VERDE AGRITECH PLC

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER ENDED 30 SEPTEMBER 2018

VERDE AGRITECH PLC

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

The accompanying unaudited consolidated financial statements of Verde AgriTech Plc (“Verde”, the "Company", or the “Group”) for the third quarter ended 30 September 2018 have been prepared by and are the responsibility of the Company's management. They have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ issued by the International Auditing and Assurance Board (“IAASB”) and as adopted by the European Union and do not include all of the information and disclosures that would be required by International Financial Reporting Standards for annual audited financial statements. The interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements including the notes thereto for the year ended 31 December 2017. The financial information has not been reviewed or audited by the Company’s auditor.

These financial statements have been approved by the Audit Committee and the Board of Directors of the Company.

VERDE AGRITECH PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 September 2018
(EXPRESSED IN CANADIAN DOLLARS)

	Note	**3 months ended 30 Sept 2018 $'000**	3 months ended 30 Sept 2017 $'000	**9 months ended 30 Sept 2018 $'000**	9 months ended 30 Sept 2017 $'000
Continuing operations					
Revenue		**666**	-	**666**	-
Production costs		**(401)**	-	**(401)**	-
Gross profit		**265**	-	**265**	-
Administrative expenses		**(558)**	(418)	**(1,365)**	(1,161)
Operating loss		**(293)**	(418)	**(1,100)**	(1,161)
Finance income		**2**	4	**7**	31
Finance costs		**(17)**	-	**(17)**	-
			8		
Loss before tax		**(308)**	(414)	**(1,110)**	(1,130)
Income tax expense		**-**	-	**-**	-
Loss for the period attributable to equity holders of the parent		**(308)**	(414)	**(1,110)**	(1,130)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		**(962)**	(73)	**(2,822)**	997
Other comprehensive income for the period (net of tax)		**(962)**	(73)	**(2,822)**	997
Total comprehensive income for the period attributable to equity holders of the parent		**(1,270)**	(487)	**(3,932)**	(133)
Loss per share					
Basic and diluted loss per share	*4*	**(0.007)**	(0.011)	**(0.027)**	(0.029)

VERDE AGRITECH PLC

STATEMENT OF FINANCIAL POSITION

As at 30 September 2018
(EXPRESSED IN CANADIAN DOLLARS)

	Note	**30 Sept 2018 $'000**	31 Dec 2017 $'000
Assets			
Property, plant and equipment	*5*	**857**	213
Mineral properties	*6*	**20,984**	-
Intangible assets	*7*	**-**	23,404
Total non-current assets		**21,841**	23,617
Inventory		**156**	-
Trade and other receivables		**1,812**	850
Short-term deposits		**-**	900
Cash and cash equivalents	*12*	**299**	645
Total current assets		**2,267**	2,395
Total assets		**24,108**	26,012
Equity attributable to the equity holders of the parent			
Issued capital	*8*	**17,417**	16,502
Share premium		**46,146**	45,872
Warrant reserve	*9*	**777**	777
Merger reserve		**(4,557)**	(4,557)
Translation reserve		**(11,571)**	(8,749)
Accumulated losses		**(25,275)**	(24,298)
Total equity		**22,937**	25,547
Liabilities			
Interest-bearing loans and borrowings	*11*	**307**	-
Total non-current liabilities		**307**	-
Interest-bearing loans and borrowings	*11*	**40**	-
Trade and other payables		**824**	465
Total current liabilities		**864**	465
Total liabilities		**1,171**	465
Total equity and liabilities		**24,108**	26,012

VERDE AGRITECH PLC

STATEMENTS OF CASH FLOWS

For the Quarter Ended 30 September 2018
(EXPRESSED IN CANADIAN DOLLARS)

	3 months ended 30 Sept 2018 $'000	3 months ended 30 Sept 2017 $'000	**9 months ended 30 Sept 2018 $'000**	9 months ended 30 Sept 2017 $'000
Cash flows from operating activities				
Operating loss	**(293)**	(418)	**(1,100)**	(1,161)
Depreciation	**14**	4	**26**	14
Loss on disposal of property, plant and equipment	**-**	15	**3**	15
Foreign exchange differences	**(16)**	10	**20**	4
Share-based payments	**70**	60	**133**	262
Increase in inventories	**(76)**	-	**(76)**	-
Increase in receivables	**(486)**	(663)	**(445)**	(821)
Increase in payables	**555**	242	**844**	618
Cash utilised in operations	**(232)**	(750)	**(595)**	(1,069)
Interest paid	**(5)**	-	**(5)**	-
Net cash utilised in operating activities	**(237)**	(750)	**(600)**	(1,069)
Cash flows from investing activities				
Interest received	**2**	5	**7**	33
Redemption of short-term deposits	**-**	-	**900**	-
Revenue receipts capitalised	**30**	-	**125**	-
Acquisition of evaluation and exploration assets	**(4)**	(207)	**(337)**	(714)
Acquisition of property, plant and equipment	**(420)**	(13)	**(781)**	(31)
Net cash utilised in investing activities	**(392)**	(215)	**(86)**	(712)
Cash flows from financing activities				
Proceeds from issue of shares	**9**	1,813	**60**	1,813
Bank loan received	**335**	-	**335**	-
Net cash from financing activities	**344**	1,813	**395**	1,813
Net increase/(decrease) in cash and cash equivalents	**(285)**	848	**(291)**	32
Cash and cash equivalents at beginning of period	**612**	935	**645**	1,762
Effect of exchange rate fluctuations on cash held	**(28)**	1	**(55)**	(10)
Cash and cash equivalents at end of period	**299**	1,784	**299**	1,784

VERDE AGRITECH PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period to 30 September 2017 (EXPRESSED IN CANADIAN DOLLARS)	Share capital $'000	Share premium $'000	Share warrant reserve $'000	Merger reserve $'000	Translation reserve $'000	Accumulated Losses $'000	Total $'000
Balance at 1 January 2017	15,457	45,475	-	(4,557)	(6,979)	(22,415)	26,981
Comprehensive loss							
Loss for the period	-	-	-	-	-	(1,130)	(1,130)
Foreign exchange translation differences	-	-	-	-	(997)	-	(997)
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(997)	(1,130)	(2,127)
Transactions with owners							
Issue of share capital	774	868	311	-	-	-	1,953
Share-based payments	-	-	-	-	-	262	262
Transactions with owners	-	-	-	-	-	-	-
Balance at 30 September 2017	16,231	46,343	311	(4,557)	(7,976)	(23,283)	27,069

Period to 30 September 2018 (EXPRESSED IN CANADIAN DOLLARS)	Share capital $'000	Share premium $'000	Share warrant reserve $'000	Merger reserve $'000	Translation reserve $'000	Accumulated Losses $'000	Total $'000
Balance at 1 January 2018	**16,502**	**45,872**	**777**	**(4,557)**	**(8,749)**	**(24,298)**	**25,547**
Comprehensive Income							
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(1,110)**	**(1,110)**
Foreign exchange translation differences	**-**	**-**	**-**	**-**	**(2,822)**	**-**	**(2,822)**
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(2,822)**	**(1,110)**	**(3,932)**
Transactions with owners							
Issue of share capital	**915**	**274**	**-**	**-**	**-**	**-**	**1,189**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**133**	**133**
Total transactions with owners	**915**	**274**	**-**	**-**	**-**	**133**	**1,322**
Balance at 30 September 2018	**17,417**	**46,146**	**777**	**(4,557)**	**(11,571)**	**(25,275)**	**22,937**

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Nature of operation and going concern

The Directors have prepared cash flow forecasts for the Group covering a period through to the end of May 2019, which show that the Group has at least 9 months working capital remaining. The Group commenced small-scale mining operations with Super Greensand® in 2017 and has increased this activity in 2018 declaring commercial production from July 1, 2018.

There are risks associated with the commencement of any new mining operation whereby unforeseen technical and logistical events result in additional costs needing to be incurred, giving rise to the possibility that additional working capital may be required. Additionally, given the early stage of the Group's development there is little historic sales activity and should a lack of suitable buyers be found, or there are delays in generating revenue additional working capital may be required.

These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2. Significant accounting policies

Verde is a company domiciled in England and Wales. The interim statements of the Company for the third quarter ended 30 September 2018 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the acquisition and development of mineral resource assets. The interim financial statements have been drawn up in accordance with International Accounting Standard 34 'Interim Financial Reporting' issued by the IASB and as adopted by the European Union.

The financial information contained in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. No statutory accounts for the period have been delivered to the Registrar of Companies. The financial information contained in this interim report has not been reviewed or audited by the Company's auditor.

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Company's audited consolidated financial statements and notes thereto for the year ended 31 December 2017. The annual financial statements are prepared in accordance with IFRSs as adopted by the European Union and with IFRSs and the interpretations issued by the IASB.

In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes for the year ended 31 December 2017.

The statutory accounts for the year ended 31 December 2017 have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

NOTES TO THE GROUP FINANCIAL STATEMENTS

3. Operating segments

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker, C Veloso, in order to allocate resources to the segments and to assess their performance.

The Group's operations relate to the exploration for, and development of mineral deposits with support provided from the UK and as such the Group has only one segment.

4. Loss per share

Basic loss per share

The calculation of basic loss per share at 30 September 2018 was based on the loss attributable to ordinary shareholders of $1,110,000 (30 September 2017: $1,130,000) and a weighted average number of ordinary shares outstanding during the period ended 30 September 2018 of 40,481,539 (30 September 2017: 38,406,000) calculated as follows:

Loss attributable to ordinary shareholders

	9 months ended 30 Sept 2018 $'000	9 months ended 30 Sept 2017 $'000
Loss for the period	**(1,110)**	(1,130)
Loss attributable to ordinary shareholders	**(1,110)**	(1,130)

Weighted average number of ordinary shares

	Number '000
Number of shares in issue on 1 January 2017	37,617
Effect of shares issued during period	429
Weighted average number of ordinary shares at 30 September 2017	38,046
Number of shares in issue on 1 January 2018	**40,286**
Effect of shares issued during period	**196**
Weighted average number of ordinary shares at 30 September 2018	**40,482**

There is no difference between the basic and diluted loss per share because the Group's loss means that any potential dilutive shares are antidilutive.

Details of share options that could potentially dilute earnings per share in future periods are set out in note 9.

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NOTES TO THE GROUP FINANCIAL STATEMENTS

5. Property, plant and equipment

	$'000
Cost	
Balance at 1 January 2017	478
Additions	31
Disposals	(28)
Effect of movements in foreign exchange	(31)
Balance at 31 December 2017	450
Balance at 1 January 2018	**450**
Additions	**781**
Disposals	**(6)**
Effect of movements in foreign exchange	**(130)**
Balance at 30 September 2018	**1,095**
Depreciation and impairment losses	
Balance at 1 January 2017	243
Depreciation charge for the year	18
Disposals	(12)
Effect of movements in foreign exchange	(12)
Balance at 31 December 2017	237
Balance at 1 January 2018	**237**
Depreciation charge for the year	**27**
Disposals	**(4)**
Effect of movements in foreign exchange	**(22)**
Balance at 30 September 2018	**238**
Carrying amounts	
At 1 January 2017	235
At 31 December 2017	213
At 1 January 2018	**213**
At 30 September 2018	**857**

6. Mineral properties

	Total $'000
Cost	
Balance at 1 January 2018	-
Transfer from exploration costs	20,984
Balance at 30 September 2018	20,984
Amortisation	
Balance at 1 January 2018	-
Amortisation charge for the year	-
Balance at 30 September 2018	-
Carrying amounts	
At 1 January 2018	-
At 30 September 2018	20,984

VERDE AGRITECH PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS

7. Intangible assets

	Projects		Total
	Cerrado Verde	Calcario	exploration costs
	$'000	$'000	$'000
Cost			
Balance at 1 January 2017	24,219	725	24,944
Additions	831	-	831
Effect of movements in foreign exchange	(1,645)	(62)	(1,707)
Balance at 31 December 2017	23,405	663	24,068
Balance at 1 January 2018	**23,405**	**663**	**24,068**
Additions	**340**	**-**	**340**
Transfer to inventory on commercial production	**(80)**	**-**	**(80)**
Transfer to mineral properties on commercial production	**(20,984)**	**-**	**(20,984)**
Effect of movements in foreign exchange	**(2,681)**	**(99)**	**(2,780)**
Balance at 30 September 2018	**-**	**564**	**564**
Provision for impairment			
Balance at 1 January 2017	-	-	-
Impairment charge for the year	-	663	663
Balance at 31 December 2017	-	663	663
Balance at 1 January 2018	**-**	**663**	**663**
Effect of movements in foreign exchange	**-**	**(99)**	**(99)**
Balance at 30 September 2018	**-**	**564**	**564**
Carrying amounts			
At 1 January 2017	24,219	725	24,944
At 31 December 2017	23,405	-	23,405
At 1 January 2018	**23,405**	**-**	**23,405**
At 30 September 2018	**-**	**-**	**-**

VERDE AGRITECH PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS

8. Share capital

	30 Sept 2018 Number	30 Sept 2018 $'000	31 Dec 2017 Number	31 Dec 2017 $'000
Authorised - Ordinary shares of $0.3918 each	**500,000,000**	**195,900**	500,000,000	195,900

	30 Sept 2018 Number	30 Sept 2018 $'000	31 Dec 2017 Number	31 Dec 2017 $'000
Issued - Ordinary shares of $0.3918 each				
At beginning and end of period	**40,285,922**	**16,502**	37,617,430	15,457
25 July 2017 for $1.05 each	**-**	**-**	1,727,075	677
26 September 2017 for $0.56 each	**-**	**-**	250,000	98
10 November 2017 for $0.42 each	**-**	**-**	500,000	196
27 November 2017 for $0.62 each	**-**	**-**	98,417	38
5 December 2017 for $0.425 each	**-**	**-**	18,000	7
5 December 2017 for $0.40 each	**-**	**-**	15,000	6
6 December 2017 for $0.41 each	**-**	**-**	60,000	23
12 March 2018 for $0.40 each	**15,000**	**6**	-	-
12 March 2018 for $0.425 each	**6,000**	**2**	-	-
13 March 2018 for $0.40 each	**61,538**	**24**	-	-
14 March 2018 for $0.425 each	**12,000**	**5**	-	-
14 March 2018 for $0.41 each	**30,000**	**12**	-	-
12 April 2018 for $0.76 each	**64,540**	**25**		
10 September 2018 for $0.77 each	**165,975**	**65**		
18 September 2018 for $0.45 each	**20,000**	**8**		
24 September 2018 for $0.61 each	**714,407**	**280**		
24 September 2018 for $0.425 each	**732,000**	**287**		
24 September 2018 for $0.40 each	**512,308**	**201**		
At end of period	**42,619,690**	**17,417**	40,285,922	16,502

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to increase the value of the entity for the benefit of shareholders. Given the nature of the Group's current activities, the entity will remain dependent on equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

9. Share warrants

	30 Sept 2018 Number	30 Sept 2018 $'000	31 Dec 2017 Number	31 Dec 2017 $'000
Balance at beginning of period	**1,727,075**	**777**	-	-
Fair value of warrants issued during the period	**-**	**-**	1,727,075	777
Balance at end of period	**1,727,075**	**777**	1,727,075	777

The share warrant reserve reflected the value of outstanding share warrants based on the fair value of the share warrants at the time of issue.

10. Share-based payments

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 30 Sept 2018	**Number of options 30 Sept 2018**	Weighted average exercise price 31 Dec 2017	Number of options 31 Dec 2017
Outstanding at the beginning of the period	**$0.45**	**3,566,998**	$0.58	2,609,000
Granted during the period	**$0.69**	**1,679,308**	$0.45	1,089,998
Exercised during the period	**$0.41**	**(1,388,846)**	$0.34	(93,000)
Forfeited during the period	**$0.65**	**(223,000)**	$0.14	(4,000)
Expired during the period	**-**	**-**	$2.63	(35,000)
Outstanding at the end of the period	**$0.61**	**3,634,460**	$0.44	3,566,998
Exercisable at the end of the period	**$0.57**	**569,152**	$0.49	1,568,299

The options outstanding at 30 September 2018 have an exercise price in the range of $0.40 to $1.05 and a weighted average remaining contractual life of 7 years. Four options have been issued in 2018. The first issue in May 2018 were issued in six tranches, 10% a year after issue with an additional 10% vest each subsequent year. At the sixth year from grant, the remaining 50% of the options vest. The second issue in May 2018 were issued in three tranches, 10% on date of issue, 10% a month later and the remaining 80% a year later. The third issued in September 2018 were issued in one tranche, all to be vested one year after issue. The fourth issued in September 2018 were issued in one tranche all to be invested five years after issue. At 30 September 2018, 569,152 of the options had vested (31 December 2017: 1,568,299).

Details of share options outstanding at 30 September 2018 are as follows:

	Number of options							Exercisable period	
Outstanding at beginning of period	Granted	Expired	Forfeited	Exercised	Outstanding at end of period	Exercisable at end of period	Option price $	Grant date	Expiry date
165,000	-	-	(165,000)	-	-	-	$0.74	15 July 2013	15 July 2018
20,000	-	-	-	(20,000)	-	-	$0.45	19 September 2013	19 September 2018
30,000	-	-	-	(30,000)	-	-	$0.41	8 October 2013	8 October 2018
165,000	-	-	-	-	165,000	165,000	$0.78	14 January 2014	14 January 2019
2,002,000	-	-	(18,000)	(750,000)	1,234,000	40,000	$0.425	10 December 2014	10 December 2024
20,000	-	-	-	-	20,000	6,000	$0.40	12 November 2015	12 November 2025
90,000	-	-	(40,000)	-	50,000	20,000	$0.40	10 December 2015	10 December 2025
814,998	-	-	-	(568,846)	246,152	246,152	$0.40	31 January 2017	31 January 2027
200,000	-	-	-	(20,000)	180,000	20,000	$0.40	9 February 2017	9 February 2027
60,000	-	-	-	-	60,000	52,000	$0.83	12 May 2017	12 May 2027
-	200,000	-	-	-	200,000	-	$1.02	30 May 2018	30 May 2028
-	100,000	-	-	-	100,000	20,000	$1.05	30 May 2018	30 June 2020
-	1,244,308	-	-	-	1,244,308	-	$0.61	24 September 2018	24 September 2028
-	135,000	-	-	-	135,000	-	$0.61	24 September 2018	24 September 2028

3,566,998	1,679,308	-	(223,000)	(1,388,846)	3,634,460	569,152

10. Share-based payments (continued)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model.

Fair value of share options and assumptions	**30 Sept 2018 $'000**	30 Sept 2017 $'000
Weighted average fair value of options granted during the period	**0.36**	0.31
Weighted average share price	**0.69**	0.47
Weighted average exercise price	**0.69**	0.47
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	**137.66%**	146%
Option life	**1 - 5**	1 – 5
Expected dividends	**-**	-
Risk-free interest rate (based on national government bonds)	**0.2%**	0.2%

The expected volatility is based on the historic volatility of the share price (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. There are no market conditions associated with the share option grants.

	3 months to 30 Sept 2018 $'000	3 months to 30 Sept 2017 $'000
Total expense recognized as employee and consultants costs	**69**	61

11. Interest-bearing loans and borrowings

	30 Sept 2018 $'000	30 Sept 2017 $'000
Non-current liabilities		
Bank loan	**307**	-
Current liabilities		
Bank loan	**40**	-

The Group received a loan in 2018 from BNDES Santander of B$1,040,000. The terms of the agreement are the loan is for sixty months with a twelve month grace period. The loan is repayable by May 2023 and interest charged at a variable IPCA rate with fixed elements of 7.05%. At the period end, the total rate payable was 12.26%**.**

12. Financial instruments

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk each of which is discussed below. There is no perceived credit risk as the Group and Company have no trade receivables and minimal other financial receivables and bank deposits are made with financial institutions considered to be safe by the Board of Directors. There were no derivative instruments outstanding at 30 September 2018.

12. Financial Instruments (continued)

Foreign currency risk

The Group's cash resources are mainly held in Canadian Dollars and Brazilian Reais. Exchange rate fluctuations may adversely affect the Group's financial position and results. The Group's financial results are reported in Canadian Dollars and its costs are primarily incurred in Canadian Dollars and Brazilian Reais.

The appreciation of the Brazilian Real against the Canadian Dollar could increase the actual capital and operating costs of the Group's mineral exploration projects and materially adversely affect the results presented in the Group's financial statements. Currency exchange fluctuations may also materially adversely affect the Group's future cash flows from operations, its results of operations, financial condition and prospects. The Group has a general policy of not hedging against foreign currency risks. The Group manages foreign currency risk by regularly reviewing the balances held in currencies other than the functional currency.

The Group and Company had the following cash and cash equivalents in various currencies including its presentational currency. The amounts are stated in Canadian Dollar equivalents:

	30 Sept 2018	31 Dec 2017
	$'000	$'000
Canadian Dollars	**177**	1,122
Brazilian Reais	**86**	257
British Pounds	**29**	156
American Dollars	**7**	10
	299	1,545

Foreign currency risk sensitivity analysis showing a 10% weakening/strengthening of the Brazilian Reais against the Canadian Dollar with all other variables held constant is set out below. 10% represents managements' assessment of the reasonable possible exposure:

	Equity	
	30 Sept 2018	31 Dec 2017
	$'000	$'000
10% weakening of Brazilian Real	**(7)**	(45)
10% strengthening of Brazilian Real	**8**	55

Liquidity risk

To date the Group and Company have relied on shareholder funding to finance its operations. As the Group and Company have finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure and cash resources. In addition, the Group has long-term loans and trade and other payables with maturity of less than one year. Further details of the liquidity position are explained in note 1 regarding going concern.

Interest rate risk

The Group's and Company's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve month's maximum duration. Given that the directors do not consider that interest income is significant in respect of the Group's and Company's operations no sensitivity analysis has been provided in respect of any potential fluctuations in interest rates.

12. Financial Instruments (continued)

Financial assets

The floating rate financial assets comprise interest earning bank deposits at rates set by reference to the prevailing LIBOR or equivalent to the relevant country.

Fair values

In the directors' opinion there is no material difference between the book value and fair value of any of the Group's and Company's financial instruments.

Classes of financial instruments

The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the financial statements. All the Group's and Company's financial assets are categorised as loans and receivables and all financial liabilities are measured at amortised cost.

13. Subsequent events

In October 2018, the Group announced it had sold almost 40 thousand tonnes year to date of Super Greensand® which matched its production capacity for 2018. As planting season has stopped and raining season has started, the Group will switch selling to Alpha, a product applied once the crops have started growing. In 2019, the Group plans to continue using the existing plant to produce 200 thousand tonnes pa and in parallel, start construction of a new plant adding production of an additional 600 thousand tonne. Total 800 thousand tonne to be reached by early 2020. Financing for the expansion is budgeted to be a mix of accumulated cash flow and BNDES bank financing.

In November 2018, the Group was pleased to announce its new business-to-business marketplace. Farmers will be able to offer, on a large scale, nutrient-rich and sustainably-produced food directly to interested corporate buyers who serve a growing portion of the population and are looking for these types of food. The platform is accessible to products grown and qualified under one or more of four credentials: Chloride Free (products free of chloride), BioNutrient (nutrient-rich produce), CO2 Captured and Organic. Verde Marketplace will be open to certified producers irrespective of whether they use Verde's suite of plant nutrition products.