

## ASX Announcement (ASX: NRZ)

22 December 2022



### Australian Government grants R&D “Advance Finding” for NRZ Urea Project

- Positive Advance Finding granted by AusIndustry over Research and Development (R&D) expenditures
- Enables a refundable tax offset to be claimed for a cash rebate on eligible expenditure incurred on Stage 1 of the project
- Total estimated eligible expenditure of \$70.7m which equates to cash rebate of \$30.7m

#### Advance Finding

South Australian Company NeuRizer Ltd (NRZ or the Company) is pleased to announce that AusIndustry has awarded the Company 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. Approximately \$9.3m of such expenditure is for FY 21/22 with the Company anticipating a cash rebate of approximately \$4.0m. A significant component of expenditure of the project in the current financial year will also be eligible for a rebate.

The Certificate of Finding is comprehensive and applies to activities included in the scope of works for Stage 1 including:

- Design, management, and drilling of investigation, initiation, inlet and outlet wells

- Design and procurement of Above Ground Gas Processing and Power Generation Facility
- Procurement and Installation of Gas Engines
- Technical management and operational support services

Managing director Phil Staveley commented:

*“This is very welcome news. It is another in a long series of decisions which point to the veracity and integrity of the project as a whole.”*

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

## Further Information

### Investor Relations

**Tony Lawry**

T +61 412 467 160

E [tony.lawry@neurizer.com.au](mailto:tony.lawry@neurizer.com.au)

## 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 CO<sub>2</sub>) 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.

## A message for NRZ Shareholders

Our company 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 communication online. This assists NeuRizer achieving a lower CO2 footprint and contributes to global target in line with the Paris Agreement.

Please go to: [www.computershare.com.au/easyupdate/NRZ](http://www.computershare.com.au/easyupdate/NRZ)