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27 June 2019

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

Placing for 19,364,659 Ordinary Shares at a price of 17.6 per share to raise USD 4.34 million

Kropz Plc (AIM: KRPZ), an emerging African producer of plant nutrient feed minerals, is pleased to announce that it has conditionally raised USD 4.34 million (£3.41 million) before expenses by way of a placing (the "Placing") for ordinary shares of 0.1 pence each ("Ordinary Shares") at a price (the "Issue Price") of 17.6 per Ordinary Share (the "Placing Shares").

The net proceeds of the Placing, which has the full support of its major shareholders, will be used to provide additional working capital and more specifically to further advance the programme of works being carried out at its Hinda and Aflao projects.

The Issue Price represents a discount of approximately 5 per cent. to the closing price of 18.5 pence on 21 June 2019. The Placing is not being underwritten and is conditional on admission of the Placing Shares to trading on AIM. The Placing Shares represent approximately 6.8 per cent. of the Company's issued share capital as enlarged by the Placing Shares (the "Enlarged Share Capital").

The ARC Fund has an existing holding of 125,103,064 Ordinary Shares, representing 47.4 per cent. of the Company's issued share capital and, as such, is a substantial shareholder as defined in the AIM Rules for Companies ("AIM Rules"). The ARC Fund has agreed to subscribe for 14,497,848 new Ordinary Shares in the Placing, bringing its aggregate holding to 139,600,912 Ordinary Shares (representing 49.3 per cent. of so enlarged issued share capital).

Kropz International S.a.r.l ("Kropz International") has an existing holding of 51,587,817 Ordinary Shares, representing 19.5 per cent. of the Company's issued share capital and, as such, is a substantial shareholder as defined in the AIM Rules. Kropz International has agreed to subscribe for 3,345,657 new Ordinary Shares in the Placing, bringing its aggregate holding to 54,933,474 Ordinary Shares (representing 19.4 per cent. of so enlarged issued share capital).

Consequently, the subscriptions of the ARC Fund and Kropz International are related party transactions ("Transactions") pursuant to Rule 13 of the AIM Rules. Mike Nunn, a director of the Company, is the beneficial owner of Kropz International and Machiel Reyneke, a director of the Company, is the representative of the ARC Fund. Accordingly, neither has been involved in the approval of the Transactions by the Company's board.

The directors of the Company who are considered independent for the purposes of the Transactions, having consulted with the Company's nominated adviser, consider the terms of the Transactions to be fair and reasonable insofar as the Company's shareholders are concerned.

Further, as noted in the Company's AIM admission document, ARC Fund and Kropz International are treated as acting in concert for the purposes of the City Code on Takeovers and Mergers (the "Code") and have individual and aggregate interests in the Ordinary Shares as set out in the table below. It is

noted that, both before and after the Placing, on an aggregate basis, ARC Fund and Kropz International will continue to hold more than 50 per cent. of the voting rights in the Company. As set out in footnote 2 to the table below, Kropz International has agreed not to vote 20,000,000 Ordinary Shares it holds for a period of 12 months following Kropz's admission to trading on AIM on 30 November 2018, due to the lock-ins provided by Kropz International at that time and ARC Fund will therefore retain more than 50 per cent. of the voting rights.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM ("Admission") and it is expected that such Admission will occur at 8am on 3 July 2019. The Placing Shares will be issued as fully paid and will rank in full for all dividends and other distributions declared, made or paid after the admission of the Placing Shares, respectively and will otherwise be identical to and rank on Admission *pari passu* in all respects with the existing Ordinary Shares. The Placing Shares are not being made available to the public and are not being offered or sold into any jurisdiction where it would be unlawful to do so.

Following Admission, the Company will have 283,406,307 Ordinary Shares in issue, none of which will be held in treasury. This figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change of their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Interests in Shares and Voting Rights

	Existing Ordinary Shares		Placing Shares	Ordinary Shares following the Placing	
	No.	%		No.	%
ARC Fund ^{(1) (2)}	125,103,064	47.4	14,497,848	139,600,912	49.3
Kropz International S.a.r.l ⁽¹⁾⁽³⁾	51,587,817	19.5	3,345,657	54,933,474	19.4
Concert Party	176,690,881	66.9	17,843,505	194,534,386	68.6

(1) The ARC Fund and Kropz International are deemed to be acting in concert as defined in the Code.

(2) Kropz International has undertaken to the ARC Fund to transfer to it such number of Ordinary Shares for nil consideration as are needed to ensure the ARC fund shareholding is above 50.5%. As a consequence of this, under the arrangements between the ARC Fund and Kropz International outlined in the Admission Document, Kropz International has agreed not to vote 20,000,000 Ordinary Shares it holds for a period of 12 months following Kropz's admission to trading on AIM on 30 November 2018, due to the lock-ins provided by Kropz International at that time.

(3) Kropz International and the ARC Fund have entered into an arrangement pursuant to which Kropz International has granted to the ARC Fund a call option over 50 per cent. of its shareholdings. The call option over Kropz International's Ordinary Shares can be exercised by the ARC Fund if the value of the ARC Fund's shareholding on the second anniversary of Admission is 20 per cent. lower than its value on IPO on 30 November 2018. The call option has an alternative settlement of cash or assets, if the transfer of the Ordinary Shares would require the transferee to make a Rule 9 offer for the Company pursuant to the City Code.

(3) Mike Nunn, a director of Kropz, holds his beneficial interest in Kropz through Kropz International.

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About Kropz Plc

Kropz is an emerging plant nutrient producer with an advanced stage phosphate mining project in South Africa, a phosphate project in the Republic of Congo ("RoC") and an exploration asset in Ghana. 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.

Kropz's Elandsfontein Phosphate Project is a near-term producing asset in South Africa's Western Cape Province, close to export infrastructure and primed to take advantage of a recovery in phosphate prices.

The Company's medium-term development asset is the Hinda Phosphate Project in the RoC.

The Company has also secured a prospecting right in Ghana, to undertake further exploration work on the Aflao Project, the potential extension of the well-known, high grade and historically exploited Hahotoe-Kpogame-Kpeme deposit in Togo.