

August 16, 2022

Verde announces strategic sales partnership with Lavoro, Latin America's largest distributor of agricultural inputs

Belo Horizonte, Brazil. Verde AgriTech Ltd (TSX: "NPK") ("Verde" or the "Company") is pleased to announce that it has entered a strategic partnership with Grupo Lavoro ("Lavoro"), the largest distributor of agricultural inputs in Latin America, to more swiftly open up new markets for Verde's multinutrient potassium products, BAKS® and K Forte® sold internationally as Super Greensand® (the "Product") in Brazil (the "Partnership").

Lavoro operates over 190 stores, staffed by 2,500 employees in Brazil, many of whom are agronomists and farming specialists who work closely with its over 55,000 clients. Lavoro will be a distributor of Verde's Products.

"There is an increasing demand for products that enable more sustainable food production methods. We are therefore proud to now offer Verde AgriTech's Products to our portfolio, expanding the options for our clients", commented Roberto Rosa, Lavoro's Purchasing Director.

"Over the years, Verde has assembled a formidable sales team that supports our clients from the first contact all the way through to a successful harvest. Lavoro embodies many of our team's values and competencies, but with a reach beyond Verde's current geographical scope. Furthermore, Lavoro's track record in promoting biological products in Brazil will help accelerate the successful uptake of K Forte-Bio Revolution, helping enable the fourth agricultural revolution through microorganisms across Brazil", commented Cristiano Veloso, Verde's founder, and CEO.

The Company's 2022 guidance updated upwards on May 03, 2022¹ provides for sales of 1,000,000 tonnes of Verde's Product, with revenue of C\$109.09 million, EBITDA of C\$49.06 million and net earnings per share ("EPS") of C\$0.87. The 2023 guidance provides for sales of 2,000,000 tonnes.

Verde currently 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. With Plant 2, the Company's overall production capacity is expected to be 3,000,000 tpy, establishing Verde as Brazil's largest potash

¹ See release at: <https://investor.verde.ag/verdes-2022-guidance-and-two-year-outlook-revised-upwards/>

producer by capacity. Plant 3's construction is planned for 2023, and is expected to add 10Mtpy, which will allow the Company to produce up to 16.4% of the current national demand for potash.

Verde has a combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K₂O and an inferred mineral resource of 1.85 billion tonnes at 8.60% K₂O (using a 7.5% K₂O cut-off grade).² This amounts to 295.70 million tonnes of potash in K₂O, sufficient to supply Brazil's potash demand for generations. In 2021 Brazil's total consumption of potash in K₂O was 7.92 million.³

With over 6,000 clients since 2017, the Company achieved an Earned Growth Rate⁴ of 165% in 2021, compared to 61% in 2020, demonstrating a higher client repurchase rate and successful client referrals in Brazil, Canada, China, Thailand, Paraguay, and the United States.

Through its proprietary technologies - Cambridge Tech, 3D Alliance, MicroS Technology, N Keeper, and Bio Revolution⁵ - used in the development of its Products, Verde was able to achieve a triple-digit growth in revenue and sales in the last years. With the launch of Bio Revolution, Verde's technology that enables the incorporation of microorganisms to its Product, the Company expects to become a world leader at offering a cost-efficient platform for adding microorganisms to agriculture, boosting plant productivity while improving soil biodiversity.

Verde's Plant 1 is already endowed with a facility for deploying Bio Revolution. At Plant 2, currently under construction, a proportionally larger Bio Revolution facility will be built, and its operations will start by the end of the year.

ABOUT LAVORO

Lavoro was created through the acquisitions and mergers of more than 20 large and medium-sized distributors, under the control of the Pátria Investimentos, a leading investment firm focused on Latin America with combined assets under management of \$27.6 billion, based in Rio de Janeiro, Brazil.⁶ With more than 190 stores in Brazil and Colombia, Lavoro Group stands as the largest distributor of agricultural inputs in Latin America, with over 55,000 clients across the continent.

² As per the National Instrument 43-101 Standards of Disclosure for Mineral Projects within Canada ("NI 43 -101"), filed on SEDAR in 2017. See the Pre-Feasibility Study at: <https://investor.verde.ag/wp-content/uploads/2021/01/NI-43-101-Pre-Feasibility-Technical-Report-Cerrado-Verde-Project.pdf>

³ Union of the Agricultural Fertilizers and Correctives Industry, in the State of São Paulo ("SIACESP", from *Sindicato da Indústria de Fertilizantes e Corretivos Agropecuários, no Estado de São Paulo*).

⁴ The Earned Growth Rate measures the sales growth by volume generated by returning customers and new client purchases made by existing clients' referrals. See press release at: <https://investor.verde.ag/verde-doubles-year-on-year-earned-growth-rate/>

⁵ Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8jx6g4r9>

⁶ See: <https://ir.patria.com/>.

Selling its own agrochemicals, foliar fertilizers, and biological inputs brands, the company's revenue reaches R\$ 7.5 billion, maintaining an accelerated annual growth. Lavoro has over 55,000 customers, with established physical and digital presence in the main agricultural regions of Latin America. In addition to the strong presence in agribusiness, with a specialized team for technical visits and direct contact with customers, Lavoro also created an [online platform](#) to serve producers, agronomists, and other agribusiness professionals, which places the company as one of the pioneers in the agricultural input segment in the digital area.

Lavoro's portfolio includes seeds, fertilizers, pesticides, foliar fertilizers and biological inputs leading brands, among other innovative products for agriculture and livestock. The main crops are: soybeans, corn, cotton, coffee, beans, rice, sugarcane, wheat, citrus and pastures.

As a member of Rede Brasil Pacto Global (Brazil Global Compact Network), Lavoro Group is committed to the objectives of sustainable development. Its management is oriented towards building a positive legacy, in an ethical and friendly manner for people and the environment, considering environmental, social and governance aspects in all its operations.

ABOUT VERDE AGRITECH

Verde is an agricultural technology company that produces potash 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.

Verde is a fully integrated company, from the mining and processing its main feedstock from its 100% owned mineral properties, to the Product sales processes, which also include direct technical advice for farmers, and distribution.

Verde's focus on research and development has resulted in one patent and eight patents pending. Among its proprietary technologies are Cambridge Tech, 3D Alliance, MicroS Technology, N Keeper, and Bio Revolution.⁷ Currently, the Company is fully licensed to produce up to 2.8 million tonnes per year of its multinutrient potassium fertilizers K Forte® and BAKS®, sold internationally as Super Greensand®.⁸ By the end of 2022, it plans to become Brazil's largest potash producer by capacity.⁹ Verde has a combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K₂O and an inferred

⁷ Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8jx6g4r9>

⁸ See the release at: <https://investor.verde.ag/2-5-million-tonnes-per-year-potash-mining-concession-granted-to-verde/>

⁹ See the release at: <https://investor.verde.ag/verde-to-reach-3-million-tonnes-potash-production-capacity-in-2022/>

mineral resource of 1.85 billion tonnes at 8.60% K₂O (using a 7.5% K₂O cut-off grade).¹⁰ This amounts to 295.70 million tonnes of potash in K₂O. For context, in 2021 Brazil's total consumption of potash in K₂O was 7.92 million.¹¹

Brazil ranks second in global potash demand and is its single largest importer, currently depending on external sources for over 96% of its potash needs. In 2021, potash accounted for approximately 2% of all Brazilian imports by dollar value.

CORPORATE PRESENTATION

For further information on the Company, please view shareholders' deck:

<https://verde.docsend.com/view/e5nbd7y8x6erq6mn>

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-July2022>

CAUTIONARY LANGUAGE AND FORWARD-LOOKING STATEMENTS

All Mineral Reserve and Mineral Resources estimates reported by the Company were estimated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards (May 10, 2014). These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this document. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future

¹⁰ As per the National Instrument 43-101 Standards of Disclosure for Mineral Projects within Canada ("NI 43 -101"), filed on SEDAR in 2017. See the Pre-Feasibility Study at: <https://investor.verde.ag/wp-content/uploads/2021/01/NI-43-101-Pre-Feasibility-Technical-Report-Cerrado-Verde-Project.pdf>

¹¹ Union of the Agricultural Fertilizers and Correctives Industry, in the State of São Paulo ("SIACESP", from *Sindicato da Indústria de Fertilizantes e Corretivos Agropecuários, no Estado de São Paulo*).

events and include, but are not limited to, statements with respect to:

- (i) the estimated amount and grade of Mineral Resources and Mineral Reserves;
- (ii) the PFS representing a viable development option for the Project;
- (iii) estimates of the capital costs of constructing mine facilities and bringing a mine into production, of sustaining capital and the duration of financing payback periods;
- (iv) the estimated amount of future production, both produced and sold;
- (v) timing of disclosure for the PFS and recommendations from the Special Committee;
- (vi) the Company's competitive position in Brazil and demand for potash; and,
- (vii) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on Verde's or its consultants' current beliefs as well as various assumptions made by them and information currently available to them. The most significant assumptions are set forth above, but generally these assumptions include, but are not limited to:

- (i) the presence of and continuity of resources and reserves at the Project at estimated grades;
- (ii) the geotechnical and metallurgical characteristics of rock conforming to sampled results; including the quantities of water and the quality of the water that must be diverted or treated during mining operations;
- (iii) the capacities and durability of various machinery and equipment;
- (iv) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- (v) currency exchange rates;
- (vi) Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;

- (vii) appropriate discount rates applied to the cash flows in the economic analysis;
- (viii) tax rates and royalty rates applicable to the proposed mining operation;
- (ix) the availability of acceptable financing under assumed structure and costs;
- (x) anticipated mining losses and dilution;
- (xi) reasonable contingency requirements;
- (xii) success in realizing proposed operations;
- (xiii) receipt of permits and other regulatory approvals on acceptable terms; and
- (xiv) the fulfilment of environmental assessment commitments and arrangements with local communities.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as statements of net present value and internal rates of return, which are based on most of the other forward-looking statements and assumptions herein. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur as forecast, but specifically include, without limitation: risks relating to variations in the mineral content within the material identified as Mineral Resources and Mineral Reserves from that predicted; variations in rates of recovery and extraction; the geotechnical characteristics of the rock mined or through which infrastructure is built differing from that predicted, the quantity of water that will need to be diverted or treated during mining operations being different from what is expected to be encountered during mining operations or post closure, or the rate of flow of the water being different; developments in world metals markets; risks relating to fluctuations in the Brazilian Real relative to the Canadian dollar; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than

assumed; changes in development or mining plans due to changes in logistical, technical or other factors; changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; delays in stakeholder negotiations; changes in regulations applying to the development, operation, and closure of mining operations from what currently exists; the effects of competition in the markets in which Verde operates; operational and infrastructure risks and the additional risks described in Verde's Annual Information Form filed with SEDAR in Canada (available at www.sedar.com) for the year ended December 31, 2021. Verde cautions that the foregoing list of factors that may affect future results is not exhaustive.

When relying on our forward-looking statements to make decisions with respect to Verde, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Verde does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Verde or on our behalf, except as required by law.

For additional information please contact:

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