

ASX Announcement (ASX: NRZ)

13 February 2023



NRZ secure funding against Australian Government R&D “Advance Finding”

- Tax return to be lodged in February to include \$5m claim against the approved Advance Finding
- NRZ has secured \$4m against this Advanced Finding
- Total estimated eligible expenditure of \$70.7m which equates to cash rebate of \$30.7m

Advance Finding

As announced on the 22nd of December 2022 South Australian Company NeuRizer Ltd (NRZ or the Company) was awarded by AusIndustry a “Certificate for Advance Finding” for certain activities under Stage 1 of the NeuRizer Urea Project.

An Advance Finding is intended to provide companies with certainty that planned activities are eligible under the R&D Tax Incentive programme. It is binding for the income tax years commencing 21/22 and two subsequent years.

The finding provides certainty over current and forecast Research and Development claims for up to 3 years. The Advanced Finding relates to estimated eligible expenditure of \$70.7m to be incurred on Stage 1 of the Project.

Eligible expenditure currently entitles NRZ to claim a refundable tax offset, or cash rebate at the rate of 43.5% of costs incurred. As such, if expenditure were to be incurred exactly in line with forecasts, then NRZ would receive a cash rebate of \$30.7m.

The refund is claimable by the Company following the lodgment of its annual income tax return. NRZ will lodge its FY21/22 tax return in February. The Company anticipates a cash rebate of approximately \$5m for FY21/22 and NRZ has secured \$4m facility against this cash rebate.

The key terms of the facility are that it expires on June 2023 or at the date of the repayment whichever is earlier, NRZ is able to draw down up to 85% of tax rebate, the facility has an establishment fee of \$500.00 and a monthly fee of 1.5% on any outstanding balance, and any facility drawn down is repaid from the refund.

The Executive Chairman has authorised this announcement for release to the ASX.

Further Information

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About NeuRizer Ltd

NeuRizer (NRZ) is the company responsible for progressing the NeuRizer Urea Project (NRUP). NRUP is a nationally significant project that 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 will initially produce 1Mtpa of urea fertiliser with potential to increase to 2Mtpa.

NRZ 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. The NRUP is carbon neutral by design, and the decarbonisation pathway for the NRUP is embedded in the Front-End Engineering and Design (FEED) process to ensure that the NRUP achieves zero carbon operations from first operations 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 inputs (gas, power and CO₂) for low carbon urea production on-site, meaning NRZ will control both supply and price of these major cost inputs, regardless of prevailing market conditions and supply chain dynamics.