

25 October 2019

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

**Memorandum of Understanding with PhosAgro**

Kropz plc (AIM: KRPZ), an emerging African phosphate producer, advises that, it has signed a memorandum of understanding with PhosAgro Group ("PhosAgro") one of the world's leading producers of phosphate-based fertilizers, during the Russia–Africa Economic Forum in Sochi, Russia.

The two companies have agreed to evaluate opportunities to exchange information and technical expertise in order to increase the capacity of Kropz's Elandsfontein asset in South Africa, the country's second largest phosphate deposit, and in the Republic of the Congo and Ghana.

PhosAgro and Kropz also plan to explore the potential for cooperation aimed at promoting green fertilizers in world markets and teaching farmers about the benefits of using them.

**Ian Harebottle, CEO of Kropz said:**

*"We are pleased to be working with a leading global producer of phosphate-based fertilizers. The synergies with PhosAgro will provide Kropz with access to expert knowledge at all stages of the supply chain: from exploration works and feasibility studies to the construction of mines, as well as directly in the sales market, where PhosAgro has a strong position and an ever-growing customer base."*

*"Phosphate-based fertilizers play a key role in increasing crop yields and maintaining food security, especially in the countries of sub-Saharan Africa. The partnership with PhosAgro, as well as support from our governments, will enable Kropz to get closer to achieving its goal of becoming a vertically integrated plant nutrient company that works for the benefit of all its stakeholders."*

**Andrey Guryev, CEO of PhosAgro said:**

*"PhosAgro and Kropz are united in developing phosphate ore deposits that meet the highest environmental standards. Green, heavy metal-free phosphate ore is the basis for sustainable agriculture and food security worldwide. Therefore, we aim to inform the global community together of the problems of soil degradation and the risks to human health entailed by the use of fertilizers with high levels of toxic impurities such as cadmium."*

*"We are prepared to exchange experience with our partners regarding open-pit mining, which is what they actually do. PhosAgro has numerous innovations that are of interest to our colleagues. We develop them at the world's leading specialised research institute for fertilizers and agrochemicals, the Samoilov Research Institute, which is part of PhosAgro Group. The Institute de facto created the environmentally friendly mineral fertilizer industry in Russia, and we celebrated its 100th anniversary this year."*

*"A separate area of cooperation will involve engagement with African governments to create reliable fertilizer supply channels. At PhosAgro, we work closely with farmers in Africa, currently delivering 300 thousand tonnes of fertilizers a year to the continent, and we aim to increase our supply two- or threefold over the next five years. I am certain that cooperation with Kropz will be fruitful for both parties."*

**For further information visit [www.kropz.com](http://www.kropz.com) or contact:**

**Kropz Plc**

Ian Harebottle (CEO) +44 (0) 1892 516 232

**Tavistock**

Emily Moss

Jos Simson

Oliver Lamb

**Financial PR & IR (UK)**

+44 (0) 207 920 3150

[kropz@tavistock.co.uk](mailto:kropz@tavistock.co.uk)

**R&A Strategic  
Communications**

James Duncan

**PR (South Africa)**

+27 (0)11 880 3924

[james@rasc.co.za](mailto:james@rasc.co.za)

**About Kropz Plc**

Kropz is an emerging plant nutrient producer with phosphate projects in South Africa and 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.

**About PhosAgro**

PhosAgro is one of the world's leading vertically integrated phosphate-based fertilizer producers in terms of production volumes of phosphate-based fertilizers and high-grade phosphate rock with a P2O5 content of 39% and higher. PhosAgro's environmentally friendly fertilizers stand out for their high efficiency and safety for soil health.

The Company is the largest phosphate-based fertilizer producer in Europe (by total combined capacity for DAP/MAP/NP/NPK/NPS), the largest producer of high-grade phosphate rock with a P2O5 content of 39%, a top-three producer of MAP/DAP globally, one of the leading producers of feed phosphates (MCP) in Europe, and the only producer in Russia, and Russia's only producer of nepheline concentrate (according to the RAFF).

PhosAgro's main products include phosphate rock, 39 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 100 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.

PhosAgro's shares are traded on the Moscow Exchange, and global depositary receipts (GDRs) for shares trade on the London Stock Exchange (under the ticker PHOR). Since 1 June 2016, the Company's GDRs have been included in the MSCI Russia and MSCI Emerging Markets indexes.

More information about PhosAgro can be found on the website: [www.phosagro.ru](http://www.phosagro.ru).

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