

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.

14 September 2023

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

Elandsfontein phosphate operational update, further loan facility and update on the existing BNP Paribas (“BNP”) loan facility agreement

Kropz Plc (AIM: KRPZ), an emerging African phosphate producer and developer, announces Kropz Elandsfontein (Pty) Ltd (“**Elandsfontein**”) and The ARC Fund (“**ARC**”) have agreed to a ZAR 250 million (approximately US\$ 13.2 million) loan facility (the “**Loan**”) to meet the immediate and additional near-term funding requirements at Elandsfontein as it progresses commercial sales and to meet Elandsfontein’s interest and capital payment obligations to BNP Paribas SA.

While several sales have been recorded in 2023, including a further 63,000 tonnes in the current quarter, they are below forecast, due to mine production having been affected by recent unprecedented seasonal rains.

BNP loan facility agreement update

The Company previously announced on 31 July 2023 that it is in the process of refinancing the BNP loan facility (outstanding amount US\$ 18,750,000) and that a replacement loan was expected to be in place in the third quarter of 2023, before expiry of the facility. It is now expected that a replacement loan will be in place by the end of 2023 and the Company is in discussion with BNP to extend its waiver period in line with this timetable.

The Company will provide further updates in due course.

The Loan

The Loan will be used to fund Elandsfontein’s capital expenditure to increase operational capacity and assist in meeting its creditor obligations, particularly with regard to the extended servicing of the BNP loan facility, and operational expenditure needs.

The Loan is unsecured, repayable on demand, and there are no fixed repayment terms. It is repayable by Elandsfontein on terms of no fewer than two business days' notice. 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 with an additional 2%.

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.

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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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