

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

25 June 2020

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

Equity Facility and BNP Facility Update,
Extension for Financial Reporting Deadline
and
Issue of Shares

Kropz Plc (AIM: KRPZ) announces that, further to the announcement on 29 May 2020, it has now satisfied the conditions precedent in respect of the amendment and restatement agreement between Kropz Elandsfontein (Pty) Ltd ("**Kropz Elandsfontein**"), of which the Company holds a 74 per cent. interest, and BNP Paribas SA ("**BNP**") relating to the project finance loan facility agreement entered into on 13 September 2016 (as amended from time to time) ("**BNP Facility**"), whereby BNP had previously agreed to make available to Kropz Elandsfontein a credit facility of up to US\$ 30 million ("**BNP Facility Amendment Agreement**"). The BNP Facility remains fully drawn.

Consequently, Kropz Elandsfontein has received a waiver of the technical default of the BNP Facility which was announced on 14 February 2020.

The Company is also pleased to confirm that it has made its first quarterly draw down request under the equity facility with Kropz's major shareholder, the ARC Fund. The equity facility is for up to the aggregate maximum ZAR equivalent of US\$ 40 million (which cannot exceed ZAR 680 million) as announced on 13 May 2020 ("**Equity Facility**"). The first drawdown is for US\$ 10 million which, together with the fees associated with the bank guarantee, will be paid by way of issue of 130,199,604 new ordinary shares at the issue price of 6.75 pence per ordinary share to ARC Fund on 26 June 2020. The next drawdown of the Equity Facility is expected to be made on 10 September 2020 and quarterly thereafter, in line with the terms of the Equity Facility.

Following the draw down and completion of the equity placing, as announced on 1 June 2020, the Company will have cash or cash equivalents of approximately US\$ 21.5 million.

The Company's Open Offer to shareholders for up to US\$ 4 million, before expenses, is due to close for acceptances tomorrow, 26 June 2020, at 11 a.m. As previously announced, ARC Fund has indicated that it intends to subscribe for 25,481,482 Open Offer Shares (equal to approximately US\$ 2 million) under the Open Offer (subject to a clawback which may reduce its subscription to a minimum of 25,128,164 Open Offer Shares if the Open Offer is fully subscribed). A further update on the Open Offer will be made following the closing date.

The Company announces that, further to the guidance provided by AIM Regulation in "Inside Aim" on 26 March 2020, the Company has been granted an extension of up to three months for the reporting and filing of its financial results for the year ended 31 December 2019, such that it will publish these results as soon as possible, but by no later than 30 September 2020.

With the restrictions imposed in respect of Covid-19 in South Africa, the Republic of Congo and Ghana such that offices have been closed and site visits have not been possible, there have been delays in

the audit of the Group's subsidiaries due to information to the Group's auditor being delayed. However, the audit process is now advanced, and a further update will be provided in due course. The Company will schedule its annual general meeting following publication of the financial results.

Admission and Total Voting Rights

Application will be made for the 130,199,604 new ordinary shares to admission to trading on the AIM Market of the London Stock Exchange ("AIM"). It is expected that admission will become effective, and that dealings in the new ordinary shares will commence at 8.00 a.m. on 30 June 2020.

On Admission, the Company's issued share capital will consist of 418,110,971 ordinary shares with voting rights. There are no shares 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.

Change in Shareholding

Following issue of the 130,199,604 of new ordinary shares, ARC Fund will be directly interested in 269,800,516 ordinary shares of the Company representing 64.5 per cent. of the issued share capital.

In addition, ARC Fund holds call options over certain shares held by Kropz International S.a.r.l as set out in the announcement on 13 May 2020.

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About Kropz

Kropz is an emerging African phosphate explorer and developer, with an advanced stage phosphate project in South Africa and a phosphate project in 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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