

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.

15 December 2023

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

**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 ARC Fund (“**ARC**”) have agreed to a ZAR 115 million (approximately US\$ 6 million) loan facility (the “**Loan**”) due to the delay in arranging re-financing of the BNP loan facility (outstanding amount US\$ 15 million).

**BNP loan facility and re-financing update**

The Company previously announced on 31 July 2023 that it is in the process of refinancing the BNP loan facility and subsequently on 3 October 2023 that BNP had extended its waiver period to 31 December 2023. It is now expected that a replacement loan will take longer than this to put in place and is expected to occur in Q1 2024. The Company is currently in discussions with BNP to extend the waiver period.

The Company have progressed with a preferred lender and will provide further updates in due course.

The Company has capital and interest payments due on the BNP loan facility this month and, while operations at Elandsfontein are progressing well it is not yet at steady state capacity, the Company requires additional funding in order to meet these in the absence of the re-financing arrangements completing as the Company has now fully drawn down its other loans from ARC.

**The Loan**

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 Loan will be used by Elandsfontein to fund its creditor obligations, particularly in regards to the extended servicing of the BNP loan facility, and other operational expenditure needs.

The first draw down of the Loan for an amount of ZAR 62.5 million (approximately US\$ 3 million) has also been made today.

**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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