

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "**UK MAR**") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

27 April 2022

Kropz Plc
("Kropz" or the "Company")

Elandsfontein Phosphate Project Update and Bridge Loan Facility

Kropz Plc (AIM: KRPZ), an emerging African phosphate producer and developer, reports that due to slower than expected progress in the ramp up of operations at Kropz Elandsfontein (Pty) Ltd ("**Elandsfontein**"), production of sufficient phosphate rock concentrate for the first bulk sale will be achieved later in Q2 than originally expected. The delay has largely been driven by the need to re-engineer parts of the fine flotation circuit as proposed by the vendor, but has also been caused by early unpredicted ore variability and lack of operator experience.

This delay will result in a funding requirement of ZAR58 million at the end of April 2022 for Kropz Elandsfontein.

In order to cover part of this funding requirement, Kropz will draw down, on 26 April 2022, the remaining ZAR33 million (approximately US\$2.11 million) conditional convertible equity facility of up to ZAR 200 million ("**ZAR Equity Facility**"), with its major shareholder, the ARC Fund ("**ARC**"), as announced on 29 September 2021. This will be the final drawdown of the ZAR Equity Facility.

Kropz and ARC have also agreed to a further ZAR25 million (approximately US\$1.60 million) bridge loan facility (the "**Loan**") to meet immediate cash requirements at Elandsfontein at the end of April 2022.

The Loan is repayable on demand, and there are no fixed repayment terms. It is repayable by Kropz on no less than two business days' notice. Interest is payable on the Loan at 14% nominal, compounded monthly. The Loan is unsecured and is subject to legal documentation, and Kropz is expected to draw down the Loan on or around 28 April 2022.

Due to the anticipated delay in production ramp-up, Kropz is exploring further funding options with ARC to fund any additional working capital requirements for Elandsfontein through to positive cash flow. This amount is expected to be in the region of approximately ZAR 100 million to ZAR 150 million and is in addition to the final drawdown of the ZAR Equity Facility and the Loan (equal to ZAR 58 million).

The Loan is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Machiel Reyneke, a director of the Company, is the representative of ARC. Mike Nunn, a director of the Company, is the beneficial owner of Kropz International SARL ("**Kropz International**"). ARC and Kropz International are treated as acting in concert for the purposes of the City Code on Takeovers and Mergers. Accordingly, neither has been involved in the approval of the Loan by the Company's board. The directors of the Company, who are considered independent for the purposes of the Loan, having

consulted with the Company's nominated adviser, consider the terms of the Loan to be fair and reasonable insofar as the Company's shareholders are concerned.

The Company will provide further updates in due course.

For further information visit www.kropz.com or contact:

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About Kropz Plc

Kropz is an emerging African producer and developer of plant nutrient feed minerals with phosphate projects in South Africa and the Republic of Congo. The vision of the Group is to become a leading independent phosphate rock producer and to develop into an integrated, mine-to-market plant nutrient company focusing on sub-Saharan Africa.

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