

Q4 & FY 2021 Update



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) and filed on SEDAR (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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Q4 & FY 2021 Highlights

Cash	<p>Ability to generate significant free cash flow in the long term.</p> <p>Cash utilised from investing activities increased by 80% in Q4 2021, to \$760K and 74% in FY 2021 to \$2.55M.</p> <p>Total loans for CAPEX and working capital in December 31, 2021: \$5.58M</p>
Profitability	<p>Revenue for Q4 2021 was \$10.85M from the sale of 134.3K tonnes of the Product. For FY 2021, revenue was \$27.7M from the sale of 400K tonnes of the Product, an increase of 202% compared to 2020.</p> <p>Operating profit before non-cash events was \$2.4M in Q4 2021. For FY 2021, operating profit before non-cash events was \$6.4M, an increase of 305% compared to 2020.</p> <p>Net profit was \$1.88M in Q4 2021, compared to a net loss of \$192K in Q4 2020. For FY 2021, net profit was \$3.52M in FY 2021 compared to \$550K in FY 2020.</p> <p>Trade and other receivables were \$15.05M in FY 2021.</p> <p>Sales by volume in Q4 2021 were 134.3K tonnes. For FY 2021, sales were 400.1K tonnes, an increase of 64% compared to 2020.</p>
Operations	<p>Verde received a 2.5M tpy Mining and is fully permitted to mine 2,833,000. By Q4 2022, with Plant 2’s expansion, Verde expects to have raised its overall production capacity to 3,000,000 tpy. By H1 2024, the Company expects to have an overall production capacity of 13,000,000 tpy by, which represents 16% of the current Brazilian potash market in K2O. Plant 3 is projected to have a production capacity of up to 10M tpy.</p>

Summary

Up to 2021, Verde was producing and selling a relatively new product, so the Company’s guidance was limited to volume and revenue. For 2022, Verde announced its EBITDA and earnings per share guidance for the first time.

In the previous years, the Company could only secure financing by invoice discounting or guaranteed by capital goods. In December 2021, Verde’s future sales contracts were accepted as debt collateral also for the first time, which represents an important milestone in the Company’s expansion plans.

The Company has assembled a Special Committee to evaluate when and how to share profits with shareholders, comprised of independent directors of the Board. The Special Committee’s studies will be the cornerstone for Paid for Growth (“P4G”) program elaboration, which is being engineered in detail to enable the Company to distribute earnings to shareholders while expanding production without compromising Verde’s growth.

The Board of Directors approved an investment that totals R\$ 73 million Brazilian Reais (“R\$”) for Plant 2 and to upgrade local infrastructure to sustain Plant 2’s logistics with added capacity to enable Plant 3. The Group aims to fund the expansion plan through a combination of future cashflow and debt finance backed by future sales contracts.

In 2022, Verde will keep working hard on its accelerated growth strategy.

2021 Key Objectives

Achieve 10% of the Company’s total sales as BAKS®:

BAKS® accounted for 9.8% of the total volume sold in 2021. BAKS® demand outstripped Verde’s production capacity for the period.

Launch a new technology in the second quarter of 2021:

On June 02, 2021, the Company launched N Keeper®, proprietary processing technology for glauconitic siltstone that alters its physical-chemical properties to enable ammonia retention for use as a calibrated additive in Nitrogen fertilizers

Get ISO 9001 and ISO 14001 certified:

Verde AgriTech Plc's Brazilian subsidiaries, Verde Fertilizantes LTDA and FVS Mineração LTDA, were ISO 9001 and ISO 14001 certified in February 2022.

Obtain the Mining Concession for 2,500,000 tpy for Mine Pit 2:

Verde received the Mining Concession for extraction of up to 2,500,000 tpy for Mine Pit 2, which will supply raw material for our Plant 2, to boost our production in the coming years. Verde is now fully permitted to produce up to 2,833,000 tpy.

Initiate 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:

Groundbreaking took place in August 2021, and Plant 2 is expected to reach commercial production by Q3 2022.

Achieve revenue and sales targets for the year

The latest revised targets for revenue and sales were, respectively, R\$110M and 400k tonnes. Verde achieved a revenue of R\$119.3M and sold 400.8k tonnes in 2021.

2022 Key Objectives

Reach Plant 2’s commercial production by Q3 2022.

Expand Plant 2’s operational capacity from 1,200,000 to 2,400,000 tpy by Q4 2022, raising Verde’s overall production capacity to 3,000,000 tpy.

Upgrade local infrastructure to sustain Plant 2’s logistics with added capacity to enable a future Plant 3.

Finish the New Pre-Feasibility Study, which is currently under elaboration. The New PFS will contemplate a scenario of total annual production of 50,000,000 tonnes of Verde’s Product, equivalent to 63% of the total Brazilian potash consumption in 2021.

Launch a new technology in Q2 2022.

Reach 100 cities with *Cultivando Amor*, Verde’s flagship social engagement program that in 2021 raised over R\$270,000 for charities across 16 cities in Brazil. The program donates part of Verde’s sales proceeds to charities chosen by the Company’s clients in their municipalities.

* All figures are in Canadian dollars, unless stated otherwise

Average exchange rate in Q4 2021: C\$1.00 = R\$4.43
Average exchange rate in Q4 2020: C\$1.00 = R\$4,14

Q4 & FY 2021 Financial Statements

All amounts in CAD \$'000, except percentages	Q4 2021	Q4 2020	YoY	FY 2021	FY 2020	YoY
Revenue	10,851	2,209	391%	27,709	9,167	202%
Production costs	(2,691)	(912)	195%	(7,131)	(3,515)	103%
Gross Profit	8,160	1,297	529%	20,578	5,652	264%
Gross Margin	75%	59%	N/A	74%	62%	N/A
Sales expenses	(4,463)	(673)	563%	(11,252)	(2,270)	396%
General expenses	(1,245)	(588)	112%	(2,876)	(1,791)	61%
Operating Profit/(Loss) before non cash events	2,452	36	6786%	6,450	1,591	305%
Non Cash Events						
Shared Based and Bonus Payments ¹	(23)	(18)	25%	(1,551)	(425)	265%
Depreciation and Amortization	(18)	(4)	330%	(53)	(23)	134%
Loss on disposal of property, plant and equipment	(0)	(0)	N/A	9	(17)	156%
Operating Profit/(Loss) after non cash events	2,411	14	17343%	4,855	1,126	331%
Income tax ²	(360)	(79)	357%	(931)	(330)	182%
Interest Income/Expense	(173)	(127)	36%	(402)	(246)	64%
Net Profit/(Loss)	1,878	(192)	1080%	3,522	550	540%

(1) – Included in General and Administrative expenses in financial statements

(2) – Please see Income Tax notes.

Operational Summary

All amounts in CAD, except percentages	Q4 2021	Q4 2020	YoY	FY 2021	FY 2020	YoY
Tonnes sold '000	134	57	137%	400	244	64%
Revenue per tonne sold \$	81	39	107%	69	38	84%
Production cost per tonne sold \$	(20)	(16)	24%	(18)	(14)	24%
Gross Profit per tonne sold \$	61	23	165%	51	23	122%
Gross Margin	75%	59%	N/A	74%	62%	N/A

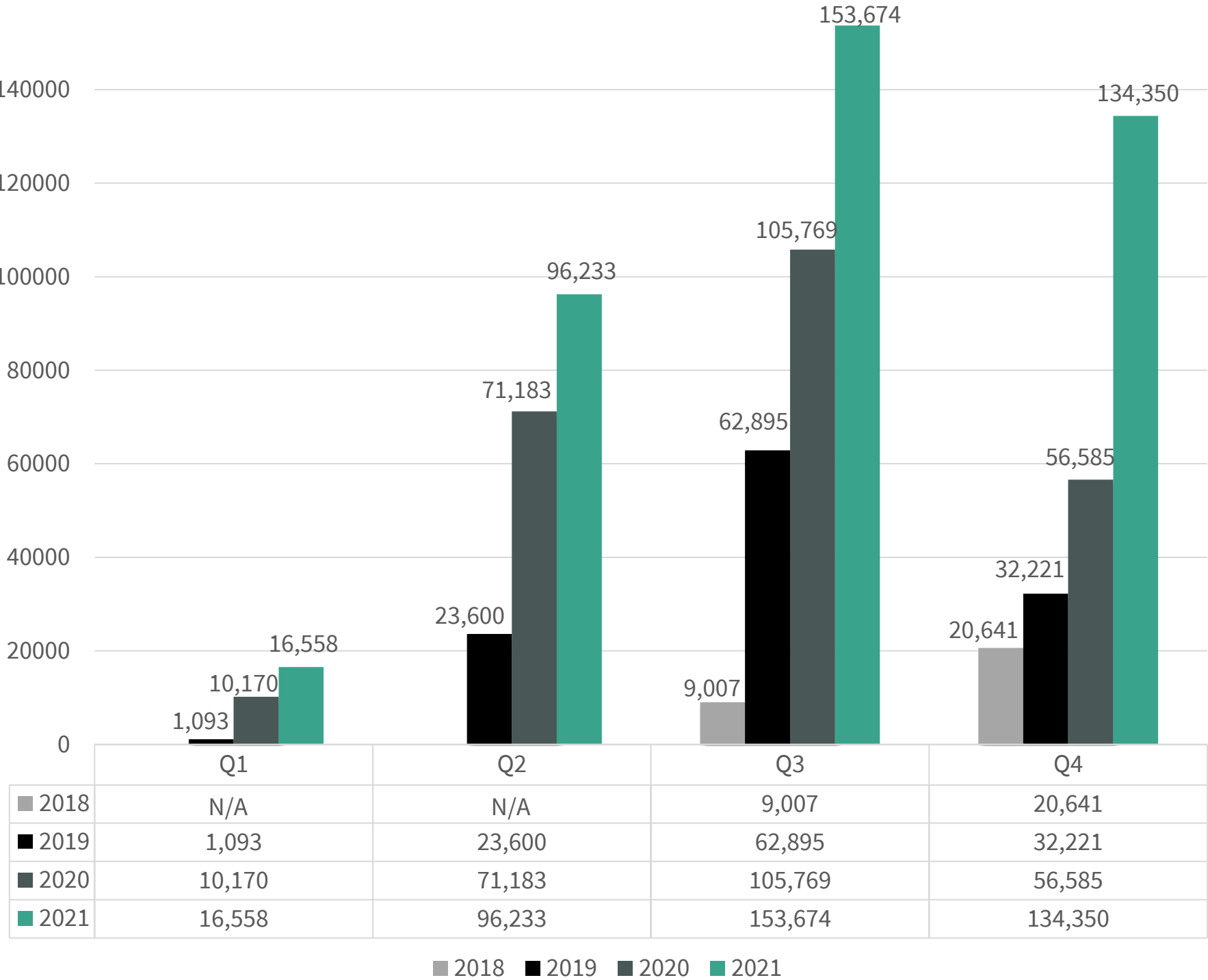
Operational Summary – Excluding freight revenue

All amounts in CAD, except percentages	Q4 2021	Q4 2020	YoY	FY 2021	FY 2020	YoY
Revenue per tonne sold \$ (excluding freight)	53	31	74%	47	33	42%
Production cost per tonne sold \$	(20)	(16)	24%	(18)	(14)	24%
Gross Margin (excluding freight revenue)	62%	47%	N/A	62%	56%	N/A

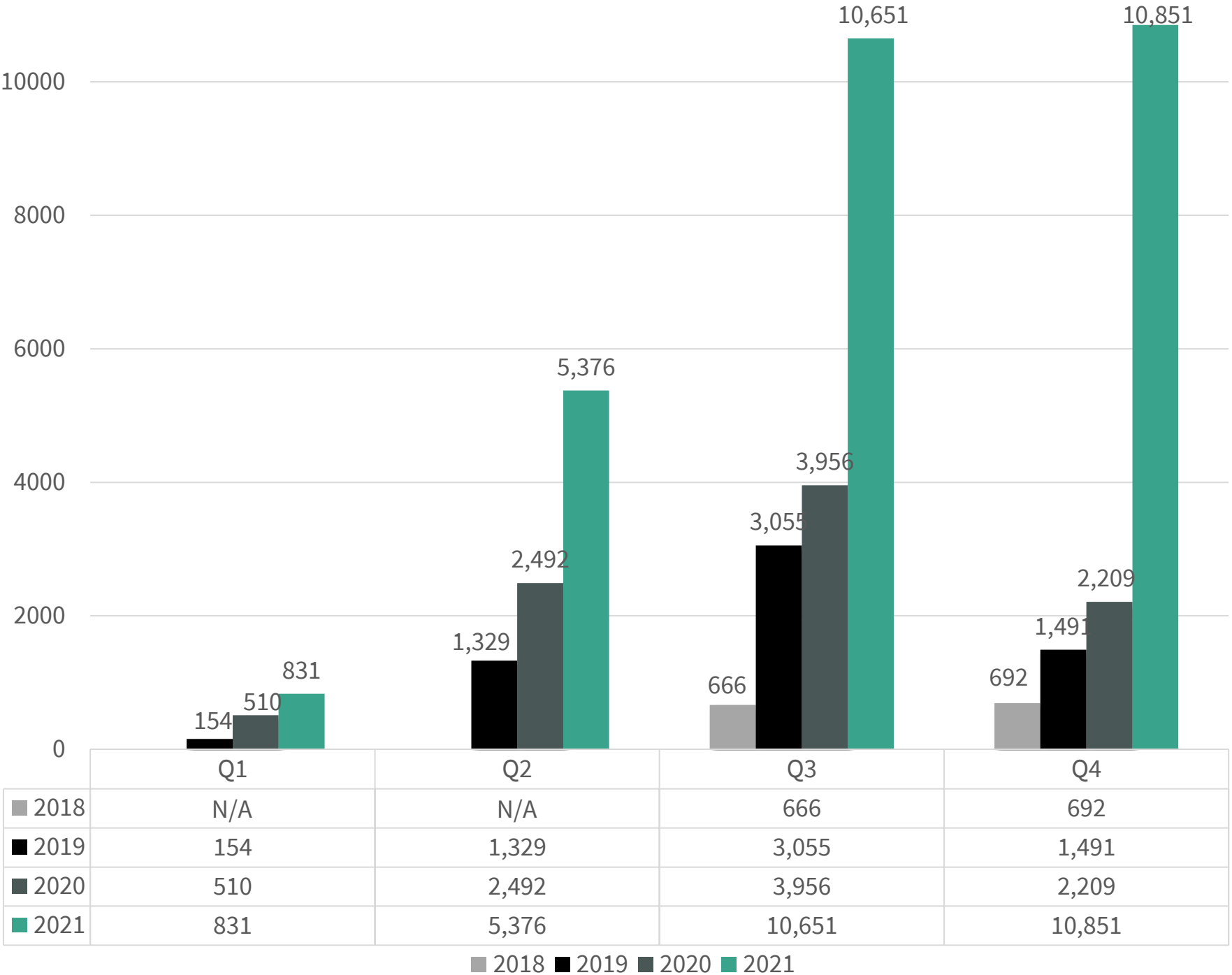
Excluding revenue with freight, the revenue per tonne and gross margin still improved in the quarter and FY.

Key Metrics Quarterly

Sales (Tonnes)

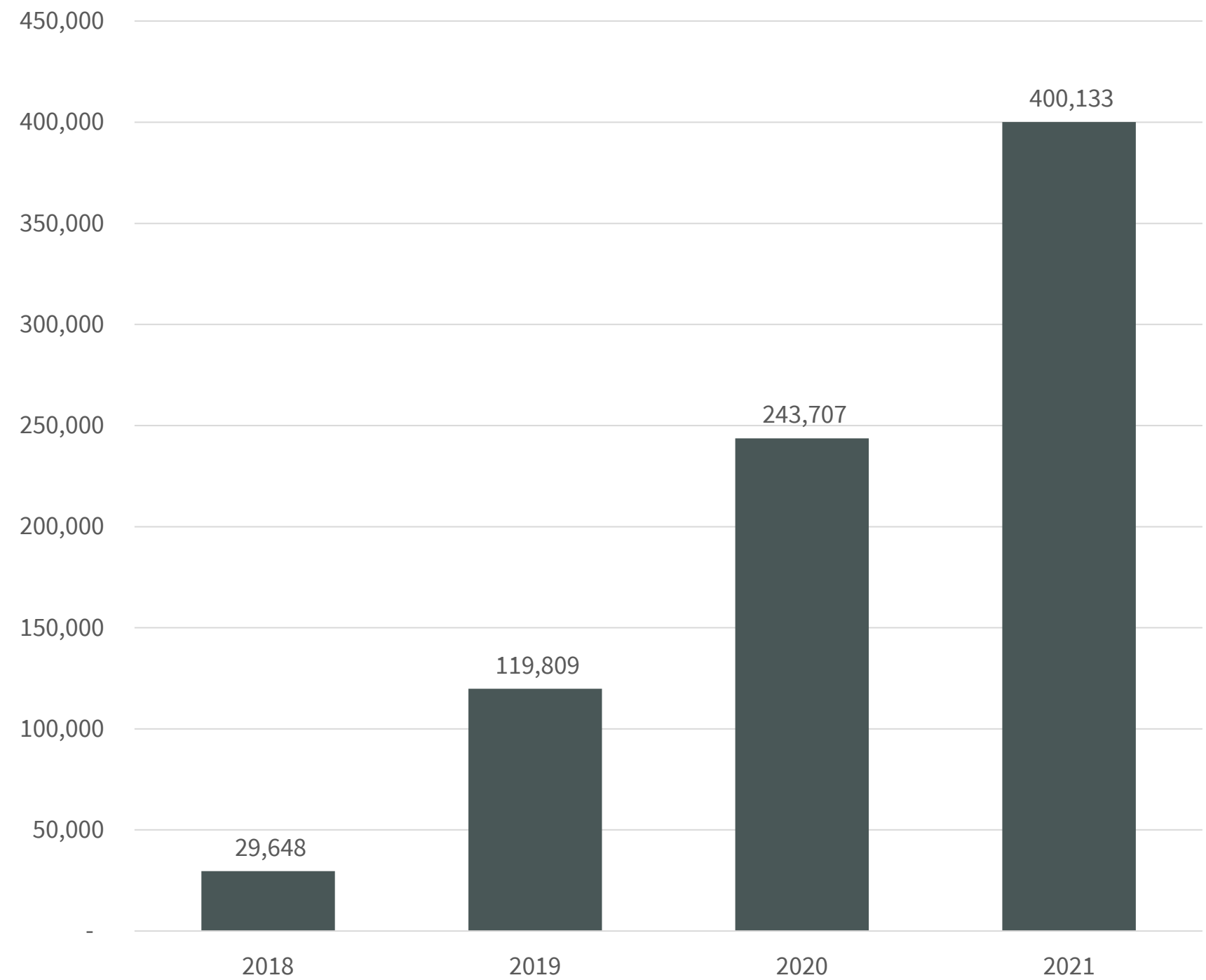


Revenue (‘000 CAD)

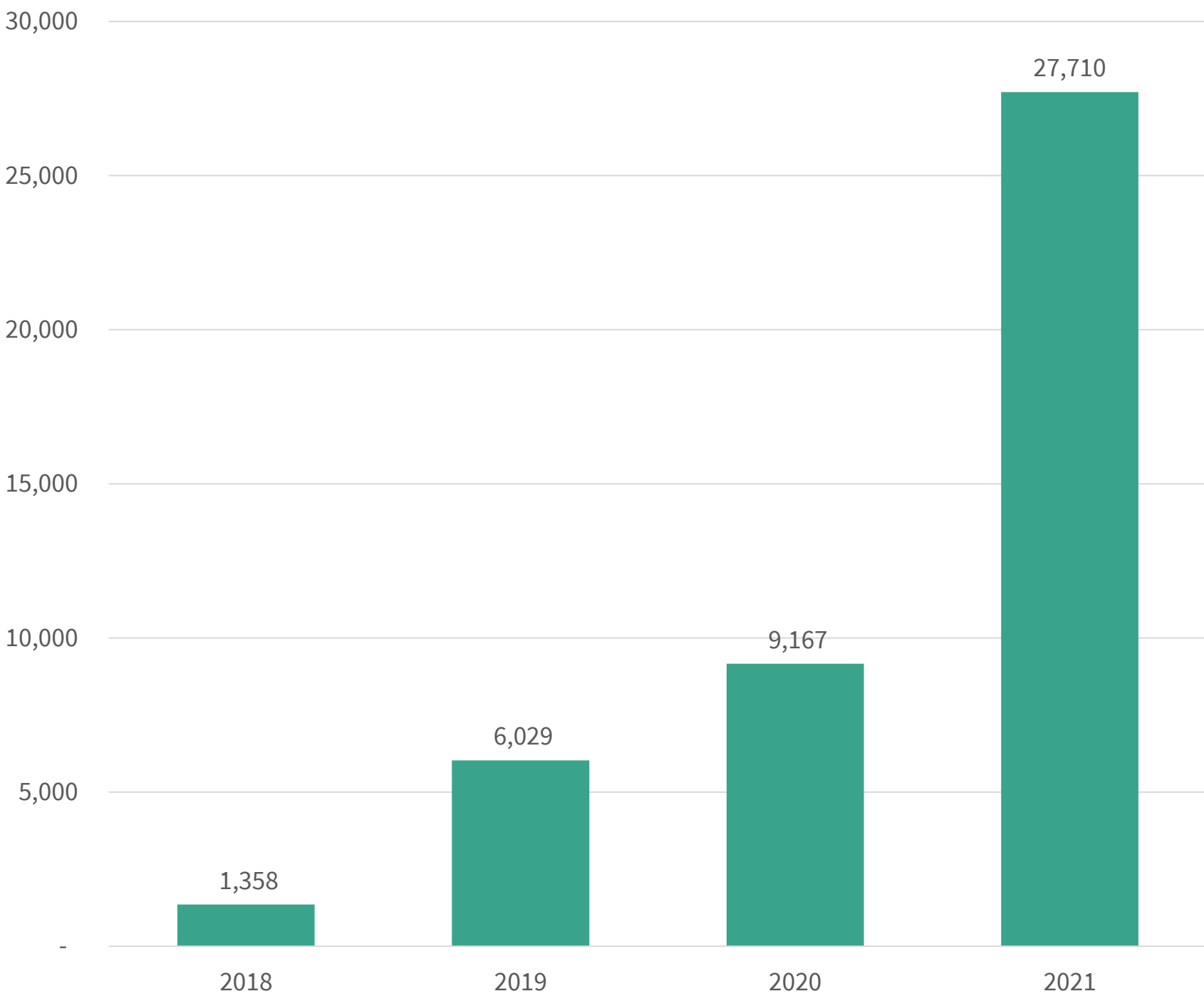


Key Metrics Yearly

Sales (Tonnes)



Revenue ('000 CAD)



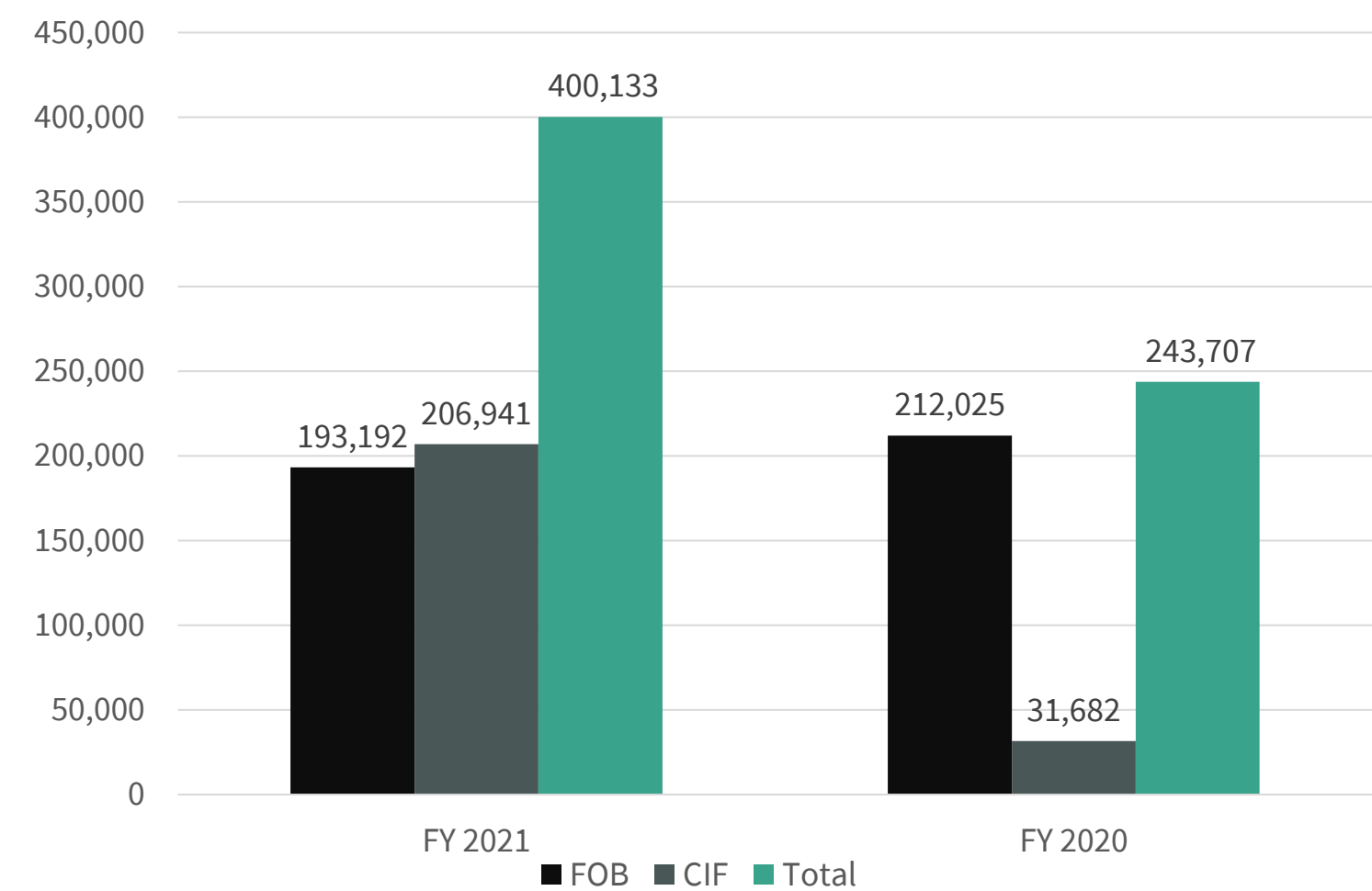
Sales, General and Administrative Expenses

All amounts in CAD \$'000, except percentages	Q4 2021	Q4 2020	YoY	FY 2021	FY 2020	YoY
Sales Expenses						
Sales and marketing expenses	(577)	(179)	222%	(1,818)	(975)	86%
Fees paid to sales agents	(203)	(16)	1150%	(464)	(162)	185%
Product delivery freight expenses	(3,682)	(478)	671%	(8,970)	(1,133)	692%
Total Sales expenses	(4,463)	(673)	563%	(11,252)	(2,270)	396%
General expenses						
General administrative expenses	(612)	(493)	24%	(1,621)	(1,149)	41%
Legal, professional, consultancy and audit costs	(516)	(75)	584%	(915)	(520)	76%
IT/Software expenses	(103)	(23)	350%	(307)	(98)	213%
Taxes and licenses fees	(14)	4	-450%	(33)	(24)	34%
Total General expenses	(1,245)	(588)	112%	(2,876)	(1,791)	61%

Legal, professional, consultancy and audit costs increased largely due to a \$347,000 provision in Q4 2021, set aside for a contested claim made by a consultant retained by the Company in 2012. The consultancy services were for an environmental report, the quality of which was disputed by Verde and payments withheld. A court decision in Q4 2021 was partially favourable to the consultant and requested an adjusted payment, the Company has appealed the decision.

Other Highlights

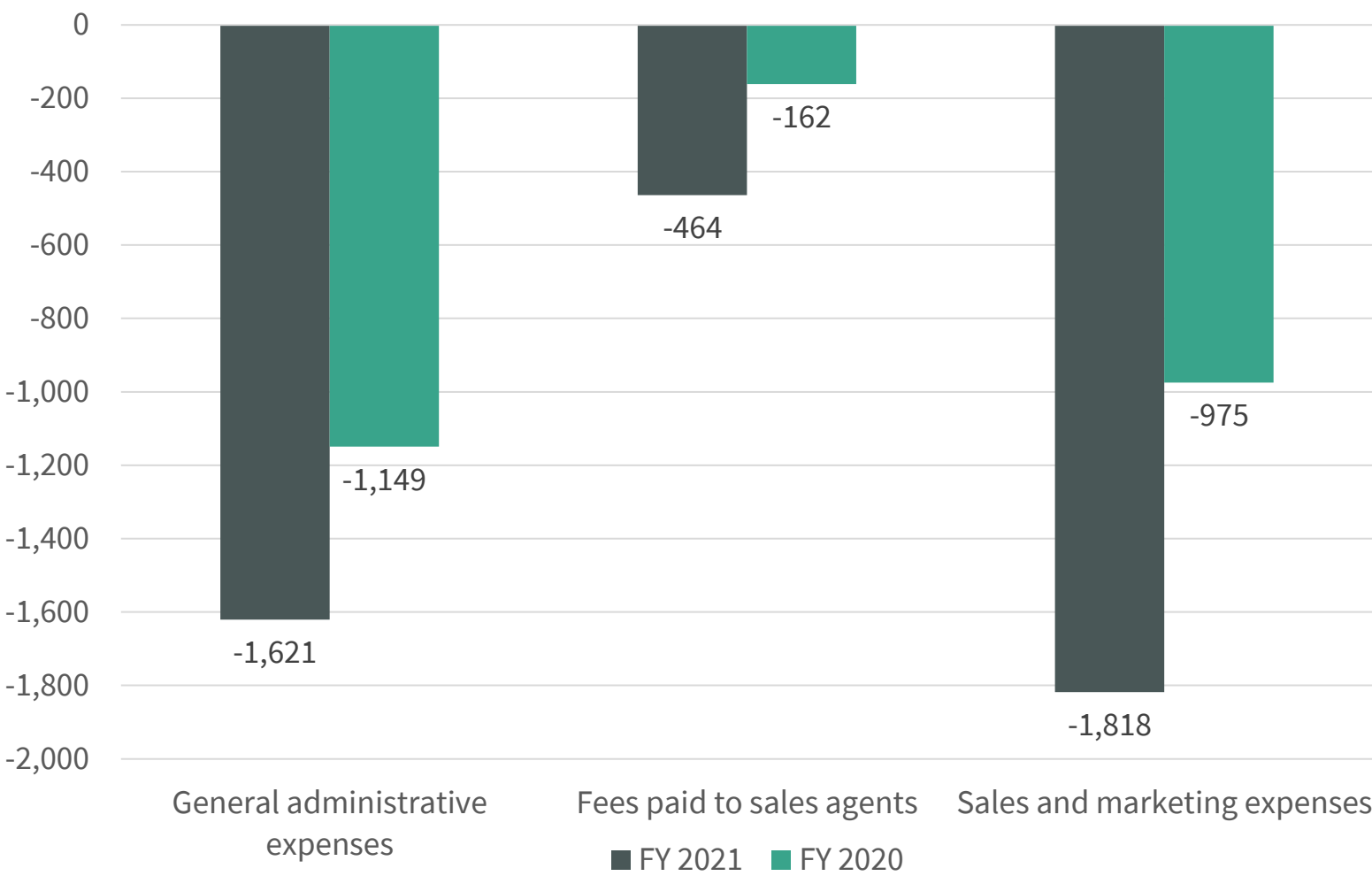
FOB vs CIF (tonnes)



Sales	FY 2021	FY 2020	YoY
FOB	193,192	212,025	(9%)
CIF	206,941	31,682	553%
Total	400,133	247,707	64%

The Company has significantly increased the volume sold as CIF, from 23% of total sales in Q4 2020 to 63% in Q4 2021.

General Expenses (C\$'000)



Sales (tonnes)	FY 2021	FY 2020	YoY
General administrative expenses	(1,621)	(1,149)	41%
Fees paid to sales agents	(464)	(162)	185%
Sales and marketing expenses	(1,818)	(975)	86%

General expenses have increased mainly due to additional administrative employees, with professional headcount in the team increasing from an average of 18 in 2020 to 43 in 2021.

Q4 & FY 2021 Financial Summary

Revenue	<p>Revenue from sales for Q4 2021 was \$10.85M from the sale of 134.35K tonnes, 27.7M from the sale of 400.13K tonnes for FY 2021. Despite the devaluation of the Brazilian Real against the Canadian Dollar, revenue per tonne was higher mainly due to three factors:</p> <ol style="list-style-type: none">1. Product volume sold as CIF (Cost Insurance and Freight)2. Potassium Chloride CIF (Minas Gerais) price increase3. BAKS® has a higher sales price per tonne than K Forte®.
Profitability	<p>Operating profit before non-cash events increased to \$2.45M in Q4 2021, and increased by 305%, to \$6.45M in FY 2021.</p> <p>Gross margin increased to 75% in Q4 2021, compared to 59% in Q4 2020, and to 74% in FY 2021, compared to 62% in FY 2020.</p> <p>Sales by volume increased by 137% in Q4 2021, to 134.3K tonnes sold compared to 56.59K tonnes in Q4 2020. For FY 2021, sales by volume increased by 64% in FY 2021, to 400.13K tonnes sold compared to 203.7K tonnes in FY 2020.</p> <p>Net profit increased to \$1.88M in Q4 2021, compared to a net loss \$192K in Q4 2020. For FY 2021, net profit increased by 540%, to \$3.52M compared to \$550K in FY 2020.</p>
Cash	<p>On December 31, 2021, the Group held cash of \$1.53M, a decrease of \$703K on the same period in 2020.</p> <p>Trade and other receivables increased by 375% in FY 2021, to \$15,055,000 compared to \$3,170,000 in FY 2020. Trade and other payables increased by 388% in FY 2021, to \$6,858,000 compared to \$1,406,000 in FY 2020.</p>

Summary of Interest-Bearing Loans and Borrowings

Lender (security ref)	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R\$\$'000)	Balance at Dec 31, 2021 (C\$'000)	Repayable by	Total interest payable*
Brasil	Dec, 2021	Working capital	06	36	5,000	1,289	Dec, 2024	* CDI + 2.92%
Santander	Oct, 2021	Working capital	01	24	5,000	1,309	Sept, 2023	14.32%
ABC Brazil	Sept, 2021	Working capital	01	06	2,000	472	Mar, 2022	13.45%
Bradesco	Mar, 2021	Vehicle	01	36	168	32	Feb, 2024	10.46%
Santander	Oct, 2020	Equipment and working capital	01	36	2,000	381	Oct, 2023	10.95%
ABC Brazil	Aug, 2020	Equipment and working capital	01	42	2,000	492	Mar, 2024	*CDI + 7.53%
Santander	July,2020	Equipment	06	18	359	62	July,2022	**IPCA + 8.46%
Bradesco	July,2020	Equipment and working capital	06	60	5,000	1,265	July, 2025	10.95%
Bradesco	Mar, 2020	Vehicle	01	48	119	19	Apr, 2024	12.49%
Santander	Jan, 2020	Equipment	06	36	364	55	June, 2023	**IPCA + 7,12%
Bradesco	Jan, 2020	Equipment	00	48	450	72	Feb, 2024	11.98%
Santander	Apr,2019	Equipment	01	36	73	7	Oct, 2022	**IPCA + 7,12%
Santander	Apr,2019	Equipment	01	36	150	15	Oct, 2022	**IPCA + 7,12%
Santander	May, 2018	Equipment	12	60	1,040	115	May, 2023	**IPCA + 7,05%
Total						5,585		

* - CDi, (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at December 31, 2021, the 12 months cumulative rate was 4,38%.

** - Inc Variable interest (IPCA) - Broad Consumer Price Index, a measure of the average price needed to buy consumer goods and services. As at December 31, 2021 the 12 months cumulative rate was 10,06%.

The Group's average current loan rates is 12,42% per annum. The Brazilian Government long term bond rate is currently 11,65% per annum.

Brazilian Economic Scenario

Brazilian Real versus US Dollar

From January to December 2021, the Brazilian Real devalued by 5% in relation to US Dollar, compared to the same period of 2020.

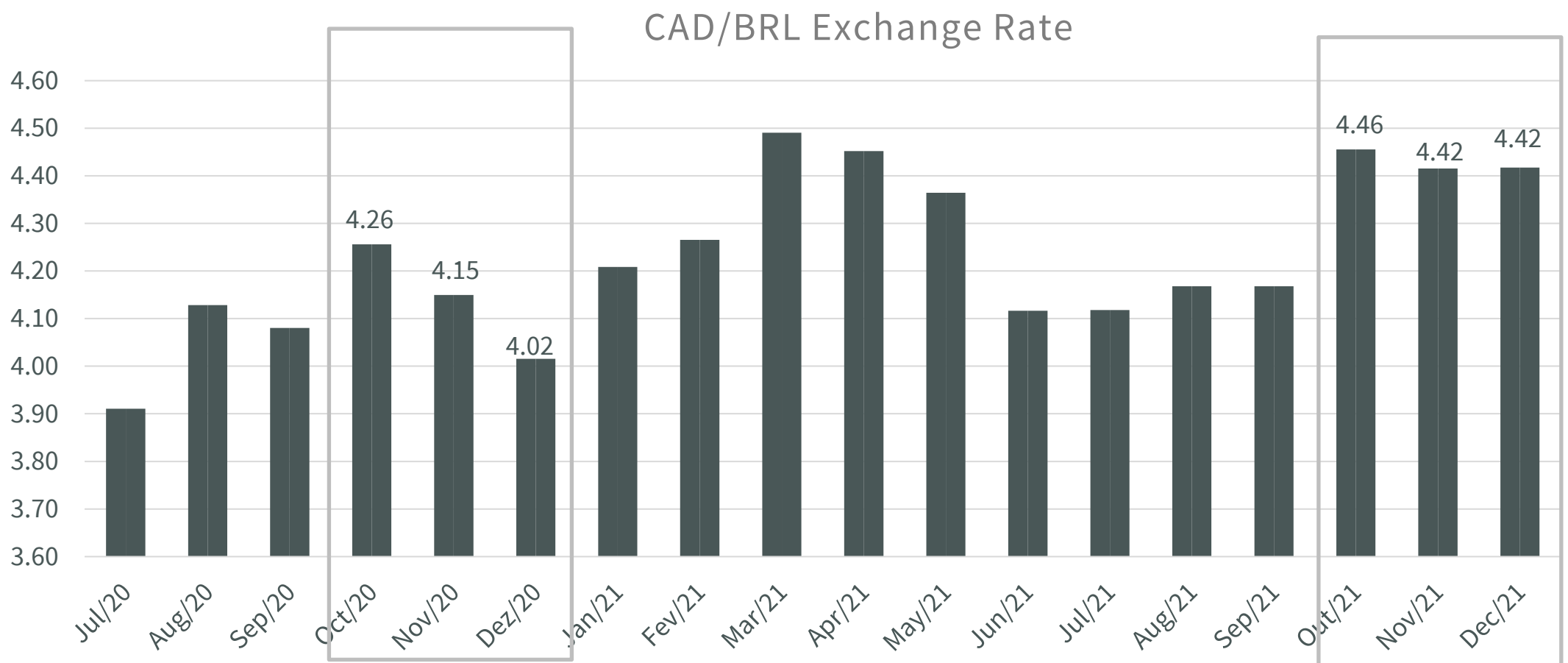
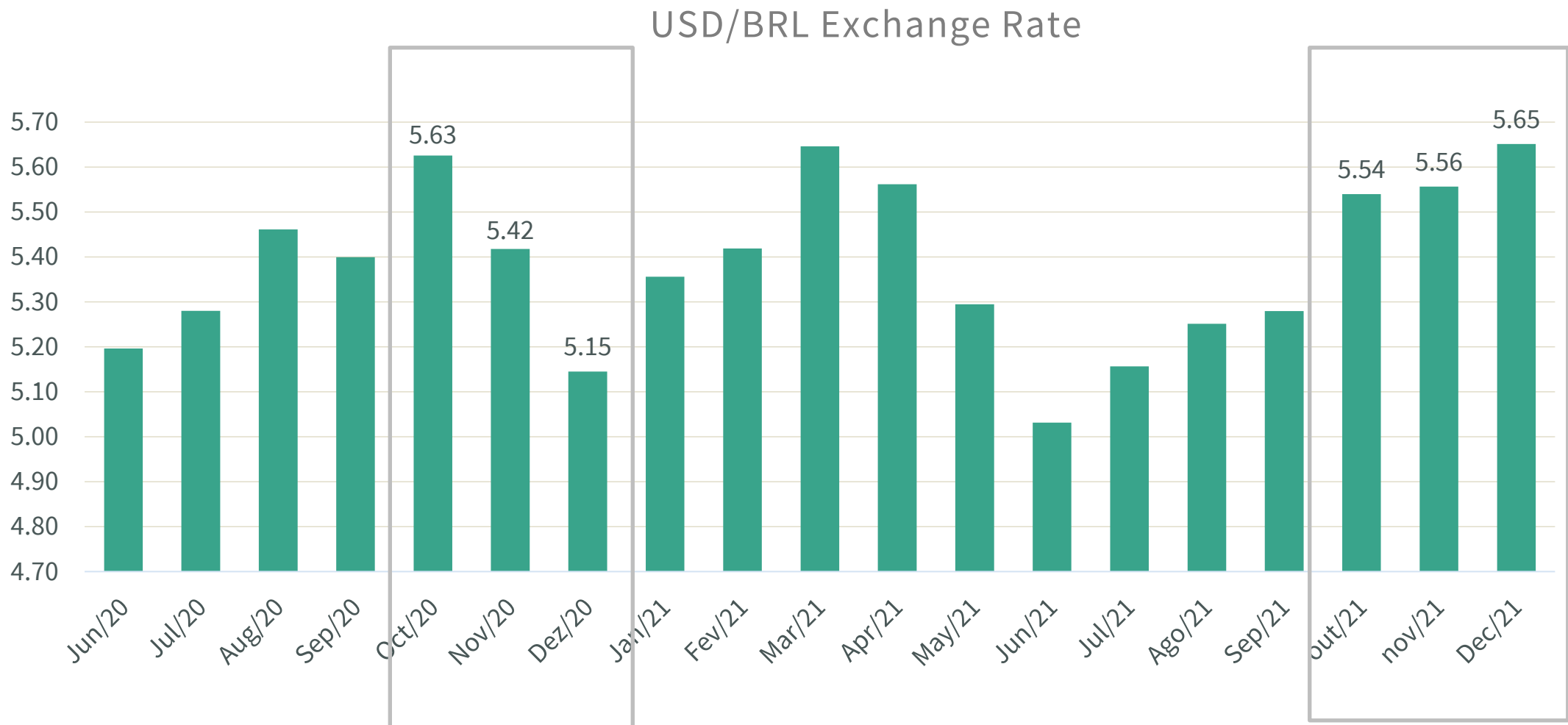
As of April 04, 2022, US\$1.00 = R\$4.62.

Brazilian Real versus Canadian Dollar

From January to December 2021, the Brazilian Real devalued by 12% in relation to Canadian Dollar, compared to the same period of 2020.

As of April 04, 2021, C\$1.00 = R\$3.70.

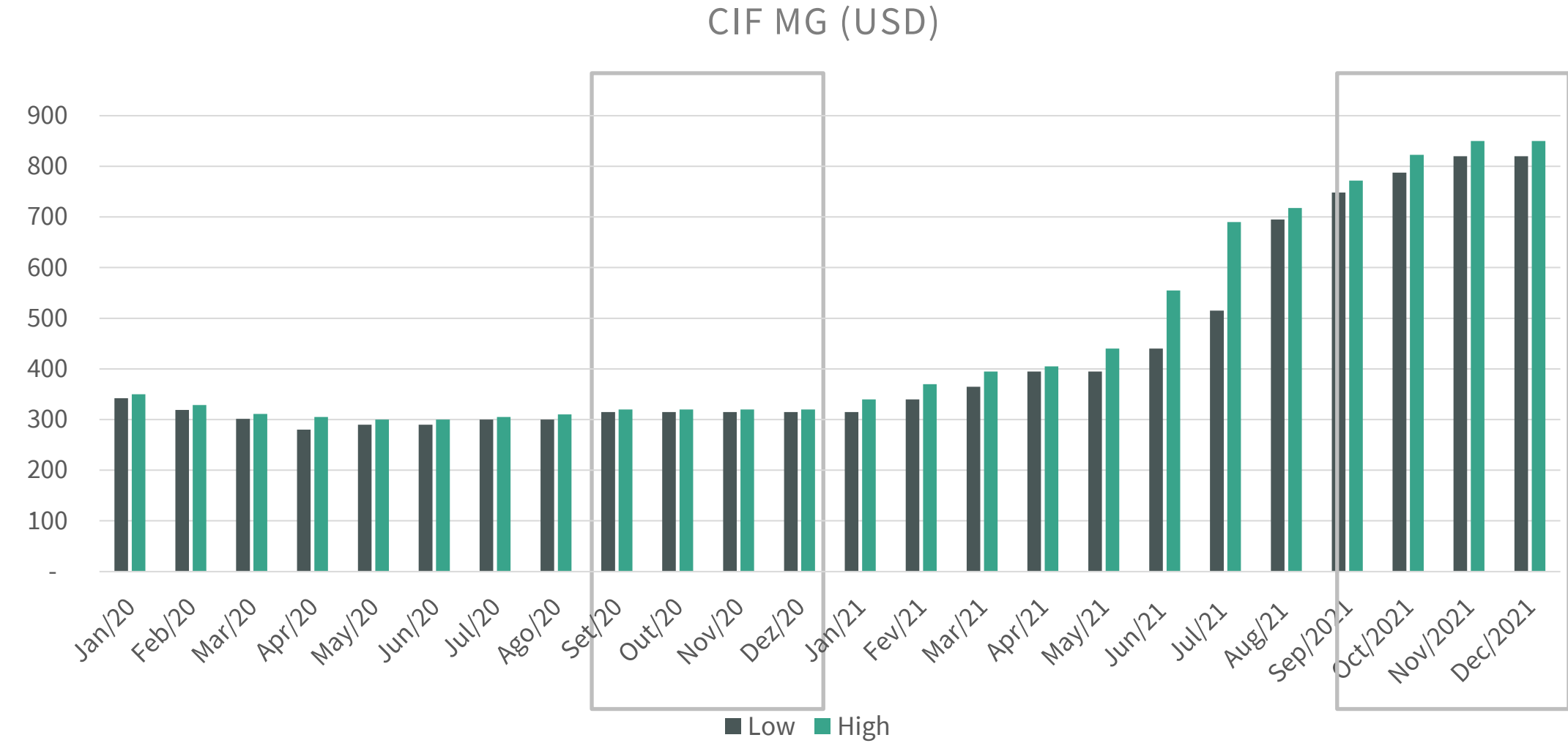
Source: <https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>



Potassium Chloride Price

Fluctuations in potassium chloride CIF (Minas Gerais) prices

	KCl CIF (Minas Gerais) Lowest Price ¹	KCl CIF (Minas Gerais) Highest Price ¹
Q4 2021	US\$760	US\$850
Q4 2020	US\$315	US\$320
%	+141%	+165%
FY 2021	US\$315	US\$850
FY 2020	US\$280	US\$360
%	+13%	+136%



Source: ¹Acerto Limited Report, Agribusiness Intelligence for Latin America

2022 and 2023 guidance

The Company's 2022 target is detailed on a quarterly basis, reflecting the market demand's seasonality, as follows:

Period	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Sales target (tonnes)	115,000	200,000	250,000	135,000	700,000
Revenue (C\$'000)	10,070	21,954	27,228	13,011	72,263
EBITDA (C\$'000)	1,358	10,155	13,414	3,506	28,434
EPS (C\$)	0.02	0.18	0.25	0.06	0.50

The 2022 guidance is underpinned by the following assumptions:

- Average Brazilian Real ("R\$") to Canadian Dollar exchange rate: C\$1.00 = R\$4.40 (in April 04, 2022, the exchange rate closed at C\$1.00 = R\$3.70)
- Average KCl CFR Brazil of US\$500, compared to current price of US\$1,235 per tonne (as per the market intelligence firm Acerto Limited weekly price for March 31, 2022)
- Sales Incoterms: 50% CIF and 50% FOB
- Sales channels: 50% direct sales and 50% indirect sales

For 2023, Verde's original sales volume target is 1.4 million tonnes. This target represents a potential 100% growth Year-on-Year ("YoY") but it is now under review in light of the recent total 2.8 million tonnes permitted production capacity following the permits received in February 2022, and increased production potential for 2022.

Appendix

Earned Growth Rate

Earned Growth Rate (“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.

The EGR measures the sales growth by volume generated by returning customers and new client purchases made by existing clients’ referrals.¹

Year	2019	2020	2021
Earned Growth Rate	Not Registered	61%	165%

Number of clients per year

Year	2017	2018	2019	2020	2021
Number of total clients	28	136	355	787	1,352

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-3-02>

Environmental

Verde's production process is sustainable. The processing does not require tailings dams, nor does it generate any waste by products. In sum, the ore recovery rate is 100%.

The mined area is mainly composed of degraded pasturelands that, once mined, Verde transforms into tropical forest. To that end, the Company planted 4,300 trees in 2019, 5,000 trees in 2020, and 9,888 trees in 2021. All planted species are originally native to the region, many of which are today deemed endangered species.

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.¹

The world currently uses 61.5 million tonnes of potassium chloride for agriculture per year², 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 Q4 2021	169.2M litres
Since production started	999.6M litres

Over the next 36 years³, 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.

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

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

Cultivando Amor Project

Cultivando Amor is an initiative from Verde, in which there is a partner charity institution for each of the project's member cities. For each hectare in the region that is cultivated with BAKS® or K Forte®, Verde donates part of the sales' profits to the partner institution of that city. The initiative has the support of the cities' Rural Union of Farmers (*Sindicato Dos Produtores Rurais*).

In 2020, *Cultivando Amor*'s pilot project was conducted in the city of Patrocínio, where the program's funds contributed to the Cancer Hospital of Patrocínio, a regional reference in cancer treatment.

In 2021, Verde raised over R\$270,000 for charities across 16 cities in Brazil.

Cultivando Amor's goal for 2022 is to magnify its impacts to 100 cities.

Permit Status – Last 12 months

Mine Pit	Date	Category	Status	Event
2	February 10, 2022	Mining	Granted	2,500,000 tpy Mining Concession
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
2	March 30, 2020	Environment	Applied	2,500,000 tpy Preliminary and Installation License
2	March 26, 2020	Mining	Approved	25,000,000 tpy Feasibility Study
3	March 25, 2020	Mining	Applied	2,500,000 tpy Mining Concession Application

Permit Summary

Under Brazilian law, a pit is fully permitted to mine when the Group holds both a Mining Concession/Permit and Environmental License for that area. Verde is fully permitted to mine 2,833,000 tpy and has submitted concurrent mining and environmental applications for an additional 2,500,000 tpy, still pending approval. The Group has 3 different mine pits, each at different permitting stages and targeting different volumes, as summarized in the table below.

Mine Pit	Fully Permitted (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	233,000	233,000	0	233,000	0
2	2,600,000	2,600,000	22,500,000	2,600,000	0
3	0	49,800	2,500,000	0	2,500,000
Total	2,833,000	2,882,800	25,000,000	2,833,000	2,500,000

The amount that is fully permitted supports the Company's target for 2022.



TSX: **'NPK** | OTCQB: **AMHPF**

investor.verde.ag