,815,941,012</u>	<u>23,084,731</u>	<u>3,839,025,743</u>

**Revenue**

All sales during the year were to customers located in either China, Hong Kong, Indonesia, Singapore, Sweden or Switzerland. All NPI sales by Hengjaya Nickel, Oracle Nickel and Ranger Nickel were in Indonesia, by Angel Nickel were exported to China. The value of total NPI sales to customers based in China was \$397.0 million and to customers based in Indonesia was \$1,005.2 million. Sales of MHP exported to customers based in China were \$36.5m, to customers based in Hong Kong were \$35.5m, to customers based in Singapore were \$25.3m, to a customer in Sweden were \$24.9m, and to customers based in Switzerland were \$0.5m. Limonite ore revenue totaling \$122.4 million was derived from sales to customers located in Indonesia. Sapolite ore revenue totaling \$1.8 million was derived from sales to customers external to the Group, located in Indonesia.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 25 - REVENUE**

**Major customers**

All sales of NPI during the year were either exported sales to Shanghai Decent in China (\$397.0 million), or sales within Indonesia to PT Indonesia Guang Ching Nickel and Stainless Steel Industry (\$81.0 million), PT Indonesia Stainless Steel (\$466.9 million), PT Qing Feng Ferrochrome (\$440.9 million), PT Sulawesi Mining Investment (\$14.8 million), stainless steel producers operating within the IMIP or to PT Glory Metal Indonesia (\$1.5 million), a provider of installation services of equipment, operating within the IMIP.

The majority of saprolite nickel ore sales during year ended, were to the Company's subsidiaries PT Hengjaya Nickel Industry, PT Oracle Nickel Industry and PT Ranger Nickel Industry, under a series of offtake agreements to supply between 80,000 to 100,000 wmt per month to each entity. During the year, PT Hengjaya Mineralindo supplied limonite ore to PT Longsen Metal Trading, a trading company operating in Indonesia, pursuant to a sales contract providing for the delivery of 850,000 wmt of limonite ore per month for the period from January to September 2025. No deliveries were made from October 2025 as the contract could not be continued due to limitations under the approved RKAB. In December 2025, following the approval of an additional RKAB, the supply of limonite ore to PT Longsen Metal Trading recommenced under a new contract providing for the supply of 250,000 wmt of limonite ore per month.

**Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by major production and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Nickel pig iron		Nickel matte		Mixed Hydroxide Precipitate	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$	\$	\$	\$	\$	\$
Major products	1,402,161,030	1,450,344,380	-	116,104,385	122,749,247	109,393,382

**Timing of revenue recognition**

Products transferred at a point in time	1,402,161,030	1,450,344,380	-	116,104,385	122,749,247	109,393,382
Revenue from contracts with customers	1,402,161,030	1,450,344,380	-	116,104,385	122,749,247	109,393,382

	Saprolite ore*		Limonite ore		Total	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$	\$	\$	\$	\$	\$
Major products	100,663,062	136,974,090	122,409,653	68,610,586	1,649,099,517	1,744,452,733
Products transferred at a point in time	100,663,062	136,974,090	122,409,653	68,610,586	1,649,099,517	1,744,452,733
Revenue from contracts with customers	100,663,062	136,974,090	122,409,653	68,610,586	1,649,099,517	1,744,452,733

\* \$98,883,475 of sales of saprolite nickel ore are internal to the Group and so are eliminated on consolidation.

The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers.

**NICKEL INDUSTRIES LIMITED**  
and its controlled entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTE 26 - AUDITOR REMUNERATION**

During the year ended 31 December 2025 KPMG, the Company's auditor, has performed other services in addition to their statutory audit duties.

Details of the amounts charged by the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year and prior period are set out below:

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Auditors of the Company</i>		
Audit and review of financial reports – KPMG Australia	737,976	540,656
Audit and review of financial reports – KPMG Indonesia	259,969	290,995
Regulatory sustainability report assurance services - KPMG Australia	63,370	-
Other assurance services – KPMG Australia*	199,882	54,783*
Other assurance services – KPMG Indonesia	17,790	27,996
Advisory services – KPMG Australia	289,166	117,218
Advisory services – KPMG Indonesia	-	3,211
	<u>1,568,153</u>	<u>1,034,859</u>

\* Additionally, KPMG were paid \$182,613 (2024: \$152,046) for other assurance services undertaken on behalf of PT Danusa Tambang Nusantara, for which the Company was reimbursed.

**NOTE 27 – SUBSEQUENT EVENTS**

Subsequent to the end of the year Sphere Corp. (**Sphere**) completed the acquisition of a 10% interest in the ENC project, at a \$2.4 billion valuation. To complete its investment in ENC, Sphere entered into a US\$210 million senior secured amortising term loan from external lenders. 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.

In January 2026, the Company reached an agreement with Shanghai Decent to revise its ENC acquisition schedule. Under the revised arrangement, Nickel Industries will acquire a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project, with a final payment of \$46 million due by 31 March 2026.

Also in January 2026, the Company executed a MOU for the Sampala Project to exclusively supply up to 14 million 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.

In February 2026, the Hengjaya Mine received an increase in its 2026 RKAB quota to 14.3 million wmt.

Other than the matters outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**NICKEL INDUSTRIES LIMITED**  
**and its controlled entities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**NOTE 28 – COMMITMENTS AND CONTINGENCIES**

There are no contingent liabilities existing at 31 December 2025 (31 December 2024: \$nil).

Under the terms of Excelsior Nickel Definitive Agreement, the Company had committed to acquire a 55% equity interest in the Excelsior Nickel Project for \$1,265 million. At 31 December 2025, the Company had acquired 44% interest for \$1,012.1 million. Subsequent to the end of the period, as detailed in Note 27 the Company revised its ENC acquisition schedule, with the Company now committed to acquire a 46% interest for \$1,058.1 million. The Company is required to make a final payment of \$46 million by 31 March 2026 to move to a 46% interest.

Under the terms of the Definitive Agreement to increase to an 82.5% interest in the Siduarsi project requires the completion of a feasibility study that is accepted by the Indonesian mining department, to allow the Contract of Work (**CoW**) to move into the next phase of its life cycle, which is “production/operation”. The feasibility study has been submitted for approval. To acquire the remaining 17.5% interest requires a third party valuation of the economic value of the Siduarsi resource to Valmin Code 2015 standard (the **Valuation**); the vendors may elect to take this consideration as 50% cash and 50% shares based on the 30-day VWAP of Nickel Industries shares on the ASX; and existing aggregate shareholder loans of no more than \$9 million to be paid out as 50% cash and 50% Nickel Industries shares (calculated on the 30-day VWAP on the ASX prior to the announcement of the Valuation).

Under the terms of the agreements for the acquisition of 60% of the Sampala project, for the Abadi Nikel Nusantara (**ANN**) (previously known as Mandiri Jaya Nickel) and Erabaru Timur Lestari (**ETL**) IUPs, following the issuance of a positive due diligence notice, the Company will carry out an agreed initial exploration program (**IEP**) within 18 months and for the purpose of determining the purchase consideration payable to the vendor at completion. After the IEP, Nickel Industries shall pay the Vendor the purchase consideration, calculated as:

60% \* the JORC Resource \* US\$2.50 per dmt above 1.70% nickel grade

**NICKEL INDUSTRIES LIMITED  
and its controlled entities**

**CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

Consolidated entity disclosure statement for the year ended 31 December 2025

Entity Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident
Nickel Industries Limited	Body corporate	Australia		Australian
PT Hengjaya Mineralindo	Body corporate	Indonesia	80	Indonesian
Hengjaya Holdings Private Limited	Body corporate	Singapore	80	Singaporean
Hengjaya Nickel Private Limited	Body corporate	Singapore	80	Singaporean
PT Hengjaya Nickel Industry	Body corporate	Indonesia	80	Indonesian
Ranger Investment Private Limited	Body corporate	Singapore	80	Singaporean
Ranger Nickel Private Limited	Body corporate	Singapore	80	Singaporean
PT Ranger Nickel Industry	Body corporate	Indonesia	80	Indonesian
Angel Capital Private Limited	Body corporate	Singapore	80	Singaporean
Angel Nickel Private Limited	Body corporate	Singapore	80	Singaporean
PT Angel Nickel Industry	Body corporate	Indonesia	80	Indonesian
Oracle Development Private Limited	Body corporate	Singapore	80	Singaporean
Oracle Nickel Private Limited	Body corporate	Singapore	80	Singaporean
PT Oracle Nickel Industry	Body corporate	Indonesia	80	Indonesian
Tablasufa Pty Ltd	Body corporate	Australia	100	Australian
Iriana Cendrawana Pte Ltd	Body corporate	Singapore	52.4	Singaporean
PT Iriana Mutiara Mining	Body corporate	Indonesia	51	Indonesian
PT Mutiara Iriana Minerals	Body corporate	Indonesia	52.4	Indonesian
Tanis Resources S.A	Body corporate	British Virgin Islands	52.4	British Virgin Islands
Tsing Creation International Holding Limited	Body corporate	Hong Kong	100	Hong Kong
Minerals Harvest Limited	Body corporate	Hong Kong	100	Hong Kong
PT Tablasufa Nickel Mining	Body corporate	Indonesia	65	Indonesian

**Determination of Tax Residency**

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency - the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5; and
- Foreign tax residency - the consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

**NICKEL INDUSTRIES LIMITED  
and its controlled entities**

**DIRECTORS' DECLARATION**

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1. In the opinion of the Directors of Nickel Industries Limited ('the Company'):
- (a) the consolidated financial statements and notes set out on pages 69 to 121 and the Remuneration report on pages 28 to 34 in the Directors' report, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards, (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2;
  - (c) the Consolidated entity disclosure statement as at 31 December 2025 set out on page 122, as required by Section 295(3A) of the Corporations Act, is true and correct; and
  - (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 December 2025.

Signed at Sydney this 23<sup>rd</sup> day of February 2026  
in accordance with a resolution of the Board of Directors:



**Norman Seckold**  
**Chairman**



**Justin Werner**  
**Managing Director**



# Independent Auditor's Report

To the shareholders of Nickel Industries Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Nickel Industries Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 31 December 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 31 December 2025
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Key Audit Matters

The **Key Audit Matters** we identified are:

- Consolidation of subsidiaries;
- Impairment of Cash Generating Units; and
- Going concern.

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Consolidation of Subsidiaries

Refer to Note 19 Controlled Entities to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Nickel Industries Limited consolidates its investments in subsidiaries as outlined in Note 19 to the financial statements. The Group has operations in Indonesia, a corporate head office in Australia and other registered entities overseas. There are also non-controlling interests held in certain subsidiaries of the Group.</p> <p>Consolidation of subsidiaries is a key audit matter due to the complexity of the manual consolidation process, significant number of components in the Group, non-controlling interests held by the Group, diverse accounting systems used by the Group and the consolidation process susceptibility to error, the impacts of which are potentially significant.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the Group’s consolidation accounting policies against the requirements of the accounting standards and our understanding of the business and industry practice;</li> <li>• We obtained an understanding of the components in the Group, and their ownership structure, to scope components into our audit, based on size and level of risk;</li> <li>• We held discussions with management, and used our knowledge of the Group’s operations to assess the consolidation process;</li> <li>• We tested manual consolidation journals to underlying documentation given the facts and circumstances of inter-company transactions entered into by the Group;</li> <li>• Obtained the Group’s manual consolidation spreadsheet and tested: <ul style="list-style-type: none"> <li>– the individual financial information for entities included in the consolidation for consistency with the reporting we received from component auditors;</li> <li>– elimination of intercompany balances and transactions;</li> <li>– sources for each journal and relevance for inclusion in the consolidation;</li> <li>– and recognition of non-controlling interests journals and compared against the percentage of non-controlling interests held by the Group.</li> </ul> </li> </ul>

Impairment of Cash Generating Units	
Refer to Note 19 Controlled Entities to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group’s testing of the carrying values for its four RKEF Cash Generating Units (CGU) for impairment, namely Hengjaya Nickel Project, Ranger Nickel Project, Angel Nickel Project and Oracle Nickel Project.</p> <p>This is a key audit matter due to the size of the CGUs and judgement and estimation uncertainty related to key assumptions contained within.</p> <p>We focused on the significant forward-looking assumptions the Group applied in its value-in-use impairment models, including:</p> <ul style="list-style-type: none"> <li>• forecast cash flows – the Group’s profitability for certain CGU’s has remained subdued throughout the financial year. The Group’s margins are derived from realised nickel prices and costs. Volatility in forecast nickel prices are subject to greater uncertainty in the current economic environment and the impact of declining margins increase the possibility of the carrying value of the CGUs being impaired, plus the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. We focused on the expected rate of recovery in margins as a result of forecast price improvements and cost savings when assessing the feasibility of the Group’s forecast cash flows.</li> <li>• forecast nickel pricing – in addition to the uncertainties described above, the Group’s models are sensitive to reasonable possible changes in this market based assumption, indicating increased risk of additional impairment. This drives additional audit effort specific to their feasibility and consistency of application to the Group’s strategy.</li> </ul>	<p>Working with our valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the Group’s determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards.</li> <li>• Considering the appropriateness of the value-in use method applied by the Group to perform its impairment test of the carrying value of the CGUs against the requirements of the accounting standards.</li> <li>• Assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models.</li> <li>• Comparing forecast realised nickel prices to published studies of industry trends and expectations, having regard to our knowledge of the Group’s operations, its past and current performance, business and customers, and industry it operates in;</li> <li>• Analysing the Group’s discount rates against publicly available data of a group of comparable entities adjusted for risk factors associated with each CGU;</li> <li>• For each of the four CGUs, we:             <ul style="list-style-type: none"> <li>– assessed the integrity of the value-in-use models used, including the accuracy of the underlying calculation formulas;</li> <li>– compared the forecast cash flows for year one in the value-in-use models to approved forecasts and sought to understand any adjustments included in the impairment models;</li> <li>– considered the sensitivity of the models by varying key assumptions, such as forecast realised nickel pricing, costs and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures;</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>• discount rates – these are complicated in nature and vary according to the conditions and environment the specific CGU is subject to from time to time, and the model’s approach to incorporating risks into the cash flows or discount rates.</li> </ul> <p>The Group uses complex models to perform their testing of the carrying values of the CGUs for impairment. The models are largely manually developed, use adjusted historical performance as well as a range of internal and external sources as inputs to the assumptions. Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<ul style="list-style-type: none"> <li>– challenged the Group’s significant forecast cash flow assumptions related to realised nickel prices and costs, in comparison to observed historical and expected future pricing and demand in its products;</li> <li>– assessed these key assumptions for consistency with the Group’s strategy, our knowledge of the business, industry, recent actual cash flows and against publicly available economic data representing current and expected future market conditions;</li> <li>– assessed key assumptions based on our experience regarding the feasibility of these in the industry/economic environment in which they operate and relevant supply and demand analysis; and</li> <li>– applied increased scepticism to forecasts in the areas where previous forecasts were not achieved.</li> </ul> <ul style="list-style-type: none"> <li>• Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>
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Going Concern Basis of Accounting	
Refer to Note 2 Going Concern to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to judgement required, in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern.</p> <p>The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the annual Financial Report. Their assessment of going concern was based on cash flow projections which have had regard to recent events and conditions that arose during and subsequent to year end. These events and conditions have improved the Group's liquidity and available cash flow for working capital purposes as outlined in Note 2.</p> <p>The cash flow projections incorporated a number of assumptions, and the Directors have concluded that the range of possible outcomes does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.</p> <p>We critically assessed the levels of uncertainty, as it related to the Group's ability to continue as a going concern, within these assumptions, focusing on the following:</p> <ul style="list-style-type: none"> <li>• The Group's significant cash inflow assumptions, particularly the impact of forecast realised nickel pricing and associated margins in light of recent economic and market conditions;</li> <li>• The Group's planned level of financing and capital expenditures, and the ability of the Group to manage cash outflows within available funding, particularly in light of recent loss making operations;</li> <li>• The Group's ability to meet financing commitments and covenants in accordance with their contractual obligations. This included nature of planned methods to</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We analysed the cash flow projections by:                             <ul style="list-style-type: none"> <li>– Evaluating the underlying data used to generate the projections. We specifically considered their consistency, including forecast realised nickel pricing and associated margins with those used by management and tested by us as set out in the impairment of cash generating units key audit matter;</li> <li>– Analysing the impact of reasonably possible changes in projected cash flows and their timing, to the projected periodic cash positions. Assessing the resultant impact to the ability of the Group to pay debts as and when they fall due and continue as a going concern. The specific areas we focused on were informed from our test results of the accuracy of previous Group cash flow projections and sensitivity analysis on key cash flow projection assumptions;</li> <li>– Assessing the Group's significant cash inflow assumptions and judgements for feasibility and timing. We used our knowledge of the client, its industry, publicly available economic data representing current and expected future market conditions, to assess the level of associated uncertainty;</li> <li>– Assessing the planned levels of financing and capital expenditures for consistency against underlying agreements and approved budgets; and</li> <li>– Reading minutes of Directors meetings and correspondence with financiers and advisors, to inform our evaluation of assumptions incorporated into the cash flow projections. We used our knowledge to assess the feasibility and progress of alternative financing options.</li> </ul> </li> <li>• Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the</li> </ul>

<p>achieve this, feasibility and progress of those plans; and</p> <ul style="list-style-type: none"> <li>The Group’s ability to obtain alternative financing options and the projected timing thereof. This included the source of funds, expected timing, feasibility and progress of securing those funds.</li> </ul> <p>In assessing this key audit matter, we involved senior audit team members who understand the Group’s business, industry and the economic environment it operates in.</p>	<p>matter, the events or conditions incorporated into the cash flow projection assessment, the Group’s plans to address those events or conditions, and accounting standard requirements.</p>
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**Other Information**

Other Information is financial and non-financial information in Nickel Industries Limited’s annual report which is provided in addition to the Financial Report and the Auditor’s Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance conclusions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf) This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Nickel Industries Limited for the year ended 31 December 2025, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 28 to 34 of the Directors' report for the year ended 31 December 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Adam Twemlow

*Partner*

Brisbane

23 February 2026

**NICKEL INDUSTRIES LIMITED  
and its controlled entities**

**ADDITIONAL ASX INFORMATION**

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.  
The information is current as at 31 January 2026.

**Distribution of Equity Securities**

ORDINARY SHARES		
Range	Number of Holders	Number of Shares
1 to 1,000	2,963	1,961,362
1,001 to 5,000	4,483	12,226,145
5,001 to 10,000	2,048	16,156,505
10,001 to 100,000	4,098	130,042,668
Above 100,001	562	4,180,549,198
	<b>14,154</b>	<b>4,340,935,878</b>

The number of shareholders holding less than a marketable parcel is 1,013.

**Twenty Largest Shareholders**

The names of the twenty largest holders of quoted shares are:

N°	SHAREHOLDER	Number of Shares	Total %
1	PT Danusa Tambang Nusantara	874,140,000	20.14
2	Decent Investment International Private Limited	686,100,423	15.81
3	Citicorp Nominees Pty Limited	544,278,222	12.54
4	HSBC Custody Nominees (Australia) Pty Limited	527,128,688	12.14
5	J P Morgan Nominees Australia Pty Limited	352,246,852	8.11
6	Shanghai Decent Investment (Group) Co., Ltd	164,930,374	3.80
7	BNP Paribas Noms Pty Ltd	116,238,659	2.69
8	Decent Resource Limited	110,284,667	2.54
9	Merrill Lynch Nominees (Australia) Pty Limited	104,637,942	2.41
10	Shanghai Wanlu Investment Co Ltd	99,203,423	2.29
11	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	45,800,587	1.06
12	Tatranji Pty Ltd <Jillieth Margaret S/F A/C>	45,525,956	1.05
13	HSBC Custody Nominees (Australia) Limited – A/C 2	39,930,080	0.92
14	WHSP Holdings Pty Limited	34,986,957	0.81
15	Altinova Nominees Pty Ltd	34,761,879	0.80
16	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	24,529,466	0.57
17	Valence Asia Holding Limited	22,253,318	0.51
18	Rosignol Pty Ltd <Nightingale Family A/C>	16,568,390	0.38
19	HSBC Custody Nominees (Australia) Limited – GSI EDA	15,705,839	0.36
20	Woodross Nominees Pty Ltd	15,085,855	0.35
<b>Total in Top 20</b>		<b>3,874,337,577</b>	<b>89.28</b>

**NICKEL INDUSTRIES LIMITED  
and its controlled entities**

**ADDITIONAL ASX INFORMATION**

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**Substantial Shareholders**

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

<b>Shareholder</b>	<b>Number of Shares</b>
Shanghai Decent Investment (Group) Co., Ltd	972,825,079
PT Danusa Nusantara and associates	857,000,000
L1 Capital Pty Ltd	393,531,221

**Class of Shares and Voting Rights**

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

**Tenement Schedule**

<b>Project</b>	<b>Tenement number</b>	<b>Interest %</b>
Hengjaya Project	540-3/SK.001/DESDM/VI/2011	80%
Siduarsi Project	Contract of Work No. 254.K/30/DJB/2018	51%

**NICKEL INDUSTRIES LIMITED  
and its controlled entities**

**CORPORATE DIRECTORY**

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**Directors:**

Norman Seckold  
Justin Werner  
Chris Shepherd  
James Crombie  
Emma Hall  
Muliady Sutio  
William Shangjaya  
Yuanyuan Xu  
Haijun Wang

**Company Secretary:**

Richard Edwards

**Principal Place of Business and Registered Office:**

Level 2, 66 Hunter Street  
SYDNEY NSW 2000  
Phone : 61-2 9300 3311  
Fax : 61-2 9221 6333  
Email : [info@nickelindustries.com](mailto:info@nickelindustries.com)  
Website : [www.nickelindustries.com](http://www.nickelindustries.com)

**Auditor:**

KPMG  
Level 11, Heritage Lanes  
80 Ann Street  
BRISBANE QLD 4000

**Share Registrar:**

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000  
Phone : 1300 787 272  
Overseas Callers : 61-3 9415 4000  
Fax : 61-3 9473 2500