

26 August 2026

ASX Limited
20 Bridge Street
Sydney NSW 2000

(44 pages)

HALF YEAR FINANCIAL REPORT

Highlights:

	6 Months to 30 June 2026 US\$m	6 Months to 30 June 2025 US\$m
• Nickel Industries Group Results:		
○ Sales revenue:	938.4	829.7
○ Gross profit:	164.3	114.8
○ Operating profit:	164.3	98.7
○ Profit after tax:	74.3	25.5
○ Adjusted EBITDA:	247.6	169.9
	30 June 2026 US\$m	31 December 2025 US\$m
• Nickel Industries Group Balance Sheet:		
○ Total assets:	4,073.8	4,264.4
○ Net assets:	2,528.5	2,458.5
• 62,019 tonnes of finished nickel metal produced in NPI and MHP		
• 8.1 million tonnes of saprolite and limonite ore mined at the Hengjaya Mine		
• Hengjaya Mine 2026 RKAB increased from 9.0 to 14.3 million wmt		
• Refinancing of bank loans		
• ENC producing first MHP and now nickel cathode		
• Monetisation of Sampala project via interest in CNE HPAL project		

Yours sincerely



Richard Edwards
Company Secretary

Appendix 4D

Half Year Report

Name of entity

NICKEL INDUSTRIES LIMITED

ABN or equivalent company
reference

44 127 510 589

Financial half year ended ('current period')

30 JUNE 2026

Results for announcement to the market

Revenues from ordinary activities	up	13.1%	to	US\$938.4 million
Profit from ordinary activities after tax attributable to members	up	365.8%	to	US\$52.5 million
Net profit for the period attributable to members	up	365.8%	to	US\$52.5 million
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	N/A		N/A	
Interim dividend	Nil¢		Nil¢	
Previous corresponding period	N/A		N/A	
Final dividend	N/A		N/A	
Interim dividend	Nil¢		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 reports.				
NTA backing	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	US\$0.565		US\$0.567	

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 30 June 2026.

This report is based on the consolidated financial statements for the half-year ended 30 June 2026 which have been reviewed by KPMG.

NICKEL INDUSTRIES LIMITED
and its controlled entities

A.B.N. 44 127 510 589

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
30 JUNE 2026

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NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

The Directors of Nickel Industries Limited (**Nickel Industries** or **the Company**) and its subsidiaries (**the Group**) submit their financial report for the half year ended 30 June 2026 and the Auditor's Review Report thereon.

All amounts are reported in US\$ unless otherwise stated.

DIRECTORS

The names of the Directors of the Company in office during the half year period and until the date of this report were:

Norman Seckold – Chairman and Executive Director since 12 September 2007

Justin Werner – Managing Director since 23 August 2012

Christopher Shepherd – Executive Director since 23 December 2022

James Crombie – Non-Executive Director since 23 May 2008

Emma Hall – Non-Executive Director since 11 June 2024

William Shangjaya – Non-Executive Director since 9 May 2023

Muliady Sutio – Non-Executive Director since 21 September 2023

Haijun Wang – Non-Executive Director since 1 November 2023

Yuanyuan Xu – Non-Executive Director since 26 April 2018

RESULTS

The profit of the Group for the half year after providing for income tax amounted to \$74,344,926 (2025 - \$25,503,730).

REVIEW OF OPERATIONS

During and following the half year ended 30 June 2026, significant milestones were achieved as follows:

Highlights:

- The Company's processing operations produced a combined 62,019 tonnes of nickel metal. 58,128 tonnes of this were nickel in nickel pig iron (**NPI**) and 3,891 tonnes of attributable nickel in mixed hydroxide precipitate (**MHP**). Adjusted EBITDA¹ for the half year period was \$146.7 million for the rotary-kiln electric furnace (**RKEF**) operations and the Company's combined attributable Adjusted EBITDA from high-pressure acid leach (**HPAL**) operations (its 10% interest in the Huayue Nickel Cobalt (**HNC**) HPAL and NIC's trading division) was \$35.2 million.
- 8,091,001 wet metric tonnes (**wmt**) of nickel ore were mined at the Hengjaya Mine (3,049,036 wmt of saprolite ore and 5,041,965 wmt of limonite ore) and 5,925,895 wmt of nickel ore were sold (3,124,756 wmt of saprolite ore and 2,801,139 wmt of limonite ore). Adjusted EBITDA from the Hengjaya Mine for the period was \$73.4 million.
- In March 2026 the Hengjaya Mine received its RKAB approval for 2026 nickel ore sales, which has been increased from 9.0 million wmt to 14.3 million wmt for the year ended 31 December 2026.
- In April 2026 the Company completed its final equity acquisition in the Excelsior Nickel Cobalt (**ENC**) project, acquiring a further 2% for \$46 million. This increased the Company's interest in the ENC project to 46%.
- In April 2026 the Company executed \$450 million syndicated loan facilities, refinancing its existing \$398 million of bank loans.

¹ 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, 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

DIRECTORS' REPORT

- In June 2026 the Company agreed to invest \$169 million for a 17.5% interest in the Teluk Metal Industry (TMI) HPAL project, with the acquisition payment due in November 2026.
- In June 2026 the Company entered into a binding Framework Agreement to acquire an indirect 36% interest in the Chengsheng New Energy (CNE) HPAL project, in return for a 18% interest in two of the Sampala Project IUPs.

Safety

The Company-wide 12-month lost time injury frequency rate (**LTIFR**) as at the end of June 2026 was NIL, with no lost time injuries (**LTI**) recorded during the half year period, against 9.6 million work hours registered. For the twelve months to 30 June 2026, there were 18.0 million work hours registered, with no LTIs occurring.

The Company-wide 12-month rolling total recordable injury frequency rate (**TRIFR**) as at the end of June 2026 was 0.45.

Sustainability

Fourth Green PROPER rating

The Company's Hengjaya Mine was awarded a fourth consecutive Green PROPER Award from the Ministry of Environment and Forestry, which indicates beyond compliance practices in terms of ESG implementation and reporting. The Hengjaya Mine remained one of only three nickel companies in Indonesia to achieve this distinction and the highest-rated nickel producer under the Ministry's 2025 environmental assessment.

Performance and Awards

Nickel Industries' commitment to creating positive social impact also received widespread recognition during the period. The Company and Hengjaya Mine were honoured at the TOP CSR Awards 2026 for excellence in community development and responsible business practices, recognising initiatives that deliver measurable benefits for local communities. The Company also continued its university scholarship program for students in neighbouring towns in Sulawesi, a key community development initiative. In addition, the Company received multiple accolades at the HR Asia Awards 2026 and Employee Experience Awards 2026, highlighting its commitment to fostering an inclusive, engaging and high-performing workplace. Together, these achievements reflect Nickel Industries' continued commitment to leading responsibly while creating sustainable value for its people, communities, environment and stakeholders.

Sustainability Report

The Company published its 2025 Sustainability Report, incorporating its first AASB S2 Climate-related Disclosure with independent external assurance, further strengthening transparency and accountability. Environmental leadership was reinforced through the official inauguration of the 197-hectare Biodiversity Conservation Area within the Hengjaya Mine concession, providing a long-term centre for biodiversity conservation, environmental education, research and community engagement. Subsequent to the end of the half year period, the Company entered into a Joint Study Agreement to explore for natural hydrogen in Sulawesi, a potentially low-cost, clean energy source that can enhance energy security and support the transition to a lower-carbon future.



Hengjaya Mine seedling watering

NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

RKEF OPERATIONS

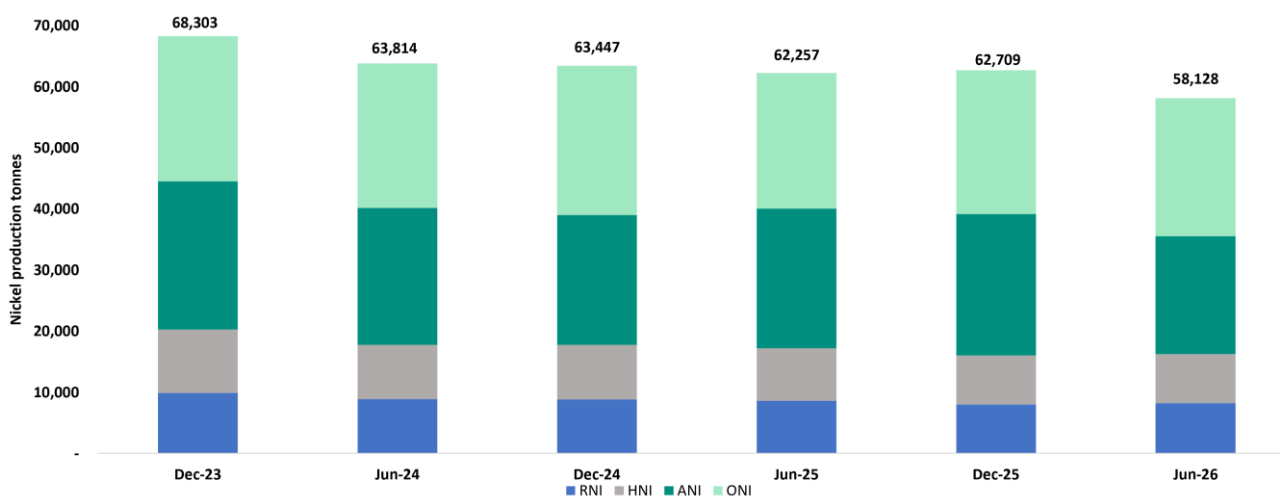
(80% indirect interest held by Nickel Industries)

During the half year, the Company's RKEF operations delivered production of 519,840 tonnes of NPI with 58,128 tonnes of nickel metal. Production levels were impacted by planned maintenance, including kiln lining maintenance at ANI. Adjusted EBITDA from RKEF operations was \$146.7 million for the half year period ended 30 June 2026 (30 June 2025: \$78.3 million). The increase in Adjusted EBITDA was driven by a 21% increase in the weighted average sales contract price.

Production	Units	2025	2026
NPI production	tonnes	522,601	519,840
Nickel grade	%	11.9	11.2
Total nickel production	tonnes	62,257	58,128
Cash costs	\$/t Ni	10,117	11,480

Sales	Units	2025	2026
Wtd. Avg contract price	\$/t Ni	11,350	13,784
Sales	tonnes	62,641	58,154
Revenue	\$m	708.8	804.5
Adjusted EBITDA	\$m	78.3	146.7
Adjusted EBITDA/t	\$/t Ni	1,251	2,523

RKEF production



NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

HPAL OPERATIONS

HNC & ENC (10% and 46% indirect interests held by Nickel Industries); TMI & CNE (17.5% and 36% to be acquired)

During the half year, HNC sold 38,557 tonnes of nickel in MHP. Attributable HNC Adjusted EBITDA (10%) was \$28.3 million, with a further \$6.7 million of Adjusted EBITDA generated by the Company's trading division on MHP sales to end customers, taking total Adjusted EBITDA to \$35.2 million. Adjusted EBITDA of \$9,113/t Ni (including the trading division) was 52% higher than the half year ended 30 June 2025, driven by a higher MHP sales price. Additionally, HNC repaid the project finance facility and made its maiden distribution to Nickel Industries of \$3.5m in the form of a shareholder loan interest payment.

During the period, ENC commenced integrated commissioning at the feed preparation plant, along with the smelter and refinery, with the first MHP produced in July and the first nickel cathodes produced in mid-August. Washed ore from Hengjaya Mine was transferred from the mine to the smelter by pipeline in June as planned.

The integrated sulphuric acid plant supplied the first acid and steam in early July, after which the first of three autoclaves began feeding Hengjaya ore at the smelter. The concentration circuits are all working as expected, with first crystallised MHP made from Hengjaya Mine's own ore filtered in July.

Feed commenced late in the half year period at the sulphate and cathode refinery. Commissioning of end-to-end nickel cathode production is now well underway, with solution having travelled through most of the solvent extraction circuits. The first production of nickel cathode production took place in early August 2026.

Following first cathode production, the registration process for ENC's nickel cathodes on the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE) can commence, ultimately maximising product liquidity and production flexibility.

On 24 June 2026, the Company entered into binding agreements for two HPAL investments, each to be developed at the ENC HPAL complex, with construction underway as can be seen in the photo below: a 36% interest in the CNE HPAL project (nameplate capacity of approximately 28,357 tonnes of nickel in MHP per annum) via a share swap of an 18% interest in the Sampala Project with no cash consideration payable; and a 17.5% interest in the TMI HPAL project (nameplate capacity of approximately 38,640 tonnes of nickel in MHP per annum) for \$169 million alongside a consortium of major Korean and Japanese industrial groups, with a construction guarantee capping the total acquisition cost (ASX Announcement - 24 June 2026). The Sampala Project has been designated as the exclusive ore supplier to both projects, with HPAL commissioning expected to commence in mid-2027 (ASX Announcement - 24 June 2026).



ENC HPAL Smelter

NICKEL INDUSTRIES LIMITED
and its controlled entities

DIRECTORS' REPORT

MINING OPERATIONS

Hengjaya Mine (80% interest held by Nickel Industries)

During the half year, production at the Hengjaya Mine fell 30% compared to the comparative period, with mining operations impacted by a suspension for 14 days. However, sales of nickel ore increased slightly and are expected to materially increase in the second half of the year, with operations being ramped up as a result of the mine having secured an RKAB licence for 2026 of 14.3 million wmt in late March 2026, an increase of approximately 40% from 2025.

The average realised sale price increased 27.7% to \$31.3/wmt compared to the prior half year period, driven primarily by the Indonesian Government's changes to the nickel ore Benchmark Price (HPM) that took effect in April 2026, with saprolite sale prices increasing 55.4% to \$40.4/wmt. As Indonesian government royalties on ore sales are levied by reference to the HPM, the benefit of these higher sale prices was partially offset by higher royalty payments, the primary driver of the 49.6% increase in unit operating costs to \$18.7/wmt. Adjusted EBITDA increased 4.4% to \$73.4 million for a record half year result and Adjusted EBITDA/wmt increased 5% to \$12.4/wmt.

Production	Units	2025	2026
Saprolite production	wmt	2,334,738	3,049,036
Limonite production	wmt	9,237,715	5,041,965
Total production	wmt	11,572,453	8,091,001
Overburden	BCM	1,304,621	1,657,034
Strip ratio	BCM/wmt	0.11	0.20

Sales	Units	2025	2026
Saprolite sales	wmt	2,751,591	3,124,756
Limonite sales	wmt	3,111,053	2,801,139
Total sales	wmt	5,862,644	5,925,895
Saprolite grade	%	1.44	1.48
Limonite grade	%	1.13	1.12
Saprolite sale price	\$/wmt	26.0	40.4
Limonite sale price	\$/wmt	23.1	21.2
Average sale price	\$/wmt	24.5	31.3
Unit operating costs	\$/wmt	12.5	18.7
Adjusted EBITDA	\$m	70.3	73.4
Adjusted EBITDA/wmt	\$/wmt	12.0	12.4
EBITDA margin	%	49%	40%



Hengjaya Mine revegetation

NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

Sampala Project (Nickel Industries has a right to acquire a 60% interest; 42% post-CNE swap)

On 25 May 2026, the Company announced an updated JORC Resource for the Sampala Project of 1,095 million wmt at 1.24% Ni and 0.09% Co, containing 8 million tonnes of nickel metal. An advance payment of \$28.5 million was made and the final acquisition payment of \$144 million for a 60% interest in the PT Abadi Nikel Nusantara (ANN) mining concession is due in April 2027 (ASX Announcement - 25 May 2026). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in that announcement continue to apply and have not materially changed. The acquisition of the Sampala Project remains subject to certain conditions precedent, including Government approval.

In June 2026, the Company entered into a binding Framework Agreement pursuant to which it will exchange an 18% interest in the Sampala Project's ANN and PT Erabaru Timur Lestari (ETL) IUPs for an indirect 36% interest in the PT Chengsheng New Energy (CNE) HPAL project (nameplate capacity of approximately 28,357 tonnes of nickel in MHP per annum), with no cash consideration payable. The share swap represents a valuation for the Sampala Project in excess of \$1.3 billion, with the Sampala Project designated as the exclusive ore supplier to CNE and TMI via slurry pipeline (ASX Announcement - 24 June 2026).

The Sampala Project continued to advance during the half year period. The Feasibility Study for the ANN and ETL IUPs are currently being evaluated by the Indonesian Government. Key environmental, forestry and mining approvals continued to progress through the relevant authorities, supporting the next phase of the Sampala Project's development.

Construction of three bridges under the community development program continued during the quarter, reaching 63% completion. While primarily intended to improve community access, the bridges will also support logistics and the mobilisation of heavy equipment for the Sampala Project.

During the half year period, drilling crews completed 826 drill holes for a total of 28,942 metres. Drilling focused on achieving 50-metre spacing across the ANN area to support detailed mine planning. In parallel, geotechnical drilling continued in support of engineering design and permitting requirements.



Sampala Mine construction activities

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

The Feasibility Study has been submitted to the Indonesian Government and is currently under review. The Siduarsi team completed repairs of 8 km of the haul road and construction of the bridge, securing year-round access for personnel, heavy equipment and logistics ahead of future exploration and potential development activities.

NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

CORPORATE

Bank loan refinancing

In April 2026 the Company executed \$450 million syndicated loan facilities to repay the Company's existing \$398 million of bank loans. The refinancing provides the Company with a lower cost of capital and an increased maximum leverage covenant, maintaining flexibility to operate in a cyclical industry.

ENC strategic partnership

In December 2025, Sphere Corp. (**Sphere**) invested into the ENC Project as a strategic partner. 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. At 31 December 2025, the Company had recorded a receivable from Sphere in relation to its 10% interest in ENC, amounting to \$239 million. In January 2026 Sphere settled this amount fully. Concurrently, the Company settled a payable to Shanghai Decent for \$240 million.

To complete its investment in ENC, in January 2026 Sphere entered into a \$210 million senior secured amortising term loan from external lenders. To facilitate this financing, the Company 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.

During the half year period the Company reached agreement with its largest shareholder, Shanghai Decent, to revise the ENC acquisition schedule. Under the revised arrangement, Nickel Industries acquired a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project. Nickel Industries made a final payment of \$46 million for the additional 2% interest in ENC. This replaced and fully supersedes the previously expected payments of totalling \$253 million (being two \$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.

TMI HPAL investment

In June 2026 the Company agreed to invest \$169 million for a 17.5% interest in TMI HPAL project, with the acquisition payment due on 26 November 2026. TMI is being developed as an expansion to ENC on the same site within the Indonesia Morowali Industrial Park (**IMIP**), producing MHP for the EV battery supply chain. Nickel Industries' 17.5% interest sits alongside a 72.5% interest held by a Korean-Japanese consortium (comprising LS MnM, Hanwa and an undisclosed strategic investor), and a 10% interest by a Singapore-based investment company, Sumber International Investment (**Sumber**).

The Company will be the beneficiary of a comprehensive construction guarantee whereby Nickel Industries' total acquisition cost will not exceed \$169 million and the delivery of nameplate capacity will occur by September 2027 (**Construction Guarantee**) – providing Nickel Industries with cost, timeline and production certainty. A slurry pipeline and a tailings pipeline between the Sampala Project and TMI will be funded under the Construction Guarantee, replicating the integrated configuration already in place between Hengjaya Mine and ENC. TMI is under construction, with commissioning expected to commence in mid-2027.

Subsequent to the end of the half year period, the Company has executed an unsecured loan facility agreement for \$169 million with one of Tsingshan's partners, to fund (if required) the Company's acquisition of a 17.5% interest in TMI.

TMI's annual nameplate production capacity of 38,640 Ni provides attributable production to Nickel Industries of approximately 6,775 Ni tonnes per annum in MHP.

NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

CNE HPAL investment and Sampala Project monetisation

In June 2026 the Company entered a binding Framework Agreement with its local Indonesian partner, led by Mr. Adi Wijoyo (**Local Partner**), and Indonesian investor PT Jaya Agung Investasi (**JAYA**) for a long-term strategic cooperation in nickel ore mining and HPAL processing.

The CNE HPAL project is currently being developed as an expansion to the Company's ENC HPAL project within the IMIP. CNE has a designed annual nameplate production of 28,357 nickel tonnes in MHP. JAYA has rights to acquire 85.7% of the equity in CNE and pursuant to the Framework Agreement, these rights will be transferred to Nickel Industries and Local Partner, in return for a 30% interest in two of the Sampala Project IUPs, being ANN and ETL (together, the **Mine Companies**) (the **Transaction**).

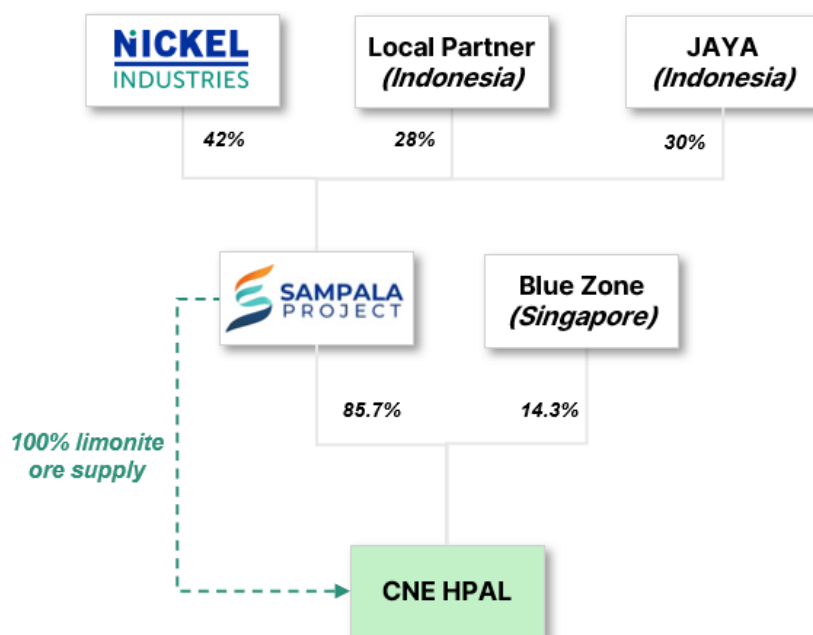
JAYA has rights to acquire 85.7% of the equity in CNE and through the Framework Agreement, these rights will be acquired by Nickel Industries and Local Partner, in return for a 30% interest in two of the Sampala Project IUPs, being PT Abadi Nikel Nusantara (ANN) and PT Erabaru Timur Lestari (ETL, together the **Mine Companies**) (the **Transaction**).

The values for effecting the Transaction have been negotiated and agreed as follows:

- the Mine Companies, \$1.342 billion (on a pre-money basis); and
- CNE, \$671 million (on a pre-money basis).

As the Transaction is a share-for-share transaction, Nickel Industries will not be required to contribute any cash consideration for the investment in CNE.

The post-completion Transaction structure is summarised in the figure below.



Nickel Industries equity interests	Mine Companies	CNE HPAL
Pre Transaction	60%	-
Post Transaction	42%	36%

NICKEL INDUSTRIES LIMITED and its controlled entities

DIRECTORS' REPORT

Nickel Industries has entered into binding acquisition agreements with the Local Partner to acquire a 60% equity interest in the Mine Companies for a combined \$149 million (refer 25 May 2026 ASX release [Sampala Resource](#)). These agreements remain in force.

As shown in the structure diagram and table above, the Company is effectively monetising an 18% equity interest in ANN and ETL (at an implied acquisition cost of \$44.7 million) in return for an effective 36% equity interest in CNE (at an implied value of \$241.6 million) – a significant valuation uplift and validation of the economic value of the Sampala Project assets, ANN and ETL. Post the Transaction, Nickel Industries will remain the largest shareholder and operator of the Mine Companies (42%), along with JAYA (30%) and the Local Partner (28%).

CNE is under construction, with commissioning expected to commence in mid-2027. The Mine Companies (and therefore Nickel Industries) will not be required to contribute any cash for the construction of CNE, which will remain the responsibility of JAYA (along with CNE's working capital, which shall be provided via external financing or JAYA shareholder loans) – once again, this provides Nickel Industries with cost, timeline and production certainty.

Strategically, Nickel Industries' Sampala Project has been identified as the exclusive ore supplier to CNE (as well as TMI), aligning the Company as both an equity investor and the upstream supplier to the CNE HPAL project. The world-class scale and grade of the [Sampala Resource](#) will ensure TMI and CNE has secured ore supply for decades to come. A slurry pipeline and tailings pipeline between the Sampala Project and CNE will be constructed, replicating the integrated configuration already in place between Hengjaya Mine and ENC.

Conditions precedent for the Transaction

JAYA is an entity associated with Mr William Shangjaya, a Director of Nickel Industries. JAYA is therefore a related party of the Company and has a material personal interest in the proposed Transaction and therefore an Extraordinary General Meeting (EGM) will be held to seek shareholder approval for the proposed Transaction for the purposes of ASX Listing Rule 10.1.

The proposed Transaction also remains conditional on the execution of definitive transaction agreements, customary regulatory approvals and confirmatory due diligence.

Further details regarding the proposed Transaction will be contained in an Explanatory Memorandum, which will contain an Independent Expert Report opining on the Transaction.

SUBSEQUENT EVENTS

In July 2026, the Company announced the maiden production of MHP at the ENC project, followed by the first production of nickel cathode in early August 2026.

In August 2026, the Company signed an unsecured loan facility agreement for \$169 million with one of Tsingshan's partners to fund (if required) the Company's acquisition of a 17.5% interest in TMI.

Other than the matters detailed above, there has not arisen in the interval between the end of the half 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

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 13 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors' Report for the half-year ended 30 June 2026.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'Norman Seckold'.

Norman Seckold
Chairman

A handwritten signature in black ink, appearing to be 'Justin Werner'.

Justin Werner
Managing Director

Sydney, 26 August 2026



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 review of Nickel Industries Limited for the half-year ended 30 June 2026 there have been:

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

A handwritten signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature of Adam Twemlow, written in blue ink.

Adam Twemlow

Partner

Brisbane

26 August 2026

NICKEL INDUSTRIES LIMITED
and its controlled entities

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2026**

US\$	Notes	6 months to 30 June 2026 \$	6 months to 30 June 2025 \$
Sales revenue		938,382,871	829,703,011
Cost of sales		(702,696,014)	(657,432,690)
Depreciation and amortisation expense	9,12	(71,357,368)	(57,433,920)
Gross profit		164,329,489	114,836,401
Consultants' and administrative expenses		(7,093,626)	(10,929,824)
Directors' fees		(1,725,663)	(1,333,298)
Exploration and evaluation expenditure		-	(348,415)
Share of profit of equity accounted investee	12	20,128,225	8,235,209
Share based payments	15	(854,865)	(630,056)
Other expenses	4	(10,530,376)	(11,120,160)
Results from operating activities		164,253,184	98,709,857
Financial income	5	6,630,231	3,077,360
Financial expense	5	(71,236,726)	(51,839,235)
Net financial expense		(64,606,495)	(48,761,875)
Profit before income tax		99,646,689	49,947,982
Income tax expense		(25,301,763)	(24,444,252)
Profit for the period		74,344,926	25,503,730
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		1,782	(34,138)
Total comprehensive income for the period		74,346,708	25,469,592
Profit attributable to:			
Owners of the Company		52,476,206	11,265,807
Non-controlling interest		21,868,720	14,237,923
Profit for the period		74,344,926	25,503,730
Total comprehensive income attributable to:			
Owners of the Company		52,477,632	11,266,077
Non-controlling interest		21,869,076	14,203,515
Total comprehensive income for the period		74,346,708	25,469,592
Earnings per share			
Basic and diluted profit per share (cents)	7	1.21	0.26

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

NICKEL INDUSTRIES LIMITED
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	30 June 2026	31 December 2025
US\$		\$	\$
Current assets			
Cash and cash equivalents		260,050,595	323,327,295
Cash reserve		8,304,411	33,435,076
Trade and other receivables	6	293,412,629	309,818,888
Inventory	8	266,240,206	224,221,385
Other current assets		79,099,635	25,753,396
Receivable for a 10% interest in ENC Project	12	-	239,000,000
Total current assets		<u>907,107,476</u>	<u>1,155,556,040</u>
Non-current assets			
Other non-current asset		79,954,762	51,327,766
Trade and other receivables	6	52,217,663	39,142,419
Inventory	8	77,798,813	90,581,818
Property, plant and equipment	9	1,423,336,028	1,484,079,002
Exploration and evaluation assets		103,213,165	77,365,914
Investments in equity accounted investees	12	1,314,763,739	1,248,635,514
Intangible assets	12	68,046,651	70,386,364
Goodwill	10	47,343,509	47,343,509
Total non-current assets		<u>3,166,674,330</u>	<u>3,108,862,306</u>
Total assets		<u>4,073,781,806</u>	<u>4,264,418,346</u>
Current liabilities			
Trade and other payables	11	188,569,722	241,129,464
Current tax payable		19,967,921	16,453,985
Provision		4,025,980	3,743,580
Borrowings	13	84,520,500	123,849,223
Financial instruments	12	5,000,000	-
Payable for a 10% interest in ENC Project	12	-	240,000,000
Total current liabilities		<u>302,084,123</u>	<u>625,176,252</u>
Non-current liabilities			
Provision – rehabilitation		3,320,064	3,548,868
Deferred income tax liability		64,269,060	64,212,593
Other non-current liability		11,746,642	10,709,697
Borrowings	13	1,163,851,454	1,102,263,793
Total non-current liabilities		<u>1,243,187,220</u>	<u>1,180,734,951</u>
Total liabilities		<u>1,545,271,343</u>	<u>1,805,911,203</u>
Net assets		<u>2,528,510,463</u>	<u>2,458,507,143</u>
Equity			
Share capital	14	2,059,790,138	2,059,371,236
Reserves		20,189,305	19,751,916
Retained profits		16,415,841	(36,060,365)
Total equity attributable to equity holders of the Company		<u>2,096,395,284</u>	<u>2,043,062,787</u>
Non-controlling interest		432,115,179	415,444,356
Total equity		<u>2,528,510,463</u>	<u>2,458,507,143</u>

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

NICKEL INDUSTRIES LIMITED
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2026

US\$	Notes	Share capital \$	Retained profits \$	Reserves \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2025		2,035,227,454	61,739,540	19,050,346	2,116,017,340	432,212,366	2,548,229,706
Total comprehensive income for the period							
Profit for the period		-	11,265,807	-	11,265,807	14,237,923	25,503,730
Other comprehensive income/(loss)		-	-	270	270	(34,408)	(34,138)
Total comprehensive income for the period		-	11,265,807	270	11,266,077	14,203,515	25,469,592
Transactions with owners, recorded directly in equity							
Issue of shares	14	23,724,880	-	-	23,724,880	-	23,724,880
Share based payments	15	-	-	630,056	630,056	-	630,056
Dividends		-	(40,738,509)	-	(40,738,509)	-	(40,738,509)
Distributions to non-controlling interest		-	-	-	-	(24,837,377)	(24,837,377)
Balance at 30 June 2025		2,058,952,334	32,266,838	19,680,672	2,110,899,844	421,578,504	2,532,478,348
Balance at 1 January 2026		2,059,371,236	(36,060,365)	19,751,916	2,043,062,787	415,444,356	2,458,507,143
Total comprehensive income for the period							
Profit for the period		-	52,476,206	-	52,476,206	21,868,720	74,344,926
Other comprehensive income		-	-	1,426	1,426	356	1,782
Total comprehensive income for the period		-	52,476,206	1,426	52,477,632	21,869,076	74,346,708
Transactions with owners, recorded directly in equity							
Share based payments	15	-	-	854,865	854,865	-	854,865
Fair value of share rights vested	15	418,902	-	(418,902)	-	-	-
Distributions to non-controlling interest		-	-	-	-	(5,198,253)	(5,198,253)
Balance at 30 June 2026		2,059,790,138	16,415,841	20,189,305	2,096,395,284	432,115,179	2,528,510,463

The above condensed consolidated interim statement of changes in equity is to be read in conjunction with the accompanying notes.

NICKEL INDUSTRIES LIMITED
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2026

US\$	Notes	30 June 2026 \$	30 June 2025 \$
Cash flows from operating activities			
Cash receipts from customers		990,413,414	846,244,728
Cash payments in the course of operations		(899,530,348)	(789,914,189)
Interest received		6,220,153	1,138,090
Taxes and fees refund/(paid)		(18,239,645)	3,099,072
Payments for exploration and evaluation		(107,696)	(443,485)
Net cash from operating activities		78,755,878	60,124,216
Cash flows from investing activities			
Payments for exploration and evaluation assets		(26,042,851)	(9,547,011)
Payments for property, plant and equipment		(1,959,530)	(12,007,017)
Payments for construction in progress		(10,092,095)	(1,226,087)
Advancement of loan monies		-	(3,000,000)
Payments for deposits		(28,500,000)	-
Payments for investments	12	(46,000,000)	-
Net cash used in investing activities		(112,594,476)	(25,780,115)
Cash flows from financing activities			
Payment from Sphere put option fee		5,000,000	-
Dividend distributions ¹	14	-	(17,013,629)
Proceeds from borrowings, net of transaction costs	13	445,100,963	-
Payments from/(to) cash reserve account		25,130,665	(21,761,358)
Payment return from letter of credit		4,351,742	-
Repayment of borrowings	13	(422,912,500)	(22,050,000)
Working capital loan to ENC Project		(24,202,445)	-
Payment of interest charges	13	(51,137,188)	(45,192,593)
Distributions to non-controlling interest		(5,198,253)	(24,837,377)
Net cash used in financing activities		(23,867,016)	(130,854,957)
Net decrease in cash and cash equivalents		(57,705,614)	(96,510,856)
Effect of exchange rate adjustments on cash held		(5,571,086)	(2,353,738)
Cash and cash equivalents at the beginning of the period		323,327,295	210,953,629
Cash and cash equivalents at the end of the period		260,050,595	112,089,035

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

¹ The issuance of ordinary shares in the comparative period disclosed in Note 14 included non-cash transactions of \$23,724,880 relating to the Company's Dividend Reinvestment Plan.

NICKEL INDUSTRIES LIMITED
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 1 - REPORTING ENTITY

Nickel Industries Limited (the **Company**) is a company domiciled in Australia. The condensed consolidated interim financial report for the half year ended 30 June 2026 comprises the Company and its subsidiaries (together, referred to as the **Group**). The Group is a for-profit entity and is involved in nickel mining and production operations.

The consolidated annual financial report of the Group as at and for the period ended 31 December 2025 is available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.nickelindustries.com.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*.

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

The financial report was authorised for issue by the Directors on 26 August 2026.

Basis of measurement

The 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 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. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the going concern assumption as outlined on page 19 and the judgment in relation to the value of the Sphere put option fee:

As part of Sphere Corp (**Sphere**) financing of a 10% interest in the ENC project for \$240 million, the Company granted the lenders a put option. The fair value of put and call option financial instruments are determined using a Monte Carlo Simulation valuation, with reference to the transaction price paid for the instruments at transaction date. These financial instruments are recognised at fair value through profit and loss (**FVTPL**) and are subsequently remeasured at each reporting date.

NICKEL INDUSTRIES LIMITED
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 2 - BASIS OF PREPARATION (cont.)

In forming views on these significant areas of estimation uncertainty, management have also had regard to the broader macroeconomic environment. Whilst nickel prices strengthened across the half year period, costs have also been impacted by the war in the Middle East, in particular increased costs of sulphur. Management has had regard to these factors when assessing the short-term to medium-term outlook for nickel pricing and costs, and the impacts this may have on financial performance of the Group as a result.

Basis of Preparation - Going Concern

This interim financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business at amounts stated in the interim financial report.

As at 30 June 2026, the Group had cash and cash equivalents of \$260,050,595 (31 December 2025: \$323,327,295), a net current asset surplus of \$605,023,352 (31 December 2025: \$530,379,788) and recorded a profit of \$74,344,926 (interim period ended 30 June 2025: \$25,503,730) for the half year period. The Group has net cash operating inflows for the half year period of \$78,755,878 (interim period ended 30 June 2025: \$60,124,216).

In April 2026 the Company executed new \$450 million syndicated loan facilities (the **Facilities**), comprising a \$350 million term loan facility and a \$100 million revolving loan facility, both of which are unsecured (refer note 13). The Company used the proceeds from the Facilities to refinance \$398 million of existing bank loans, which lowered the Company's borrowing rate, extended the maturity of its bank debt obligations, and included less onerous financial ratio covenants.

Additionally, subsequent to year end, the Company entered into an unsecured loan facility of \$169 million with a partner of Tsingshan. The facility has been established to provide funding, if required, for the Company's acquisition of a 17.5% interest in the project as announced in June 2026.

During the period ended 30 June 2026, nickel prices strengthened, supporting an improvement in the Group's operating margins. Management has considered these favourable market conditions in assessing the Group's short to medium-term outlook and the expected impact on the Group's future financial performance.

Management have prepared detailed cash flow forecasts for the period 1 July 2026 to 30 September 2027, which support the ability of the Group to continue as a going concern. These forecasts incorporate key assumptions regarding the successful commissioning of the ENC project, including the receipt of the required sales licence, commencement of commercial sales, and generation of positive operational cash flows consistent with forecasts.

As at the date of signing this interim financial report, the Directors have reasonable grounds to believe that the going concern basis of preparation remains appropriate for the financial statements.

NICKEL INDUSTRIES LIMITED
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

NOTE 3 - MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are materially the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the comparative interim period, except for the changes outlined 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 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. The Company has assessed the implications of the Pillar Two global minimum tax rules under IAS12 and recognised an estimated tax expense of \$1,538,109 and corresponding liability in relation to earnings in the jurisdiction of Hong Kong for the six-month period ended 30 June 2026 which are subject to the Hong Kong minimum top-up tax (2025: \$1,205,733). 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 results in an effective tax rate which is below 15 percent.

As of 30 June 2026, 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 is liable for the top-up tax in relation to its operations instead of the Company.

6 months to 30 June 2026 \$	6 months to 30 June 2025 \$
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NOTE 4 - OTHER EXPENSES

Audit fees – KPMG audit and review of financial reports	223,912	462,714
Travel	282,933	158,580
Legal fees	1,304,844	751,127
Withholding tax expenses	3,688,657	3,117,439
Other	5,030,030	6,630,300
	10,530,376	11,120,160

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

	6 months to 30 June 2026	6 months to 30 June 2025
Financial income	6,630,231	3,077,360
Interest expense*	(54,335,444)	(48,416,459)
Foreign exchange loss	(16,901,282)	(3,422,776)
	(64,606,495)	(48,761,875)

* Includes amortisation of bond issue costs and bank loan facility costs of \$3,196,180 which are being expensed under the effective interest rate method. Refer to Note 13 for further details.

	30 June 2026 \$	31 December 2025 \$
<i>Current</i>		
Sales taxes receivable *	111,141,770	127,333,031
Trade receivables^	182,270,859	182,485,857
	293,412,629	309,818,888
<i>Non-current</i>		
Sales taxes receivable *	52,217,663	39,142,419
	52,217,663	39,142,419

* The four RKEF entities have the following sales tax receivable (VAT) amounts outstanding at 30 June 2026: PT Hengjaya Nickel Industry \$19.7 million, PT Ranger Nickel Industry \$12.1 million, PT Angel Nickel Industry \$40.3 million and PT Oracle Nickel Industry \$91.1 million. PT Hengjaya Nickel Industry, PT Ranger Nickel Industry and now PT Angel 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 for the 2024 year (\$23.9 million). PT Oracle Nickel Industry has not yet commenced receiving VAT refunds.

^ Trade receivables are in the ordinary course of business and at 30 June 2026 are comprised as follows: PT Hengjaya Mineralindo \$18.0 million (excludes saprolite ore receivables which are eliminated on consolidation), PT Hengjaya Nickel Industry \$18.7 million, PT Ranger Nickel Industry \$19.2 million, PT Angel Nickel Industry \$51.5 million, PT Oracle Nickel Industry \$73.5 million and Tsing Creation \$1.3 million.

NICKEL INDUSTRIES LIMITED
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

	6 months to 30 June 2026 \$	6 months to 30 June 2025 \$
NOTE 7 - PROFIT PER SHARE		
Basic and diluted profit per share have been calculated using:		
Net profit for the period attributable to equity holders of the Company	52,476,206	11,265,807
	N° of Shares	N° of Shares
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at the beginning of the period	4,340,935,875	4,289,809,880
Effect of shares issued on 21 March 2025	-	28,524,737
Effect of shares issued on 24 February 2026	701,657	-
Weighted average number of shares at the end of the period	4,341,637,532	4,318,334,617
	N° of Securities	N° of Securities
Weighted average number of securities (diluted)		
Issued securities at the beginning of the period	4,350,151,131	4,289,809,880
Effect of shares issued on 21 March 2025	-	28,524,737
Effect of performance and share rights issued on 30 June 2025	-	56,438
Effect of conversion of share rights on 24 February 2026	-	-
Effect of cancellation of performance rights issued on 31 March 2026	(198,943)	-
Effect of performance rights issued on 30 June 2026	25,328	-
Weighted average number of securities (diluted) at the end of the period	4,349,977,516	4,318,391,055
	30 June 2026 \$	31 December 2025 \$
NOTE 8 - INVENTORY		
Current		
Inventory – Hengjaya Mine nickel ore stockpiles	50,332,629	19,163,156
Inventory – nickel pig iron production raw materials	211,066,625	201,308,988
Inventory – nickel pig iron	4,840,952	3,749,241
	266,240,206	224,221,385
Non-current		
Inventory – Hengjaya Mine nickel ore stockpiles*	77,798,813	90,581,818
	77,798,813	90,581,818

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

During the six-month period ended 30 June 2026, 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.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

NOTE 8 – INVENTORY (cont.)

Nickel pig iron production raw materials includes 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 carried at the lower of cost or net realisable value.

	30 June 2026	31 December 2025
NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
Furniture and fittings	85,977	76,587
Mine infrastructure assets	30,140,358	31,151,198
Buildings	296,666,339	304,272,637
Mining properties	25,420,742	26,349,933
Office equipment	867,384	940,388
Plant and machinery	1,051,841,521	1,108,780,095
Motor vehicles	331,615	397,785
Construction in progress*	17,982,092	12,110,379
	<u>1,423,336,028</u>	<u>1,484,079,002</u>

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

	6 months to 30 June 2026	12 months to 31 December 2025
Furniture and fittings		
Carrying amount at beginning of year	76,587	110,690
Additions	24,503	39,627
Depreciation	(15,113)	(73,730)
Net book value	<u>85,977</u>	<u>76,587</u>
Mine infrastructure assets		
Carrying amount at beginning of year	31,151,198	29,438,875
Additions	-	3,722,777
Depreciation	(1,010,840)	(2,010,454)
Net book value	<u>30,140,358</u>	<u>31,151,198</u>
Buildings and land		
Carrying amount at beginning of year	304,272,637	319,059,462
Additions	1,614,958	3,426,417
Depreciation	(9,221,256)	(18,213,242)
Net book value	<u>296,666,339</u>	<u>304,272,637</u>

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont.)	6 months to 30 June 2026	12 months to 31 December 2025
Mining properties		
Carrying amount at beginning of year	26,349,933	23,554,134
Additions	-	6,034,397
Disposal	(277,164)	(1,685,308)
Depreciation	(652,027)	(1,553,290)
Net book value	<u>25,420,742</u>	<u>26,349,933</u>
Office equipment		
Carrying amount at beginning of year	940,388	946,995
Additions	156,798	462,125
Depreciation	(229,802)	(468,732)
Net book value	<u>867,384</u>	<u>940,388</u>
Plant and machinery		
Carrying amount at beginning of year	1,108,780,095	1,195,233,255
Additions	959,396	2,112,303
Disposal	(101,254)	(521,197)
Depreciation	(57,796,716)	(88,044,266)
Net book value	<u>1,051,841,521</u>	<u>1,108,780,095</u>
Motor vehicles		
Carrying amount at beginning of year	397,785	386,600
Additions	25,730	223,346
Depreciation	(91,900)	(212,161)
Net book value	<u>331,615</u>	<u>397,785</u>
Construction in progress		
Carrying amount at beginning of year	12,110,379	3,922,473
Additions	6,827,108	15,908,663
Disposal	-	(7,518)
Transfers*	(955,395)	(7,713,239)
Net book value	<u>17,982,092</u>	<u>12,110,379</u>
Total property, plant and equipment	<u>1,423,336,028</u>	<u>1,484,079,002</u>

*Balances in construction in progress are transferred into other categories, as additions, on commissioning of projects, or when available for use in a manner that Management intended.

During the period, the Group acquired \$2,781,385 of property, plant and equipment and recognised depreciation and amortisation totalling \$69,017,655.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

	30 June 2026	31 December 2025
NOTE 10 - GOODWILL		
Carrying amount at beginning of year	47,343,509	47,343,509
	<u>47,343,509</u>	<u>47,343,509</u>
The goodwill balance amounting to \$47,343,509 pertains to the Angel Nickel and Oracle Nickel RKEF Projects, which are each considered to be individual cash generating units ('CGUs'). Impairment testing is performed annually over goodwill on 31 December, and an assessment of whether any impairment indicators exist over the Group's other assets are performed at each reporting date. Each of the Group's CGUs were assessed for external and internal impairment indicators at 30 June 2026 and the Directors determined there were no indicators present which would trigger impairment testing.		
	30 June 2026	31 December 2025
NOTE 11 - TRADE AND OTHER PAYABLES		
Current		
Creditors	139,664,576	220,580,948
Accruals	15,582,204	11,330,656
Other	33,322,942	9,217,860
	<u>188,569,722</u>	<u>241,129,464</u>
	30 June 2026	31 December 2025
NOTE 12 - EQUITY-ACCOUNTED INVESTEEES AND ASSOCIATED INTANGIBLE ASSETS		
Investment in Equity Accounted Investee		
<i>HNC – 10% interest</i>		
Opening balance	220,325,212	199,826,500
Share of profit of associate	19,336,913	20,498,712
Carrying value of investment in HNC	<u>239,662,125</u>	<u>220,325,212</u>
<i>ENC – 46% interest</i>		
Opening balance	1,028,310,302	1,030,448,417
Acquisition of an additional 2% interest in ENC	46,000,000	-
Share of profit/(loss) of associate	791,312	(2,138,115)
Carrying value of investment in ENC	<u>1,075,101,614</u>	<u>1,028,310,302</u>
	<u>1,314,763,739</u>	<u>1,248,635,514</u>
Intangible Asset		
<i>HNC</i>		
Opening balance	70,386,364	75,065,789
Amortisation	(2,339,713)	(4,679,425)
	<u>68,046,651</u>	<u>70,386,364</u>

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026**

NOTE 12 - EQUITY-ACCOUNTED INVESTEEES AND ASSOCIATED INTANGIBLE ASSETS (cont.)

During the half year period, the Company reached agreement with its largest shareholder Shanghai Decent, to revise the ENC acquisition schedule. Under the revised arrangement, the Company acquired a final additional 2% interest in ENC, increasing its shareholding from 44% to 46% and becoming the largest shareholder in the project. The Company made a final payment of \$46 million for the additional 2% interest in ENC. This replaced and fully superseded the previously expected payments of totalling \$253 million (being two \$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.

In December 2025, Sphere Corp. (**Sphere**), invested in the ENC Project as a strategic partner. 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. At 31 December 2025, the Company had recorded a receivable from Sphere in relation to its 10% interest in ENC, amounting to \$239 million. In January 2026 Sphere has settled this amount fully. Concurrently, the Company settled a payable to Shanghai Decent for \$240 million.

To complete its investment in ENC, in January 2026 Sphere entered into a \$210 million senior secured amortising term loan from external lenders. To facilitate this financing, the Company 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.

The credit enhancement facility is recognised as a derivative financial instrument and is measured at FVTPL at initial recognition. The fair value of the instrument at inception and at period end was determined by reference to the \$5m transaction price paid by Sphere to the Company.

	30 June	31 December
	2026	2025
	\$	\$

NOTE 13 - BORROWINGS

Current

Interest on BNI loan facility – October 2028	-	3,110,360
Interest on BNI loan facility – May 2029	-	1,861,613
Interest on Bank Facilities – June 2030	4,833,000	-
Interest on Senior Unsecured Notes – September 2030	18,000,000	18,000,000
Bank Facilities – June 2030	61,687,500	-
Bank Facility – October 2028	-	57,127,250
Bank Facility – May 2029	-	43,750,000
	<u>84,520,500</u>	<u>123,849,223</u>

Non-current

Bank Facility – October 2028	-	126,302,868
Bank Facility – May 2029	-	194,542,519
Senior Unsecured Notes – September 2030	782,665,461	781,418,406
Bank Facilities – June 2030	381,185,993	-
	<u>1,163,851,454</u>	<u>1,102,263,793</u>

NICKEL INDUSTRIES LIMITED
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 13 - BORROWINGS (cont.)

In April 2026, following the execution of the Bank Facilities June 2030, the Company repaid the balance of the Bank Facility October 2028, and Bank Facility 2029. The remaining capitalised transaction costs at refinancing date were expensed to the profit and loss.

Bank Facilities June 2030

In April 2026, the Company executed new \$450 million syndicated loan facilities (the **Bank Facilities June 2030**), led by PT Bank Negara Indonesia (Persero) Tbk (**BNI**), in order to refinance the Company's \$398 million of bank loans existing at the time, the Bank Facility October 2028 and the Bank Facility May 2029, as well as for general working capital purposes. The Bank Facilities June 2030 comprise a \$350 million term loan facility (**Term Loan**) and a \$100 million revolving loan facility, both of which are unsecured.

The interest rate applicable on the Bank facilities June 2030 is a margin above the Secured Overnight Financing Rate (**SOFR**) (3.66% at 30 June 2026), which will be (i) 3.50% for the first six months and thereafter (ii) linked to the Company's leverage level (net debt / EBITDA) as follows:

Leverage	Margin (per annum)
$3.00x < x \leq 3.50x$	4.50%
$2.50x < x \leq 3.00x$	3.50%
$2.00x < x \leq 2.50x$	2.50%
$x \leq 2.00x$	2.25%

* Maximum leverage covenant of 3.50x under the Facilities

A quarterly amortisation schedule commences six months from the establishment of the Term Loan, with a quarterly principal repayment instalment of 5.875% of the total facility amount, with a final bullet repayment on the final maturity date of 30 June 2030. The revised repayment schedule optimised the maturity of the Company's bank loans and provided additional cash flow flexibility as the ENC project commissions and ramps up to nameplate capacity.

Debt covenants

The Facilities maturing June 2030 include covenants that need to be complied with 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 3.5 times, Debt Service Coverage Ratio (Cashflow to Debt Service) is more than 1.3 times, otherwise the loans will be repayable on demand unless the Group can remedy through an equity cure.

Management have prepared covenant calculations and forecasts for the above facilities which indicate compliance with the covenants outlined above across the next 12 months.

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.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 13 - BORROWINGS (cont.)

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

	Currency	Nominal interest rate	Year of maturity	Carrying value 30 June 2026 \$	Face value 30 June 2026 \$	Carrying value 31 December 2025 \$	Face value 31 December 2025 \$
Bank Facility October 2028	US\$	-	2028	-	-	186,540,478	183,850,000
Bank Facility May 2029	US\$	-	2029	-	-	240,154,132	239,062,500
Senior Unsecured Notes Sep 2030	US\$	9.00%	2030	800,665,461	800,000,000	799,418,406	800,000,000
Bank Facilities June 2030	US\$	7.16%*	2030	447,706,493	450,000,000	-	-
Total interest-bearing liabilities				1,248,371,954	1,250,000,000	1,226,113,016	1,222,912,500

*Interest rate charged on Bank Facilities June 2030 as at 30 June 2026.

NOTE 14 - ISSUED CAPITAL

Issued and paid-up capital

Fully paid ordinary shares	30 June 2026 No.	31 December 2025 No.
	4,341,935,875	4,340,935,875

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Number of shares 2026	\$ 2026	Number of shares 2025	\$ 2025
Balance at the beginning of the period	4,340,935,875	2,059,371,236	4,289,809,880	2,035,227,454
Issue of shares	1,000,000	418,902	51,125,995	24,143,782
Balance at the end of the period	4,341,935,875	2,059,790,138	4,340,935,875	2,059,371,236

During the half year period the Company issued 1,000,000 fully paid ordinary shares to Director and Chief Financial Officer Chris Shepherd following the vesting of 1,000,000 Share Rights. An amount of \$418,902 was taken up in issued capital. See Note 15 Share Based Payments for further details.

Options

There were no options granted, exercised or lapsed unexercised during the half year ended 30 June 2026 or the year ended 31 December 2025.

Rights

The Company issued Performance Rights during the half year ended 30 June 2026. These are detailed in Note 15.

Dividends

The Company did not declare or pay a dividend during the half year period.

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.

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NOTE 15 – SHARE BASED PAYMENTS

Performance Rights

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.

2026 LTI Component

Under the LTI component, on 30 June 2026 the Company issued 4,584,433 performance rights for no consideration. This included 1,336,632 performance rights issued to the Company’s executive directors, as approved by shareholders at the Company’s Annual General Meeting (**AGM**) held on 26 May 2026.

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 2026:

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 from 1 January 2026 until 31 December 2028. Subject to satisfaction of the Performance Conditions, the Performance Rights will vest following release of the audited financial statements for 2028.

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 3,247,801 rights granted to Group employees and consultants was calculated as \$0.78 per right. The Monte Carlo Simulation pricing model inputs were the Company’s share price of \$0.89 at the grant date (determined to be 25 June 2026 when the Offers had been accepted), a volatility factor of 40.86% (based on historical share price performance), a risk-free interest rate of 4.34% and a dividend yield of 1.79%.

The fair value of the 1,336,632 rights granted to the Company’s executive directors was calculated as \$0.92 per right. The Monte Carlo Simulation pricing model inputs were the Company’s share price of \$1.03 at the grant date (determined to be 26 May 2026 when shareholder approval to grant the rights was received at the AGM), a volatility factor of 40.27% (based on historical share price performance), a risk-free interest rate of 4.54% and a dividend yield of 1.50%.

The total fair value of the rights granted was \$1,887,712. Taking into account the progress against the vesting performance criteria detailed above, a share-based payment expense of \$299,891 was recorded during the period ended 30 June 2026.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 15 – SHARE BASED PAYMENTS (cont.)

2025 LTI Component

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 AGM held on 22 May 2025. The balance was issued to management, employees and consultants of the Group.

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 \$334,153 was recorded during the period ended 30 June 2026.

The following performance rights were on issue at 30 June 2026.

Number of Rights	Issued to	Grant Date	Issue Date	Vesting Date	Value per right
3,247,801	Employee/Contractors	25 June 2026	30 June 2026	February 2029	\$0.78
1,336,632	Executive Directors	26 May 2026	30 June 2026	February 2029	\$0.92
4,783,043	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 period was 2.07 years.

Share Rights

On 30 June 2025 the Company granted and issued 3 million share rights for no consideration to Director and Chief Financial Officer Chris Shepherd. The issuance was approved by shareholders at the Company's AGM in May 2025. 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 vested on the date that the Share Rights were granted to Mr Shepherd;
2. Second Tranche: 1 million Shares Rights vested on the business day immediately following the release of the Company's FY25 annual financial results, 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 \$220,821 was taken up during the period ended 30 June 2026.

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.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 15 – SHARE BASED PAYMENTS (cont.)

The following share rights were on issue at 30 June 2026.

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 2027	\$0.64

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 period was 0.67 years.

NOTE 16 - RELATED PARTIES

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 period. The Board reviews remuneration arrangements annually based on services provided. Apart from the details disclosed in this note and Note 15, no Director has entered into a contract with the Company during the period and there were no contracts involving Directors' interests subsisting at 30 June 2026. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control were as follows:

Transaction with Director of related entity

Director Norman Seckold holds an interest in an entity, The Trustee for Mining Service Trust (**MIS**), which provided full administrative services including administrative, accounting and company secretarial staff, office premises, services and supplies to the Group, for a fee of A\$50,000 per month. Fees charged by MIS during the period amounted to A\$300,000 (2025: A\$300,000). At 30 June 2026, A\$50,000 (2025: A\$50,000) remained outstanding.

Director William Shangjaya holds an interest in an Indonesian entity PT Jaya Agung Investasi (**JAYA**), which has rights to acquire 85.7% of the equity in the PT Chengsheng New Energy (**CNE**) HPAL project, which is currently being developed within the Indonesia Morowali Industrial Park (**IMIP**). The Company entered into a binding Framework Agreement to acquire an indirect 36% interest in the CNE HPAL project, in return for a 18% interest in two of the Sampala Project IUPs.

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 a vendor of the Sampala Project. The Company has advanced loan amounts for the development of the Sampala Project. Additionally, in May 2026 the Company made a \$28,500,000 payment to PT Sinar Inti Pembangunan, an entity in which Adi Wijoyo has a beneficial interest, as part consideration for the acquisition of Sampala Project.

Adi Wijoyo is also a party to the transaction announced by the Company on 24 June 2026 in which the Company, as noted above, entered into a binding Framework Agreement to acquire an indirect 36% interest in the CNE HPAL project, in return for a 18% interest in two of the Sampala Project IUPs.

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NOTE 16 - RELATED PARTIES (cont.)

Transaction with equity accounted associate

As part of the acquisition agreement for the HNC HPAL project on 15 August 2023, the Company acquired a 100% interest in Tsing Creation. During the period ended 30 June 2026, HNC sold mixed hydroxide precipitate (**MHP**) to Tsing Creation totalling \$66,788,168 (2025: \$38,337,840). At 30 June 2026, there were trade payables of \$nil (2025: \$4,135.39) outstanding from Tsing Creation to HNC. At 30 June 2026, Tsing Creation had a shareholder loan receivable from HNC of \$12,652,084. During the period ended 30 June 2026, Tsing Creation received interest from this shareholder loan totalling \$3,565,337.

In January 2025, Hengjaya Mine entered into a land lease agreement with PT Fajar Metal Industry (**FMI**), 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 six months to 30 June 2026, the Group recognised rental income of \$463,923.

In May 2026 the Company advanced a working capital loan of \$24,246,402 to FMI, for working capital purposes for the ENC project. The amount represented the Company's 46% share of working capital requirements during the half year period. Interest was charged at an interest rate of TERM SOFR six months plus 80 basis points. The term of the loan is one year.

During the period ended 30 June 2026, the Hengjaya Mine sold limonite ore to FMI totalling \$1,272,206 (2025: \$nil). At 30 June 2026, there were trade payables of \$1,272,206 (2025: \$nil) outstanding from FMI to Hengjaya Mine.

Transactions with other related entities

During the six months to 30 June 2026, the Group sold NPI totalling \$804,072,505 to Shanghai Decent-related entities. \$183,662,193 of raw materials and services and fixed assets were purchased from Shanghai Decent-related entities. At 30 June 2026 trade receivables of \$157,115,168 from Shanghai Decent-related entities remained outstanding and was included in the receivables balance, and trade payables of \$35,260,203, payable to Shanghai Decent-related entities remained outstanding and was included in the creditor's balance.

During the six months to 30 June 2026 dividend distributions, interest and shareholder loans repayments from the Company's 80% owned subsidiaries Hengjaya Holdings Private Limited, Ranger Investment Private Limited, Angel Capital Private Limited and Oracle Development Private Limited to Shanghai Decent's associates Decent Investment International Private Limited and Decent Resource Limited, totalled \$5,198,253.

Shanghai Decent and its associates hold 20% equity interests in the Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel projects, which reflects the non-controlling interest in the Group amounting to \$382,949,567 as at 30 June 2026.

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 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. During the period the Company acquired an additional 2% interest for \$46.0 million and at 30 June 2026 the Company had completed the acquisition of a 46% interest for \$1,083.1 million.

As detailed in Note 12, in January 2026 the Company settled a payable to Shanghai Decent for \$240 million for a 10% interest in the ENC project, with Sphere acquiring a 10% interest in the ENC project at the same time and also for \$240 million.

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NOTE 16 - RELATED PARTIES (cont.)

In June 2026, the Company agreed to invest \$169 million for a 17.5% interest in the TMI HPAL project, with the acquisition payment due in November 2026.

As a result of the above arrangements, the Group is economically dependent on Shanghai Decent and its associates.

During the six months to 30 June 2026, \$20,835,646 of contractor services were purchased from an entity related to PT Danusa Tambang Nusantara. At 30 June 2026 trade payables of \$2,839,191 payable to the PT Danusa Tambang Nusantara entity remained outstanding and was included in the creditor's balance. This was the first period of transactions with this entity.

Apart from the details disclosed in this note and in Note 15, 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.

NOTE 17 - 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 half year ended 30 June 2026, 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 Cost², 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.

Since the comparative 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. Additionally, segments began reporting cash capital expenditure related to payments for exploration and evaluation, construction in progress, and property, plant and equipment to the CODM during the period. This is a non-IFRS financial measure used internally by management to monitor the allocation of resources. Comparative segment information for the period ended 30 June 2025 has been restated to reflect the amended definition of Adjusted EBITDA, and the inclusion of cash capital expenditure for consistency.

² Net Finance Cost includes interest income, interest expense and financing expenses

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NOTE 17 - SEGMENT INFORMATION (cont.)

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.

Operating segments

For the period ended 30 June 2026, the Group had three segments, being nickel ore mining in Indonesia, the RKEF projects in Indonesia and Singapore and the HPAL projects in Hong Kong, Indonesia and Singapore.

	Nickel ore mining	RKEF Projects⁽¹⁾	HPAL Projects	Unallocated	Total
	\$	\$	\$	\$	\$
30 June 2026					
Segment Revenue	170,880,499	804,518,795	149,899,248	-	1,125,298,542
Intercompany revenues ⁽²⁾	(111,363,042)	-	-	-	(111,363,042)
Revenue of EAA ⁽³⁾	-	-	(75,552,629)	-	(75,552,629)
External revenues ⁽³⁾	59,517,457	804,518,795	74,346,619	-	938,382,871
Share of gain of EAA	-	-	20,128,225	-	20,128,225
Adjusted EBITDA	73,358,561	146,713,331	35,165,523	(7,589,534)	247,647,881
Losses on FX					(16,901,282)
Gains on FX on EAA					1,089,874
Withholding tax expense					(3,688,657)
Depreciation and amortisation ⁽⁴⁾					(71,357,368)
Depreciation and amortisation on EAA					(8,639,939)
Net Finance Cost					(47,705,216)
Net Finance Cost on EAA					(472,069)
Tax in equity accounted units					(326,535)
Profit before income tax					99,646,689
Cash capital expenditure	(31,167,826) ⁽⁶⁾	(6,926,650)	-	-	(38,094,476)
Reportable segment assets ⁽⁵⁾	440,723,874	2,129,112,582	1,400,499,873	103,445,477	4,073,781,806
Reportable segment liabilities	(72,829,044)	(199,821,922)	(16,067,814)	(1,256,552,563)	(1,545,271,343)

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Sales of HPAL products from equity accounted associates are internal to the HPAL segment and are eliminated within the segment.

⁽⁴⁾ Includes \$14,895,619 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.

⁽⁵⁾ Includes \$1,314,763,739 of investment in EAA sitting within HPAL Projects.

⁽⁶⁾ \$25,626,767 of this expenditure is related to the development of the Sampala Project and \$5,541,059 development expenditure at the Hengjaya Mine.

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 17 - SEGMENT INFORMATION (cont.)

	Nickel ore mining	RKEF Projects⁽¹⁾	HPAL Projects	Unallocated	Total
30 June 2025	\$	\$	\$	\$	\$
Segment Revenue	130,157,345	733,750,142	100,691,400	-	964,598,887
Intercompany revenues ⁽²⁾	(56,368,201)	-	(24,946,701)	-	(81,314,902)
Revenue of EAA ⁽³⁾	-	-	(53,580,974)	-	(53,580,974)
External revenues ⁽³⁾	<u>73,789,144</u>	<u>733,750,142</u>	<u>22,163,725</u>	<u>-</u>	<u>829,703,011</u>
Share of gain of EAA	-	-	8,235,209	-	8,235,209
Adjusted EBITDA	<u>70,286,755</u>	<u>78,308,004</u>	<u>26,867,292</u>	<u>(5,601,960)</u>	<u>169,860,091</u>
Losses on FX					(3,422,776)
Gains on FX on EAA					579,447
Withholding tax expense					(3,117,439)
Depreciation and amortisation ⁽⁴⁾					(57,433,923)
Depreciation and amortisation on EAA					(8,723,203)
Net Finance Cost					(45,339,099)
Net Finance Cost on EAA					(2,231,475)
Tax in equity accounted units					<u>(223,641)</u>
Profit before income tax					<u>49,947,982</u>
Cash capital expenditure	(11,421,806)	(11,358,309)	-	-	(22,780,115)
Reportable segment assets ⁽⁵⁾	333,836,892	2,118,817,132	1,313,292,329	71,124,980	3,837,071,333
Reportable segment liabilities	(68,152,898)	(192,628,575)	(1,209,869)	(1,042,601,643)	(1,304,592,985)

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Sales of HPAL products from equity accounted associates are internal to the HPAL segment and are eliminated within the segment.

⁽⁴⁾ Includes \$14,895,619 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.

⁽⁵⁾ Includes \$1,238,510,126 of investment in EAA sitting within HPAL Projects.

NICKEL INDUSTRIES LIMITED
and its controlled entities

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 17 - SEGMENT INFORMATION (cont.)

	30 June 2026	30 June 2025
	\$	\$
Reconciliations of reportable segment revenues and profit or loss		
Profit or loss		
Total profit for reportable segments	161,229,364	105,313,990
Net other corporate expenses	(61,582,675)	(55,366,008)
Consolidated profit before tax	<u>99,646,689</u>	<u>49,947,982</u>
Reconciliations of reportable assets and liabilities		
Assets		
Total assets for reportable segments	3,970,336,329	3,765,946,353
Unallocated corporate assets	103,445,477	71,124,980
Consolidated total assets	<u>4,073,781,806</u>	<u>3,837,071,333</u>
Liabilities		
Total liabilities for reportable segments	(288,718,780)	(261,991,342)
Unallocated corporate liabilities	(1,256,552,563)	(1,042,601,643)
Consolidated total liabilities	<u>(1,545,271,343)</u>	<u>(1,304,592,985)</u>

Geography of reportable segment assets

	Indonesia	Singapore	Total
	\$	\$	\$
30 June 2026			
Reportable segment assets	<u>3,969,491,029</u>	<u>845,300</u>	<u>3,970,336,329</u>
30 June 2025			
Reportable segment assets	<u>3,761,321,793</u>	<u>4,624,560</u>	<u>3,765,946,353</u>

Revenue

All sales during the half year were to customers located in either China, Hong Kong, Indonesia, Singapore or Sweden.

For the half year ended 30 June 2026 the value of total NPI sales to customers based in China was \$204.4 million and to customers based in Indonesia was \$600.1 million.

Sales of MHP exported to customers based in China were \$16.6 million, to a customer based in Hong Kong were \$32.9 million, to a customer based in Singapore were \$1.3 million, and to a customer based in Sweden were \$23.6 million.

Limonite ore revenue totalling \$59.5 million was derived from sales to customers located in Indonesia.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 17 - SEGMENT INFORMATION (cont.)

Major customers

All sales of nickel pig iron during the half year ended 30 June 2026 were either exported sales to Shanghai Decent in China (\$204.4 million), or sales within Indonesia to PT Indonesia Guang Ching Nickel and Stainless Steel Industry (\$64.0 million), PT Indonesia Stainless Steel (\$469.4 million) or PT Qing Feng Ferrochrome (\$50.5 million) and PT Sulawesi Mining Investment (\$16.2 million), stainless steel producers operating within the IMIP.

Major customers of exported sales of MHP were to IXM (Shanghai) Corporate Management Company Limited (\$16.6 million), Minmetals North-Europe Aktiebolag (\$23.6 million) and Transamine Far East Limited (\$32.9 million).

All sales of saprolite nickel ore during the half year ended 30 June 2026, 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 50,000 to 100,000 wmt to each entity.

During the half year period, sales of limonite ore were delivered to PT Ana Sumber Trading (\$4.5 million), PT Fajar Metal Industry (\$1.3 million), PT Longsen Metal Trading (\$46.0 million), PT Martin Mitra Nusantara (\$4.3 million), PT Sai Niaga Internasional (\$0.9 million) and PT Sino Indo Nickel (\$2.6 million).

NOTE 18 – COMMITMENTS AND CONTINGENCIES

There are no contingent liabilities existing at 30 June 2026 (30 June 2025: \$nil).

Siduarsi Project

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).

Sampala Project

Applying the agreed acquisition formula for the Sampala project (60% of the JORC Resource multiplied by \$2.50 per dry metric tonne (dmt) above 1.7% Ni) to the updated Sampala Project Resource, the final acquisition payments are:

- ANN: US\$144 million for a 60% interest, payable in April 2027;
- ETL: US\$5 million for a 60% interest, payable in the coming months; and
- GF: US\$7 million for a 60% interest, which has been paid.

TMI HPAL Project

In June 2026 the Company agreed to invest \$169 million for a 17.5% interest in PT Teluk Metal Industry HPAL project (**TMI**). The acquisition payment is due on 26 November 2026. Subsequent to the end of the half year period, with the coordination and support from Tsingshan, the Company has signed an unsecured loan facility agreement for \$169 million with one of Tsingshan's partners to fund if required the Company's acquisition of a 17.5% interest in TMI.

NICKEL INDUSTRIES LIMITED
and its controlled entities

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 19 – SUBSEQUENT EVENTS

In late July 2026, the Company announced the maiden production of MHP at the ENC project, followed by the first production of nickel cathode in early August 2026.

In August 2026, the Company signed an unsecured loan facility agreement for \$169 million with one of Tsingshan's partners to fund (if required) the Company's acquisition of a 17.5% interest in TMI.

Other than the matter detailed above, there has not arisen in the interval between the end of the half 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

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Nickel Industries Limited, we state that in the opinion of the Directors:

- (a) the financial statements and notes set out on pages 14 to 38 are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 26th day of August 2026
in accordance with a resolution of the Board of Directors:



Norman Seckold
Chairman



Justin Werner
Managing Director



Independent Auditor's Review Report

To the shareholders of Nickel Industries Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Nickel Industries Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the **Interim Financial Report** of Nickel Industries Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated interim statement of financial position as at 30 June 2026
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 19 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Nickel Industries Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim 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 & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Adam Twemlow

Partner

Brisbane

26 August 2026

NICKEL INDUSTRIES LIMITED
and its controlled entities

CORPORATE DIRECTORY

Directors:

Norman Seckold
Justin Werner
Chris Shepherd
James Crombie
Emma Hall
William Shangjaya
Muliady Sutio
Haijun Wang
Yuanyuan Xu

Company Secretary:

Richard Edwards

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