

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.

11 July 2024

**Kropz Plc**  
(“**Kropz**” or the “**Company**”)

**Trading Update and further loan facility**

Kropz Plc (AIM: KRPZ), an emerging African phosphate producer and developer, announces its trading update for Q2 2024 and agreement of a further loan facility between Kropz Elandsfontein (Pty) Ltd (“**Elandsfontein**”) and ARC Fund (“**ARC**”) for ZAR 140 million (approximately US\$ 8 million) (the “**Loan**”).

**Trading Update**

Elandsfontein achieved production of 88,319 tonnes of phosphate concentrate and sales of 71,948 tonnes of phosphate concentrate during Q2 2024. This brings production to 162,308 and sales to 152,685 tonnes for H1 2024.

**Refinancing update**

The Company continues discussions with potential lenders for additional working capital and a replacement loan for the BNP loan facility (outstanding amount US\$ 3.75 million) and now anticipates this to be concluded in H2 2024.

The Company previously announced on 3 April 2024 that BNP had extended its waiver period to 30 June 2024. BNP have now also extended the waiver to 30 September 2024.

**The Loan**

Due to the refinancing discussions continuing into Q3 2024, the Company requires additional capital to meet its repayment schedule with BNP and for additional operational expenditure.

Consequently, Elandsfontein and ARC have agreed terms for a further loan of ZAR 140 million (approximately US\$ 8 million). The Loan is unsecured. Interest is payable on the Loan at the South African prime overdraft interest rate plus 6%, nominal per annum and compounded monthly. In the event that any amounts outstanding under the Loan, together with interest thereon, is not repaid within 6 months from the first utilisation date, the interest rate will be increased by an additional 2%.

The Loan is repayable on the earlier of a fund raising by the Company (by way of loan or shares) or on demand from ARC, on no less than two business days' notice. There is no fixed term.

The first draw down on the Loan for an amount of ZAR 80 million has been made.

**Related Party Transaction**

The Loan is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Gerrit Duminy, 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.

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

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#### **About Kropz Plc**

Kropz is an emerging African phosphate producer and developer with projects in South Africa and 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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