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10 September 2024

Kropz plc

("Kropz" or the "Company")

Results of REX Retail Offer and Update on Subscription

Kropz plc (AIM: KRPZ) today announces the result of its offer to its existing retail investors via REX (the "**REX Retail Offer**") and the results of its conditional subscription with the ARC Fund ("**ARC**") (the "**Subscription**").

Retail investors have conditionally subscribed in the REX Retail Offer for a total of 243,118 ordinary shares of 0.1 pence each in the capital of the Company ("**Ordinary Shares**") (the "**REX Retail Offer Shares**"). Consequently, ARC will subscribe for the remaining 643,629,900 ordinary shares under the Subscription in accordance with the underwriting arrangements.

The issue of the total of 643,873,018 new ordinary shares (the "**New Ordinary Shares**") is conditional upon the Fundraising Resolutions being duly passed at the General Meeting, Exchange Control Approval and Admission becoming effective at 8:00 a.m. on 27 September 2024 (or such later time and/or date as the Company and the subscriber(s) may agree, but in any event by no later than 8.00 a.m. on 30 November 2024).

The Fundraising in aggregate comprised 643,873,018 New Ordinary Shares raising total gross proceeds of approximately £8.9 million for the Company.

Admission and Total Voting Rights

Application will be made to London Stock Exchange plc for the New Ordinary Shares to be admitted to trading on AIM ("Admission"). Subject to the passing of the Resolutions at a general meeting of the Company, proposed to be held at 12.30 p.m. on 20 September 2024, and receipt of Exchange Control Approval, Admission of the New Ordinary Shares is expected to take place at 8.00 a.m. on 27 September 2024.

Immediately following Admission, the Company's issued share capital will be 1,567,591,241 Ordinary Shares, with each share carrying the right to one vote. The Company does not hold any Ordinary Shares in treasury. The total voting rights figure immediately following Admission, of 1,567,591,241 may be used by shareholders (and others with notification obligations) as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure Guidance and Transparency Rules.

Concert Parties and Impact on Shareholdings

Following Admission and issue of the Convertible Loan Note, the updated interest of ARC and Kropz International will be:

Maximum Interests in Ordinary Shares

	Ordinary Shares		Maximum no. of further shares to be issued pursuant to the Existing Equity Facilities ⁽¹⁾	Maximum no. of further shares to be issued pursuant to the Convertible Loan Note ⁽²⁾	Maximum shareholdings following Existing Equity Facilities, the Fundraising and Convertible Loan Note	
	No.	%			No.	%
ARC ⁽¹⁾	1,411,969,230	90.1	902,093,959	2,403,549,091	4,717,612,280	96.8
Kropz International ⁽²⁾⁽³⁾⁽⁴⁾	54,933,474	3.5	0	0	54,933,474	1.1
Concert Party	1,466,902,704	93.6	902,093,959	2,403,549,091	4,772,545,754	97.9

(1) Assumes for illustrative purposes that the fully drawn Existing Equity Facilities are converted into equity.

- ZAR 200 Million Equity Facility – 219,272,938 ordinary shares ⁽⁶⁾
- ZAR 177 Million Equity Facility – 96,378,566 ordinary shares ⁽⁶⁾
- ZAR 550 Million Equity Facility – 586,442,455 ordinary shares ⁽⁶⁾

(2) Assumes for illustrative purposes that the Convertible Loan Note is converted into equity:

(3) £35.1 million Convertible Loan Note - 2,403,549,091 ordinary shares

(4) ARC and Kropz International are deemed to be acting in concert as defined in the Code.

- (5) Kropz International and ARC have entered into an arrangement pursuant to which Kropz International has granted to ARC a call option over 25,793,909 of its Ordinary Shares. The call option over Kropz International's Ordinary Shares can be exercised by ARC if the value of ARC's shareholding on the third anniversary of Admission is 20 per cent. lower than its value on IPO on 30 November 2018. The call option has an alternative settlement of cash or assets, if the transfer of the Ordinary Shares would require the transferee to make a Rule 9 offer for the Company pursuant to the City Code.
- (6) Mike Nunn, a director of Kropz, holds his beneficial interest in Kropz through Kropz International.
- (7) Exchange rates used are fixed at:
- ZAR 200 Million Equity Facility – GBP 1 = ZAR 20.24
 - ZAR 177 Million Equity Facility – GBP 1 = ZAR 19.84
 - ZAR 550 Million Equity Facility – GBP 1 = ZAR 20.48

This announcement should be read in conjunction with the Important Notices below.

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This announcement should be read in its entirety. In particular, the information in the "Important Notices" section of the announcement should be read and understood.

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This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Canada, Australia, Japan or South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the securities is being made in any such jurisdiction.

No prospectus, offering memorandum, offering document or admission document has been or will be made available in connection with the matters contained in this Announcement and no such prospectus is required to be published (in accordance with Regulation (EU) No 2017/1129 (as amended) (the "**EU Prospectus Regulation**") or the EU Prospectus Regulation as it is assimilated into UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), as amended (the "**UK Prospectus Regulation**"). Persons needing advice should consult a qualified independent legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any State or any other jurisdiction of the United States. Accordingly, the Subscription Shares will be offered and sold outside of the United States only in "offshore transactions" (as such term is defined in Regulation S under the Securities Act ("**Regulation S**")) pursuant to Regulation S and otherwise in accordance with applicable laws pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act. No public offering of the New Ordinary Shares has or will be made in the United States or elsewhere, other than the REX Retail Offer Shares under the REX Retail Offer which was made in the United Kingdom only.

The Fundraising has not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Fundraising, or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

This Announcement has not been approved by the London Stock Exchange.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in South Africa in relation to the New Ordinary Shares and the New Ordinary

Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or South Africa. Accordingly, the New Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or South Africa or any other jurisdiction in which such activities would be unlawful.

Certain statements contained in this Announcement constitute "forward-looking statements" with respect to the financial condition, results of operations and businesses and plans of the Group. Words such as "believes", "anticipates", "estimates", "expects", "intends", "plans", "aims", "potential", "will", "would", "could", "considered", "likely", "estimate" and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements and forecasts but are not the exclusive means of identifying such statements. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon future circumstances that have not occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements and forecasts. The forward-looking statements and (if any) forecasts contained in this announcement speak only as of the date of this announcement. The Company, its directors, Peel Hunt or their respective affiliates and any person acting on its or their behalf each expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements and forecasts, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation or the London Stock Exchange.

This Announcement does not constitute a recommendation concerning any investor's investment decision with respect to the Fundraising. Any indication in this Announcement of the price at which Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the New Ordinary Shares. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult their or its own legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

No statement in this Announcement is intended to be a profit forecast or profit estimate for any period, and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

All offers of the New Ordinary Shares have been made pursuant to one or more exemptions under the UK Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the FSMA does not require approval of the communication by an authorised person.

The New Ordinary Shares to be issued or sold pursuant to the Fundraising will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

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