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.

07 September 2026

Kropz Plc

(“**Kropz**” or the “**Company**”)

Strategic Update

Kropz Plc (AIM: KRPZ), an emerging African phosphate producer and developer, announces that it has begun an urgent operational review and restructuring process at Kropz Elandsfontein (Pty) Ltd (“Elandsfontein”).

Since the announcement on 15 July 2026, there has continued to be significant financial pressure on the operations arising predominantly from the continued Middle East conflict. The disruption to key fertilizer inputs has adversely affected global fertilizer production and demand for phosphate rock, resulting in downward pressure on sales prices. Simultaneously, increases in fuel, chemical and freight costs have significantly affected the operating costs of the Elandsfontein operations.

Over the past five months, the combined effect of lower realised sales prices and increased operating costs, together with the production ramp up being challenging, has resulted in Elandsfontein continuing to not achieve operational profitability. These conditions have necessitated an urgent operational review and the implementation of a restructuring process.

This operational review and restructuring process will result in a reduction of revenue generated from phosphate rock ("Phosrock") .During the first five months of the financial year ending 31 March 2027, Elandsfontein produced 150,246 tonnes of Phosrock with sales of 149,907 tonnes. Going forward, Phosrock revenue is expected to be generated primarily from the sale of existing stock on hand, with no further Phosrock production currently planned. The business will instead focus on the development and growth of the Nanophos market. While Nanophos sales volumes are expected to be lower than the historical volumes achieved from Phosrock, the strategy is intended to establish a more sustainable operating model with a lower cost base.

Nanophos is a natural sedimentary soft rock phosphate, rich in phosphate minerals, calcium and silica, used as a slow-release organic fertilizer to improve soil phosphate levels and promote long-term plant productivity. Unlike synthetic fertilizers, which can cause water pollution and soil degradation, soft rock phosphate is a natural product that supports sustainable farming practices. Its slow-release properties minimize the risk of nutrient leaching into water bodies, helping to protect precious natural resources.

Louis Loubser CEO of Kropz commented:
“The restructuring and operational downsizing process will be challenging and we understand the impact it will have on employees and their families and other stakeholders and are deeply saddened. The decision to undertake these actions has not been taken lightly and certainly not been easy. However, considering the continued financial pressures facing the Elandsfontein operation over several years, this initiative is necessary to establish a more sustainable operating model.”

While Nanophos represents a new and developing market, sales to date have been constrained by production and material handling limitations. As a result of the operational review and restructuring process, management intends to increase its focus on Nanophos market development. Revenue is therefore expected to gain greater momentum over the coming months, subject to normal seasonality and the successful growth of the Nanophos customer base and market. Subject to board approval, Phosrock operations will re-start once market conditions have normalised.

The Company believe that Nanophos has the prospect to be a significant contributor to the phosphate market in South Africa and provide a much needed solution to the needs of South African farming communities. The management team is committed to developing this prospect.

Louis Loubser CEO of Kropz further commented:
"While the transition will be challenging these actions are in the best interest of the business and its stakeholders. This long-term vision ultimately necessitated difficult decisions in the short term, and the Company will manage the process responsibly and provide the necessary notices in terms of the MPRDA to the Minister of the Department of Mineral Resources and Energy. Kropz will continue to provide updates on material developments as appropriate."

For further information visit 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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