

February 08, 2022

Verde doubles year-on-year Earned Growth Rate

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: "NPK") (OTCQB: "AMHPF") ("**Verde**" or the "**Company**") is pleased to announce a rate of 165% Earned Growth in 2021, compared to a rate of 61% in 2020, demonstrating a higher client repurchase rate and successful client referrals. The Earned Growth Rate ("**EGR**") measures the sales growth by volume generated by returning customers and new client purchases made by existing clients' referrals.¹

The Earned Growth methodology was created by Fred Reichheld, a business strategist at Bain & Company who is renowned for his research and writing on the loyalty business model and loyalty marketing, and author of *Winning on Purpose: The Unbeatable Strategy of Loving Customers*.² EGR was created as a metric framework for customer success in lieu of traditional methodologies, which are usually based on samples of survey responses that do not have a specific sector methodology and can be easily biased according to the criteria utilised.

EGR is an accounting-based methodology that provides companies with an objective, data-driven connection between customer success, repeat and expanded purchases, word-of-mouth recommendations, a positive company culture, and business results. It gauges customer loyalty through the lens of revenue growth, identifying which revenue streams come from existing customers doing more business with a company and which ones come from referrals.

Historically, Verde assessed its rate of recurring clients through repurchases, which showed the percentage of repeat clients that bought Verde's product over two consecutive years.

The Company has continuously contacted its clients for feedback surveys, contacting both repurchasing clients and clients that did not purchase the following year. It became clear that the rate of repurchase alone distorted the reality of agricultures' cyclicity. Farmers may decide not to repurchase for several reasons disconnected from product satisfaction, including but not limited to:

- If soil nutrient is adequate for the next season's productivity expectation;
- Market volatility impacting prices of the grown crop;

¹ For a summarized definition of EGR, see article: F. Reichheld, D. Darnell and M. Burns, **Net Promoter 3.0**, Harvard Business Review, November 2021, available at: <https://hbr.org/2021/11/net-promoter-3-0>

² F. Reichheld, D. Darnell and M. Burns, **Winning on Purpose: The Unbeatable Strategy of Loving Customers** (Harvard Business Review Press) 2021.

- Credit issues causing inability to secure enough funds to cover full harvest requirements;
- Natural peculiarity of crop that leads to different fertilization requirement when crop growth does not require annual fertilizer; (e.g. eucalyptus, coffee, etc.);
- Expiration of farm leases that were harvested previously;
- Adverse climate impact, such as drought or frost, that often resulting in crop loss and thus no need or financing for subsequent fertilizer application.

Therefore, over the past year, Verde studied the latest methodologies that could adequately reflect growth and customer success within the realities for agriculture.

Earned Growth Rate has two independent components:

- Net Revenue Retention (“**NRR**”): The current year’s revenues from repurchasing customers, divided by the preceding year’s total revenues, expressed as a percentage. In the case of Verde, ‘revenue’ has been replaced by ‘volume’ so that product price fluctuations do not unduly distort the metric.
- Earned New Customers (“**ENC**”): The percentage of product volume acquisition from new customers earned through referrals.

EGR is determined by adding NRR and ENC together and then subtracting 100%.

Prompted for comment on Verde's adoption of the EGR metric, Reichheld was categorical in asserting that he “believes that wise investors now understand the vital importance of Earned Growth Rate as an indicator of profitable, sustainable growth”.

In 2020, the first year when the company compiled detailed enough information to calculate its EGR, Verde had a rate of 61% EGR. In 2021, Verde's EGR rate hit 165%.

“At Verde, client satisfaction and retention is paralleled by our rapid growth. To adequately measure our client success rate and be able to drive our sales team to its best performance, EGR is already one of our key metrics. We are honoured to see a nearly threefold increase of EGR in 2021 because it is a reflection of how Verde’s client base is increasingly embracing our products, repurchasing it or endorsing it to friends and neighbours.”, said Cristiano Veloso, Verde's Founder and CEO.

VERDE'S NEW BRAND IDENTITY

The Company updates its visual identity to better reflect its purpose. The new logo reinforces the idea that technology and nature can go hand in hand to make agriculture more productive, profitable and nutritious. The logo's “V” connects at its vertices the two main arms of the company - technology and nature - in an upward movement, to show that this junction brings growth, the achievement of good

results, and will contribute to a more sustainable and healthier world. The new colour palette is inspired by the hue of Verde's main raw material, which is at the base of the products developed by the Company.

For more details, access the shareholder deck to learn more about our new brand identity:

<https://bit.ly/ViewShareholderDeck>

INVESTORS NEWSLETTER

Subscribe to receive the Company's updates at:

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

The last edition of the newsletter can be accessed at: <https://bit.ly/InvestorsNL-November2021>

ABOUT VERDE AGRITeCH

Verde is an agricultural technology company that produces fertilizers. Our purpose is to improve the health of all people and the planet. Rooting our solutions in nature, we make agriculture healthier, more productive, and profitable.

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.](#)

For additional information please contact:

Cristiano Veloso, President, Chairman & Chief Executive Officer

Tel: +55 (31) 3245 0205; Email: investor@verde.ag

www.investor.verde.ag | www.supergreensand.com | www.verde.ag