

# Q2 2021 Update

## DISCLAIMER

### We are not good enough for you to invest if you:

- Are risk averse.
- Just want to make a quick buck.
- Expect delayed growth so you can earn dividends in the near term.
- Are looking for a traditional potash company.
- Don't deal well with changes.
- Don't understand the difficulties in developing technologies and markets for innovative products.

### Join our journey if you:

- Want to change the world into a better place.
- Are looking for a real-world technology developing company.
- Want to help Brazilian farmers protect the Amazon.
- Believe that Verde can make you and the planet healthier.
- Have watched or will watch the "Kiss the Ground" Netflix documentary.
- Care about soil biodiversity.

### If you are risk averse don't buy our stock. Don't rely on anything on this presentation.

This presentation contains certain forward-looking information, which includes but is not limited to, statements with respect to Verde AgriTech Plc's (the Company's) strategy, the commercial production of Super Greensand®, K Forte®, Silício Forte®, TK47 and Alpha ("Products"), design and building of a manufacturing facility, receipt of environmental permits, and the generation of cash flow. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to differ materially from the forward-looking information. Material risk factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, demand for the products in Brazil, exchange rate fluctuations and other risk factors set out in the Company's most recently filed Annual Information Form under the heading "Risk Factors". Currently, the Products are commercially produced and sold in Brazil, but the Company has no concrete guarantee that it will be able to reach the sale of 25 million tonnes of Product in the market. Should commercial demand for the Products fail to develop, the Company's business model may not be appropriate. Accordingly, readers should not place undue reliance on such forward-looking information. Material factors or assumptions used to develop such forward-looking information include, but are not limited to, the demand for the Products in Brazil, the ability to secure necessary permits, the ability to secure financing, and other assumptions set out in the Company's current technical report. The Company does not currently intend to update forward-looking information in this presentation except where required by law. Total resources include all categories unless otherwise stated. The grades detailed in this presentation are conceptual in nature. The Company has filed on SEDAR a NI 43-101 compliant updated pre-feasibility study, published date December 22, 2017. All technical information should be reviewed according to this pre-feasibility study. Readers are cautioned not to rely solely on the summary of such information contained in this presentation and are directed to complete information posted on Verde's website ([www.investor.verde.ag](http://www.investor.verde.ag)) and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and any future amendments to such. Readers are also directed to the cautionary notices and disclaimers contained herein. Potential investors should conduct their own investigations as to the suitability of investing in securities of Verde AgriTech Plc.

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## HIGHLIGHTS

Cash	<p>Ability to generate significant free cash flow in the long term.</p> <p>Credit facilities totaling R\$ 22M approved by financial institutions in Brazil, to be used if needed. Average interest rate: 1,1% per month.</p> <p>Total loans for CAPEX and working capital: R\$11,72M.</p> <p>Cash held by the Company increased by 214%, to \$1.91, compared to \$ 607K in Q2 2020.</p>
Profitability	<p>Revenue from sales for Q2 2021 was \$5.37M from the sale of 96.2K tonnes of the Product, at \$56 per tonne sold. Revenue in Brazilian Real (“R\$”) increased by 159%, to R\$23.2M compared to R\$8.96M in Q2 2020.</p> <p>Operating profit before non-cash events increased by 109%, to \$1.22M compared to \$584K in Q2 2020.</p> <p>Verde recorded a net profit of \$79K, compared to a net profit of \$444K in Q2 2020.</p> <p>Trade and other receivables increased by 259%, to \$6.02M compared to \$1.67M in Q2 2020.</p> <p>Sales by volume increased by 35%, to 96.2K tonnes sold compared to 71.2K tonnes sold in Q2 2020.</p>
Operations	<p>In Q2 2021, the Company invested \$515K in infrastructure improvements: the grounds of Plant 1 were paved to provide greater operational efficiency; access routes to the mine pits have been enhanced; project developments for Plant 2 were further advanced.</p> <p>The Company is fully permitted to mine 482,800 tpy and has submitted joint mining and environmental applications for an additional 2,500,000 tpy.</p>

## SUMMARY

Verde had another strong second quarter, with a triple-digit revenue growth in local currency.

The Company announced a second 10% increase in its 2021 guidance, now aiming for a total revenue target of R\$60.5 million, which if achieved would represent a 72% growth YoY.

Beyond the next two quarters, the Verde team is also heavily engaged with the Company’s expansion plans to increase our production capacity for the year of 2022.

\* All figures are in Canadian dollars, unless stated otherwise

Average exchange rate in Q2 2021: C\$1.00 = R\$4.32  
Average exchange rate in Q2 2020: C\$1.00 = R\$3,60

## Q2 2021 FINANCIAL STATEMENTS

All amounts in CAD \$'000, except percentages	Q2 2021	Q2 2020	YoY	2021 YTD	2020 YTD	YoY
Revenue	5.376	2.492	116%	6.207	3.001	107%
Production costs	(1.498)	(955)	57%	(1.988)	(1.286)	55%
Gross Profit	3.878	1.537	152%	4.219	1.715	146%
Gross Margin	72%	62%	N/A	68%	57%	N/A
Sales expenses	(2.236)	(604)	270%	(2.767)	(1.026)	170%
General expenses	(422)	(349)	21%	(1.119)	(768)	46%
Operating Profit/(Loss) before non cash events	1.220	584	109%	333	(80)	(518%)
Non Cash Events <sup>1,2</sup>						
Shared Based and Bonus Payments <sup>2</sup>	(887)	(28)	3056%	(905)	(68)	1229%
Depreciation and Amortization <sup>2</sup>	(10)	(3)	202%	(16)	(15)	7%
Loss on disposal of property, plant and equipment	0	0	N/A	9	0	N/A
Operating Profit/(Loss) after non cash events	323	553	(42%)	(579)	(163)	256%
Corporation tax <sup>3</sup>	(188)	(98)	92%	(219)	(116)	88%
Interest Income/Expense	(56)	(11)	383%	(131)	(70)	89%
Net Profit/(Loss)	79	444	(82%)	(929)	(348)	167%

1 - One time, non-cash charge from Verde's long-term incentive programme regarding the vesting of stock options granted to 58 employees.

2 - Included in General and Administrative expenses in the Financial Statements.

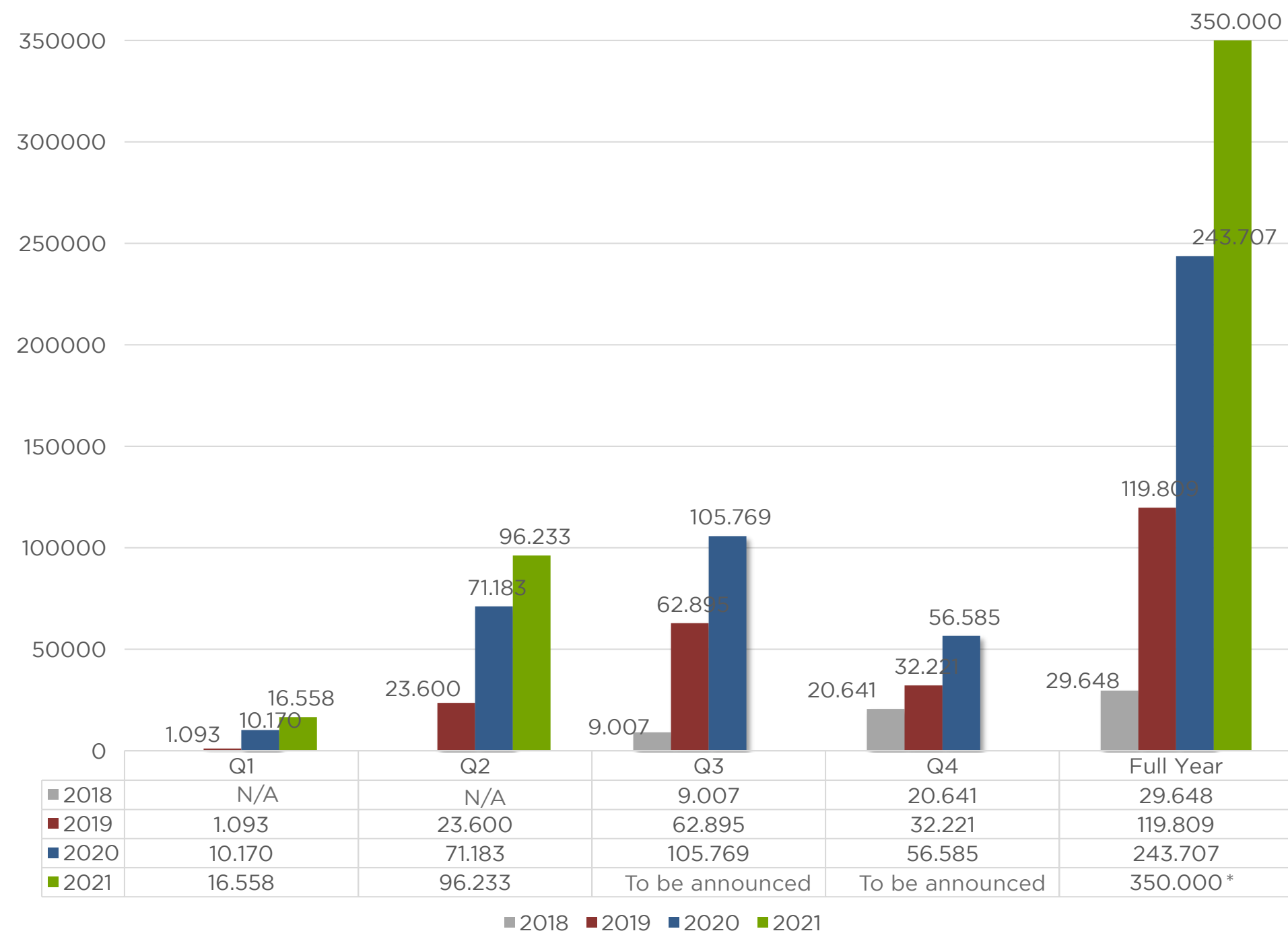
3 - For further details please refer to Q2 2021 Management's Discussion and Analysis.

OPERATIONAL SUMMARY

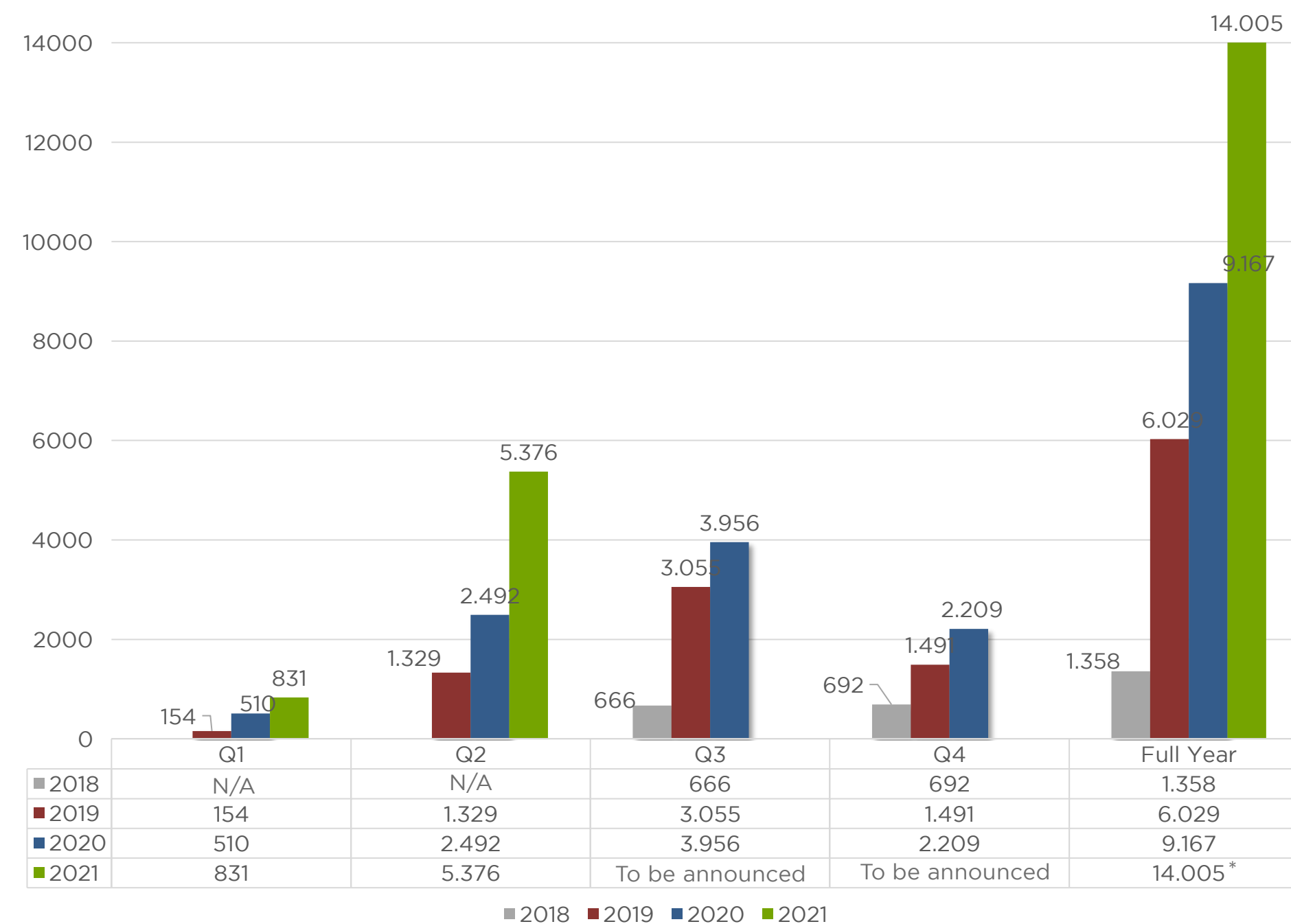
All amounts in CAD \$'000, except percentages	Q2 2021	Q2 2020	YoY	2021 YTD	2020 YTD	YoY
Tonnes sold '000	96	71	35%	113	81	39%
Revenue per tonne sold \$	56	35	60%	55	37	49%
Production cost per tonne sold \$	(16)	(13)	16%	(18)	(16)	11%
Gross Profit per tonne sold \$	40	22	87%	37	21	77%
Gross Margin	72%	62%	N/A	68%	57%	N/A

## KEY METRICS QUARTERLY

### Sales (Tonnes)



### Revenue ('000 CAD)



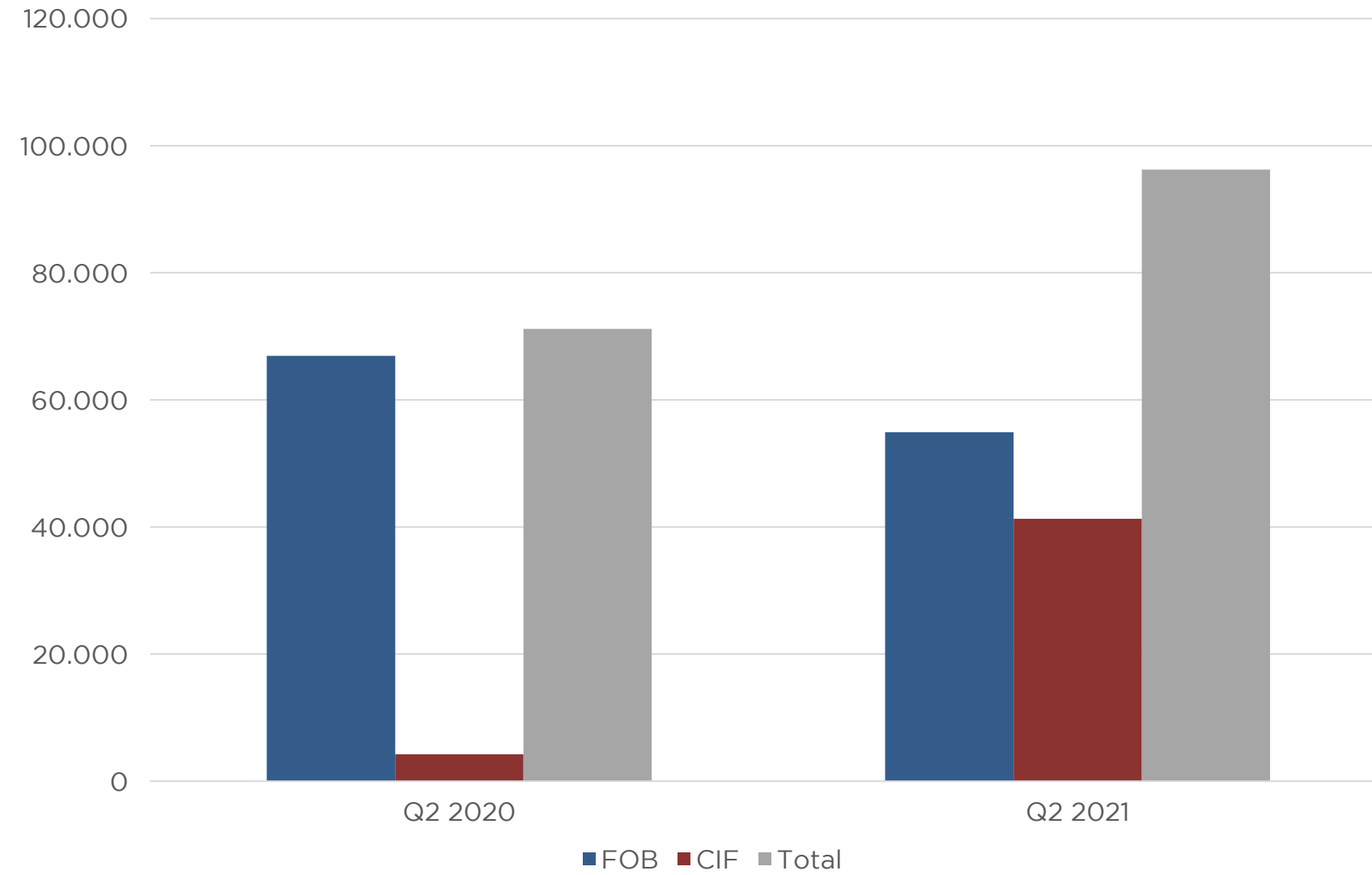
SALES, GENERAL AND ADMINISTRATIVE EXPENSES

All amounts in CAD \$'000, except percentages	Q2 2021	Q2 2020	YoY	2021 YTD	2020 YTD	YoY
<b>Sales Expenses</b>						
Sales and marketing expenses	(410)	(369)	11%	(712)	(635)	12%
Product delivery freight expenses	(1,826)	(235)	678%	(2,055)	(392)	425%
<b>Total Sales expenses</b>	<b>(2,236)</b>	<b>(604)</b>	<b>270%</b>	<b>(2,767)</b>	<b>(1,026)</b>	<b>170%</b>
<b>General expenses</b>						
General administrative expenses	(240)	(197)	22%	(718)	(416)	73%
Legal, professional, consultancy and audit costs	(106)	(121)	(12%)	(265)	(284)	(7%)
IT/Software expenses	(70)	(27)	156%	(122)	(49)	148%
Taxes and licenses fees	(6)	(4)	50%	(14)	(19)	(26%)
<b>Total General expenses</b>	<b>(422)</b>	<b>(349)</b>	<b>21%</b>	<b>(1,119)</b>	<b>(768)</b>	<b>46%</b>



## OTHER HIGHLIGHTS

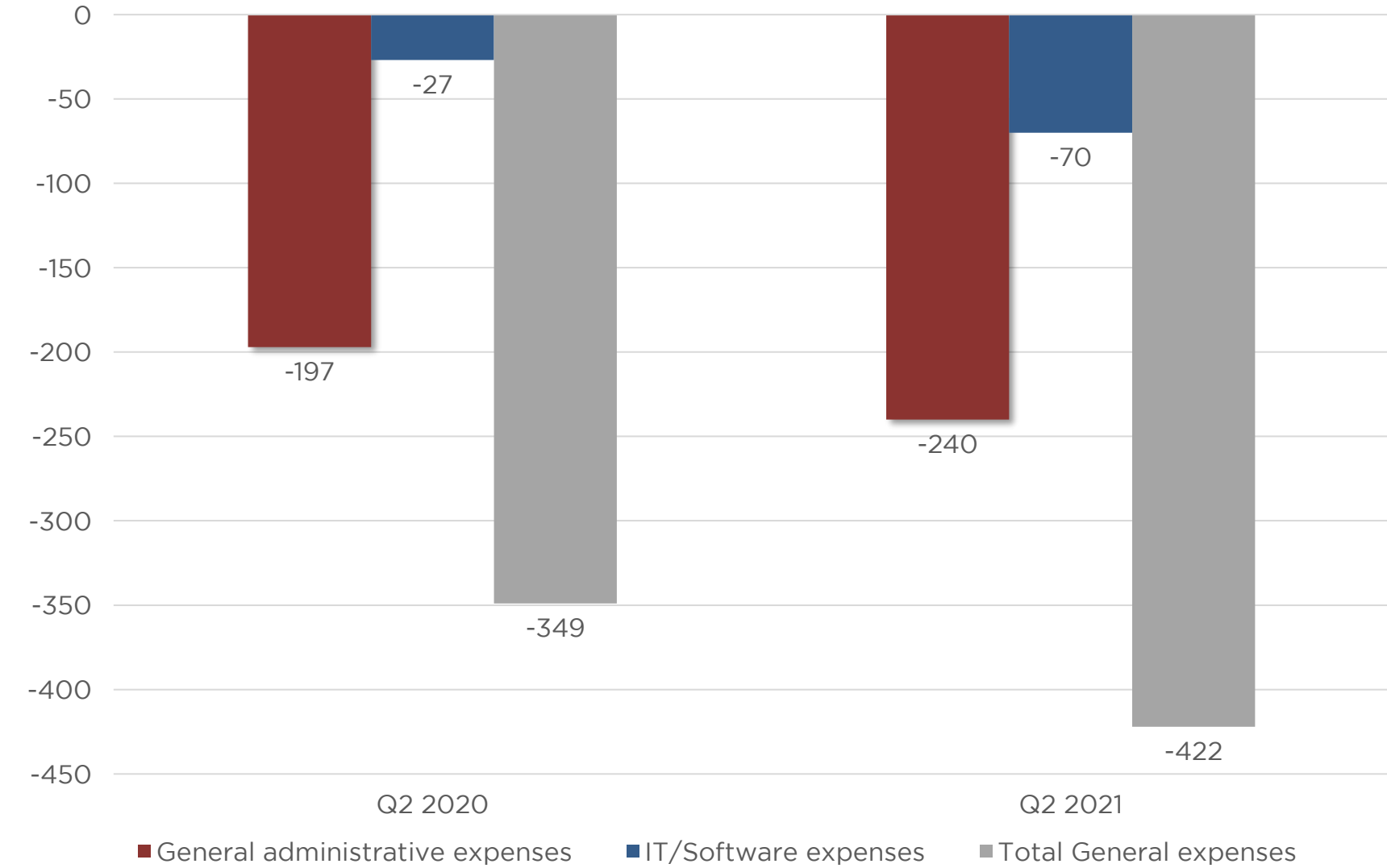
FOB vs CIF (tonnes)



Sales (tonnes)	Q2 2020	Q2 2021	YoY
FOB	66.943	54.923	(18%)
CIF	4.240	41.300	874%
Total	71.183	96.223	35%

The Company has significantly increased the volume sold as CIF, from 6% of total sales in Q2 2020 to 43% Q2 2021.

General Expenses (C\$'000)



Sales (tonnes)	Q2 2020	Q2 2021	YoY
General administrative expenses	(197)	(240)	22%
IT/Software expenses	(27)	(70)	156%
Total General expenses	(349)	(422)	21%

General expenses have increased mainly due to:

- Additional 29 administrative employees.
- Increased number of the software licenses used by the Company.
- A non-cash charge from Verde's long-term incentive programme regarding the vesting of stock options granted to 58 employees.

## FINANCIAL SUMMARY

<b>Revenue</b>	<p>Revenue from sales for Q2 2021 was \$5.37M from the sale of 96.2K tonnes of the Product, at \$56 per tonne sold.</p> <p>Despite the 20% Brazilian Real devaluation against the Canadian Dollar, revenue per tonne was higher than Q2 2020 (\$35 per tonne sold) mainly due to three factors:</p> <ol style="list-style-type: none"><li>1. Product volume sold as CIF (Cost Insurance and Freight) increased from 6% of total sales in Q2 2020 to 43% in Q2 2021.</li><li>2. Potassium Chloride CIF (Minas Gerais) price increased from US\$287-US\$303 per tonne in Q2 2020 to US\$395-535 per tonne in Q2 2021 (as per Acerto Limited report).</li><li>3. BAKS® has a higher sales price per tonne than the Product, it was launched on Q4 2020 and in Q2 2021 it has accounted for 13% of the total volume sold.</li></ol>
<b>Profitability</b>	<p>Operating profit before non-cash events increased by 109%, to \$1.22M compared to \$584K in Q2 2020.</p> <p>Gross margin increased to 72% in Q2 2021, compared to 62% in Q2 2020.</p> <p>Sales by volume increased by 35%, to 96.2K tonnes sold compared to 71.2K tonnes sold in Q2 2020.</p>
<b>Cash</b>	<p>Cash held by the Company increased by 214%, to \$1.91, compared to \$ 607K in Q2 2020.</p> <p>Trade and other receivables increased by 259%, to \$6.02M compared to \$1.67M in Q2 2020.</p>

## SUMMARY OF INTEREST-BEARING LOANS AND BORROWINGS

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Value (R\$'000)	Repayable by	Total interest payable
Bradesco	Mar, 2021	Vehicle	01	36	168	Feb, 2024	10.46%
Santander	Oct, 2020	Equipment and working capital	01	36	2,000	Oct, 2023	10.95%
ABC Brazil	Aug, 2020	Equipment and working capital	01	42	2,000	Mar, 2024	10.54%
Santander	July,2020	Equipment	06	18	359	July,2022	IPCA* + 8.1%
Bradesco	July,2020	Equipment and working capital	06	60	5,000	July, 2025	10.95%
Bradesco	Mar, 2020	Vehicle	01	48	119	Apr, 2024	12.49%
Santander	Jan, 2020	Equipment	06	36	364	June, 2023	IPCA* + 8.36%
Bradesco	Jan, 2020	Equipment	00	48	450	Feb, 2024	11.98%
Santander	Apr,2019	Equipment	01	36	73	Oct, 2022	IPCA* + 6.76%
Santander	Apr, 2019	Equipment	01	36	150	Oct, 2022	IPCA* + 6.76%
Santander	May, 2018	Equipment	12	60	1,040	May, 2023	IPCA* + 6.69%

The Group's average current loan rates is 11,83% per annum. The Brazilian Government long term bond rate is currently 10,37% per annum. The Group's last loan rates are an average 1,5% higher than the government bonds, which management considers to be competitive.

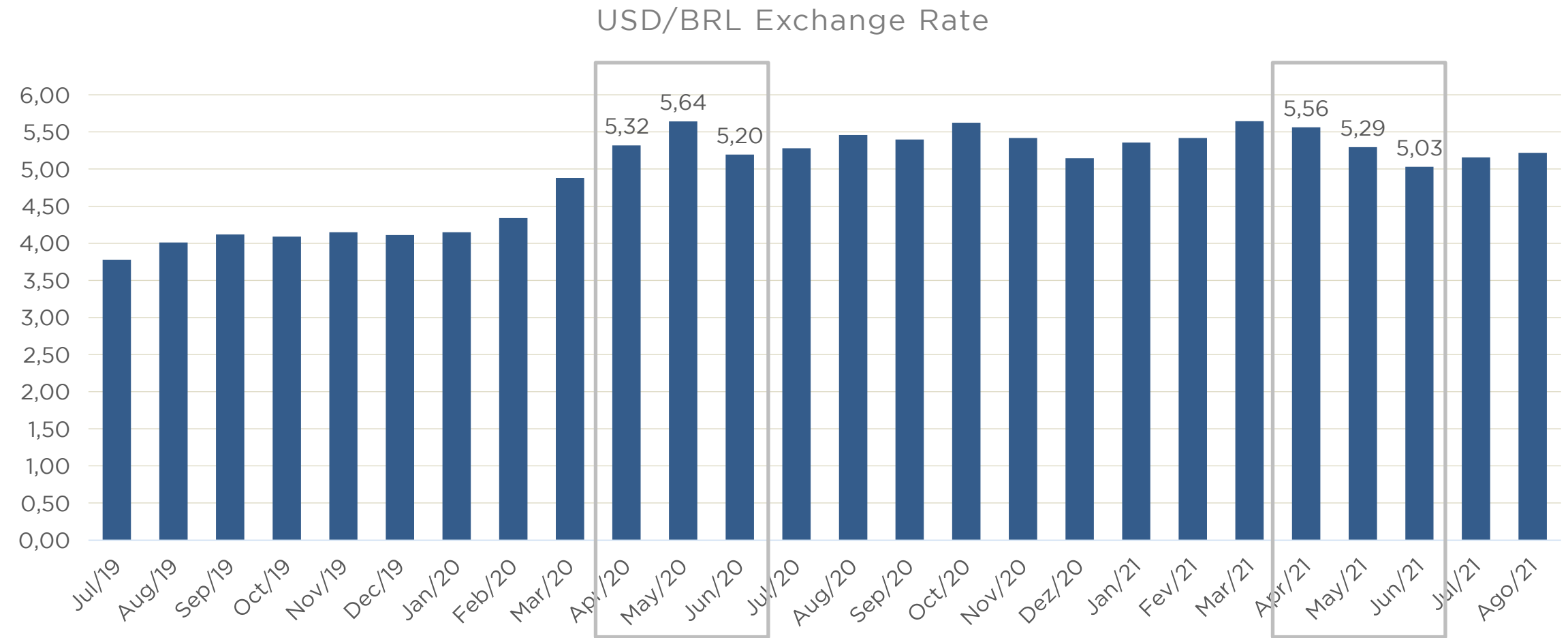
\* IPCA is the Brazilian Broad Consumer Price Index, a measure of the average price needed to buy consumer goods and services. The 12-month cumulative IPCA up to June 30, 2021 was 8.99%.  
 11 Source: <https://www.ibge.gov.br/explica/inflacao.php>

## BRAZILIAN ECONOMIC SCENARIO

### Brazilian Real versus US Dollar

From April to June 2021, the Brazilian Real revalued by 2% in relation to US Dollar compared to the same period of 2020.

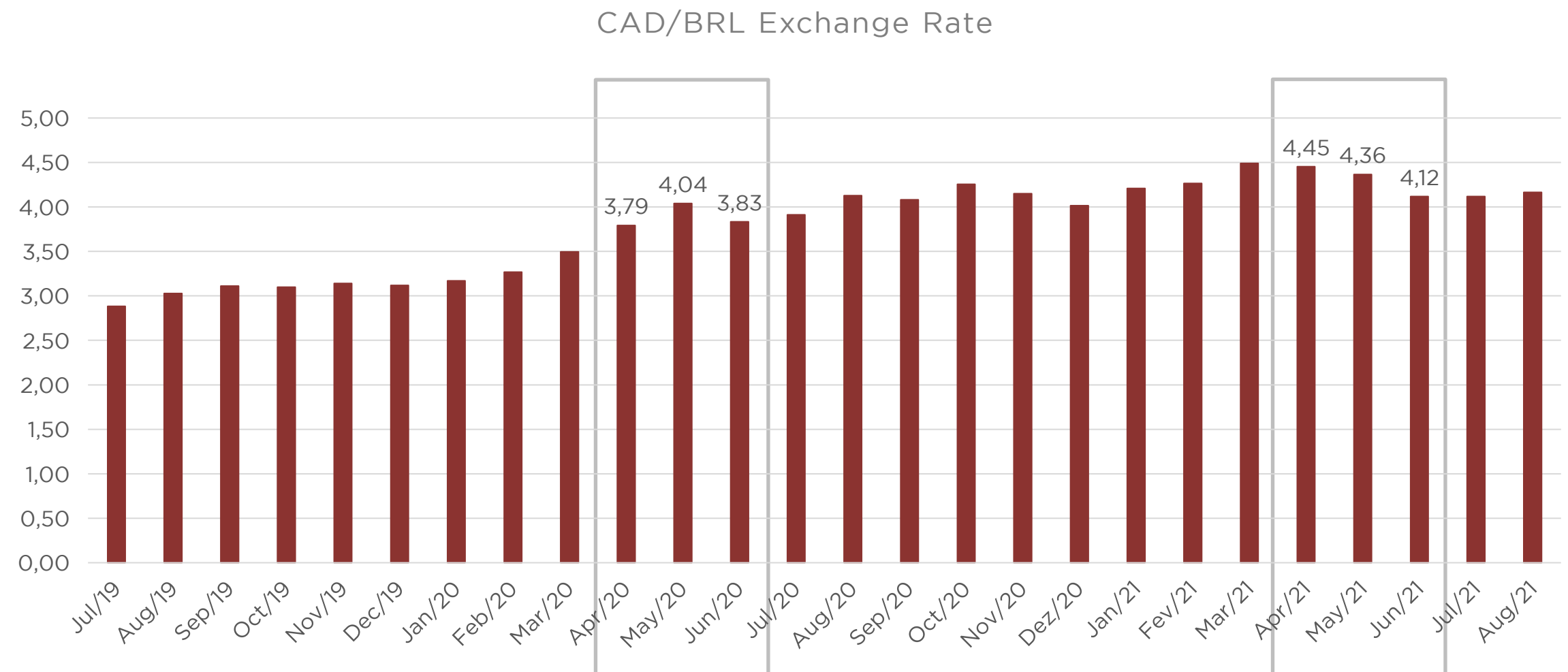
As of August 23, 2021, US\$1.00 = R\$5.37.



### Brazilian Real versus Canadian Dollar

From April to June 2021, the Brazilian Real devalued by 11% in relation to Canadian Dollar compared to the same period of 2020.

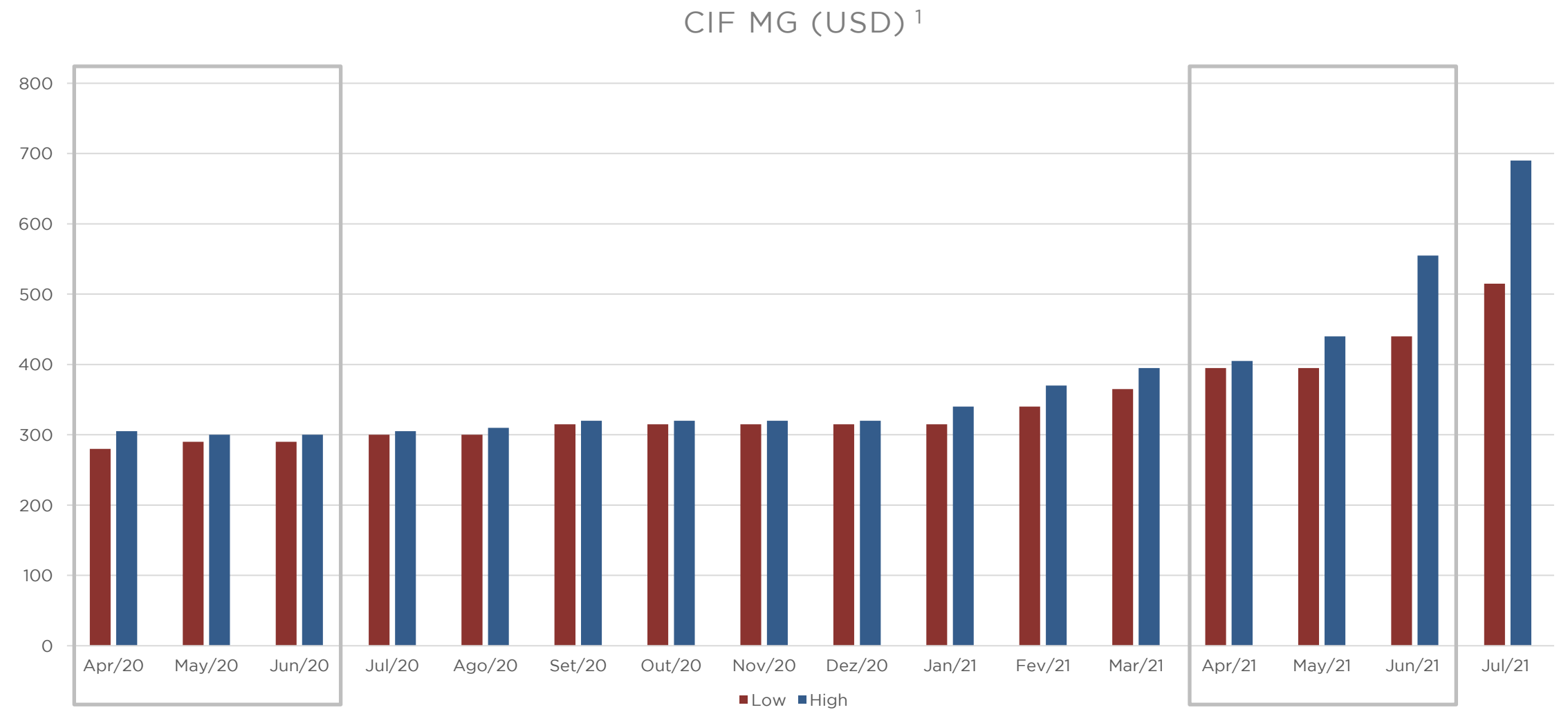
As of August 23, 2021, C\$1.00 = R\$4.25.



## POTASSIUM CHLORIDE PRICE

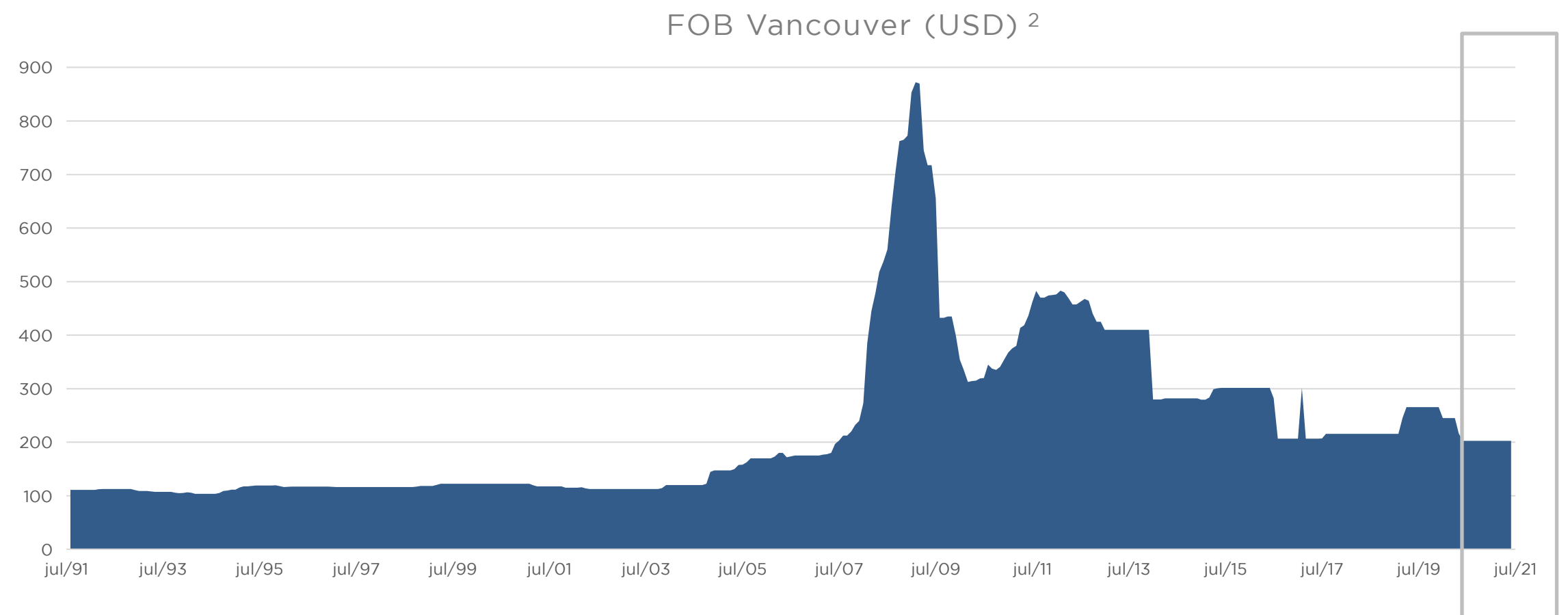
### Q2 2020 vs Q2 2021

Potassium Chloride CIF (Minas Gerais) price increased from US\$287-US\$303 per tonne in Q2 2020 to US\$395-535 per tonne in Q2 2021.



### 30-year history

Comparison between prices since July 1991 and the last 12 months.



YEAR-ON-YEAR SALES GROWTH (TONNES)

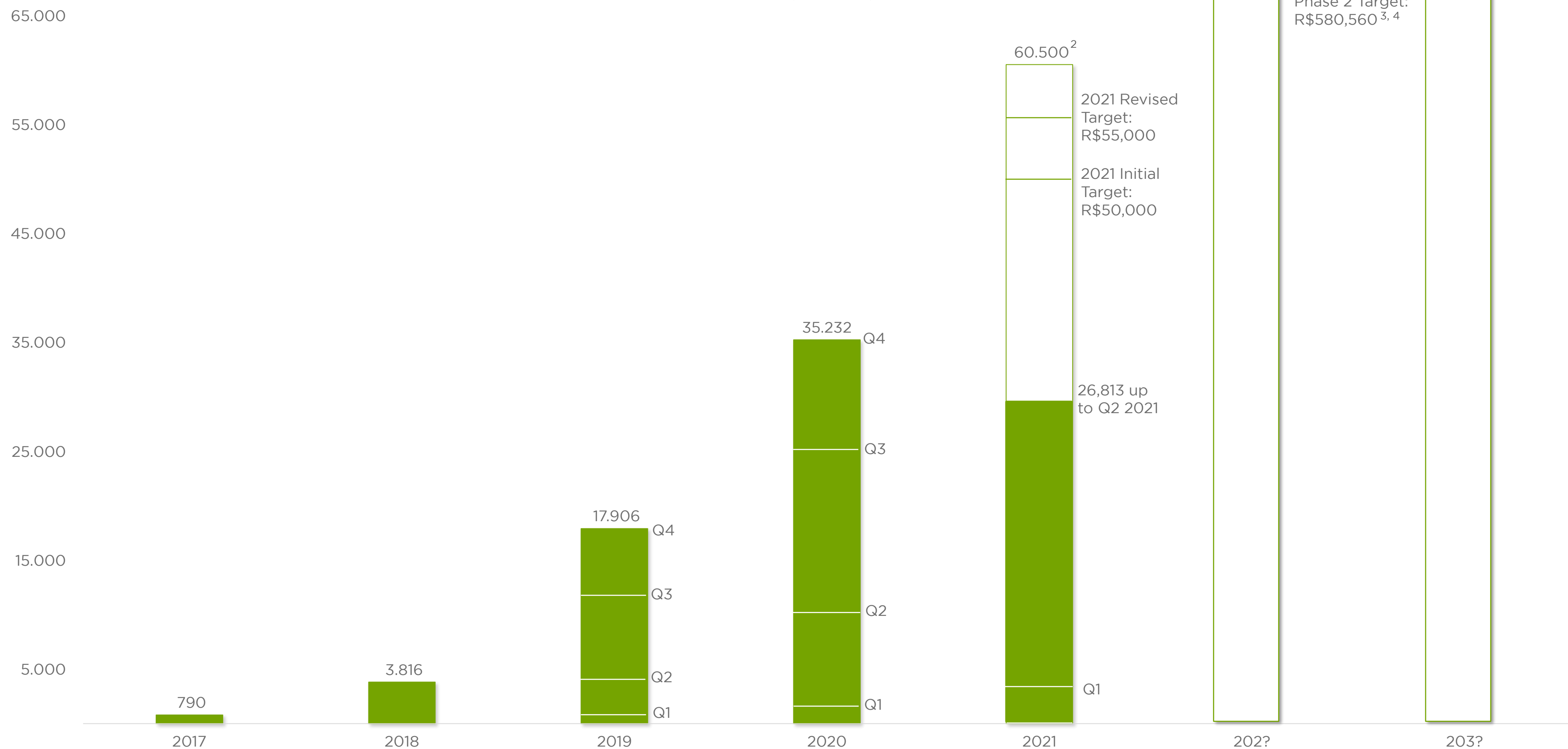
Quarter	2018	2019	YoY Growth	2020	YoY Growth	2021	YoY Growth
Q1	N/A	1,093	N/A	10,170	830%	16,558	63%
Q2	N/A	23,600	N/A	71,183	202%	96,233	35%
Q3	9,007	62,895	598%	105,769	68%	To be announced	-
Q4	20,641	32,221	56%	56,585	76%	To be announced	-
<b>Total</b>	<b>29,648</b>	<b>119,809</b>	<b>304%</b>	<b>243,707</b>	<b>103%</b>	<b>350,000*</b>	<b>44%*</b>

\* - Targeted numbers, based on FY 2021 guidance.

2021 GUIDANCE

	2021 Initial Targets	2021 Latest Revised Target	Expected YoY Growth
Sales	350,000 tonnes	350,000 tonnes	44%
Revenue	R\$ 50,000,000	R\$60,500,000	72%

Revenue (R\$ '000)



(5.000)

1 EBTIDA before non-cash events for 2020 = R\$6.11M

2 Targeted revenue based on FY guidance, revised upwards on August 16, 2021.

3 See NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project, MG, Brazil, page 201. PFS currency exchange: US\$1.00 = R\$3.28

4 EBTIDA for Phase 2 = R\$452M. EBTIDA for Phase 3 = R\$1,417M. PFS currency exchange: US\$1.00 = R\$3.28

# APPENDIX



## POTASSIUM CHLORIDE REPLACEMENT

Potassium salt fertilizers are soil biodiversity's number 1 enemy.

The average farmer applies 200 kg of potassium chloride to the soil per hectare per year. This is equivalent to the application of 1,600 litres of bleach as far as killing soil biodiversity.<sup>1</sup>

The world currently uses 61.5 million tonnes of potassium chloride for agriculture per year<sup>2</sup>, the equivalent to more than 460 billion liters of bleach killing soil biodiversity yearly.

Verde's Product eliminates the need for potassium chloride.

Period	Bleach equivalent amount that has not been applied to agricultural soils
In Q2 2021	121M litres
Since production started	637M litres

Over the next 36 years<sup>3</sup>, the Company intends to have prevented at least 957.8 billion liters of bleach from being applied to soils in the guise of potassium chloride.

<sup>1</sup> Effects of Some Synthetic Fertilizers on the Soil Ecosystem (HEIDE HERMARY, 2007) / <sup>2</sup> - FAOSTAT, Agricultural use of nutrient potash, 2018. <http://www.fao.org/faostat/en/#data/RFN>

17 <sup>3</sup> Based on NI 43-101 Production Schedule. See Pre-Feasibility Technical Report Cerrado Verde Project, MG, Brazil, page 141.

PERMIT STATUS - LAST 12 MONTHS

Mine Pit	Date	Category	Status	Event
2	December 23, 2020	Environment	Granted	2,500,000 tpy Preliminary, Installation and Operation License
2	November 03, 2020	Mining	Granted	50,000 tpy Mining Permit
3	August 24, 2020	Environment	Applied	2,500,000 tpy Preliminary, Installation and Operation License
1	August 19, 2020	Environment	Granted	233,000 tpy Operating License

## PERMIT SUMMARY

Verde currently has full rights to mine 482,800 tpy (since it holds mining Concessions/Permits and Environmental Licenses) and has submitted joint mining and environmental applications for an additional 2,500,000 tpy.

Mine Pit	Fully Permitted to Produce (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	233,000	233,000	0	233,000	0
2	200,000	200,000	25,000,000	2,600,000	0
3	49,800	49,800	2,500,000	49,800	2,500,000
<b>Total</b>	<b>482,800</b>	<b>482,800</b>	<b>27,500,000</b>	<b>2,882,800</b>	<b>2,500,000</b>

The amount that is fully permitted supports the Company's target for 2021.

## Q&A QUESTIONS

Concerning the lithium content in the material you mine, I understand that it may be a too big investment for the company to better understand the recovery possibilities of lithium. Could it be an opportunity to bring in an external partner, to pay for the exploration, studies and extraction equipment needed, and then charge them a hefty royalty for the lithium being mined? In today's hot market for lithium I think there is an interest out there!

The BAKS sales sits around 13% of total for Q1 and Q2, do you expect it to stay that way for the remainder of 2021 and increases will be seen YOY after farmers have tried it once, or do you expect the share of BAKS to increase during the year?

At the beginning of today's presentation, you talked about looking forward and the future. As you may recall, you once said (in a video interview with John Kaiser) that the hardest sale will be the first 50k tonnes. In the same metaphorical sense have you now sold those 50k tonnes? Are you confident for the future?

Are you currently in negotiations a private equity fund to find a partner with whom to take Verde private, with the fund buying out the 75% of the Company you do not currently control?

How common are Glauconite deposits, and how favourably does your reserves' Potassium content compare?

Would you be open to working with an interested Take-Private partner if one stepped forward?

Given that the product costs roughly 6x as much in fuel to deliver, when compared to traditional potash, how does the company plan to increase its share of the local market, where delivery costs are low?

You once mentioned that K-Forte is not as popular with farmers of short-season crops. Has that changed at all, and does the company have a strategy to increase demand for its products from these industries?

## Q&A QUESTIONS

Do you have a December 31, 2021 projection for what the Company believes the December 31, 2021 Canadian dollar Brazil Rias exchange rate will be? At year end last year it was \$0.245, with today reporting \$0.24. If not a spot price, do you have a range estimate, or even a directional estimate?

Your licence application for Plant 2 seeks approval for a “Formulation of balanced feed and prepared feed for animals”. Can you explain what additional processing you are considering beyond Greensand?

Can you provide details of what was acquired for \$539,000 (\$119,000 in Q1 and \$410,000 in Q2) as an addition to the non-depreciable land and building account in note 5?

Can you provide details of what was acquired for \$157,000 (\$95,000 in Q1 and \$62,000 in Q2) as an addition to the depreciable computer equipment account in note 5?

Any news on the 2.5m ton license? When is that expected and how confident are you in that timing? Is there a chance that the 480k TPY permit will be maxed out before the 2.5M TPY is awarded?

Are you aware of what other Green fertiliser start-ups are there in completion (small disruptive companies, not big competitors such as Mosaic), and how heavily are you investing in Research and Development to stay ahead with the best product?

Can you provide details of what was acquired for \$141,000 as an addition to Mineral Properties during the first half of 2021 as disclosed in note 6?

Given that the product costs roughly 6x as much in fuel to deliver, when compared to traditional potash, how does the company plan to increase its share of the local market, where delivery costs are low?

Are you constantly researching and keeping watch of the latest agriscience research and developments that could threaten or alternatively be taken on by the company?

## Q&A QUESTIONS

You once mentioned that K-Forte is not as popular with farmers of short-season crops. Has that changed at all, and does the company have a strategy to increase demand for its products from these industries?

Can you confirm you will not sacrifice future prospects of the company in the form of growth, research and development and a healthy cash reserve, by starting a dividend too early?

When I look at the revenue and tonnage guidance it doesn't seem consistent with current KCl market pricing. I'm wondering why that is? Are you bearish prices? Did lower prices get locked in early? Does a different price get used?

What is the customer retention rate of Verde year over year?

How much of the sales were reorders?

With experts such as Jeremy Grantham saying we are in a massive asset bubble that will likely lead to major asset declines, are you making sure your debt levels are sustainable in unfavourable economic conditions?

Hi can you elaborate on whether you think the draught is temporarily masking even stronger underlying volume growth trends?

please remind me of market potential in Brail for you and your percentage penetration if you hit your target at 350,000 tons

Based on SEDI filings to August 24, 2021, none of the 96,217 stock options issued in Q2 as disclosed in Note 10 were made to reporting insiders. Can you confirm that this is correct?

## Q&A QUESTIONS

I'm a new private investor in Verde. I'm still doing research/DD. Who should I contact with many general questions about the basics of the industry and specifics on Verde?

How many individual non-insider employees were included in the grant of 96,217 options in Q2?

While Verde gains more scale, do you still see relevant reduction in production cost, sales cost and administrative cost per ton?

How many individual employees are associated with the 3,471 stock options issued on May 10, 2021 and then forfeited before the June 30th quarter end?

If 10% of the 96,217 stock options issued on May 10, 2021 vested immediately (representing 9,621.7 options) why does note 10 report the number of these options as exercisable at the end of Q2 as 9,628?

Can you talk about the change in transport cost? Is that mostly having to do with fuel used to get material from the ore to the processing yard?

What is the calculated Fair Value related to the 96,217 stock options as at the May 10, 2021 initial grant date.

Have any further stock options been issued to employees so far in Q3?

Do you have percentage of sales that are new vs returning customers?

Can you explain why 9,000 of the 10,000 \$1.69 options issued on March 25, 2021 were forfeited in Q2? Was this due to a single employee receiving the 10,000 grant in March and then leaving the Company in Q2 having only seen 10% of the options vest?

Can you please clarify the stock option plan which granted such a large bonus to so many sales (?) staff. This had a large impact on net profit, is this likely to reoccur annually in the long term.

## Q&A QUESTIONS

Can you explain what caused the forfeiture of 144,496 of the 185,780 \$0.40 stock options issued on February 21, 2020 (140,827 forfeited in Q1 and 3,669 in Q2)?

In the presentation it was mentioned that some of the cost increase was partially due to increasing the hiring & technological expansion. Does that mean that soem cost/ton of distribution will decrease over time? If so, how substantially can those costs decline on that front? Also approxamately how much of the YoY cost increase was due to higher oil prices?

After giving effect to the \$887,000 non-cash charge booked in Q2, what is the remaining unamortized fair-value-at-the-date-of-the-initial-grant for the 3,900,807 outstanding stock options?

If no further stock options are issued in Q3 and Q4, what is the total non-cash amortization charge for this fair value balance that is scheduled to be charged in Q3 and Q4, based on your amortization spreadsheets?

Does the company considers acquiring other companies or mines containing fertilizers such as "pó de rocha" or phosphate rock, which might be aligned to Verde's strategy?

If none of the 750,000 \$1.22 stock options issued on March 5 2021 had vested by the end of Q2 as disclosed in Note 10, why did the Company book the total Fair Value associated with this option in Q2?

If part of the Fair Value at the date of the initial grant of the 750,000 \$1.22 stock options issued on March 5 2021 was amortized as a non cash expense in Q2, why was not part of this amortized in Q1?

Given that the 750,000 \$1.22 stock options issued on March 5 2021 formally vest on July 1, 2021, how much of Fair Value at the date of the initial grant of this option will be charged to Q3 2021?



## Q&A QUESTIONS

How do you see competition from other Brazilian companies selling other chloride free potassium fertilizers?

Although the 750,000 \$1.22 stock options issued on March 5 2021 formally vest on July 1, 2021, the Board negotiated with the recipient of this option an over-riding contingent condition that any and all shares associated with this option would remain in escrow until the Verde Common stock traded on the TSX at \$6.45 or higher. Under IFRS rules for accounting for stock options this contingent condition changes the amortization of Fair Value of stock option guidelines. How has Verde accounted for the 750,000 stock options issued in this case?

How many tonnes were sold and delivered in Q2 at spot/current prices versus tonnes sold at prices fixed before the start of Q2. What was the average fixed advanced price per tonne for these pre-sold orders in Q2?

In next 12 months what would you like to achieve as primary goal? a secondary goal over the same period?

Actual tonnes sold to June 30 2020 represented 33.4% of total 2020 tonnes sold (81,353 tonnes out of a total of 243,707 tonnes for the year). If 2021 mirrors 2020, then the 112,791 tonnes sold to June 30, 2021 would predict a 2021 annual total of 337,687 tonnes. This is with striking distance of your previously shared 2021 target of 350,000 tonnes. How confident are you today that you will hit 337,687 tonnes by year end? 350,000 tonnes? Exceed 350,000 tonnes?

Is the company currently facing reduction in sales volume due to potassium current prices? In other words, are farmers buying K-Forte as potassium prices rise?

With 112,791 tonnes sold to June 30, that leaves 237,209 tonnes to be sold in Q3 and Q4 in order to hit the 350,000 tonne 2021 target. With a 50,000 tonne per month production capacity, do you see Verde having the ability to sell more than 150,000 tonnes during Q3?

Between the most important Brazilian crops, such as soybean, corn, coffee, forest, etc, which of them do you believe K-Forte is likely to be more accepted and substitute faster KCI?

## Q&A QUESTIONS

Inventory levels at the end of June 30, 2021 were reported at \$727,000 versus \$567,000 in 2020. How much of this represented finished product ready to be sold (at approximately \$15.57 per tonne), versus raw material awaiting processing (at approximately \$0.24 per tonne)?

Sulphur additions to greensand - how is that working out? Is this Sulphate of Potash (SOP) v MOP?

Assuming the inventory was mostly finished product at \$15.57, this works out to a finished goods inventory of about 46,700 tonnes. This would increase the Q3 sales capacity to approximately 196,700 tonnes assuming a 50,000 tonne per month maximum current production capacity. Based on production and sales during the 56 days of Q3 already known, are you on track to break the 150,000 tonne level by the end of Q3.

While overall revenue growth looks very exciting, a lot of this seems to have come out of pricing. Any additional comments you want to provide on the 35% underlying growth in tonnage sold?

Hi Cris - It's undeniable that your products are leaps and bounds above traditional potash on a health/environment perspective, and that in itself should be enough to get farmers interested in trying your product. Sadly, some farmers may be strictly motivated by cost. Given your geographical advantage over imported product, have you considered a strategy of undercutting your competitors price? Of course this may not be relevant until such time that you have excess capacity...

The time and expense spent on logistics management - transporting the product to farmers doorstep, selling on CIF basis - does this provide any competitive advantage versus selling it FOB basis?

What are your thoughts on offering your product at a small discount (say pegged at 5% below the Potash price), with slightly lower margins replaced by increased farmer uptake and faster and higher growth profits.

BHP is proceeding with the Jansen Sask project. Of course many years will pass before this potash will hit in the market. Will increased global output be an impact to Verde?

## Q&A QUESTIONS

Can we get an update on when to expect the revised preliminary feasibility study?

BHP is proceeding with the Jansen Sask project. Of course many years will pass before this potash will hit in the market. Will increased global output be an impact to Verde?

Does the company considers acquiring other companies or mines containing products such as phosphate rock or "pó de rocha", that might be aligned with Verde's strategy?

Have you and the CFO sat in on any of the Nutrien quarterly analyst Q&A sessions, to gain a better appreciation of best practices for these events?

With a superior product to potassium chloride have you seen the traditional potash players trying to enter the market especially against the backdrop of increasing popularity of ESG aspects which also favour your product? Have there been any past attempts?

Can you get into the phosphate business? we have heard about a company Harvest Minerals which trades on the LSE?



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