1 December 2022

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

Draw down on new convertible equity facility

Kropz plc (AIM: KRPZ) is pleased to confirm that today it has made its first draw down request under the new ZAR 550 million convertible equity facility from the Company’s largest shareholder, ARC Fund (“**ZAR 550 Million Equity Facility**”), as announced on 14 November 2022.

As announced on 9 August 2022, Kropz, Kropz Elandsfontein (Pty) Ltd (“**Elandsfontein**”) and ARC Fund agreed to a ZAR 121.5 million (approximately US$ 7.1 million) bridge loan facility (“**Loan 1**”) to meet immediate cash requirements at Elandsfontein. Loan 1 is fully drawn at the date of this announcement.

As further announced on 30 September 2022, Kropz, Kropz Elandsfontein and ARC Fund agreed to a further ZAR 126 million (approximately US$ 7.4 million) bridge loan facility (“**Loan 2**”) to meet further funding requirements at Elandsfontein due to further delays in the ramp-up of operations at Elandsfontein. Loan 2 is fully drawn at the date of this announcement.

Loan 1 and Loan 2 will be set off against the first draw down amount under the ZAR 550 Million Equity Facility.

The first draw down is for ZAR 307.5 million (approximately US$ 18.1 million), which comprises:

- Set-off of Loan 1 and Loan 2 of ZAR 247.5 million;
- ZAR 10 million for Kropz Plc’s general corporate purposes and funding for the ongoing running costs of the Hinda project; and
- ZAR 50 million in respect of working capital for Elandsfontein.

ZAR 242.5 million remains available for drawdown over the term of the ZAR 550 Million Equity Facility.

The next draw down of the ZAR 550 Million Equity Facility is expected to be made on or about 23 December 2022 and monthly thereafter, if required, in line with the terms of the ZAR 550 Million Equity Facility.

ARC Fund has the right, at any time, to convert any outstanding amount under the ZAR 550 Million Equity Facility into new ordinary shares in Kropz Plc.

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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 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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