

ASX Announcement (ASX: NRZ)

10 November 2023



Chairman's Address for the 2023 Annual General Meeting for NeuRizer

It is with great pleasure that I address you at the NeuRizer 2023 Annual General Meeting. As I am sure you are all aware it has been a year of great achievements and many challenges.

The past year has been a tumultuous one, with the global urea market facing numerous challenges and uncertainties. The geopolitical conflicts, rising gas prices, limited gas exploration, and supply chain disruptions have underscored the importance of addressing supply chain issues and reducing reliance on imports. Anyone involved in the industry will be aware of how hard it was for farmers to secure supply of urea in the 2023 season. As these issues continue to impact the global market, NeuRizer remains steadfast in its commitment to being part of the solution for Australian farmers.

Despite these challenges, we have had many significant milestones and achievements that have shaped the past year and positioned us for continued success. In July 2022, we signed a binding, long-term, take or pay offtake agreement with DL Trading for 500,000 tonnes of granular urea per year. At today's urea price of \$800 per tonne this is a \$2 billion dollar contract. This major milestone secured 50% of our planned initial annual production and strengthens our partnership with DL E&C, our long-term strategic partner and significant shareholder. This agreement not only underpins future revenue but also provides us with certainty for project financing. To further enhance our team, we also welcomed Mr Ryu as a Non-Executive Director in 2023 and he adds great experience to the board.

The global urea market has undergone significant changes, reinforcing the need for domestic manufacturing capabilities. Factors such as increasing world population, rising gas prices, decreasing gas exploration, and geopolitical conflicts have highlighted the importance of securing domestic supply chains. With Incitec Pivot's Gibson Island manufacturing plant closing in December 2022, the urgency for domestic capability has never been greater. NeuRizer is proud to be part of the solution, ensuring the security of urea supply for Australian farmers.

The South Australian Government also declared our NeuRizer Urea Project an Impact Assessed Development, recognizing its social, economic, and environmental significance. This declaration provides us with additional support, coordination, and information services from government agencies, strengthening our engagement with stakeholders and reinforcing the importance of our project.

We were proud to announce that AusIndustry awarded us a "Certificate for Advance Finding" for certain activities under Stage 1 of our NeuRizer Urea Project. This finding provides us with certainty regarding the eligibility of planned activities under the R&D Tax Incentive program, bolstering our financial position and highlighting our commitment to innovation and research and in early 2023 we received another R&D refund.

In line with our pursuit of a strategic partner we appointed Barrenjoey Capital Partners as our exclusive financial and corporate advisor. As we have previously stated we are working with Barrenjoey to assist us working through issues with a potential partner, not to find a partner. Their expertise has assisted us in the work with a potential partner, but I do have to emphasise there is more than one interested party.

This has been a lengthy process and not without its challenges. Various stages of due diligence over the last 18 months have taken place and we believe that we are close to securing both an important and valued partner and the NRUP project itself. Many have expressed their frustration over the time it is taking to secure that partner. We have worked closely with this party for many months and strongly believe that everyone's patience will be rewarded. It is a complex process. I would point out that even Incitec Pivot have been through a long and lengthy process securing an outcome for their fertiliser business, starting with negotiations for a sale of that business in 2018 to then moving from a private sale process to a public one failing to secure a buyer to then looking at a demerger of the fertiliser business. Sometimes these processes simply take longer than any of us anticipated.

2023 has proved very challenging from a capital raising point of view. Speaking to the executives of numerous ASX companies, the difficulty in raising capital is widespread. For smaller companies, the days of doing a placement at a discount (minus brokers fees) is getting harder and harder. We as well as numerous other companies are being offered a hybrid raise consisting of shares being issued, options being issued and the equity draw downs in tranches. This is both complex and at times can be damaging from a share price perspective to a company. We have made a deliberate decision to raise as little money as feasible whilst we wait for the strategic partnership to be completed. This is a good time to thank our shareholders for their support. Our last four raises have been with long term shareholders either directly or through a broker who is also one of our shareholders. It would be remiss of me not to mention the rights issue that is currently in progress. One of the comments regularly made to me is that shareholders would rather participate in a share purchase plan or a rights issue rather than for us to do a placement to non-shareholders. The rights issue closes on the 17th of November and I encourage all shareholder's to participate in the rights issue as I and our largest shareholder will be.

The completion of a bankable feasibility study for a project of this magnitude is a lengthy process, as it necessarily must be in order to meet its objectives. We are now close to finalising the process with the help of DL E&C and Nexant.

Lastly, we were thrilled to have announced our partnership with Meijin Energy Investments (MEI), part of the Meijin Group, the largest integrated hydrogen company in China. We have signed a binding contract with MEI, involving site assessments and intellectual property licensing at two Meijin-owned sites. This partnership opens doors to China's rapidly developing hydrogen market, expanding our reach and impact on a global scale. We are approached on a regular basis with joint venture proposals and business partnership offers. We have turned down numerous proposals as not being a good fit, not having the right risk profile, or being too far out from revenue. Instead we have focused on proposals that will deliver revenue in the short term alleviating the need for capital raises.

It is important to acknowledge the significant developments in the global economy and markets over the past year. The urea market has experienced supply chain disruptions and increased costs due to geopolitical conflicts and the ongoing pandemic. The changing dynamics and rising gas prices have further emphasized the need for self-reliance and domestic manufacturing capabilities. NeuRizer is well-positioned to address these challenges and contribute to Australia's sovereign manufacturing capability. The past year has been a testament to NeuRizer's resilience and ability to overcome obstacles. We are determined to secure the urea supply for Australian farmers and contribute to the nation's agricultural success. Our dedicated team, strategic partnerships, and commitment will propel us towards our ultimate goal.

Looking ahead, we are committed to delivering on our final key milestones of the NeuRizer Urea Project. The Front-End Engineering and Design (FEED), Bank Feasibility Study (BFS), and Final Investment Decision (FID) will pave the way for the construction of our urea plant. We eagerly anticipate sharing the progress and achievements with you as we move forward.

I extend my deepest gratitude to our valued shareholders for their continuous support through some tough times. I have held numerous meetings with shareholders both in groups and one on one over the last 6 weeks. They have made their views and concerns very clear to me and where possible we will act on them to reassure shareholders of our secure future. Together, we are driving positive change and making a lasting impact on the global food supply chain.

The NeuRizer Board has authorised this announcement for release to the ASX.

Further Information

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About NeuRizer Ltd

NeuRizer Ltd. (NeuRizer) is the company responsible for progressing the NeuRizer Urea Project (NRUP). NRUP is a nationally significant project that, when developed, will deliver low-cost, high-quality nitrogen-based fertiliser ensuring a secure supply for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the NRUP is intended to initially produce 1Mtpa of urea fertiliser with potential to increase to 2Mtpa.

NeuRizer is a certified carbon neutral organisation having been awarded Climate Active certification in March 2022 and is a signatory to the United Nations Global Compact. NRZ has developed a decarbonisation pathway for the NRUP seeking to ensure that the NRUP achieves net zero carbon emissions from its operations planned to commence in 2025.

The NRUP will significantly increase Australia's sovereign manufacturing capability for fertiliser, supporting Australian agricultural food production. The NRUP will strengthen supply chain resilience that will benefit Australian farmers and, to a lesser extent, the industrial sector where urea is used as a supply input (eg. diesel additive (AdBlue), industrial resins, etc.) by reducing the nation's reliance on imports.

The NRUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities (2,000+ construction jobs plus 2,450+ ongoing positions) for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

The NRUP will be the only fully integrated urea production facility in Australia, with all major inputs for production (gas, power, and CO₂) on-site, meaning NRZ will control both supply and price of these major inputs, regardless of prevailing market conditions and supply chain dynamics.

A message for NeuRizer Shareholders

NeuRizer is committed to being a carbon neutral organisation and successfully achieved this in March 2022. To assist us in continuing to reduce our CO₂ footprint, we are asking all our shareholders to provide an email address to receive their communications online.

Please go to: www.computershare.com.au/easyupdate/NRZ