

March 31, 2021

VERDE DELIVERS 97% GROSS PROFIT GROWTH WITH 62% GROSS MARGIN FOR 2020, AND FIRST FULL YEAR PROFIT

(All figures are in Canadian dollars, unless stated otherwise. Average exchange rate in 2020: C\$1.00 = R\$3.84)

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: "NPK") (OTCQB: "AMHPF") ("**Verde**" or the "**Company**") is pleased to announce its financial results for the fourth quarter ("**Q4 2020**") and full year ended December 31, 2020 ("**FY 2020**").

Q4 2020 FINANCIALS

- Sales increased by 76% with 56,585 tonnes sold, compared to 32,221 tonnes in the fourth quarter of 2019 ("**Q4 2019**").
- Gross margin increased to 59% in Q4 2020, compared to 36% in Q4 2019.
- The Company recognised revenue of \$2,209,000, an increase of 48% compared to \$1,491,000 in Q4 2019 despite a 14% decline in the price of potash delivered to Brazil.
- In Brazilian Real ("**R\$**"), revenue increased by 92%, to R\$8,489,000 compared to R\$4,429,000 in Q4 2019.
- The Company recorded a net loss of \$192,000, compared to a net loss of \$11,000 in Q4 2019.
- Cash held by the Company increased by 236%, to a total of \$2,237,000, compared to \$666,000 in Q4 2019.

FY 2020 FINANCIALS

- Sales increased by 103% with 243,707 tonnes sold, compared to 119,809 tonnes in the year ended December 31, 2019 ("**FY 2019**").
- Gross margin increased to 62% in FY 2020, compared to 48% in FY 2019.
- The Company recorded a gross profit of \$5,652,000, compared to a \$2,863,000 gross profit in FY 2019, an increase of 97%.
- Revenue increased by 52%, with a total of \$9,167,000, compared to \$6,029,000 in 2019, despite a 27% decline in the price of potash delivered to Brazil.
- In R\$, revenue increased by 97%, to R\$35,232,000, compared to R\$17,913,000 in FY 2019.
- Revenue per tonne was \$38, compared to \$50 in FY 2019. The Product price is based on the current US Dollar ("**US\$**") Potassium Chloride price. Therefore, the reduction of the average revenue per tonne was mainly due to the decline of the Potassium Chloride CFR (Brazil) price.

- Production costs were \$14, compared to \$26 in FY 2019. The production cost reduction of 45% was due to enhanced production efficiency and the devaluation of the Brazilian Real by 29% against the Canadian Dollar.
- The Company recorded an operating profit of \$1,126,000 and net profit of \$550,000 after taxes, compared to an operating loss of \$784,000 and net loss of \$1,107,000 after taxes in FY 2019. 2020 was therefore the first year that the Company recorded a net profit.

SUBSEQUENT EVENTS

- In February 2021, the Company has been certified as a Great Place to Work® ("GPTW"). The GPTW acknowledgment is an annual certification granted to companies that have most of its employees with a positive perception of its work environment.
- In March 2021, 1,385,057 warrants issued pursuant to the March 2019 private placement were exercised generating \$1,385,057 proceeds for the Company.

"Thanks to Verde's team, we achieved both our sales and revenue targets for 2020. This continues our trend of strong operating and financial performance, as aligned with our strategic plan and financial objectives, as we continue to pursue development and growth opportunities in our target markets," said Cristiano Veloso, Verde's Founder, President, CEO and Chairman.

"We are very proud of our employees' hard work during the year of 2020 for their dedication and professionalism during these challenging times. The Company remains committed to operating safely and abiding by the most stringent COVID-19 health and safety protocols so that our operations can continue to perform well despite all the challenges", Mr Veloso concluded.

2021 GUIDANCE

As stated in the press release disclosed on November 15, 2020, the Company's target for 2021 is to achieve R\$50 million revenue in 2021. Product sales target for full year 2021 is 350,000 tonnes, which represents 44% growth, compared to FY 2020 sales.

PRE-FEASIBILITY STUDY:

Verde's new product BAKS® will potentially enable the Company to increase its share of the Brazilian potash and sulfur markets, with further upside from other nutrients.

As stated in the press release filed on SEDAR on March 01, 2021, a new Pre-Feasibility Study ("PFS") will be elaborated by the Company in 2021. It is expected to be finished by the end of the year.

The new PSF has the objective of correctly assessing sulfur's potential market in Brazil and the opportunities that it opens up, as well as updating the information disclosed in the NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project filed by the Company on SEDAR in 2017, which was based on the following assumptions:

- Potassium Chloride ("KCl") price of US\$250 CIF Brazil as reference for the product pricing, versus a current average of US\$312 price (Acerto Limited Report).
- US\$-R\$ exchange rate of US\$1.00 = R\$3.28, versus a current rate of US\$1.00 = R\$5.77¹.

VERDE'S KEY OBJECTIVES FOR 2021:

- Achieving 10% of the Company's total sales as BAKS@.
- Launching a new technology in the second quarter of 2021.
- Getting ISO 9001 and ISO 14001 certified.
- Obtaining the Mining Concession for 2.5M tonnes per year ("**tpy**") for Mine Pit 2, a milestone in our path to achieving the target of 25M tonnes annual production, which represents a NPV per share of \$49.78, based on the previous SEDAR filed Pre-Feasibility Study² considering a KCl price of US\$250, instead of US\$312 currently negotiated.
- Initiating the construction of Plant 2, with the completion of the necessary infrastructure for its development, such as the plant's power grid connection, access routes improvement and preliminary civil construction.

¹ As of March 29, 2021.

² Based on \$2.607 billion NPV after tax divided by 50,364,858 shares outstanding as of December 31, 2020. Estimated Net Present Value after tax of US\$1.99 billion, with 8% discount rate and Internal Rate of Return of 287% (see NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project, MG, Brazil, page 207). Currency exchange: US\$1.00 = C\$1.26.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below summarizes Q4 and FY 2020 financial results compared to Q4 and FY 2019.

\$'000	Q4 2020	Q4 2019	FY 2020	FY 2019
Tonnes sold '000	57	32	244	120
Revenue per tonne sold \$	39	47	38	50
Production cost per tonne sold \$	(16)	(30)	(14)	(26)
Gross Profit per tonne sold \$	23	17	23	24
Gross Margin	59%	36%	62%	48%

Revenue	2,209	1,491	9,167	6,029
Production costs	(912)	(960)	(3,515)	(3,166)
Gross Profit	1,297	531	5,652	2,863
Gross Margin	59%	36%	62%	48%
Sales and product delivery freight expenses	(673)	(202)	(2,270)	(1,303)
General and administrative expenses	(588)	(381)	(1,791)	(1,535)
Operating Profit/(Loss) before non-cash events	36	(52)	1,591	25
Share Based and Bonus Payments / (Non-Cash Event) *	(18)	113	(425)	(787)
Depreciation and Amortisation *	(4)	(2)	(23)	(22)
Loss on disposal of plant and equipment *	-	-	(17)	-
Operating Profit/(Loss) after non-cash events	14	59	1,126	(784)
Corporation tax**	(79)	(41)	(330)	(186)
Interest Income/Expense	(127)	(29)	(246)	(137)
Net Profit / (Loss)	(192)	(11)	550	(1,107)

* - Included in General and Administrative expenses in financial statements

** - The Company companies in Brazil are currently under “presumed profit” taxation method, which is the most efficient method at this time. Under “presumed profit” method, it is not possible to utilise prior period losses to reduce corporation tax. When the Company switches to “real profit” method, these losses can be utilised.

Q4 and FY 2020 compared with Q4 and FY 2019

The Company generated a net loss for Q4 2020 of \$192,000, an increase of \$181,000 compared to Q4 2019. The loss per share was \$0.003, compared to zero for Q4 2019.

For FY 2020, the Company reported a net profit of \$550,000 compared to a net loss of \$1,107,000, an increase of \$1,657,000 for the year. The increase was due to the continued growth of the Company. 2020 was the first year that the Company recorded a net profit.

Product Sales

In Q4 2020, the Company sold 56,585 tonnes, an increase of 76% in comparison to Q4 2019.

For FY 2020, the Company sold 243,707 an increase of 103% in comparison to FY 2019 as the Company's product continues to grow in the market.

Revenue

Revenue from sales for Q4 2020 was \$2,209,000 from the sale of 56,585 tonnes of the Product, at \$39 per tonne sold. Average revenue per tonne was lower than Q4 2019 (\$46 per tonne sold). The Product price is based on the current US\$ Potassium Chloride price. Therefore, the reduction of the average revenue per tonne was mainly due to the decline of the Potassium Chloride CFR (Brazil) price, from US\$290 per tonne in Q4 2019 to US\$250 per tonne in Q4 2020 (Acerto Limited Report).

For FY 2020, total Revenue from sales was \$9,167,000 an increase of 52% compared to FY 2019.

Production costs

Production costs include all costs directly from mining, processing, logistics from the mine to the factory and supply chain salaries, which are paid in R\$. Cost per tonne for the quarter was \$16 compared to \$30 for the same period in 2019. The reduction of 46% was due to cost efficiency enhancement of 17% and as a result of devaluation of the R\$ by 29% against the Canadian Dollar in Q4 2020 compared to Q4 2019.

For FY 2020, production costs per tonne were \$14, compared to \$26 in FY 2019, a reduction of 45%. This was due to cost efficiency improvements and the devaluation of the Brazilian Real against the Canadian Dollar.

SALES EXPENSES

CAD \$'000	Q4 2020	Q4 2019	FY 2020	FY 2019
Sales and marketing expenses	(195)	(57)	(1,137)	(932)
Product delivery freight expenses	(478)	(145)	(1,133)	(371)
Total	(673)	(202)	(2,270)	(1,303)

Sales and marketing expenses

Sales and marketing expenses include sales and marketing salaries, the promotion of the Product such as fees paid to sales agents, marketing events, car rentals, travel within Brazil, hotel expenses and Customer Relationship Management (CRM) Software licenses. Expenses increased by \$139,000 in Q4 2020 compared to Q4 2019 mainly due to additional sales and marketing staff to support the Company growth from an average of 13 employees in 2019 to an average of 32 employees in 2020, along with increased commissions paid to consultants.

Product delivery freight expenses

Product delivery freight expenses were \$333,000 higher in Q4 2020 compared to the same quarter last year.

For FY 2020, the costs have increased by \$762,000 compared to FY 2019 as the Company has increased significantly the volume sold as CIF (Cost Insurance and Freight), from 2% of total sales in 2019 to 13% in 2020.

GENERAL AND ADMINISTRATIVE EXPENSES

CAD \$'000	Q4 2020	Q4 2019	FY 2020	FY 2019
General administrative expenses	(494)	(227)	(1,149)	(901)
Legal, professional, consultancy and audit costs	(75)	(91)	(520)	(496)
IT/Software expenses	(23)	(33)	(98)	(79)
Taxes and licenses fees	4	(30)	(24)	(59)
Total	(588)	(381)	(1,791)	(1,535)

General administrative expenses

These costs include general office expenses, rent, bank fees, insurance, foreign exchange variances and remuneration of the executives and administrative staff in Brazil. The costs have increased by \$266,000 in Q4 2020 compared to Q4 2019. For FY 2020, the costs have increased by \$248,000 compared to FY 2019 as they include management bonuses at the year end.

Legal, professional, consultancy and audit costs

Legal and professional fees include legal, professional, consultancy fees along with accountancy, audit and regulatory costs. Consultancy fees are consultants employed in Brazil, such as accounting services, patent process, lawyer's fee and regulatory consultants.

The costs in Q4 2020 are comparable with Q4 2019 and for FY 2020, the figures were \$24,000 higher than in FY 2019. This is due to increased consultancy support as the Company continues to grow.

IT/Software expenses

IT/Software expenses include software licenses such as Microsoft Office and enterprise resource planning (ERP). In Q4 2020 expenses were \$23,000, a decrease of \$10,000 compared to the same period last year. For FY 2020, expenses were \$98,000 an increase of \$19,000 compared to FY 2019 due to increased third party computing services provided in Brazil.

Taxes and licences

Taxes and licence expenses include general taxes, product branding and licence costs. In Q4 2020, expenses were credit \$4,000 compared to \$30,000 expense in Q4 2019. During Q4 2020, an amount of \$15,000 was credited to licence costs for the reversal expenses which should have been capitalised in a previous quarter. For FY 2020, expenses were \$24,000 compared to \$59,000 in FY 2019, a decrease of \$35,000. The decrease is a result of reduced general taxes.

Share Based and Bonus Payments/ (Non-Cash Event)

These costs represent the expense associated with stock options granted to employees and directors along with non-cash bonuses paid to the board to exercise share options.

The amount for Q4 2020 was \$18,000, compared to a credit of \$113,000 in Q4 2019. The credit in Q4 2019 related to an over calculated share based payment charge in an earlier period.

For FY 2020, the charge was \$425,000 compared to \$787,000 in 2019. The decrease is a result of less options vesting in the year.

INVESTORS NEWSLETTER

Subscribe to receive the Company's monthly updates at:

<http://cloud.marketing.verde.ag/InvestorsSubscription>

The last edition of the newsletter can be accessed at: <http://bit.ly/InvestorsNL-February2021>

Q4 AND FY 2020 RESULTS CONFERENCE CALL

The Company will host a conference call on Wednesday, April 7, 2021 at 11:00 pm Eastern Time (4:00 pm Greenwich Mean Time), to discuss Q4 and FY 2020 results and provide an update. Subscribe using the link below and receive the conference details by email.

Date:	Wednesday, April 7, 2021
Time:	11:00 am Eastern Time (4:00 pm Greenwich Mean Time)
Subscription link:	http://bit.ly/VerdeAgriTechQ4-FY-2020

The Company's full year and fourth quarter financial statements and related notes for the period ended December 31, 2020 are available to the public on SEDAR at www.sedar.com and the Company's website at www.investor.verde.ag/.

About Verde AgriTech

Verde AgriTech promotes sustainable and profitable agriculture through the development of its Cerrado Verde Project. Cerrado Verde, located in the heart of Brazil's largest agricultural market, is the source of a potassium-rich deposit from which the Company intends to produce solutions for crop nutrition, crop protection, soil improvement and increased sustainability.

Cautionary Language and Forward-Looking Statements

[This news release contains "forward-looking information" and "forward-looking statements" \(collectively, "forward-looking statements"\) within the meaning of the applicable Canadian securities legislation. The Cautionary Language and Forward-Looking Statements can be accessed at this link.](#)

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