

Q1 2022 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.

Buy Super Greensand® at Amazon:



5% OFF Cupom (CA): 05MAYINVCA

5% OFF Cupom (USA): 05MAYINVEST

The discount codes are valid through June 25, 2022

The codes are limited to a single unit per order and to a single order.



Summary	05
Updated Pre-Feasibility Study	06
Q1 2022 Highlights	08
Q1 2022 Financial Statements	09
Operational Summary	10
Key Metrics	11
SG&A Expenses	13
Other Highlights	14
Summary of Interest-Bearing Loans	15
Brazilian Economic Scenario	17
Potassium Chloride Price	18
2022 guidance	19
2023 guidance	20
Appendix	21

Summary

- Verde increased its 2022 guidance, previously published on January 10, 2022. The revised 2022 guidance provides for sales of 1.00M tonnes with revenue of C\$109.09M, EBITDA of C\$49.06M and net earnings per share of C\$0.87. The 2023 guidance provides for sales of 2.00M tonnes.
- The Company also launched Bio Revolution, its newest technology that enables the incorporation of microorganisms to mineral fertilizers. K Forte® will be the first fertilizer in the world to use Bio Revolution technology. Verde's Plant 1 is already equipped with a facility for deploying Bio Revolution. At Plant 2, a proportionally larger Bio Revolution facility will be built, with operations expected by the end of 2022.
- Verde concluded the updated Pre-Feasibility Study for the Cerrado Verde Project, which supplants the Pre-Feasibility Study completed in December 2017, calculating the financial economic potential for the Brazilian agricultural market for potash, sulphur, and the micronutrients zinc, boron, copper and manganese.

* All figures in this presentation are in Canadian dollars, unless stated otherwise

Average exchange rate in Q1 2022: C\$1.00 = R\$4.12

Average exchange rate in Q1 2021: C\$1.00 = R\$4.33

Updated Pre-Feasibility Study

On May 16, 2022, the Company disclosed the conclusions of the Pre-Feasibility Study that supplants the Pre-Feasibility Study completed in December 2017:

The PFS contemplates three Product compositions:

- The Product as a source of potash (“K₂O”)
- The Product as a source of potash and sulphur (“K₂O + S”)
- The Product as a source of potash, sulphur, zinc, boron, copper and manganese (“K₂O + S + Micronutrients”)

The PFS contemplates three distinct production scenarios:

- Annual production of 10Mtpy (“Plant 3 Scenario”), representing 13.51% of the Brazilian potash market demand projected for 2025.
- Annual production of 23Mtpy (“23Mtpy Scenario”), representing 31.07% of the Brazilian potash market demand projected for 2025.
- Annual production of 50Mtpy (“50Mtpy Scenario”), representing 54.97% of the Brazilian potash market demand projected for 2030.

* For further details on the updated PFS, see press release: <https://investor.verde.ag/verde-announces-pre-feasibility-study/>

Summary of the financial-economic analysis at each production scenario¹, considering the Product composition of K₂O

Product composition K ₂ O ²				
Description	Unit	10Mtpy Plant 3 Scenario	23Mtpy Scenario	50Mtpy Scenario
Proven and probable reserves	million tonnes	715.67	715.67	1,297.66
K ₂ O grade	%	10.01	10.01	9.19
Capex	US\$ million	52.77	129.84	553.99
NPV after-tax ³	US\$ billion	2.91	5.81	13.54
IRR after-tax	%	427.17	387.11	227.08

1 - For further details on the scenarios included in the updated PFS, see press release: <https://investor.verde.ag/verde-announces-pre-feasibility-study/>

2 - The PFS relies on a KCl CFR Brazil port price of US\$368.65 per tonne, as per the Market Study (the “Study”) as detailed in the press release of April 21, 2022. Currently, the KCl CFR Brazil port price is approximately US\$1,125 per tonne. (as of May 16, 2022).

3 - At 8% NPV discount rate

Q1 2022 Highlights

Cash	<p>Ability to generate significant free cash flow in the long term.</p> <p>Cash utilised from investing activities increased by 913% in Q1 2022, to \$3.38M compared to \$334K in Q1 2021.</p> <p>Trade and other receivables increased by 517% in Q1 2022, to \$17.6M compared to \$2.9M in Q1 2021.</p> <p>Total loans for CAPEX and working capital in March 31: \$9,020M.</p>
Profitability	<p>Revenue increased by 1,260% in Q1 2022, to \$11.3M compared to \$831K in Q1 2021. Revenue in Brazilian Real (“R\$”) increased by 1,196% in Q1 2022, to R\$46.63M compared to R\$3,6M in Q1 2021.</p> <p>Sales by volume increased by 574% in Q1 2022, to 111.6K tonnes sold compared to 16.6K tonnes sold in Q1 2021.</p> <p>Gross margin increased to 77% in Q1 2022, compared to 41% in Q1 2021.</p> <p>EBITDA before non-cash events increased to \$3.68M in Q1 2022, compared to an operating loss of \$887K in Q1 2021.</p> <p>Net profit increased to \$3M in Q1 2022, compared to a net loss \$1.8M in Q1 2021.</p>
Operations	<p>Verde operates Plant 1 with a capacity of 0.6 million tonnes per year (“Mtpy”), Plant 2 is on track for commissioning in Q3 2022 with an additional capacity of 2.4Mtpy, and Plant 3 is expected to add 10Mtpy with construction planned for 2023, raising the Company’s overall production capacity to 13,000,000 tpy.</p> <p>Plant 3 is expected to be financed entirely from cashflow, and not impact the return of gains to shareholders via dividends, buyback or a combination of both.</p>

Q1 2022 Financial Statements

All amounts in C\$'000	Q1 2022	Q1 2021	YoY
Revenue	11,304	831	1260%
Production costs	(2,654)	(490)	(441%)
Gross Profit	8,650	341	2434%
Gross Margin	77%	41%	N/A
Sales and product delivery freight expenses	(3,931)	(531)	640%
General and administrative expenses	(1,041)	(697)	49%
EBITDA ⁽¹⁾	3,678	(887)	N/A
Share Based and Bonus Payments (Non-Cash Event) ⁽²⁾	(64)	(822)	92%
Depreciation and Amortisation ⁽²⁾	(26)	(5)	(457%)
Profit on disposal of plant and equipment ⁽²⁾	-	9	N/A
Operating Profit / (loss) after non-cash events	3,588	(1,705)	N/A
Interest Income/Expense	(185)	(75)	(146%)
Net Profit / (Loss) before tax	3,403	(1,780)	N/A
Income tax	(370)	(31)	(1093%)
Net Profit / (Loss)	3,033	(1,811)	N/A

1 – Non GAAP measure

2 – Included in General and Administrative expenses in financial statements

Operational Summary

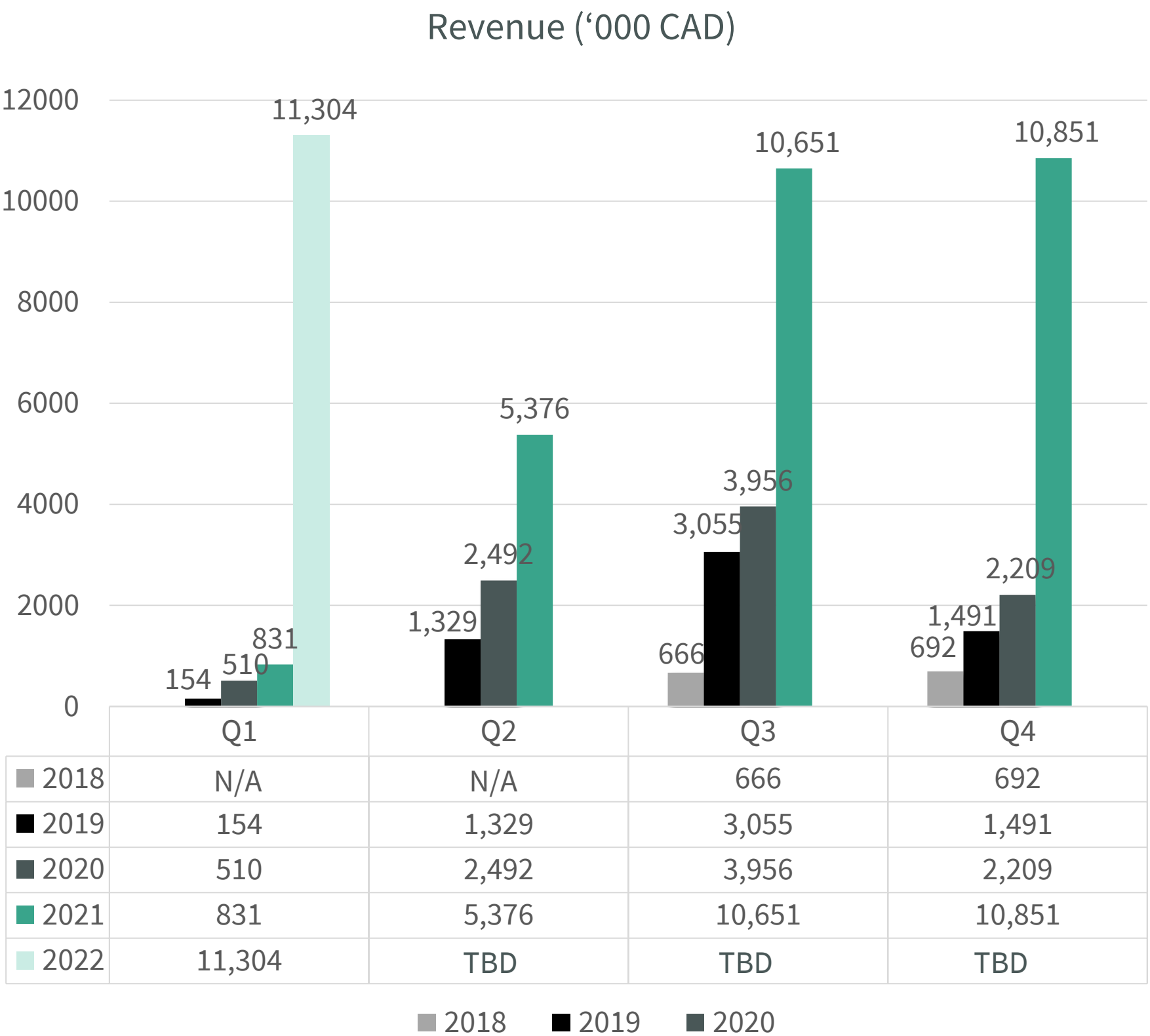
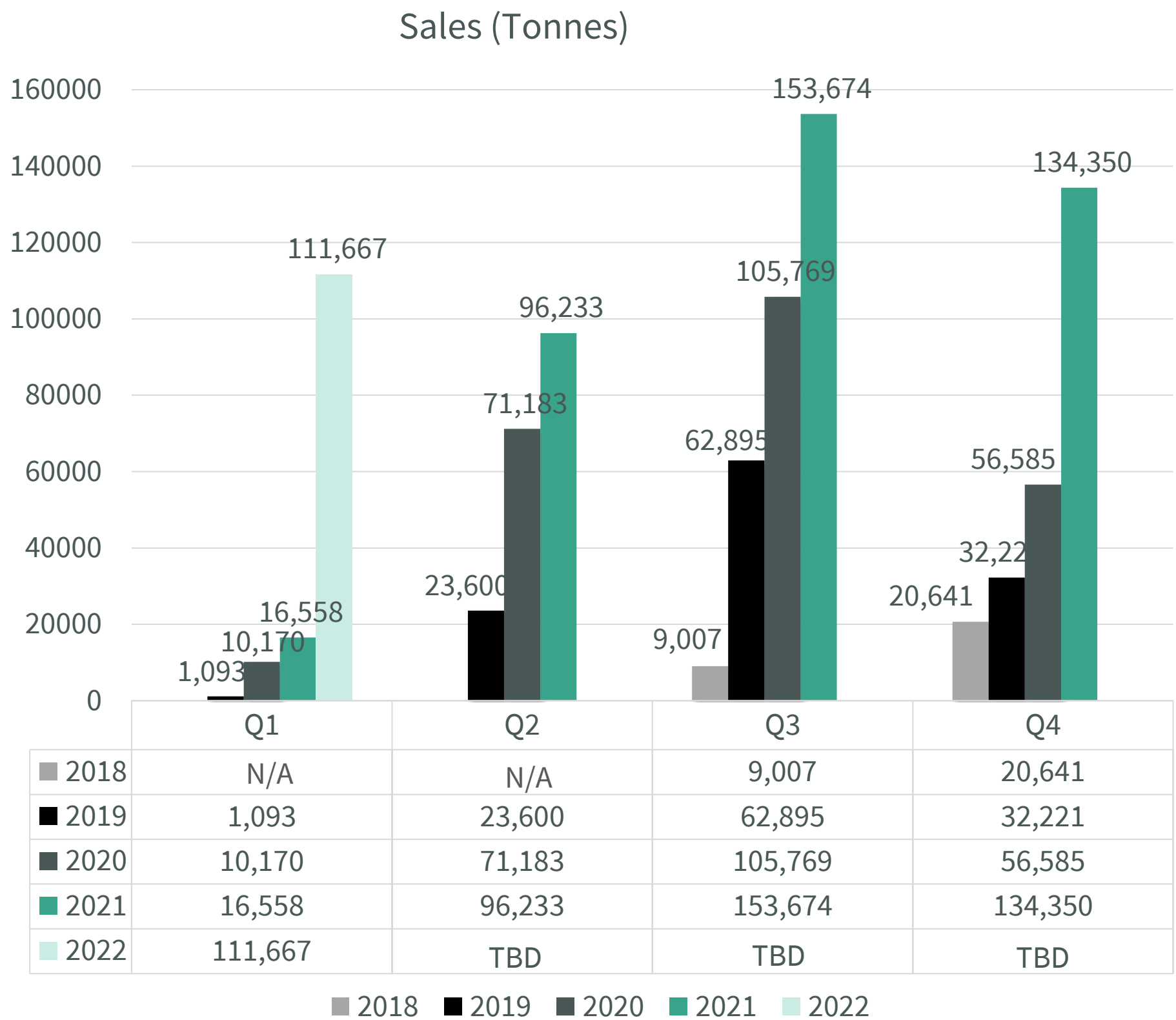
All amounts in CAD, except percentages	Q1 2022	Q1 2021	YoY
Tonnes sold '000	112	17	574%
Revenue per tonne sold \$	101	50	102%
Production cost per tonne sold \$	(24)	(30)	20%
Gross Profit per tonne sold \$	77	20	276%
Gross Margin	77%	41%	N/A

Operational Summary – Excluding freight revenue

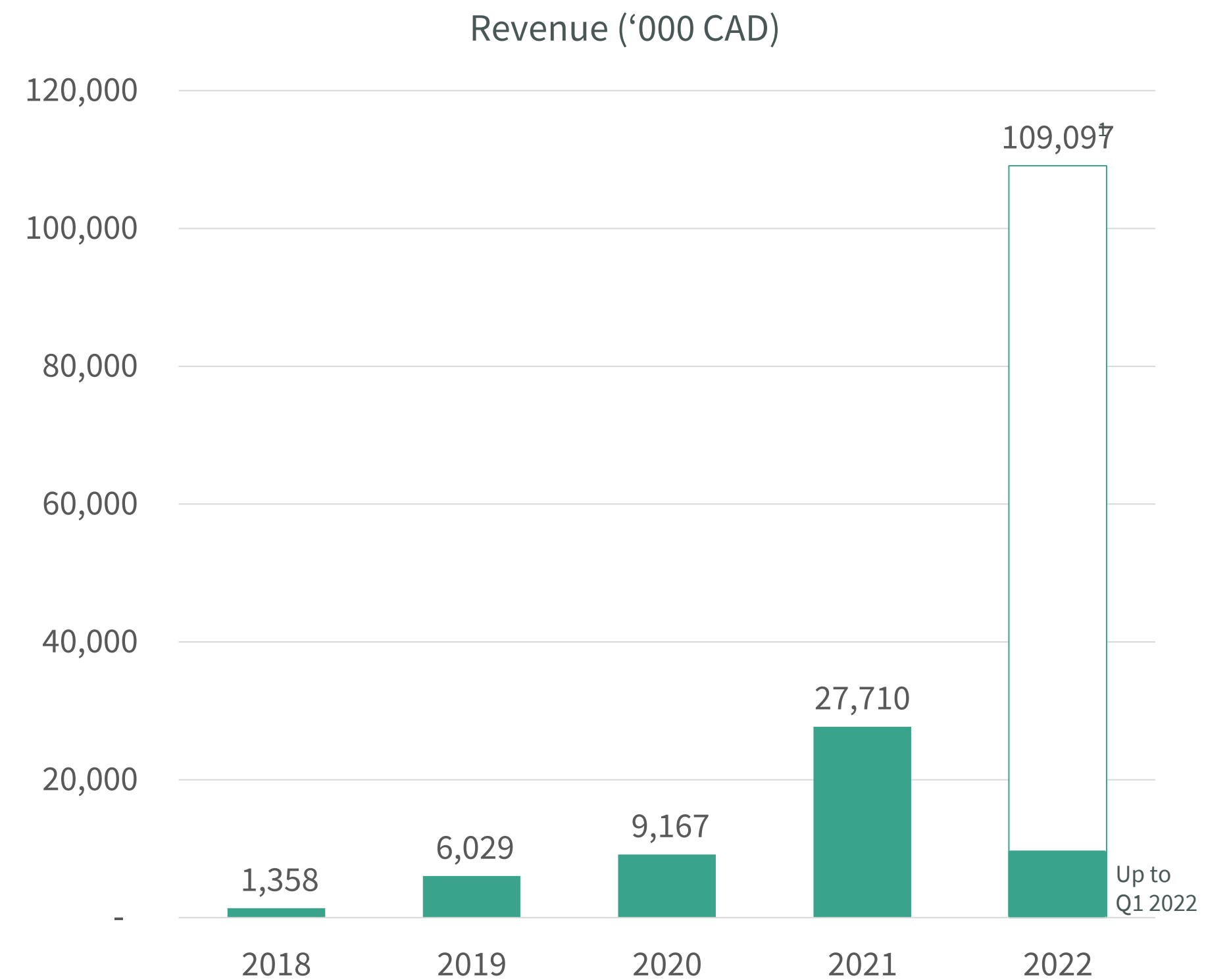
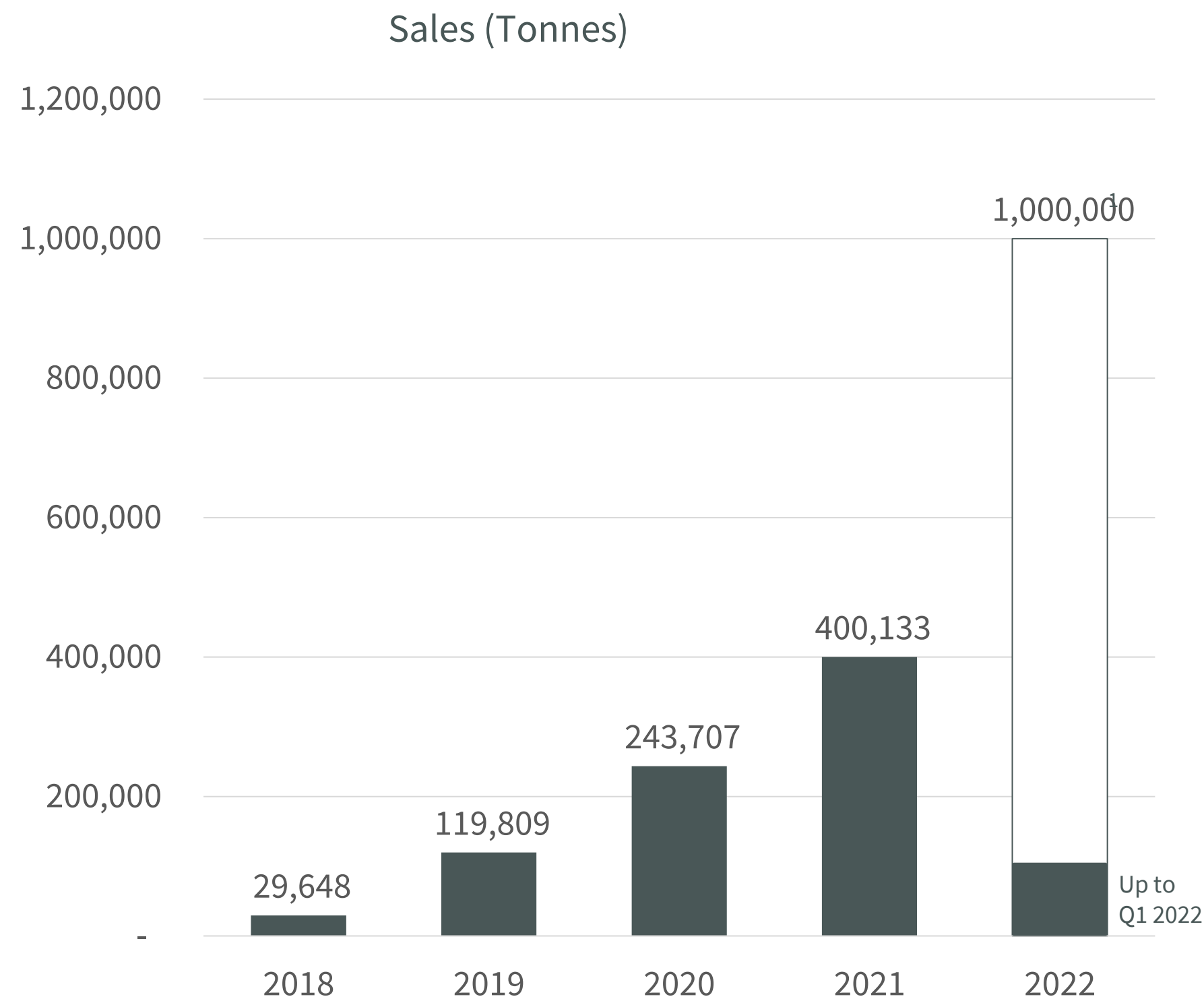
All amounts in CAD, except percentages	Q1 2022	Q1 2021	YoY
Revenue per tonne sold \$	75	36	105%
Production cost per tonne sold \$	(24)	(30)	20%
Gross Profit per tonne sold \$	51	6	650%
Gross Margin	68%	19%	N/A

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

Key Metrics Quarterly



Key Metrics Yearly



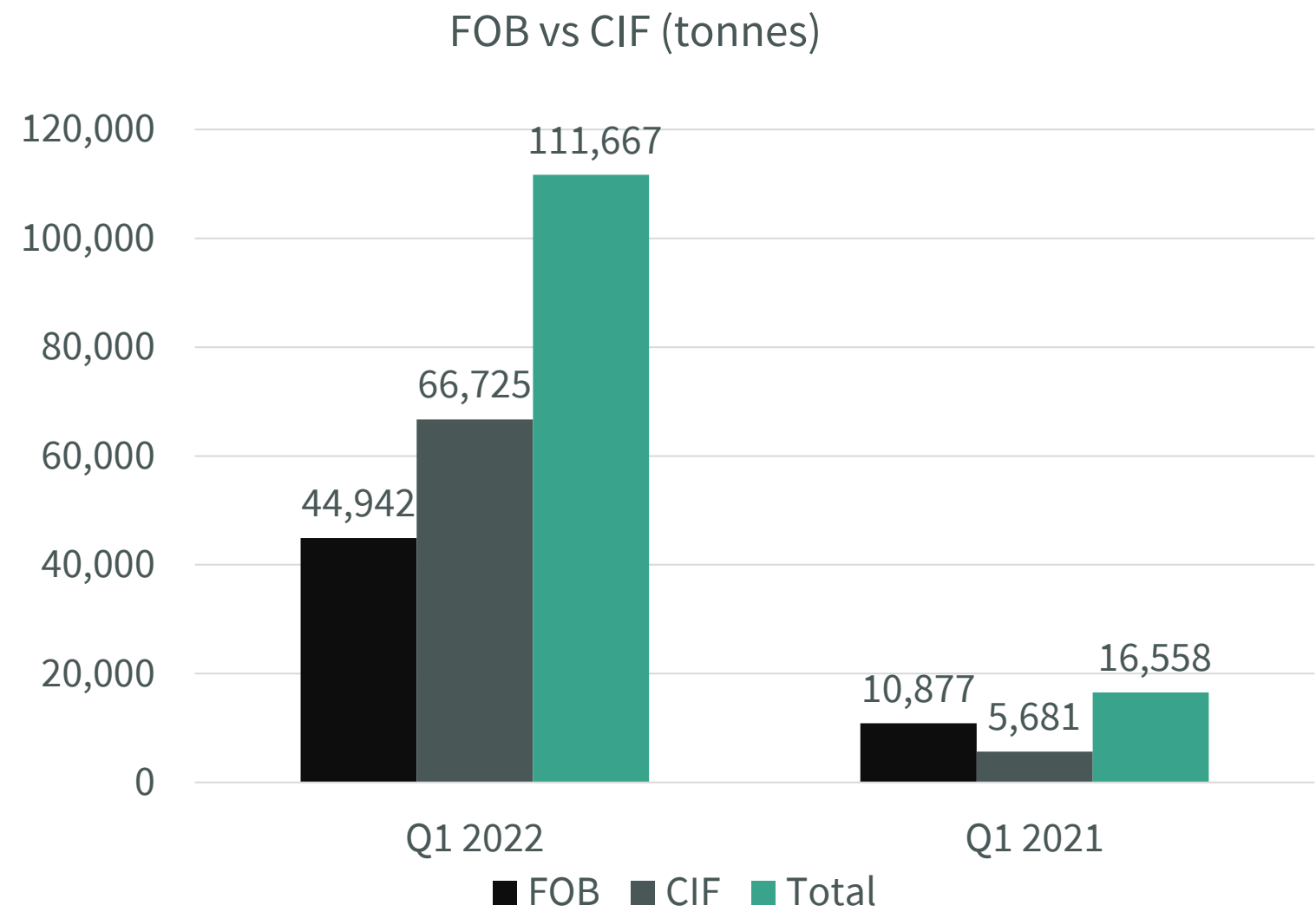
1 - Targeted sales volume and revenue based on FY 2022 guidance, updated on May 03, 2022. Average currency exchange rate: C\$1.00 = R\$4.40. See press release: <https://investor.verde.ag/verdes-2022-guidance-and-two-year-outlook-revised-upwards/>

Sales, General and Administrative Expenses

All amounts in CAD \$'000, except percentages	Q1 2022	Q1 2021	YoY
Sales Expenses			
Sales and marketing expenses	(822)	(293)	(181%)
Fees paid to sales agents	(136)	(9)	(1431%)
Product delivery freight expenses	(2,973)	(229)	(1197%)
Total sales expenses	(3,931)	(531)	(640%)
General expenses			
General administrative expenses	(410)	(478)	14%
Legal, professional, consultancy and audit costs	(411)	(159)	(159%)
IT/Software expenses	(204)	(52)	(290%)
Taxes and licenses fees	(16)	(8)	(100%)
Total General expenses	(1,041)	(697)	(49%)

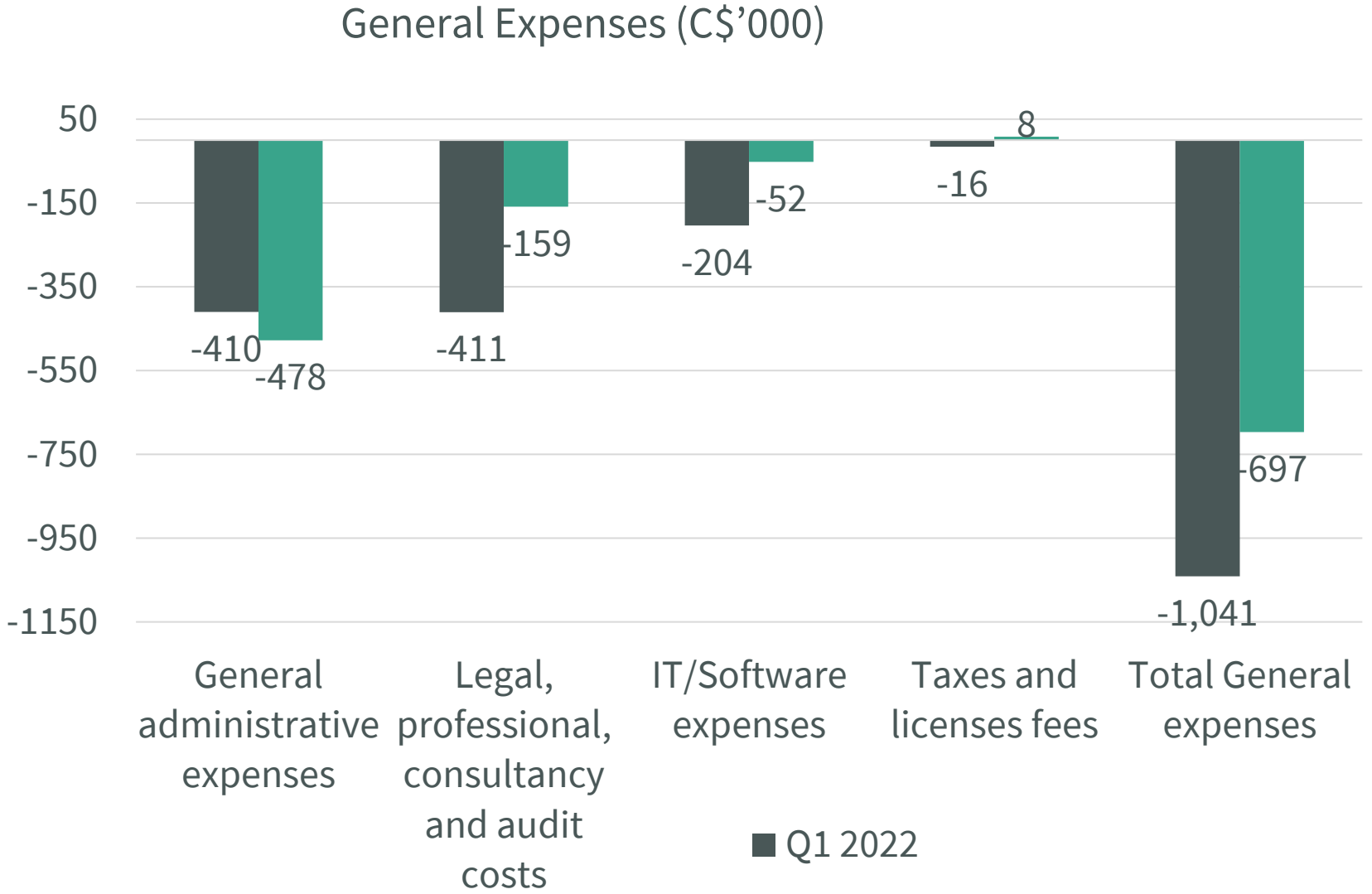
Legal, professional, consultancy and audit costs Expenses increased by 159% in Q1 2022, to \$411,000 compared to \$159,000 in Q1 2021, due to higher expenses with environmental, legal, accounting, and IT consultancies.

Other Highlights



Sales	Q1 2022	Q1 2021	YoY
FOB	44,942	10,887	313%
CIF	66,725	5,681	1075%
Total	111,667	16,558	574%

The Company has significantly increased the volume sold as CIF, from 34% of total sales in Q1 2021 to 60% in Q1 2022.



Sales (tonnes)	Q1 2022	Q1 2021	YoY
General administrative expenses	(410)	(478)	-14.2%
Fees paid to sales agents	(136)	(9)	1411%
Sales and marketing expenses	(822)	(293)	181%

Sales and Marketing expenses increased mainly due the expansion of Verde’s sales and marketing team from an average of 43 headcounts in Q1 2021 to 62 in Q1 2022.

Summary of Interest-Bearing Loans and Borrowings

Part 1:

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R\$'000)	Balance at Mar 31, 2022 (C\$'000)	Repayable by	Total interest payable*
Santander	Feb, 2022	Equipment	03	36	260	73	Feb, 2025	* CDI + 4,60%
Santander	Feb, 2022	Equipment	03	36	888	250	Feb, 2025	* CDI + 4,60%
Santander	Feb, 2022	Equipment	03	36	1,340	378	Feb, 2025	* CDI + 4,60%
Santander	Feb, 2022	Equipment	03	36	2,169	611	Jan, 2025	* CDI + 4,60%
Santander	Feb, 2022	Equipment	03	36	888	250	Jan, 2025	* CDI + 4,60%
Brazil	Jan, 2022	Working capital	06	36	5,000	1,443	Dec, 2024	CDI+2,92%
Brazil	Dec, 2021	Working capital	06	36	5,000	1,453	Dec, 2024	* CDI + 2.92%
Santander	Oct, 2021	Working capital	01	24	5,000	1,470	Sept, 2023	13,45%
ABC Brazil	Sept, 2021	Working capital	01	06	2,000	519	Mar, 2022	10.46%
Bradesco	Mar, 2021	Vehicle	01	36	168	33	Feb, 2024	10.95%
Santander	Oct, 2020	Equipment and working capital	01	36	2,000	381	Oct, 2023	*CDI + 7,53%

* - CDi, (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at March 31, 2022, the 12 months cumulative rate was 6,37%.

Summary of Interest-Bearing Loans and Borrowings

Part 2:

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R\$'000)	Balance at Mar 31, 2022 (C\$'000)	Repayable by	Total interest payable*
ABC Brazil	Aug, 2020	Equipment and working capital	01	42	2,000	493	Mar, 2024	** IPCA + 8,46%
Santander	July,2020	Equipment	06	18	359	34	July,2022	10.95%
Bradesco	July,2020	Equipment and working capital	06	60	5,000	1,362	July, 2025	12.49%
Bradesco	Jan, 2020	Equipment	00	48	450	73	Feb, 2024	**IPCA + 7,12%
Santander	Apr,2019	Equipment	01	36	73	6	Oct, 2022	**IPCA + 7,12%
Santander	Apr,2019	Equipment	01	36	150	12	Oct, 2022	** IPCA + 7,05%
Santander	May, 2018	Equipment	12	60	1,040	107	May, 2023	* CDI + 4,60%
Total						9,020		

The Group's average current loan rates is 12,14% per annum. The Brazilian Government long term bond rate is currently 11,65% per annum.

** - Inc Variable interest (IPCA) - Broad Consumer Price Index, a measure of the average price needed to buy consumer goods and services. As at March 31, 2022 the 3 months cumulative rate was 11,30%.

2022 guidance

On May 03, 2022, Verde announced an increase in its 2022 and 2023 guidance, previously published on Jan 10, 2022. The Company's original and revised targets are detailed on a quarterly basis, to reflect the market demand's seasonality, as follows:

Period	Q1 2022		Q2 2022		Q3 2022		Q4 2022		FY 2022	
Guidance	Original Jan 2022	Achieved in Q1 2022	Original Jan 2022	Revised May 2022	Original Jan 2022	Revised May 2022	Original Jan 2022	Revised May 2022	Original Jan 2022	Revised May 2022
EPS (C\$)	0.02	0.06	0.18	0.21	0.25	0.35	0.06	0.25	0.50	0.87
EBITDA (C\$'000) ¹	1,358	3,678	10,155	11,808	13,414	19,259	3,506	14,319	28,434	49,065
Revenue (C\$'000)	10,070	11,304	21,954	22,902	27,228	40,121	13,011	34,769	72,263	109,097
Sales target (tonnes)	115,000	111,667	200,000	200,000	250,000	353,718	135,000	334,615	700,000	1,000,000

The 2022 guidance is underpinned by the following assumptions:

- Average Brazilian Real ("R\$") to Canadian Dollar exchange rate: C\$1.00 = R\$4.40
- Verde's Product CIF and FOB average price for the full year, including delivered orders, committed orders and projected orders: C\$109 per tonne
- Sales Incoterms: 50% CIF and 50% FOB
- Sales channels: 40% direct sales and 60% indirect sales

1- Before non-cash events.

2023 guidance

For 2023, Verde's updated sales volume target is 2,000,000 tonnes. This target represents a potential 100% growth Year-on-Year ("YoY").

Period	FY 2023	
Guidance	Original Jan 2022	Revised May 2022
Sales target (tonnes)	1,400,000	2,000,000

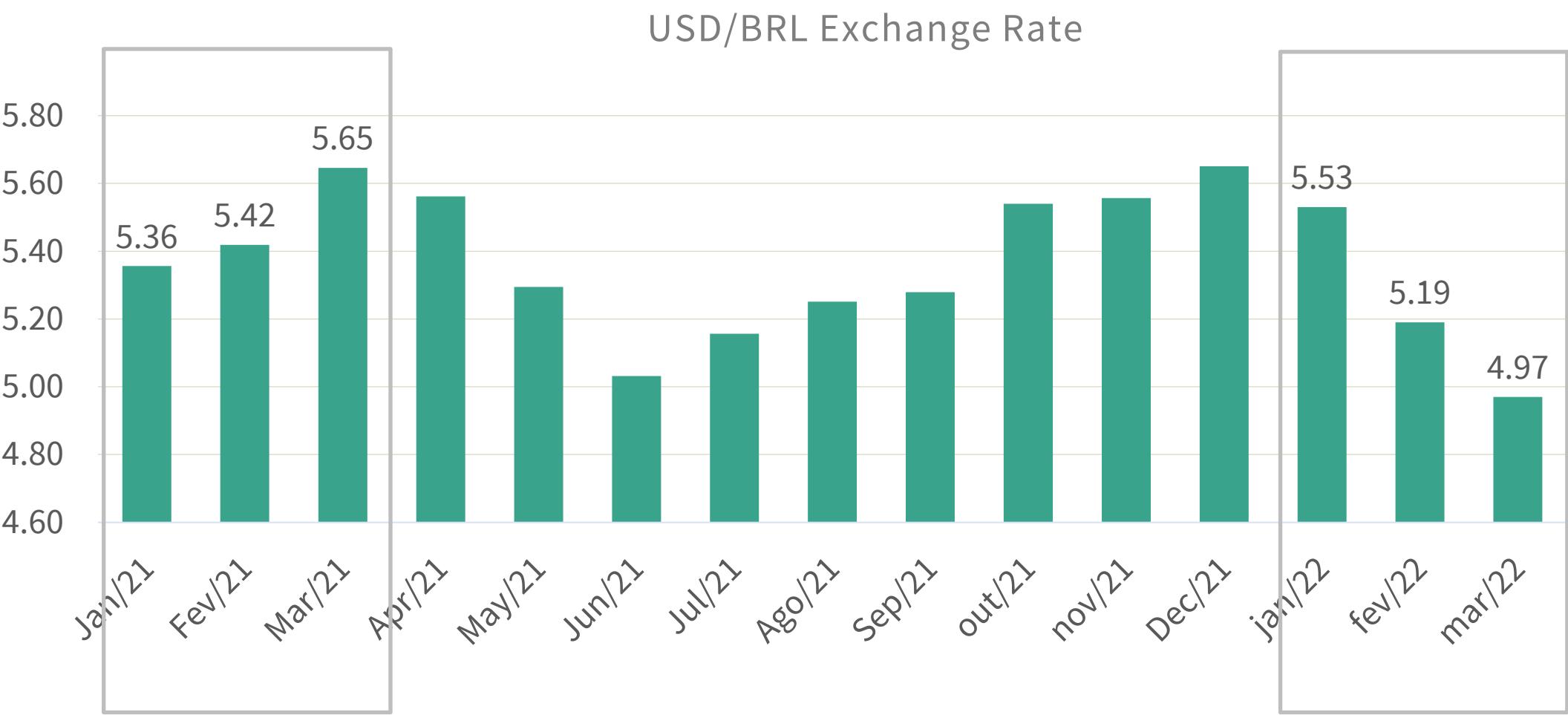
The original sales volume target for 2023 was for sales of 1,400,000 tonnes. For 2023, Verde's updated target is 2,000,000 tonnes, which represents a potential 100% growth Year-on-Year.

Brazilian Economic Scenario

Brazilian Real versus US Dollar

From January to March 2022, the Brazilian Real valued by 4% in relation to US Dollar, compared to the same period of 2020.

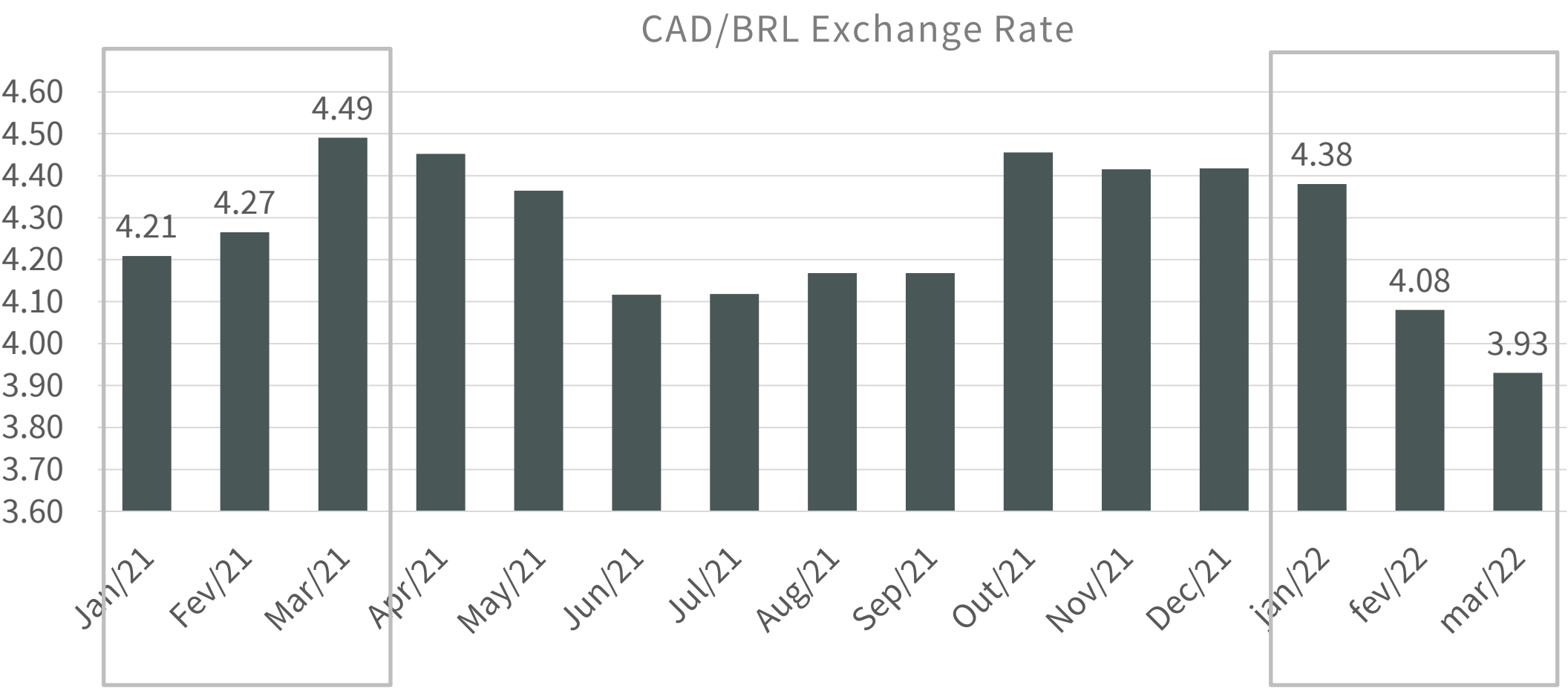
As of May 24, 2022, US\$1.00 = R\$4.82



Brazilian Real versus Canadian Dollar

From January to March 2022, the Brazilian Real valued by 5% in relation to Canadian Dollar, compared to the same period of 2021.

As of May 24, 2022, C\$1.00 = R\$3.82

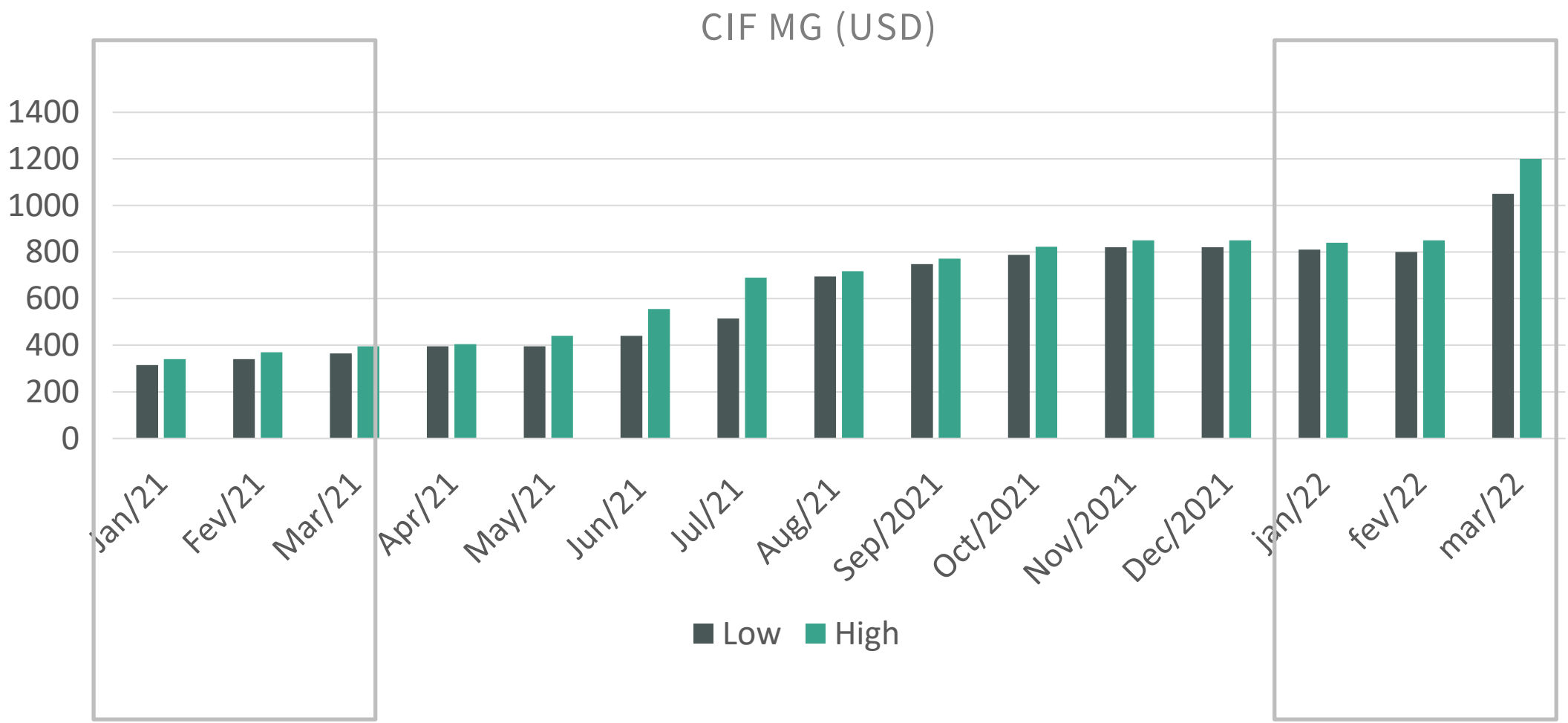


Source: <https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

Potassium Chloride Price

Fluctuations in potassium chloride CIF (Minas Gerais) prices

	KCl CIF (Minas Gerais) Lowest Price	KCl CIF (Minas Gerais) Highest Price
Q1 2022	US\$800	US\$1,200
Q1 2021	US\$315	US\$395
%	+154%	+204%



Source: Acerto Limited Report, Agribusiness Intelligence for Latin America

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 Q1 2021	140.7M litres
Since production started	1.140B 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

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 Group is fully permitted to achieve both its 2022 and 2023 targets.



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

investor.verde.ag