

May 17, 2021

VERDE GROWS SALES BY 63% AND REVISES UPWARDS ITS 2021 SALES TARGET

(All figures are in Canadian dollars, unless stated otherwise. Average exchange rate in Q1 2021: C\$1.00 = R\$4.33)

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: "NPK") (OTCQB: "AMHPF") ("**Verde**" or the "**Company**") is pleased to announce its financial results for the first quarter, ended on March 31, 2021 ("**Q1 2021**").

Q1 2021 FINANCIALS

- Sales increased by 63% with 16,558 tonnes sold, compared to 10,170 tonnes sold in the first quarter of 2020 ("**Q1 2020**").
- The Company recognised revenue of \$831,000, an increase of 63% compared to \$510,000 in Q1 2020.
- Brazilian Real ("**R\$**") revenue increased by 113%, to R\$3,599,000 compared to R\$1,690,000 in Q1 2020.
- Gross margin increased to 41% in Q1 2021, compared to 35% in Q1 2020.
- In line with the Company's expectation for Brazil's rainy season typical of the years' first quarter, Verde recorded a Q1 2021 net loss of \$1,008,000, compared to a net loss of \$792,000 in Q1 2020.
- Cash held by the Company increased by 150%, to a total of \$2,021,000 in Q1 2021, compared to \$806,000 in Q1 2020.

"We are excited with another strong first quarter, especially in light of the triple-digit revenue growth in local currency. We are confident 2021 will be another successful year in our fast-growth trajectory", said Cristiano Veloso, Verde's Founder.

2021 GUIDANCE

The Company's target for 2021 was to achieve R\$50 million revenue, as announced in the press release disclosed on November 15, 2020. Verde is pleased to announce a 10% increase in its guidance, totalling a revenue target of R\$55 million for 2021, which will represent a 56% growth YoY.

"If we continue to see strong sales in the following months above initial expectations, it is natural that the yearly guidance may be further increased over the next quarterly results", completed Mr. Veloso.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table provides information about three months ended March 31, 2021 as compared to the three months ended March 31, 2020. All amounts in CAD \$'000.

C\$'000	Q1 2021	Q1 2020
Tonnes sold '000	17	10
Revenue per tonne sold \$	50	50
Production cost per tonne sold \$	(30)	(32)
Gross Profit per tonne sold \$	20	18
Gross Margin	41%	35%
Revenue	831	510
Production costs	(490)	(332)
Gross Profit	341	178
Gross Margin	41%	35%
Sales and product delivery freight expenses	(531)	(422)
General and administrative expenses	(697)	(420)
Operating Profit/(Loss) before non-cash events	(887)	(664)
Share Based Payments (Non-Cash Event) *	(19)	(40)
Depreciation and Amortisation *	(5)	(12)
Profit on disposal of plant and equipment *	9	-
Operating Profit/(Loss) after non-cash events	(902)	(716)
Corporation tax**	(31)	(18)
Interest Income/Expense	(75)	(58)
Net Profit / (Loss)	(1,008)	(792)

* - Included in General and Administrative expenses in financial statements

** For further details please refer to Q1 2021 Management's Discussion and Analysis.

Q1 2021 compared with Q1 2020

For Q1 2021 the Company generated a net loss of \$1,008,000, an increase of \$216,000 compared to Q1 2020. The loss per share was \$0.020, compared to \$0.017 for Q1 2020. In line with Brazil's rainy season typical of the years' first quarter, sales are lower for Q1 and in 2021 Verde is making more investments than in 2020 in order to continue growing at an accelerated pace while upholding customer satisfaction.

Product Sales

In Q1 2021, the Group sold 16,558 tonnes, an increase of 63% in comparison to Q1 2020. BAKS® accounts for approximately 3.9% of Verde's sales in Q1 2021, and accounts for 14% of Verde's total sales orders for 2021 up to March 31, 2021.

Revenue

Revenue from sales for Q1 2021 was \$831,000 from the sale of 16,558 tonnes of the Product, at \$50 per tonne sold. Average revenue per tonne was consistent with Q1 2020 (\$50 per tonne sold). The Product price is based on the current US\$ Potassium Chloride price.

Production costs

Production costs include all direct costs from mining, processing, logistics from the mine to the factory and supply chain salaries, which are paid in R\$. Production costs for Q1 2021 were \$490,000, an increase of \$158,000 compared to Q1 2020. Cost per tonne for the quarter was \$30 compared to \$32 for the same period in 2020. The reduction of 6% was due to the devaluation of the Brazilian Real against the Canadian Dollar in Q1 2021 as compared to Q1 2020.

SALES EXPENSES

C\$'000	Q1 2021	Q1 2020
Sales and marketing expenses	(302)	(265)
Product delivery freight expenses	(229)	(157)
Total	(531)	(422)

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 \$37,000 in Q1 2021 compared to Q1 2020 mainly due to a further expansion of Verde's sales and marketing team, with professional headcount increased from 29 in Q1 2020 to 43 in Q1 2021. This growth is in line with the Company's accelerated growth strategy.

Product delivery freight expenses

Product delivery freight expenses were \$72,000 higher in Q1 2021 compared to Q1 2020 as the Company has significantly increased the volume sold as CIF (Cost Insurance and Freight), from 3% of total sales in 2020 to 34% in 2021.

GENERAL AND ADMINISTRATIVE EXPENSES

C\$'000	Q1 2021	Q1 2020
General administrative expenses	(478)	(220)
Legal, professional, consultancy and audit costs	(159)	(163)
IT/Software expenses	(52)	(22)
Taxes and licenses fees	(8)	(15)
Total	(697)	(420)

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 \$259,000 in Q1 2021 compared to Q1 2020 as they include an additional 12 administrative employees, with professional headcount increasing from 14 in Q1 2020 to 26 in Q1 2021 to support the Company's growth and due to incentive compensation.

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 Q1 2021 are comparable with Q1 2020.

IT/Software expenses

IT/Software expenses include software licenses such as Microsoft Office and enterprise resource planning (ERP). In Q1 2021 expenses were \$52,000, an increase of \$30,000 on Q1 2020 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 Q1 2021, expenses were \$8,000 compared to \$15,000 in Q1 2020.

Share Based Payments (Non-Cash Event)

These costs represent the expense associated with stock options granted to employees and directors. In Q1 2021 expenses were \$18,000, compared to \$40,000 in Q1 2020. The decrease is a result of less options vesting in the period.

Q1 2021 RESULTS CONFERENCE CALL

The Company will host a conference call on Thursday, May 20, 2021 at 11:00 am Eastern Time (4:00 pm Greenwich Mean Time), to discuss Q1 2021 results and provide an update. Subscribe using the link below and receive the conference details by email.

Date:	Thursday, May 20, 2021
Time:	11:00 am Eastern Time (4:00 pm Greenwich Mean Time)
Subscription link:	http://bit.ly/VerdeAgriTech-Q1-2021

The Company's first quarter financial statements and related notes for the period March 31, 2021 are available to the public on SEDAR at www.sedar.com and the Company's website at www.investor.verde.ag/.

TECHNOLOGY LAUNCH:

The Company will introduce a new technology to the market on June 02, 2021 and host a Q&A session on June 09, 2021 in order to provide further details about it. Subscribe using the link below and receive the conference details by email.

Date:	Wednesday, June 09, 2021
Time:	11:00 am Eastern Time (4:00 pm Greenwich Mean Time)
Subscription link:	http://bit.ly/TechnologyLaunch-QA

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-April2021>

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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