

# Q4 & FY 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 Ltd'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 May 26, 2022. 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 Ltd.

# Buy Super Greensand® at Amazon:



5% OFF coupon (USA): Q420225OFF

Canada: Sold Out

The discount codes are valid through April 30, 2022

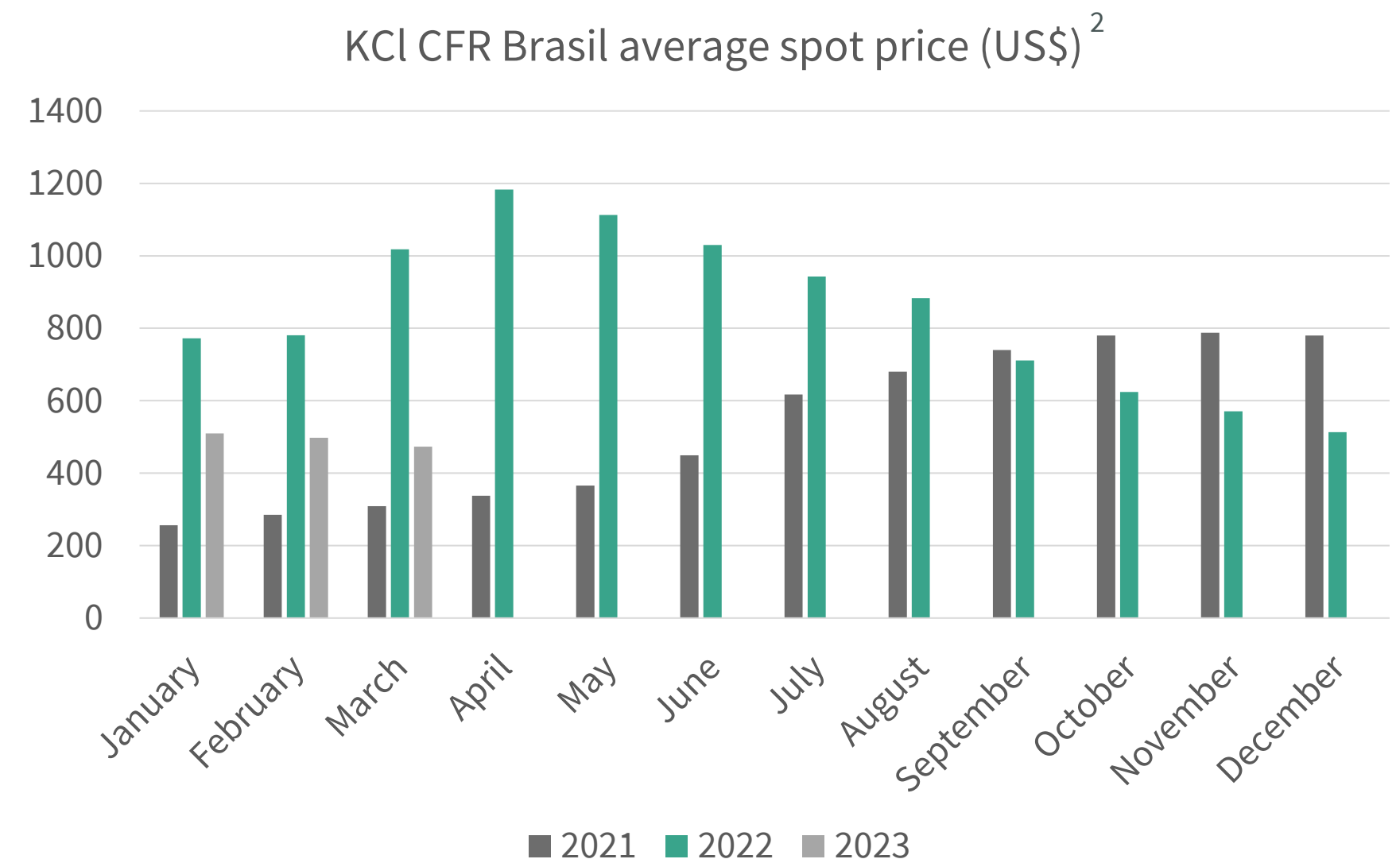
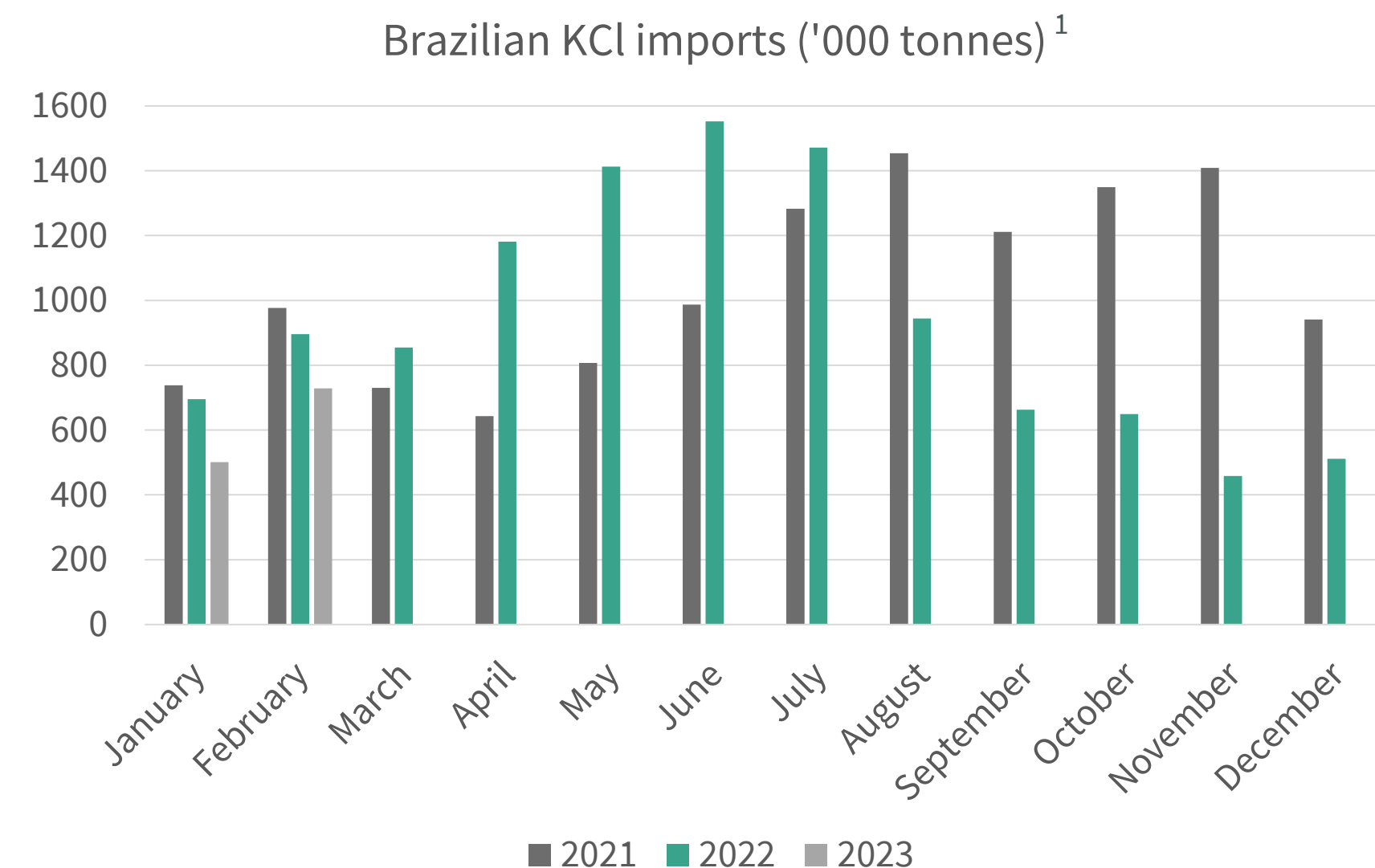
The codes are limited to a single unit per order and to a single order.



## Summary

|   |    |  |    |
|---|----|--|----|
| 2022 Market Overview                                | 05 | Production Costs                           | 16 |
| Potash demand in Brazil                             | 06 | Key Metrics Yearly                         | 17 |
| Total area cultivated in Brazil x fertilizer demand | 07 | Sales, General and Administrative Expenses | 21 |
| Year-end stocks of fertilizers in Brazil            | 08 | Other Highlights                           | 22 |
| Commodities prices in Brazil                        | 09 | 2023 Taxation – “Actual Profits”           | 23 |
| Agrometeorological monitoring                       | 10 | Loans                                      | 24 |
| Coffee biennial cycles                              | 11 | 2023 Guidance                              | 25 |
| Q4 & FY 2021 Highlights                             | 13 | Company Overview                           | 26 |
| Q4 & FY 2022 Financial Statements                   | 14 | Appendix                                   | 45 |
| Operational Summary                                 | 15 |  |    |

## 2022 Market Overview



**February 2022:** Russo-Ukrainian war onset.

**March-July 2022:** 154% surge in the average price of potash YoY, combined with a 45% increase in potash imports YoY by Brazil.

**March 2023:** 47% decrease in 2022 average KCl price, compared to the current price.

Sources: 1 - Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>  
2 - Acerto Limited Report.

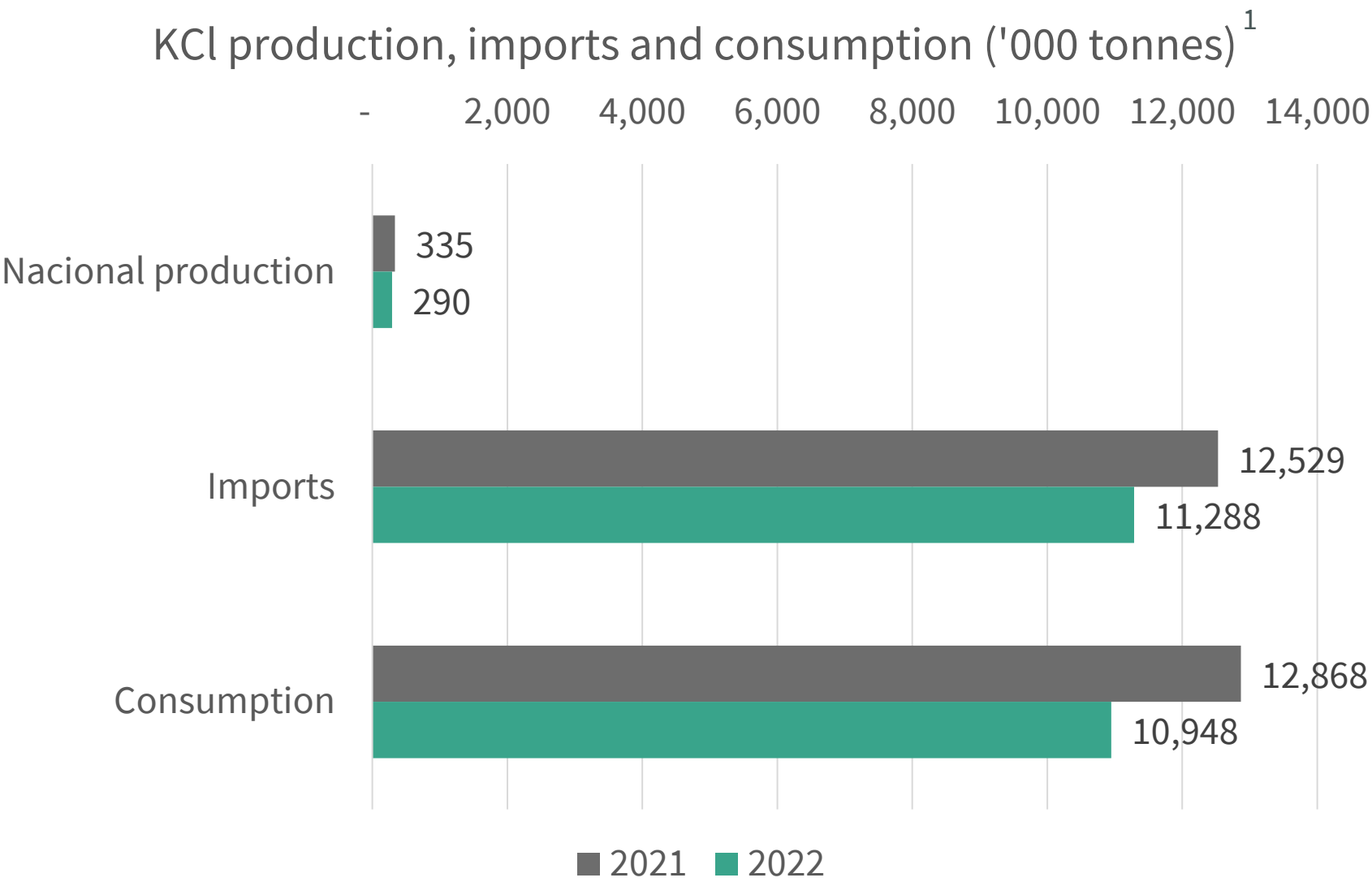
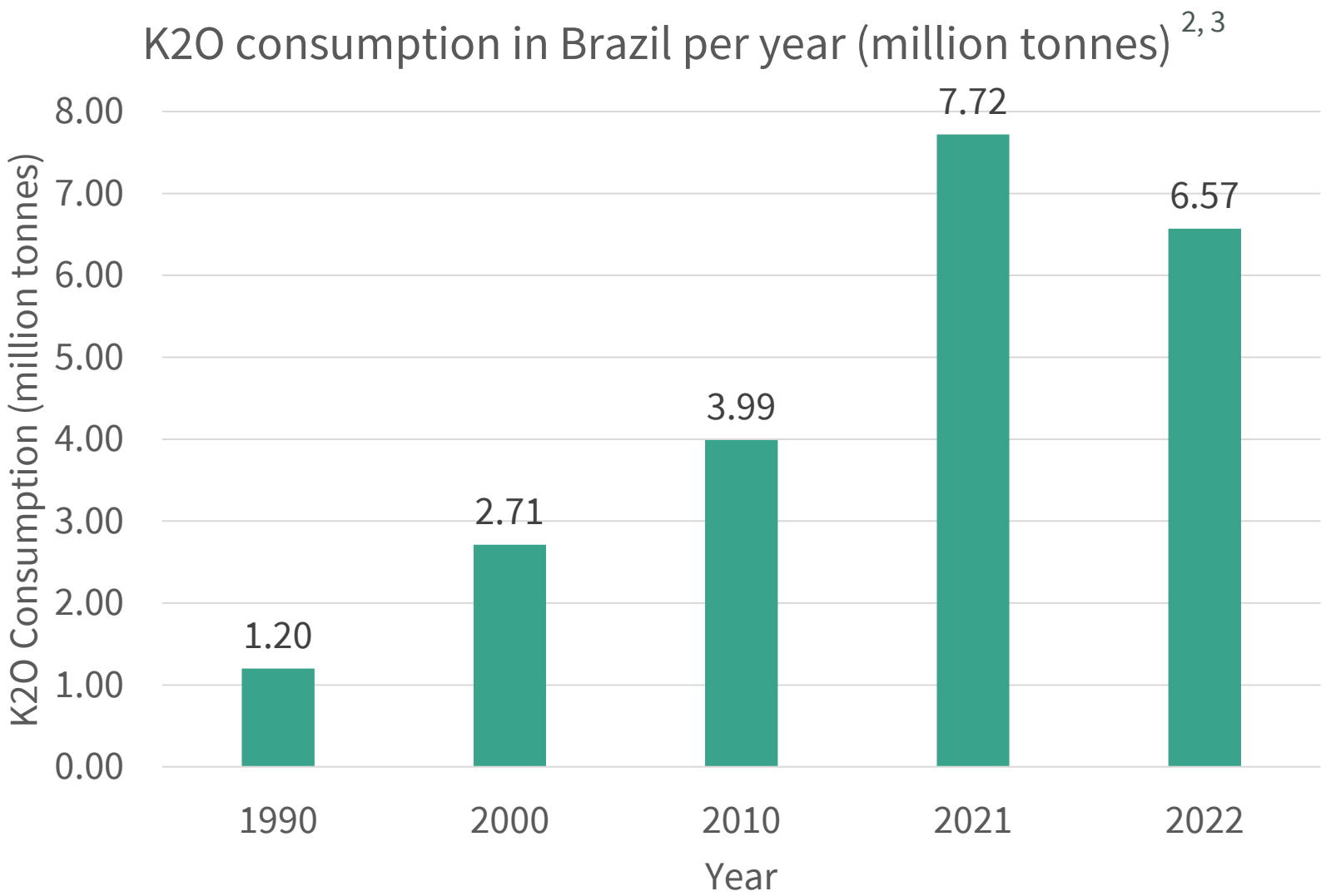




# Potash demand in Brazil

In 2022, Brazil's 30-year trend of increasing potash consumption was disrupted.

A 15% decrease in KCl consumption YoY led to a reduction of 10% in KCl imports and a 13% decrease in Brazilian KCl production.

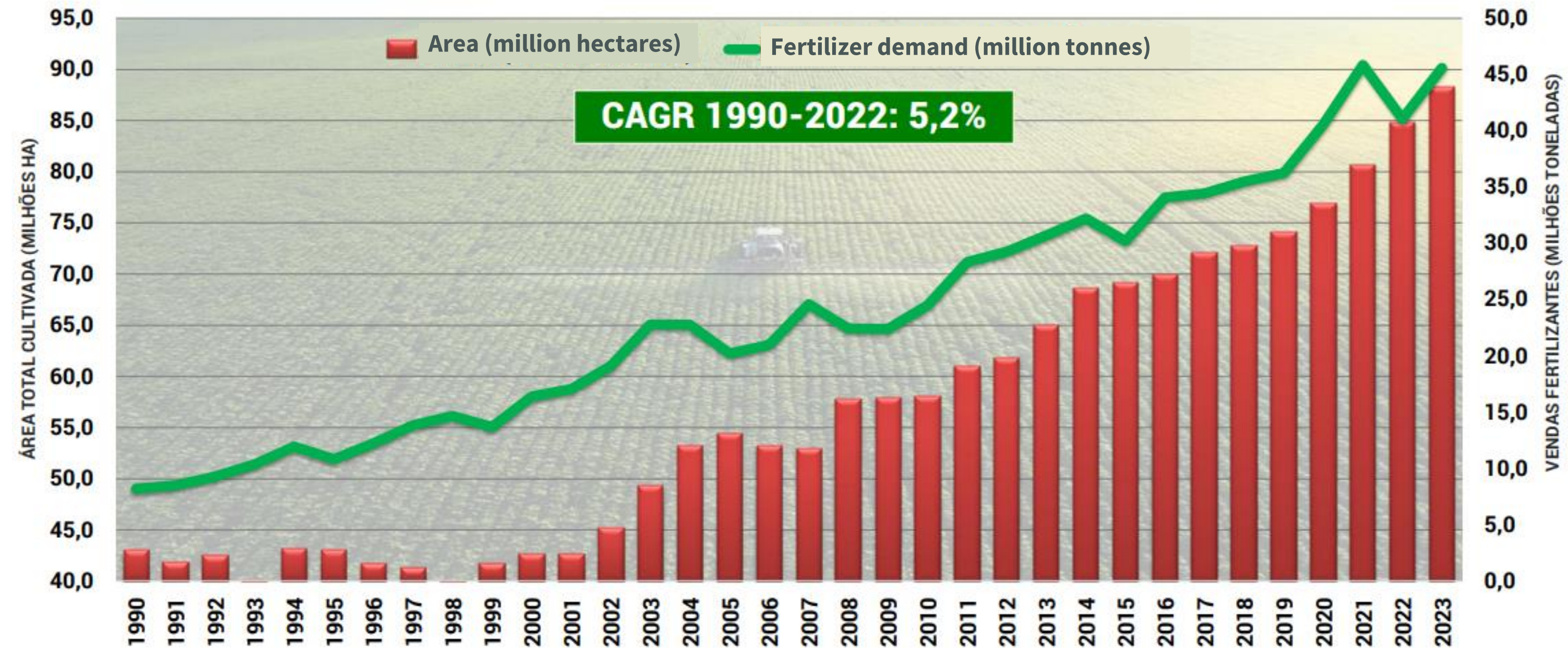


Source: 1 - Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese)  
2 - Brazilian potash consumption, Statistical Yearbook of the National Association for the Dissemination of Fertilizers ("ANDA", from Associação Nacional para Difusão de Adubos)  
3 - Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).



# Total area cultivated in Brazil x fertilizer demand

Despite the increase in cultivated area, Brazilian overall fertilizer consumption also decreased in 2022.

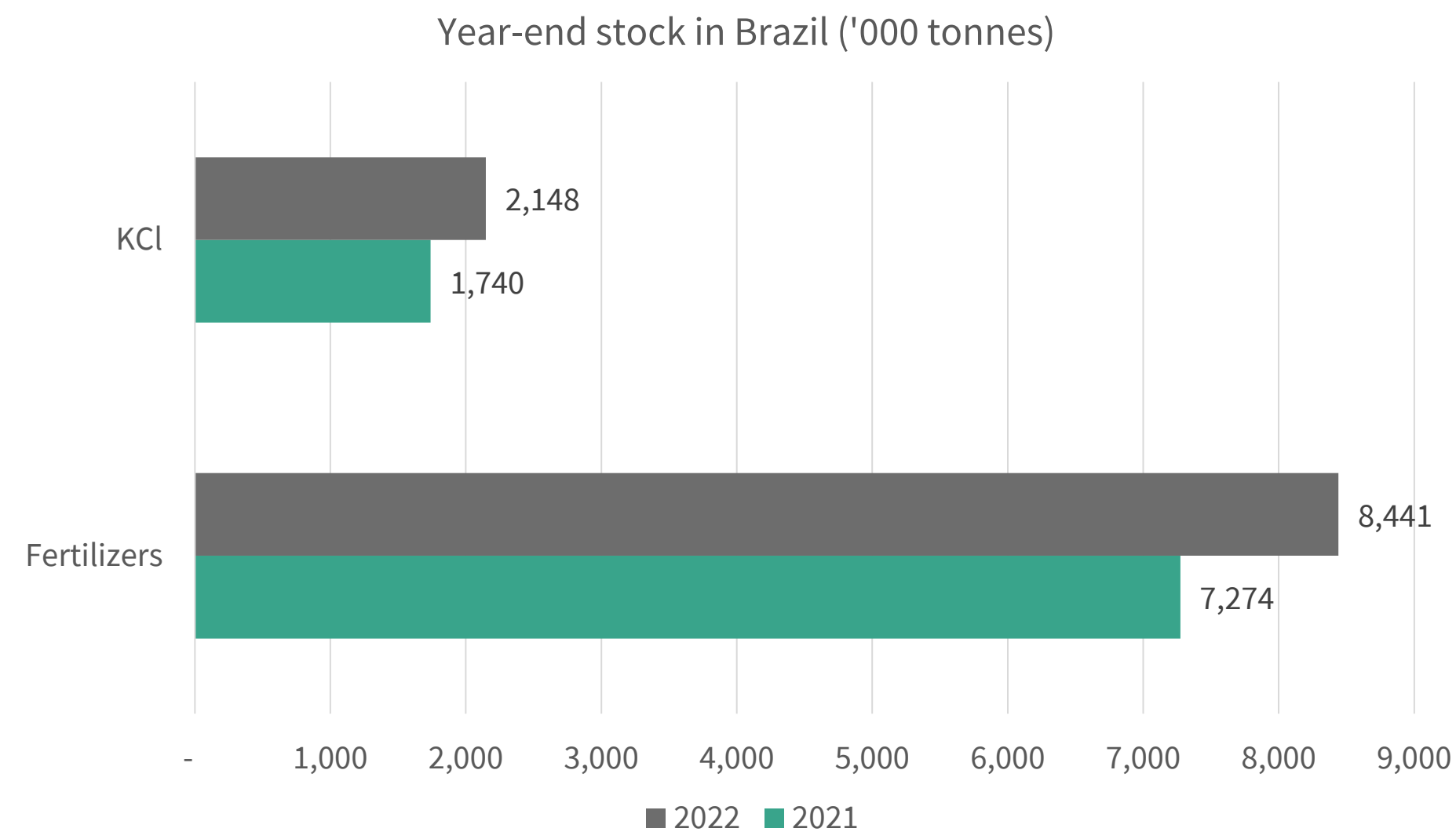


Source: COGO Agribusiness Intelligence.



## Year-end stocks of fertilizers in Brazil

The YoY increase in the remaining stocks of KCl and overall fertilizers in Brazil by 23% and 16%, respectively, demonstrates a lower demand for these products over the year.



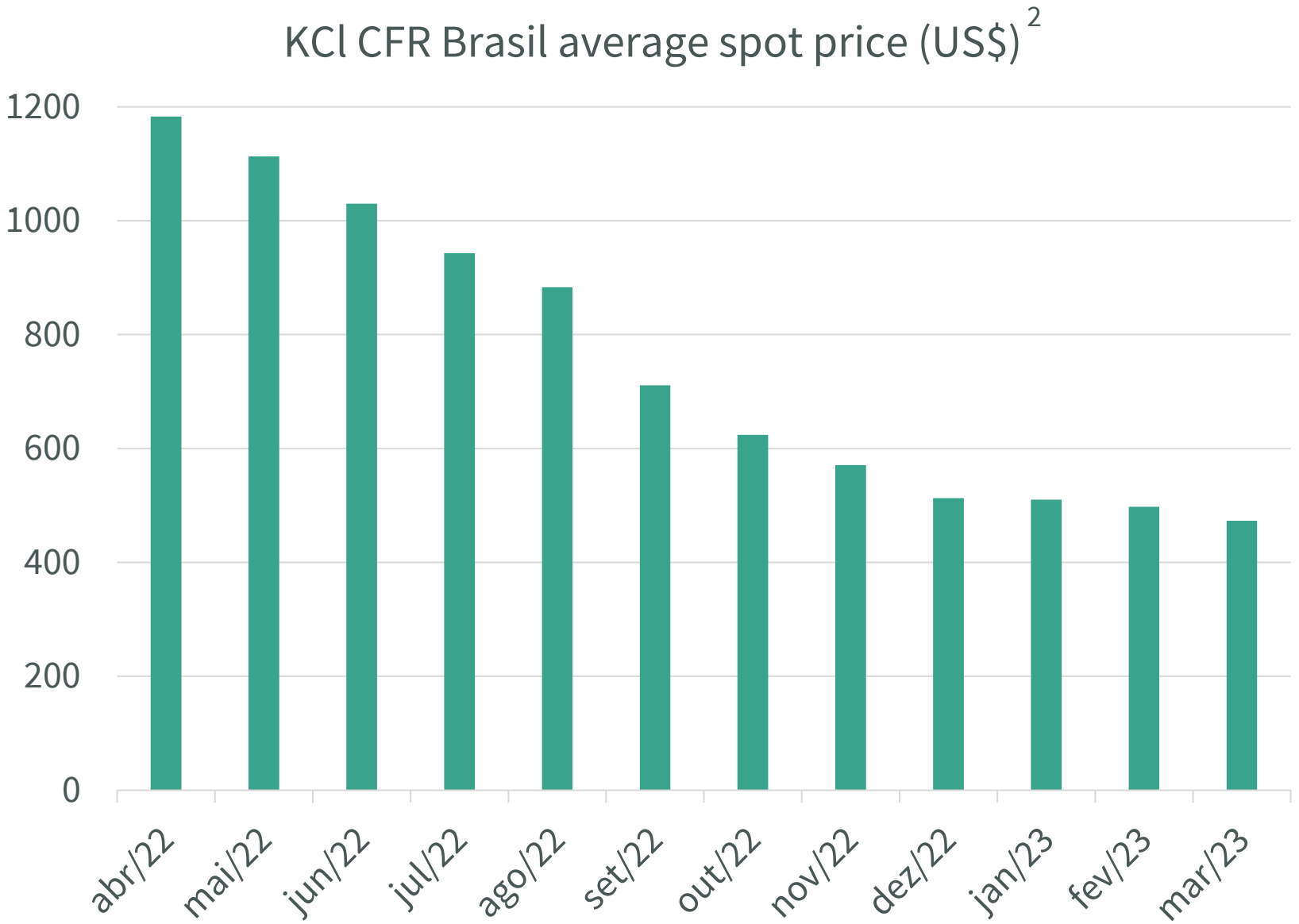
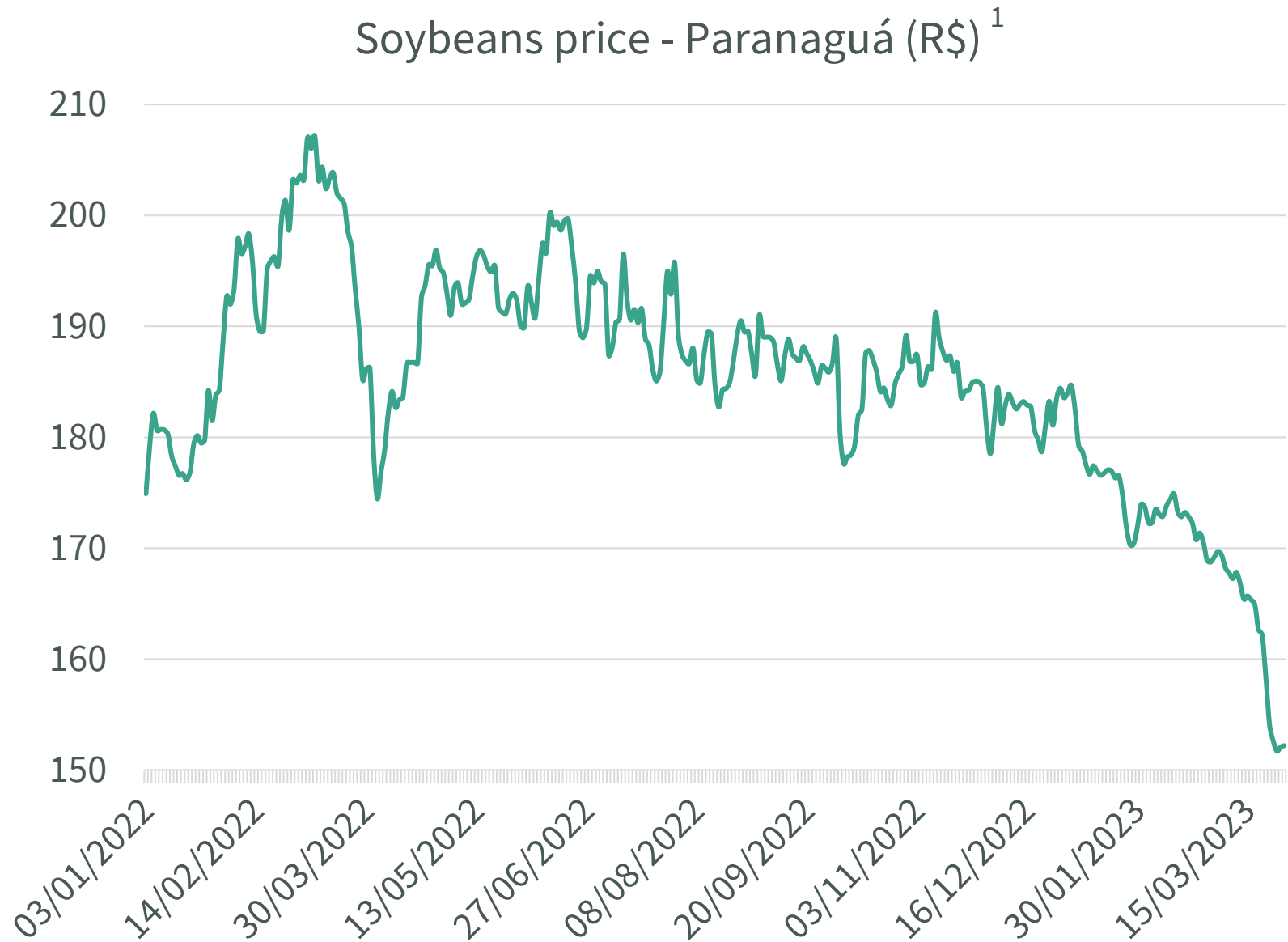
Source: Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).





# Commodities prices in Brazil

Soybeans (Paranaguá) and Arabica coffee prices dropped by 13% and 24% from January 03, 2022, to March 29, 2023, respectively.

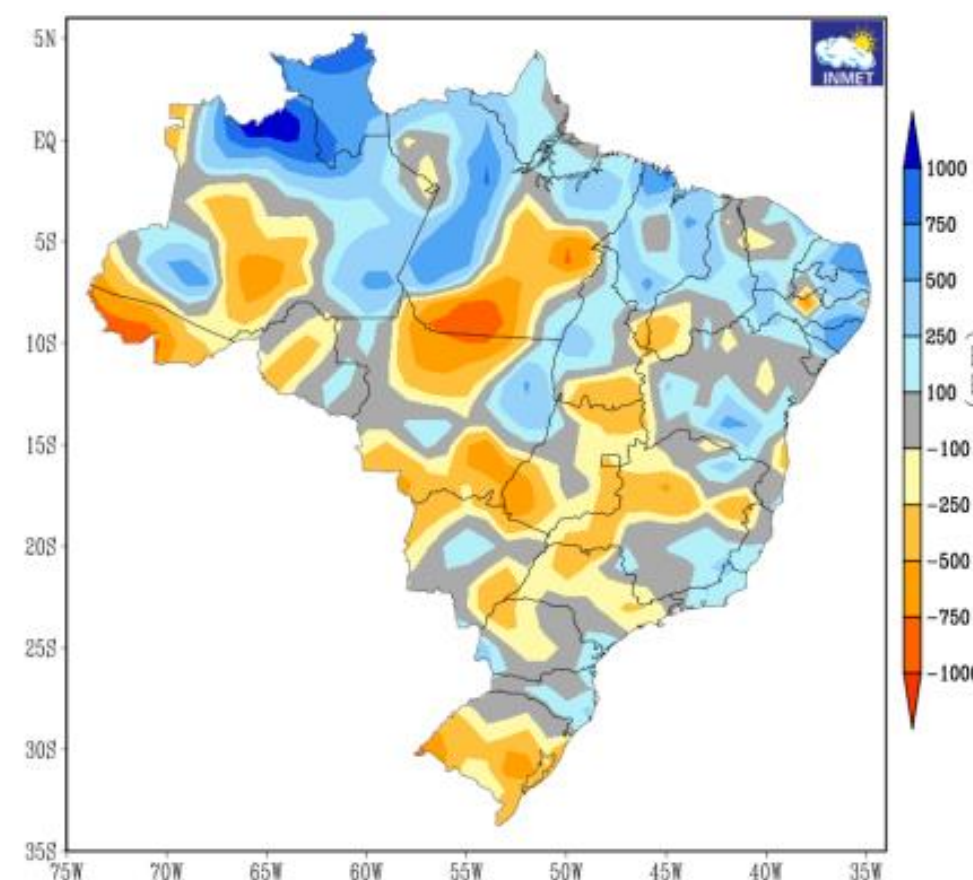


Source: 1 - CEPEA – ESALQ / USP. Available at: <https://www.cepea.esalq.usp.br/br/indicador/soja.aspx>  
2 - Acerto Limited Report.



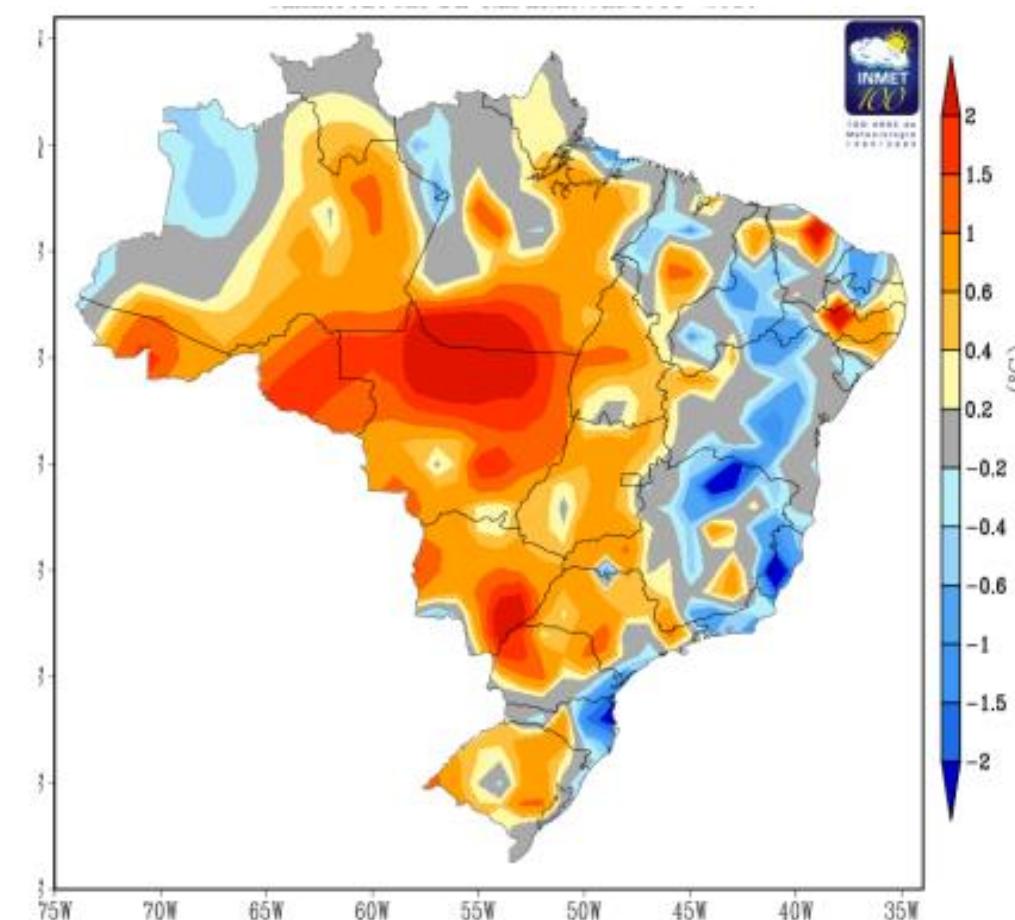
# Agrometeorological monitoring

The Brazilian coffee sector experienced significant challenges in 2022 due to adverse climate conditions, following on two years of frost and drought.



Air temperature anomalies (°C) in 2022

One of the main causes of the scarcity of rain in the south regions was the persistence of the La Niña phenomenon. 2022 was the third year under the influence of the phenomenon, and as a result, impacts were recorded on the 2021/2022 grain crops, as well as the 2020/2021.

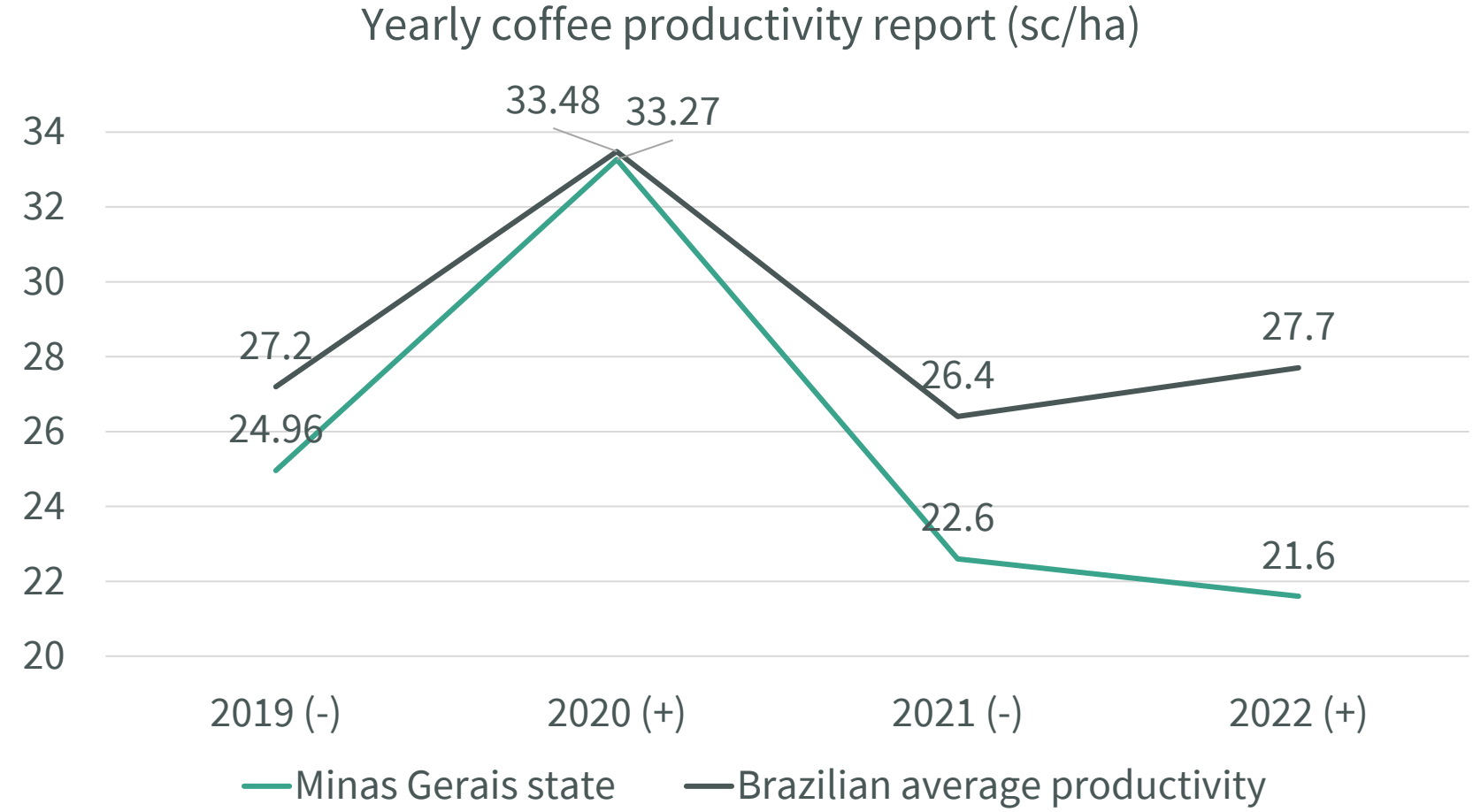
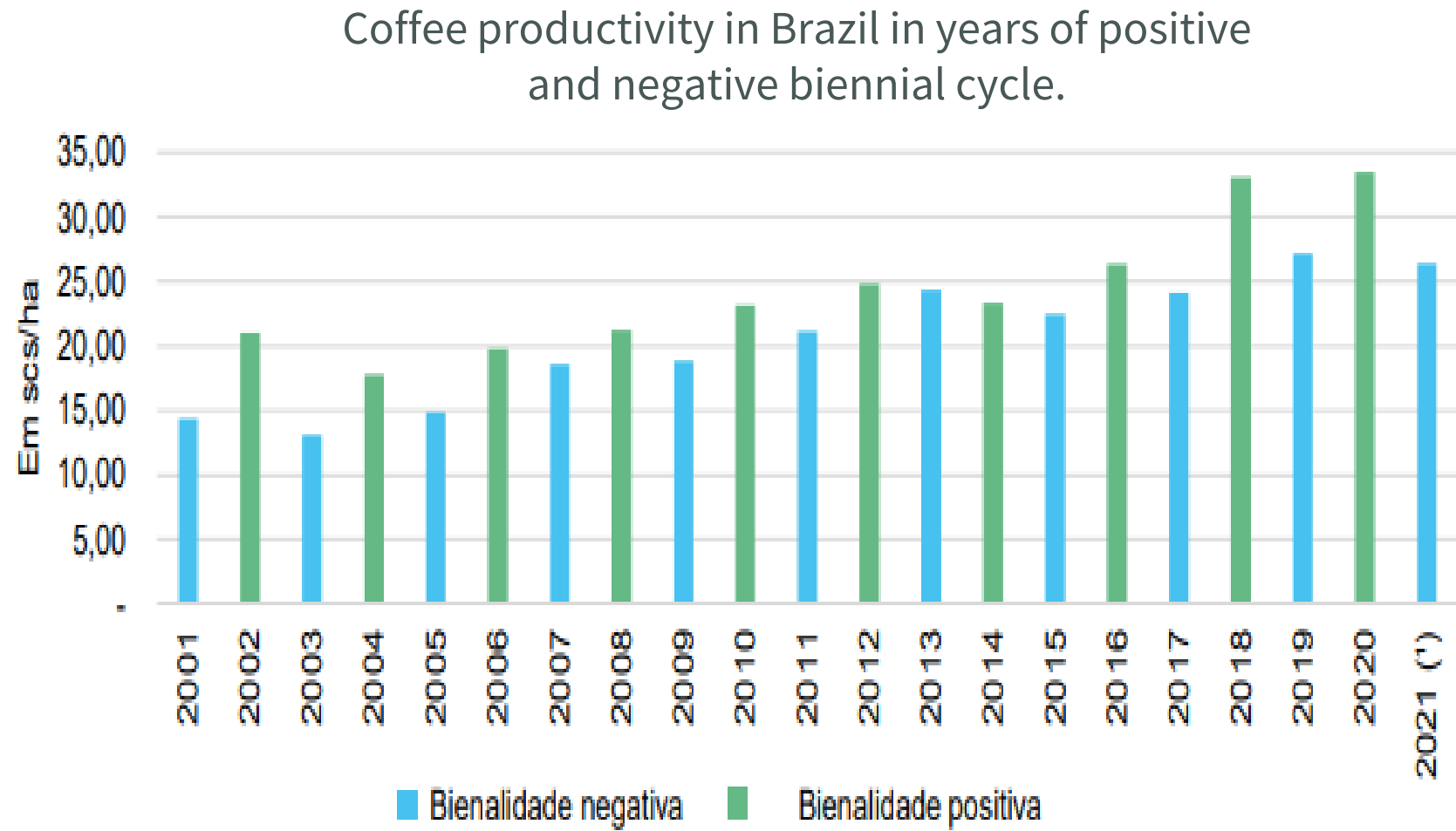


Precipitation anomalies (mm) in 2022

Temperatures were below average in the northwest of the North Region, the interior of the Northeast Region, as well as in the north of Minas Gerais, Espírito Santo, Rio de Janeiro, the east of São Paulo, Paraná, and Santa Catarina.

Source: INMET - National Institute of Meteorology (Brazilian Ministry of Agriculture And Livestock). Status of the Climate in Brazil in 2022. Available at: <https://portal.inmet.gov.br/uploads/notastecnicas/Estado-do-clima-no-Brasilem-2022-OFICIAL.pdf>

# Coffee biennial cycles

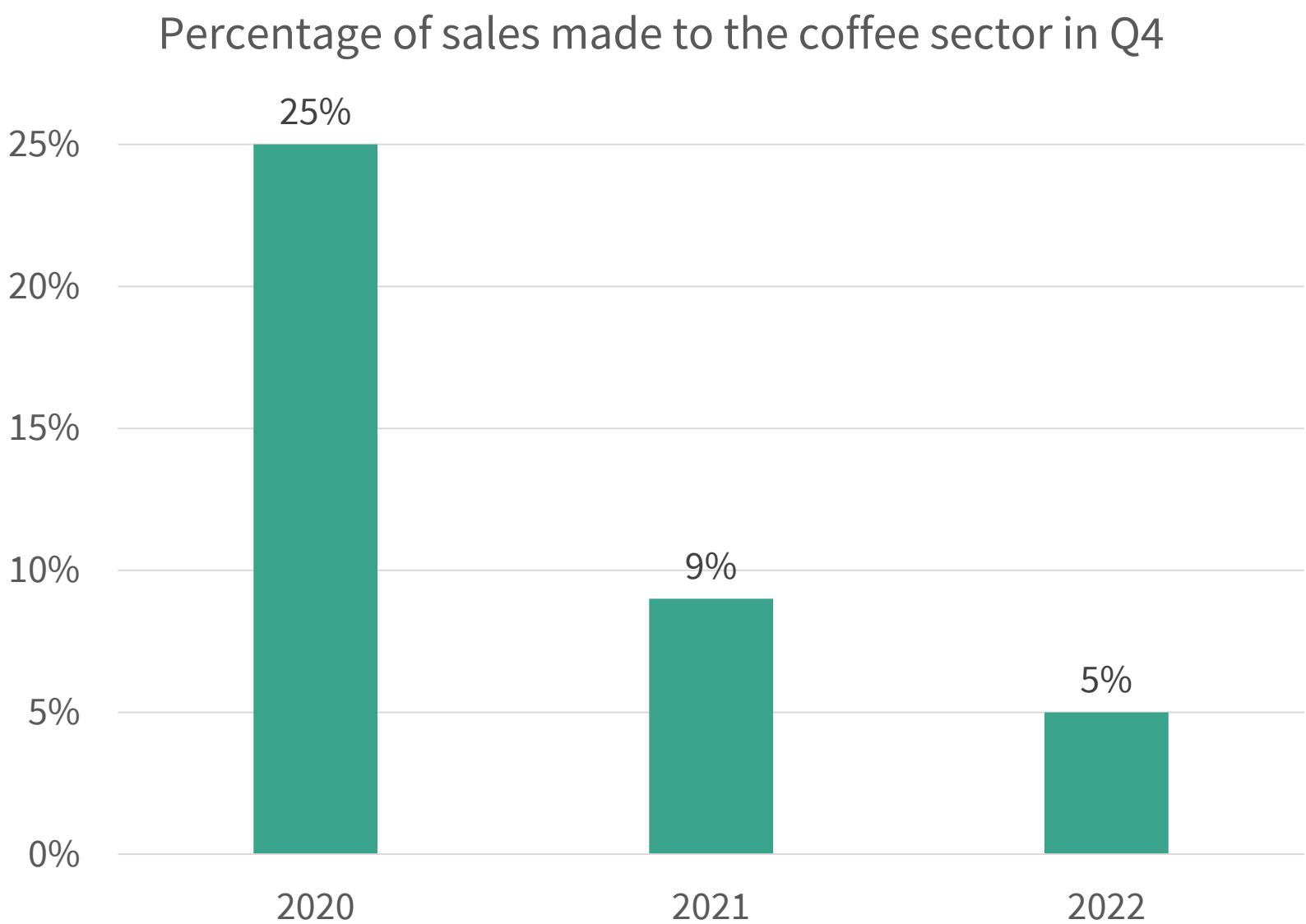


The biennial cycle is a characteristic of coffee trees, which consists of an alternation of a year with a large flowering followed by another with less intensity. In 2021, a lower production was already expected, compared to 2020, due to the productive biennial cycle of Arabica coffee. However, the 2021 harvest was further affected by negative bienniality due to adverse weather conditions. Brazilian's average productivity in 2022 was only 4.8% higher than 2021, a year of negative bienniality, and 19.3% lower than 2020, a year of positive bienniality.

Source: Brazilian National Supply Company (CONAB), Ministry of Agrarian Development and Family Agriculture. 4th Survey of the Coffee Harvest (December). Available at: [2020](#), [2021](#) and [2022](#).



# Coffee sector impacts



| Year | Number of customers from the coffee sector in Q4 | Percentage of customers' purchase potential supplied by Verde |
|------|--|---|
| 2020 | 113  | 33%   |
| 2021 | 98   | 29%   |
| 2022 | 49   | 63%   |

The rise in the percentage of Q4 clients’ total purchase potential (in tonnes of Product) served by Verde, indicates a boost in market adoption driven by customers utilizing Verde's Products over a larger expanse of their farms.





## Q4 & FY 2021 Highlights

- Cash** Cash utilised from investing activities increased by 1,527% in Q4 2022, to \$12,6M and 1,547% in FY 2022 to \$42.0M.  
Trade and other receivables increased by 90% in 2022, to \$28,5M.  
Total loans for CAPEX and working capital in December 31: \$38.1M.  
Capital expenditures increased to \$41,623,000 in FY 2022 compared to \$2,179,000 in FY 2021.
- Profitability** Revenue increased by 55% in Q4 2022, to \$16,8M, and by 190% in FY 2022, to \$80,3M, compared the same period of 2021  
Sales by volume decreased by 7% in Q4 2022, to 125,000 tonnes, compared to 134,000 tonnes sold in Q4 2021, and increased by 57% in FY 2022, to 628,000 tonnes sold, compared to 400,000 in FY 2021.  
EBITDA decreased by 47% in Q4 2022 to \$1,3M, compared to \$2,5M in Q4 2021 and increased by 271% in FY 2022, to \$23,9M compared to \$6,5M in FY 2021.  
The Group suffered a net loss of \$1,3M for Q4 2022, and generated a net profit of \$17,8M in FY 2022.
- Operations** In August 2022, Verde announced the commissioning of its Plant 2 to produce up to 1.2 Mtpy of the Product. It achieved its nameplate capacity in October 2022. In parallel, Plant 2 was undergoing an expansion process to be capable of producing 2.4Mtpy, construction which is now concluded. Verde's Plant 1 operates at a capacity of 0.6Mtpy; therefore, Verde's current overall production capacity is 3Mtpy.

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

Average exchange rate in Q4 2022: C\$1.00 = R\$3.97

## Q4 & FY 2022 Financial Statements

| All amounts in CAD \$'000                       | Q4 2022     | Q4 2021 | % Δ    | FY 2022  | FY 2021  | % Δ    |
|---|-------------|---------|--------|----------|----------|--------|
| Revenue   | 16,837      | 10,851  | 55%    | 80,271   | 27,709   | 190%   |
| Production costs                                | (3,975)     | (2,691) | 47%    | (18,022) | (7,131)  | 153%   |
| Gross Profit                                    | 12,870      | 8,160   | 58%    | 62,249   | 20,578   | 203%   |
| Gross Margin                                    | 76%         | 75%     | N/A    | 78%      | 74%      | N/A    |
| Sales and product delivery freight expenses     | (9,892)     | (4,463) | 122%   | 32,986   | (11,252) | (393%) |
| General and administrative expenses             | (1,685)     | (1,245) | 35%    | (5,351)  | (2,876)  | 86%    |
| EBITDA  | 1,293       | 2,452   | (47%)  | 89,884   | 6,450    | 1294%  |
| Share Based and Bonus Payments (Non-Cash Event) | (220)       | (23)    | 857%   | (344)    | (1,551)  | (78%)  |
| Depreciation and Amortisation                   | (33)        | (18)    | 83%    | (181)    | (53)     | 242%   |
| Profit on disposal of plant and equipment       | -           | -       | N/A    | -        | 9        | N/A    |
| Operating Profit after non-cash events          | 1,040       | 2,411   | (57%)  | 89,359   | 4,855    | 1740%  |
| Interest Income/Expense*                        | (1,812) (*) | (173)   | 947%   | (2,964)  | (402)    | 637%   |
| Net Profit before tax                           | (772)       | 2,238   | -134%  | 20,423   | 4,453    | 359%   |
| Income tax                                      | (540)       | (360)   | 50%    | (2,619)  | (931)    | 181%   |
| Net Profit (Loss)                               | (1,312)     | 1,878   | (170%) | 17,804   | 3,522    | 406%   |

\* \$516,000 out of \$1,812,000 interest expenses in Q4 2022 were due to a specific type of loan with Itaú and Banco do Brasil in Q4 2022, named “Reverse Factoring”. In Q4 2022, these loans total \$6,313,000.

# Operational Summary

| All amounts in CAD \$'000                 | Q4 2022 | Q4 2021 | % Δ  | FY 2022 | FY 2021 | % Δ |
|---|---------|---------|------|---------|---------|-----|
| Tonnes sold '000                          | 125     | 134     | (7%) | 628     | 400     | 57% |
| Average revenue per tonne sold \$         | 135     | 81      | 67%  | 128     | 69      | 86% |
| Average production cost per tonne sold \$ | (32)    | (20)    | 58%  | (29)    | (18)    | 61% |
| Average Gross Profit per tonne sold \$    | 103     | 61      | 69%  | 99      | 51      | 94% |
| Average Gross Margin                      | 76%     | 75%     | N/A  | 78%     | 74%     | N/A |

# Operational Summary – Excluding freight revenue

| All amounts in CAD \$, except percentages | Q4 2022 | Q4 2021 | % Δ   | FY 2022 | FY 2021 | % Δ |
|---|---------|---------|-------|---------|---------|-----|
| Average Revenue per tonne sold            | 61      | 54      | 15%   | 83      | 47      | 76% |
| Average Production cost per tonne sold    | (32)    | (20)    | 58%   | (29)    | (18)    | 61% |
| Average Gross Profit per tonne sold       | 30      | 33      | (11%) | 54      | 29      | 86% |
| Average Gross Margin                      | 48%     | 62%     | N/A   | 65%     | 62%     | N/A |

Excluding revenue with freight, the average revenue per tonne and gross margin still improved in the year.

# Production costs

The table below shows a breakdown of Verde’s production costs for BAKS® and K Forte®, and what percentage of those costs is not controllable by management:

|   | (+)       | (+)                 | (=)   |   |
|---|-----------|---------------------|---|---|
| Projected cost per tonne of product for 2023 (C\$) <sup>(1)</sup> | Cash cost | Assets depreciation | Total cost expected for 2023 <sup>(2)</sup> | Non-controllable costs (% of total costs) |
| K Forte® Bulk (Plant 1)   | 20.2      | 3.8                 | 24.0  | 61%                                       |
| K Forte® Bulk (Plant 2)   | 10.2      | 2.8                 | 13.0  | 58%                                       |
| K Forte® Big Bag (Plant 1)  | 30.4      | 2.8                 | 33.2  | 71%                                       |
| BAKS® (2%S 0.2%B) <sup>(3)</sup> Bulk (Plant 1)                   | 42.1      | 3.8                 | 45.9  | 81%                                       |
| BAKS® (2%S 0.2%B) Big Bag (Plant 1)                               | 51.3      | 3.8                 | 55.0  | 85%                                       |

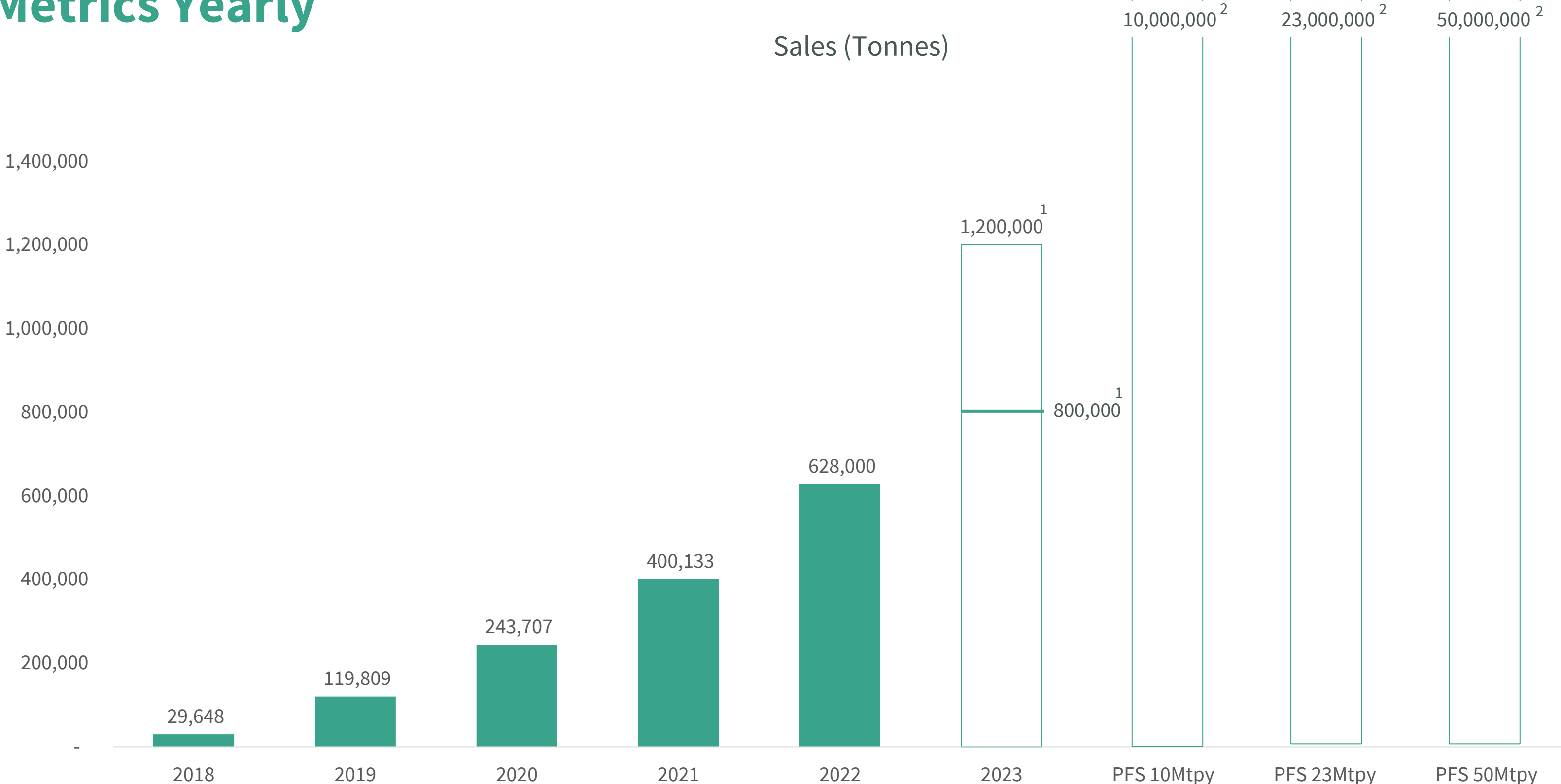
1- The costs were estimated based on the following assumptions: Costs in line with Verde’s 2023 budget. Sales volume of 1.0Mt per year. Crude Oil WTI (NYM US\$/bbl) = US\$80.00. Diesel price = US\$1.26. Currency exchange rate: US\$1.00 = R\$5.25; C\$1.00 = R\$4.20. Total cost per tonne includes all costs directly related to production and feedstock extraction in addition to assets depreciation

2 - Total cost per tonne includes labor mining, mining, crushing, processing, maintenance of support facilities, product transportation from mine pits to production plants, laboratory expenses, G&A, and environmental compensation expenses.

3 - BAKS® can be customized according to the crop’s needs, so it can have several compositions. The 2%S 0.2%B composition is responsible for most of Verde’s sales.

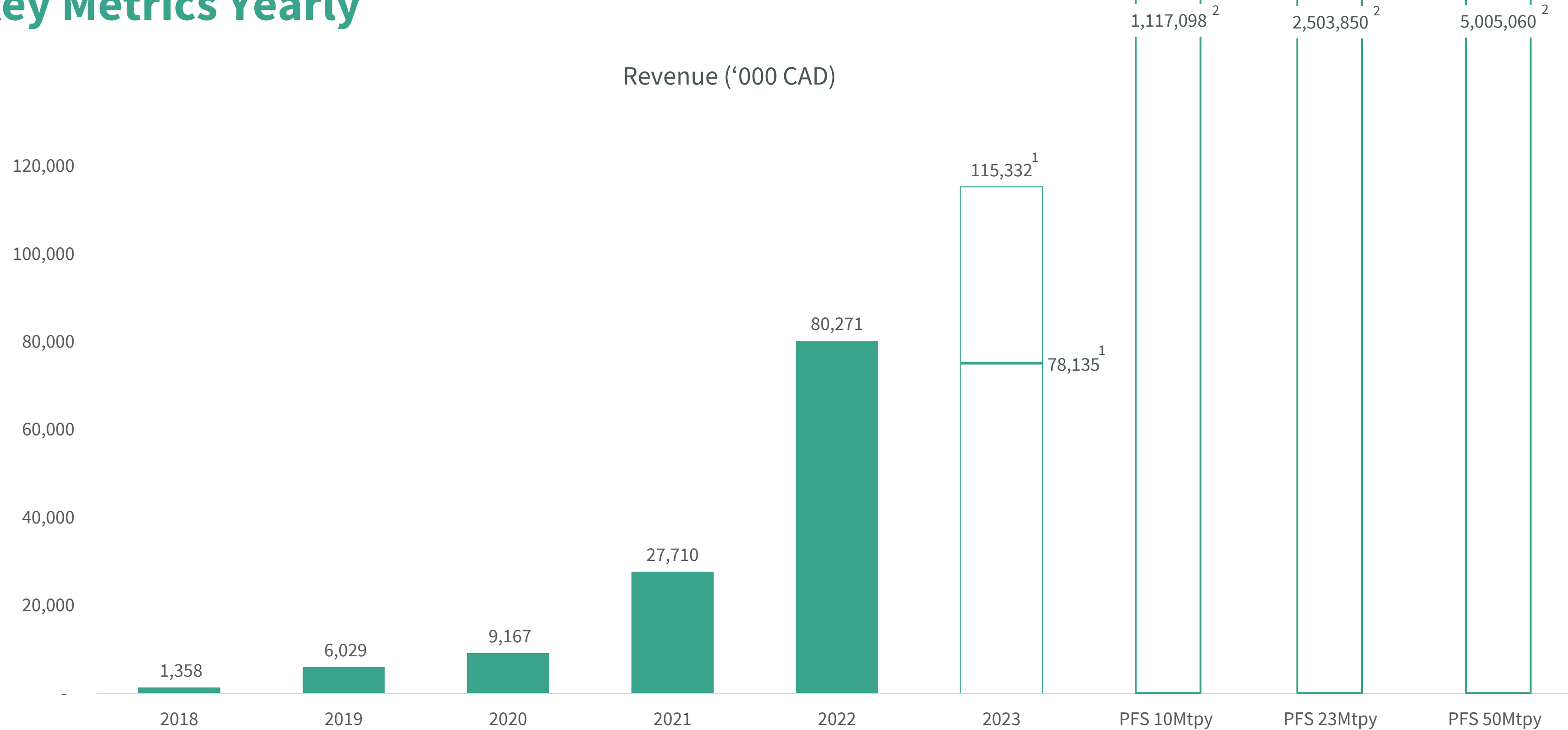


# Key Metrics Yearly



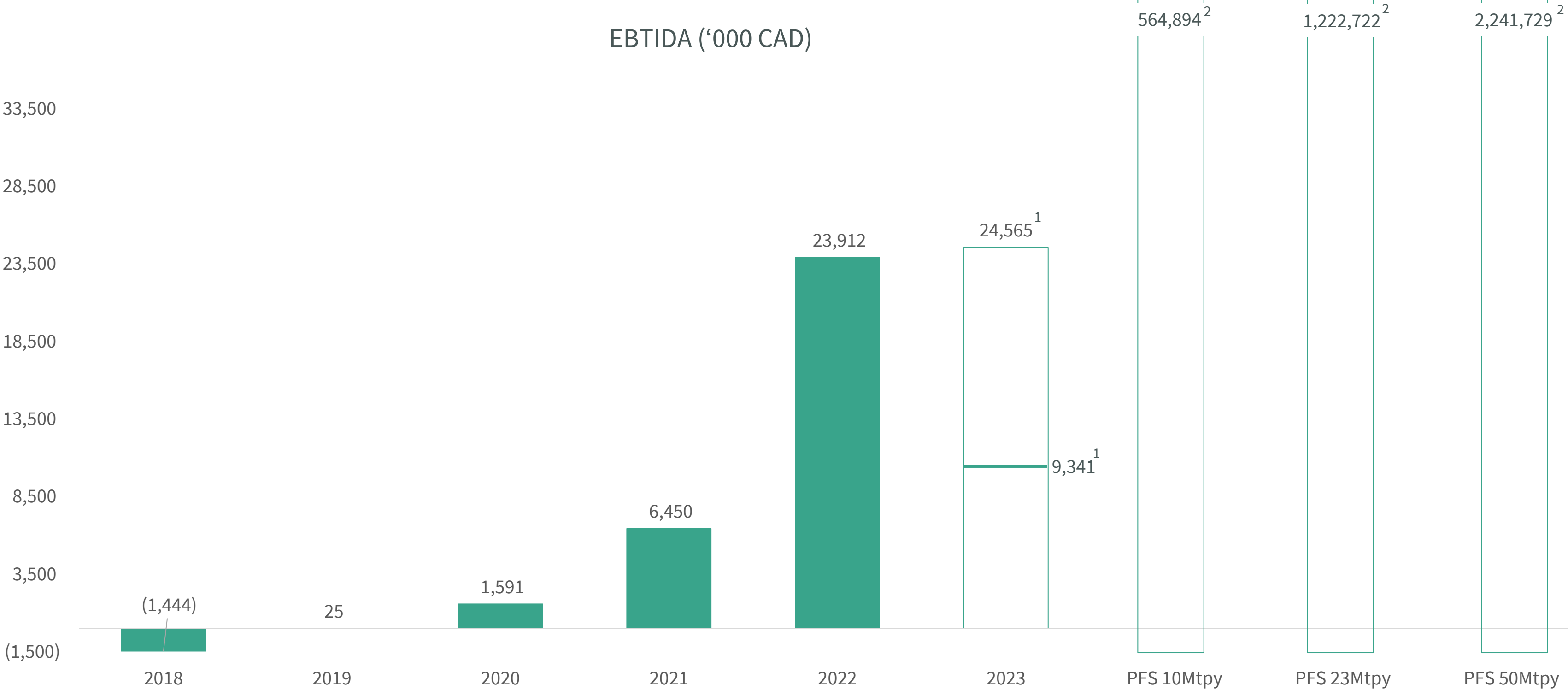
1 – Targeted range sales volume and revenue based on FY 2023 guidance.  
 2 - Distinct production scenarios contemplated in the updated NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project (PFS). Currency exchange rate: US\$1.00 = R\$5.30. For further information, please see PFS at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>.

# Key Metrics Yearly



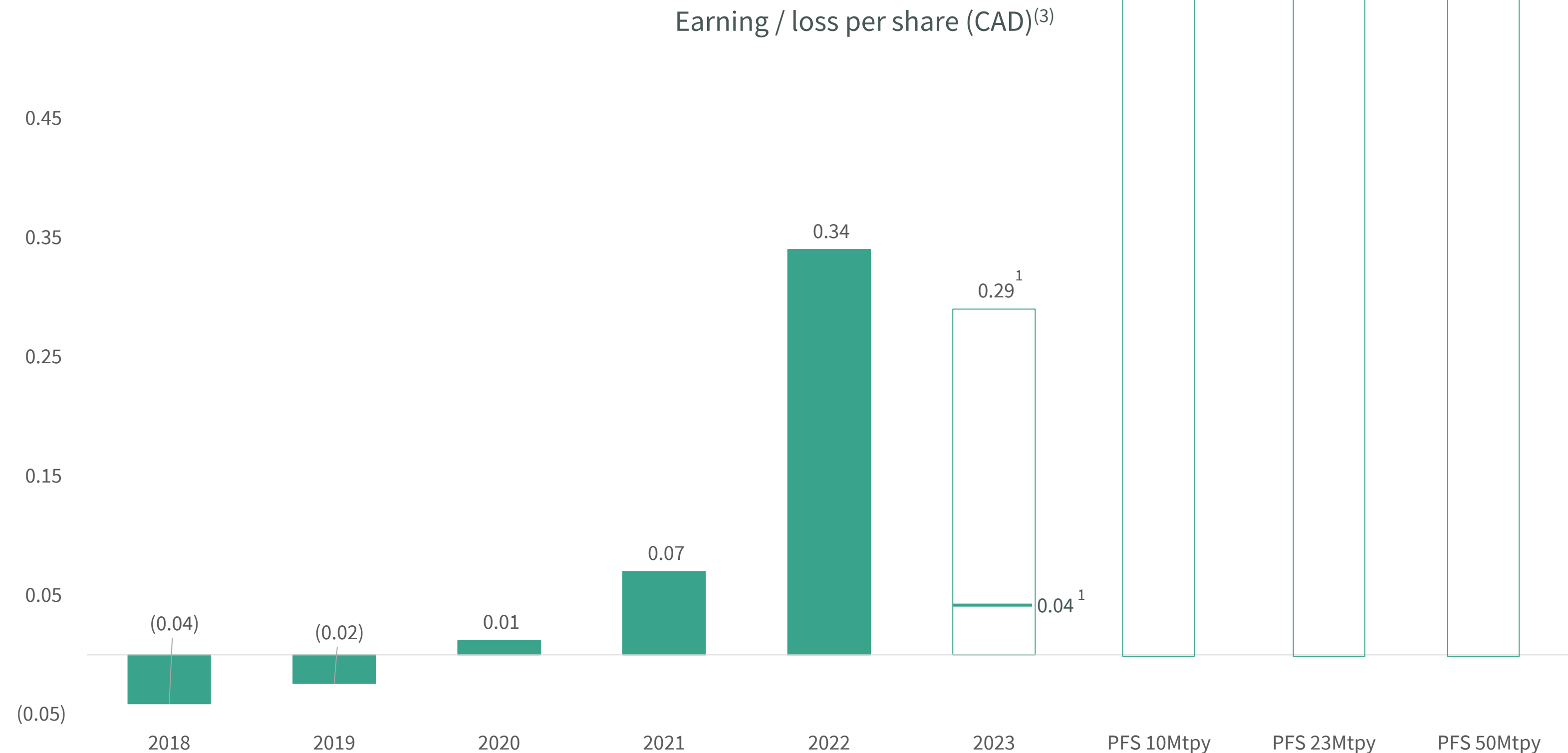
1 – Targeted range sales volume and revenue based on FY 2023 guidance. Average currency exchange rate: C\$1.00 = R\$4.20.  
 2 - Distinct production scenarios contemplated in the updated NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project (PFS). Currency exchange rate: US\$1.00 = R\$5.30. For further information, please see PFS at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>

# Key Metrics Yearly



1 - Targeted EBTIDA and EPS based on FY 2023 guidance. Average currency exchange rate: C\$1.00 = R\$4.20.  
 2 - Distinct production scenarios contemplated in the updated NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project (PFS). Currency exchange rate: US\$1.00 = R\$5.30. For further information, please see PFS at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>

# Key Metrics Yearly



1 - Targeted EBTIDA and EPS based on FY 2023 guidance.

2 - Distinct production scenarios contemplated in the updated NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project (PFS). Currency exchange rate: US\$1.00 = R\$5.30. For further information, please see PFS at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>.

(3) Assuming no dilution

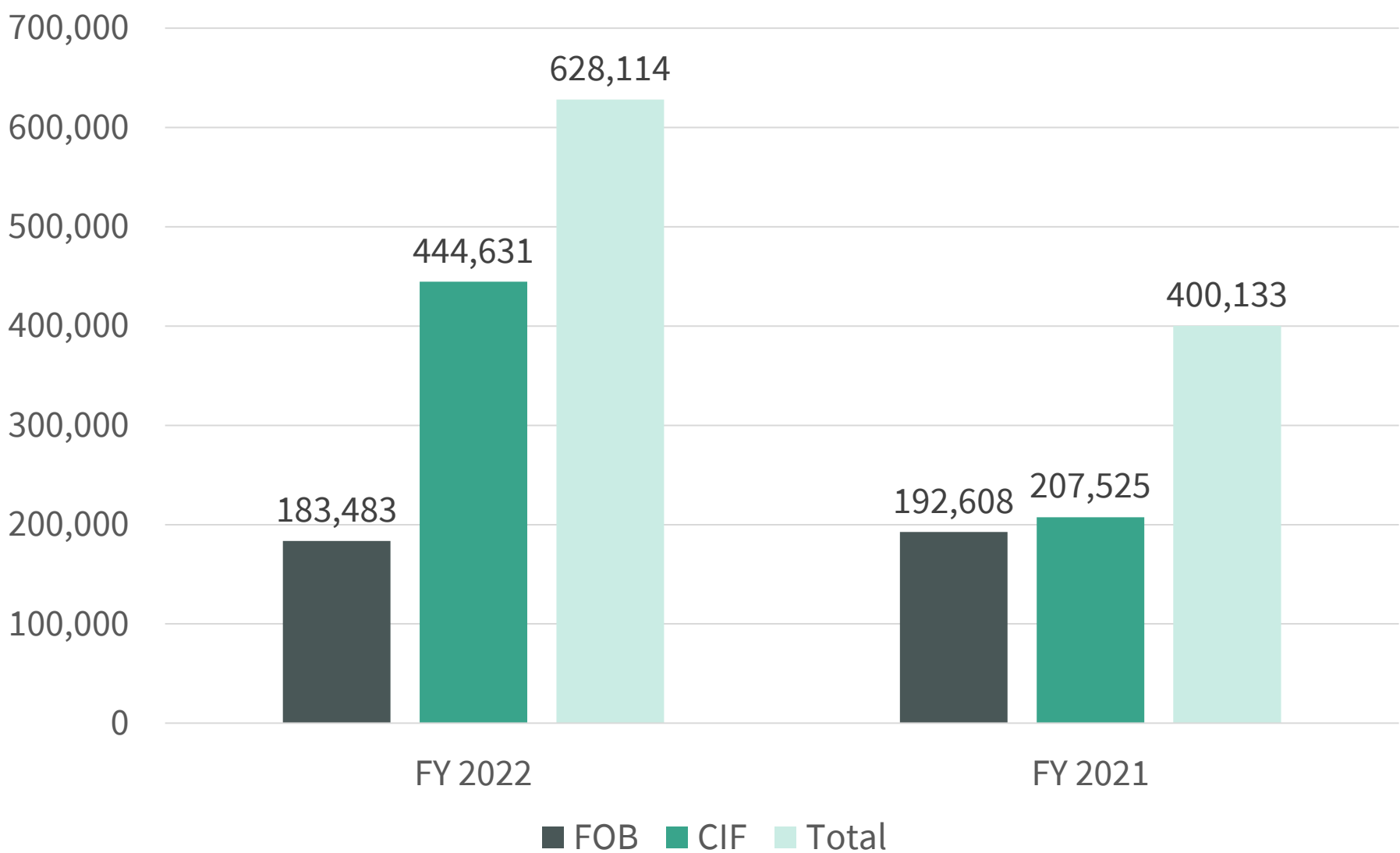


## Sales, General and Administrative Expenses

| All amounts in CAD \$'000, except percentages    | Q4 2022 | Q4 2021 | % Δ   | FY 2022  | FY 2021  | % Δ  |
|--|---------|---------|-------|----------|----------|------|
| Sales Expenses                                   |         |         |       |          |          |      |
| Sales and marketing expenses                     | (533)   | (578)   | (8%)  | (3,451)  | (1,818)  | 90%  |
| Fees paid to sales agents                        | (196)   | (203)   | (3%)  | (1,172)  | (464)    | 153% |
| Product delivery freight expenses                | (9,163) | (3,682) | 149%  | (28,363) | (8,970)  | 216% |
| Total sales expenses                             | (9,892) | (4,463) | 122%  | (32,986) | (11,252) | 193% |
| General expenses                                 |         |         |       |          |          |      |
| General administrative expenses                  | (1,270) | (612)   | 108%  | (3,166)  | (1,621)  | 95%  |
| Legal, professional, consultancy and audit costs | (188)   | (516)   | (64%) | (1,343)  | (915)    | 47%  |
| IT/Software expenses                             | (219)   | (103)   | 113%  | (788)    | (307)    | 157% |
| Taxes and licenses fees                          | (8)     | (14)    | (43%) | (54)     | (33)     | 64%  |
| Total General expenses                           | (1,685) | (1,245) | 35%   | (5,351)  | (2,876)  | 86%  |

# Other Highlights

FOB vs CIF (tonnes)



| Sales (tonnes) | FY 2022 | FY 2021 | % Δ  |
|----------------|---------|---------|------|
| FOB            | 183,483 | 192,608 | (5%) |
| CIF            | 444,631 | 207,525 | 114% |
| Total          | 628,114 | 400,133 | 57%  |

The Company has significantly increased the volume sold as CIF, from 52% of total sales in FY 2021 to 71% in FY 2022.

## 2023 Taxation – “Actual Profits”

Prior to December 31, 2022, the Brazilian subsidiary was subject to the 'Assumed Profits' taxation method. However, starting January 2023, the subsidiary is now subject to income taxes using the 'Actual Profits' method ('Lucro Real') based on taxable income. Under this method, the taxes projected for 2023 are as follows:

| \$'000 (Ex Rate BRL4,20)                       | 2021    | 2022     | 2023<br>(800Mt) | 2023<br>(1,000Mt) |
|--|---------|----------|-----------------|-------------------|
| Verde Brazilian subsidiary profit before taxes | \$7,720 | \$22,320 | \$6,852         | \$14,233          |
| Income taxes                                   | \$665   | \$2,409  | \$2,580         | \$4,765           |
| Total Taxes (% of net profit )*                | 9%      | 11%      | 38%             | 34%               |

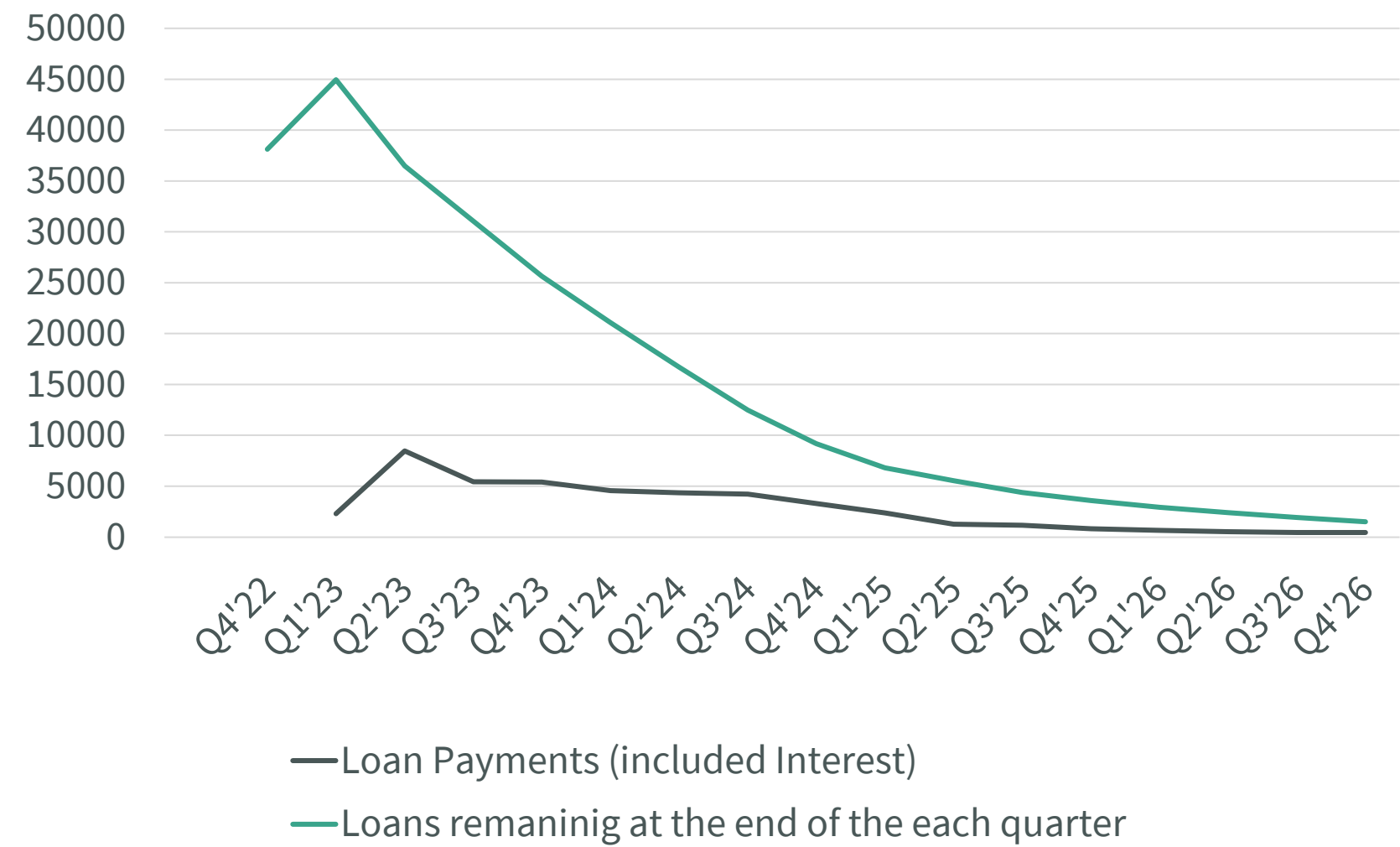
This method of taxation involves certain additions and exclusions. The company will be allowed to exclude up to 30% due to prior period losses, along with other investments that are deductible from the basis such as the “Lei do Bem” law and other tax compensations. These exclusions could offset up to 100% of the taxes to be paid in the year. Tax payments are calculated on a quarterly basis, and the exact percentage may vary depending on the specific circumstances.

\* As the headquarter is a non-profitable entity, calculating income tax based on the subsidiary's net profit before tax could result in a high percentage of the net profit.



# Loans

Company Loans Profile



| \$'000                                | 2022   | 2023   | 2024   | 2025   | 2026  |
|---------------------------------------|--------|--------|--------|--------|-------|
| *Total Loans<br>(end of the period)   | 38,112 | 31,053 | 12,489 | 4,3383 | 1,936 |
| • Amortization<br>(during the period) |        | 21,608 | 16,461 | 5,601  | 2,083 |

- In Q1 2023, the company secured additional loans of \$9.1 million with Banco Bradesco and Inter for the purpose of improving cash flow.
- In Q4 2022, the company held trade receivables valued at over \$28.5 million, which will also contribute to reinforcing the company’s cash flow for the purpose of payment the full amount due in 2023 and a portion of the amount due in 2024.
- The Group’s average current loan rates is 15.36% per annum

\*Total loans and payments includes all interest projected for the operation. Values might change according to the Brazilian central Bank rate (Selic)



## 2023 Guidance

As previously described, potash trends did not meet the market's expectations after the Ukraine war, reflecting in decreasing fertilizer prices and lower demand throughout 2022. The price of potash has been on a downward trend since late 2022, with a decrease of 47% in 2022 average KCl CFR Brasil price, compared to the current price, leading farmers to holdback potash purchases with the expectation of even lower prices in the near future.

Verde's guidance for 2023 is described in the table below:

| FY 2023 Guidance                        | Range               |
|---|---------------------|
| Sales target (tonnes)                   | 800,000 - 1,200,000 |
| Revenue (C\$'000)                       | 78,135 - 115,332    |
| EBITDA (C\$'000) <sup>1</sup>           | 9,341 - 24,565      |
| EPS (C\$)                               | 0.04 - 0.29         |
| Cash held + Trade Receivables (C\$'000) | \$21,979 - \$35,004 |

1- Before non-cash events.

The 2023 guidance is underpinned by the following assumptions:

- Average Brazilian Real ("R\$") to Canadian dollar exchange rate: C\$1.00 = R\$4.20
- Average KCl CFR Brazil price of US\$450, with an overall discount rate of 10%, resulting in the final price of US\$405.
- Sales Incoterms: 70% CIF and 30% FOB
- Sales channels: 47% direct sales and 53% indirect sales
- Income taxes: 34% of the subsidiary net profit before taxes
- Capital expenditures in HSE and manufacturing projects to conclude Plant 2, improve Plant 1, and access to both plants: from \$4 to \$6 million.









# Verde has 1.3Bn tons of Proven and Probable Reserves

## Mineral Reserves – Proven and Probable<sup>(1)</sup> Summary

|                              | Tonnes<br>(Mt) | Tonnes<br>(Mt of KCl Equivalent) | K2O Grade<br>(%) |
|------------------------------|----------------|----------------------------------|------------------|
| Proven                       | 81             | 13                               | 9.96%            |
| Probable                     | 1,217          | 185                              | 9.14%            |
| <b>Proven &amp; Probable</b> | <b>1,298</b>   | <b>198</b>                       | <b>9.19%</b>     |

## Mineral Resources – Measured, Indicated and Inferred Summary

|   | Tonnes<br>(Mt)           | Tonnes<br>(Mt of KCl Equivalent) | K2O Grade<br>(%) |
|---|--------------------------|----------------------------------|------------------|
| Measured                                      | 83                       | 14                               | 10.13%           |
| Indicated                                     | 1,389                    | 214                              | 9.23%            |
| <b>Measured &amp; Indicated<sup>(2)</sup></b> | <b>1,472<sup>a</sup></b> | <b>228</b>                       | <b>9.28%</b>     |
| Inferred <sup>(3)</sup>                       | 1,850                    | 265                              | 8.60%            |
| <b>Measured, Indicated &amp; Inferred</b>     | <b>3,322</b>             | <b>493</b>                       | <b>8.90%</b>     |

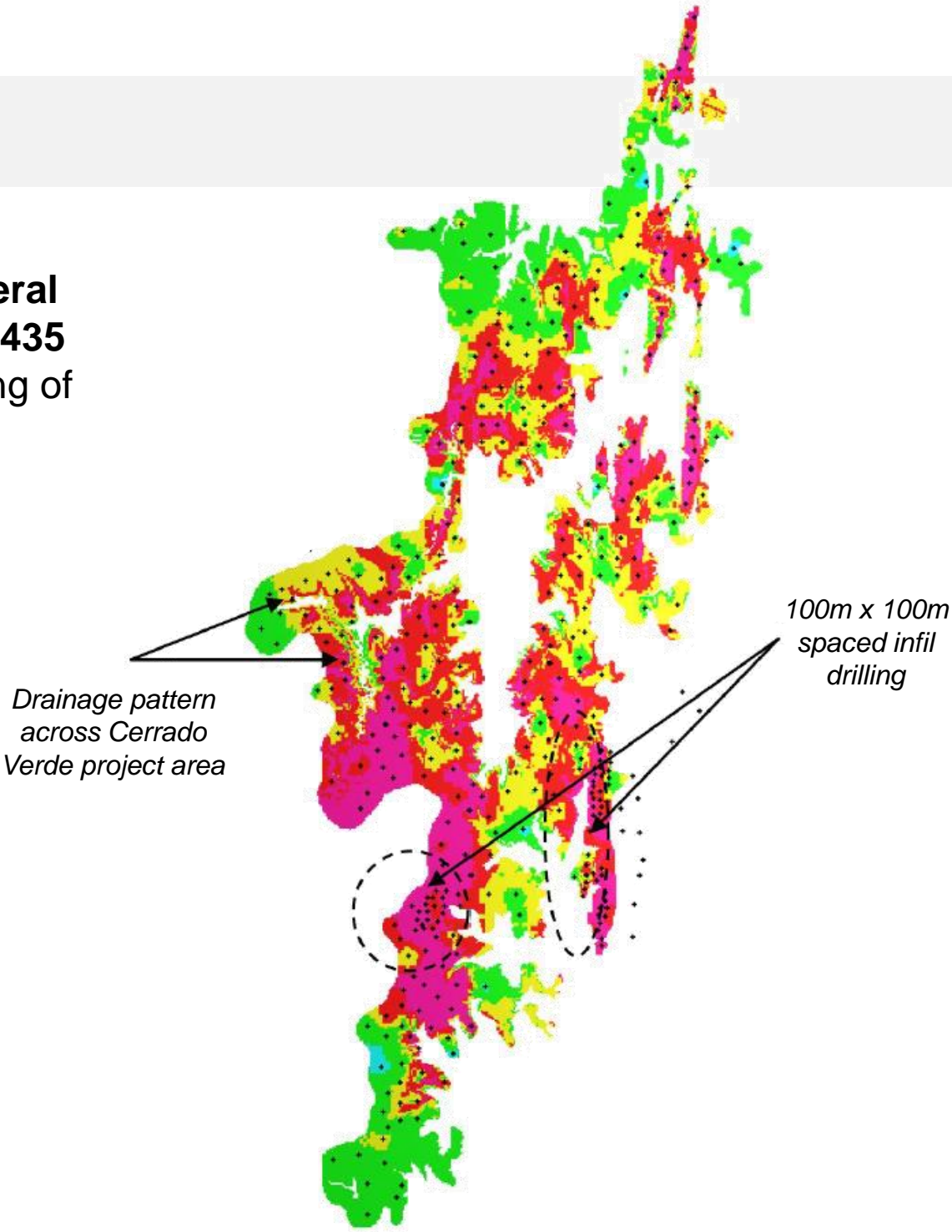
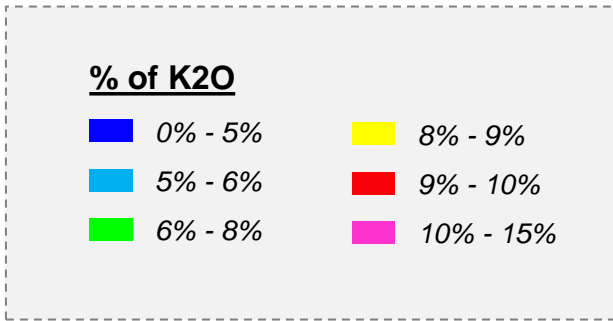
Source: Company, Technical Feasibility Report, AMS Consulting

**Notes:**

1. Probable Mineral Reserve: The economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applied to a probable mineral reserve is lower than that applied to a proven mineral reserve. Proven Mineral Reserve: The economically minable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.
2. An 'indicated mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics **can be** estimated with a level of confidence. A 'measured mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics **are so well** established that they can be estimated with a level of confidence
3. An 'inferred mineral resource' is that part of a mineral resource for which quantity and grade or quality **can be estimated** on the basis of geological evidence and limited sampling and reasonably assumed, **but not verified**, geological and grade continuity

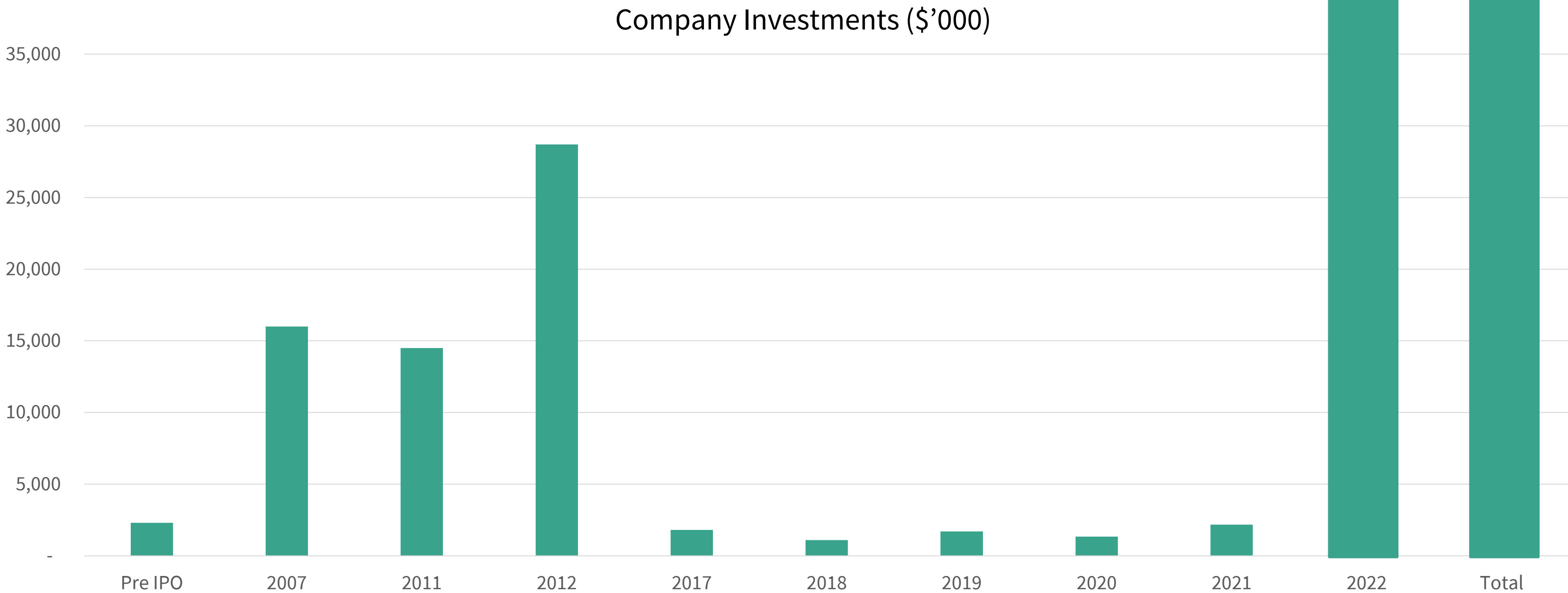
## Mineral Resource Estimate

- The Cerrado Verde Project **mineral resource estimate** is based on **435 holes** drilled at a nominal spacing of ~200m by 200m
- The mineral resource estimate was focused on a flat-lying, sub-horizontal mineralized domain and drill tested to the depth of the mineralization using a **6% K2O grade cut-off**



# Company Investments (\$'000)

The Company invested over \$111 million since its foundation. The investments were mainly in research and development, landing, construction of Plant 1 and Plant 2, equipment, and access improvement.



# Pre-Feasibility Study Snapshot

## Pre-Feasibility Study production scenario for 50Mtpy of Verde's product, composed of K<sub>2</sub>O + S + Micronutrients

|   |          |
|---|----------|
| Proven and probable reserves (Mt)                       | 1,297.66 |
| Capex (US\$M)   | 553.99   |
| Operating cost (US\$/t of Product)                      | 8.06     |
| General and Administrative Expenses (US\$/t of Product) | 2.01     |
| Sustaining capital (US\$/t of Product)                  | 0.50     |
| Product sale price (US\$/t of Product)                  | 92.05    |
| NPV after-tax at 8% discount (US\$B)                    | 13.54    |
| IRR after-tax (%)                                       | 227.08   |
| Cumulative Cash Flow (US\$B)                            | 32.98    |

The production scenario for 50Mtpy of Verde's product, composed of K<sub>2</sub>O + S + Micronutrients predicts a **Net Present Value per share of up to C\$332.08.\***

\* Estimated Net Present Value after tax of US\$13.54 billion, with 8% discount rate and Internal Rate of Return of 227.08%, based on the NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project elaborated by the Verde in 2022, assuming a potash price at less than a third of current Potassium Chloride. NPV and IRR were calculated considering the 50Mtpy production Scenario, with the K<sub>2</sub>O + S + Micronutrients Product composition. Currency exchange rate: US\$1.00 = C\$1.29. US\$13.54 billion = C\$17.47 billion NPV after tax divided by 52,597,951 shares outstanding as of December 31, 2022. The PFS relies on a KCl CFR Brazil port long term price of US\$368.65 per tonne.

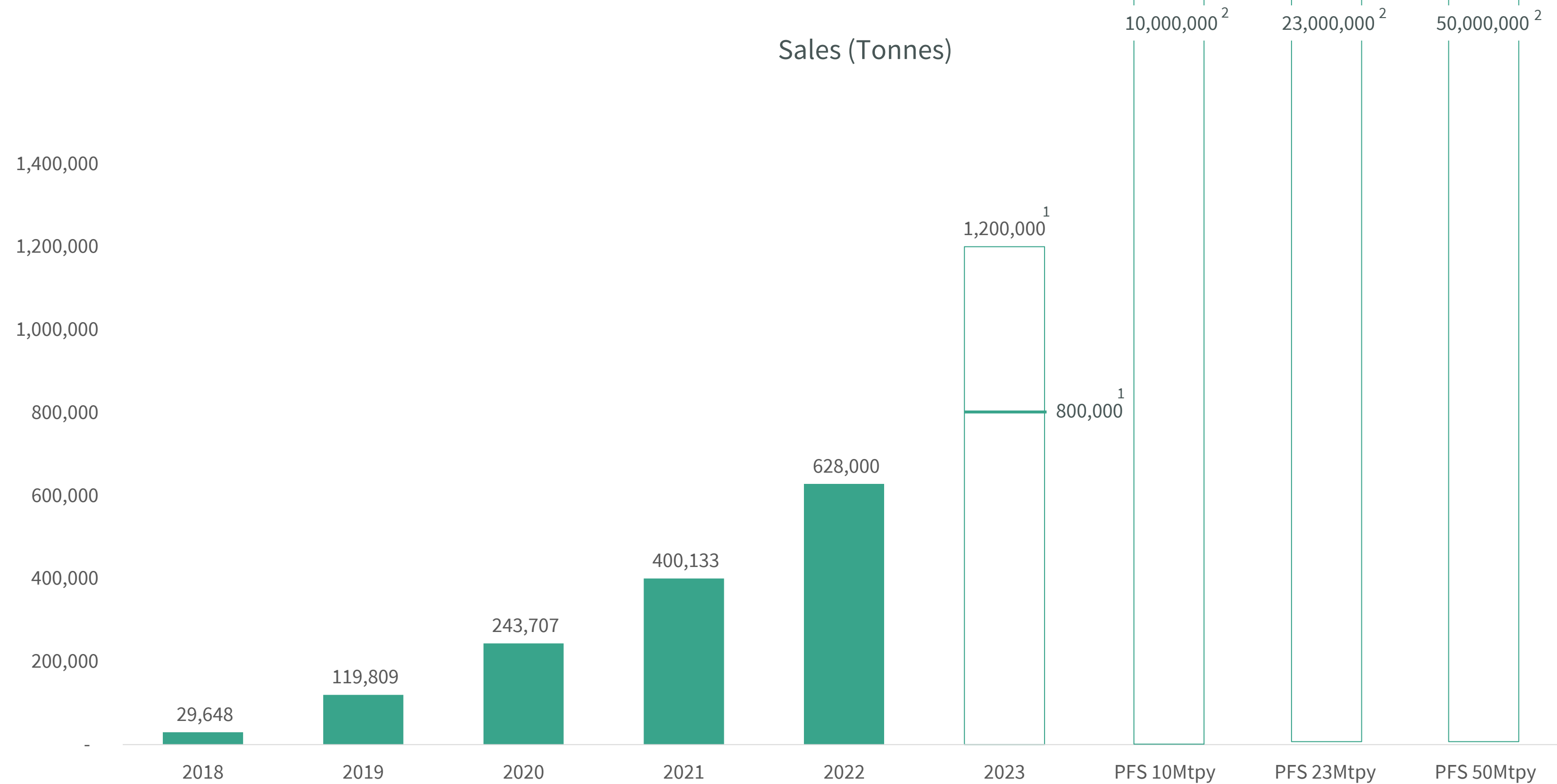
For further information, see press release issued by the Company on May 16, 2022:

<https://investor.verde.ag/wp-content/uploads/2022/05/Verde-AgriTech-Press-Release-Pre-Feasibility-Results-May-16-2022.pdf>

The PSF can be accessed at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>







1 – Targeted range sales volume and revenue based on FY 2023 guidance.

2 - Distinct production scenarios contemplated in the updated NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project (PFS). Currency exchange rate: US\$1.00 = R\$5.30. For further information, please see PFS at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>.



# Outstanding Operational Facilities Already in Place

Existing production capacity<sup>(1)</sup> of 3.0mtpy (0.5 mtpy KCl equivalent)

Verde AgriTech's Operational Mine



Plant Infrastructure



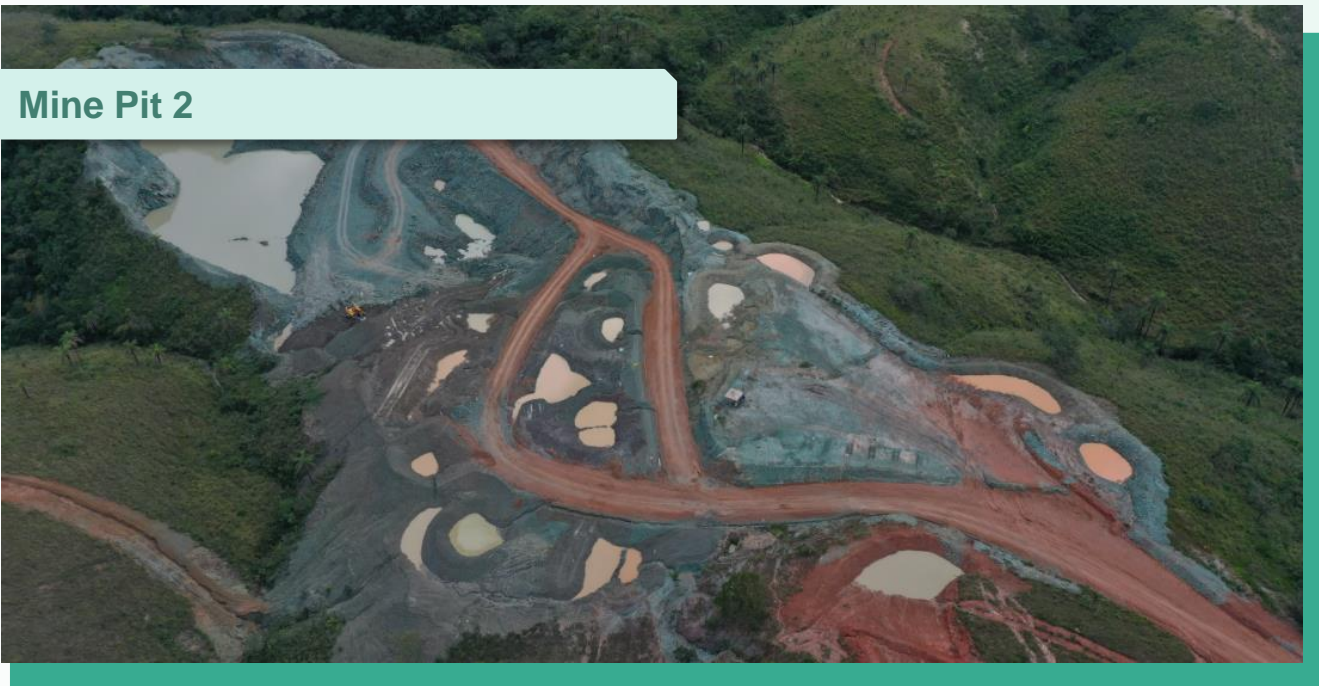
Mine Overview



**Notes:**  
1. Effective installed capacity, assuming 83% maximum utilization on nameplate capacity



# Mining Pit and Processing Plants Fully Operational, including Brand New Plant 2





## Beyond the K – Verde's Proprietary Technologies

Technology-Enabled Products Providing Best Solutions for Crop Nutrition/Protection, Soil Improvement and Sustainability



- Technology changes the structure of Glauconitic Siltstone through **mechanical activation**
- **Ensure** that **potassium and other nutrients** are made **available to plants progressively**
- Nutrients are **available to plants for a longer time**
- **Reduction of product loss** by leaching



- Micro S Technology is BAKS®'s exclusive **elemental sulphur micronization technology**
- The **granulometry** of the sulphur source **is a key factor** as **the smaller the particle size of S, the greater the contact surface, increasing oxidation rate and plant development efficiency**



- Bio Revolution is Verde's newest technology that **enables the incorporation of microorganisms to mineral fertilizers**
- The Company has **filed for patent protection** of its Bio Revolution technology



- N Keeper is a **proprietary processing technology for glauconitic siltstone**
- Alters its physical-chemical properties to **enable ammonia retention for use as a calibrated additive in Nitrogen fertilizers**



- 3D Alliance is a technology developed to **transform the three-dimensional structure of the raw materials added to the fertilizer**
- The materials are subjected to physical transformations, **increasing their specific surfaces and forming microparticles that release nutrients progressively**

# Bio Revolution Technology Enables Microorganisms Incorporation



## The use of microorganisms in the Brazilian Agriculture

1

Verde is the largest player in the Brazilian fertilizer industry to add microorganisms to its products



2

K Forte® will be the first fertilizer in the world to use Bio Revolution technology



3

This technology has been developed in partnership with researchers from well recognized federal universities in Brazil



4

*Bacillus aryabhattai* is the first microorganism to be added to Verde's products, improving nutrition, growth and resistance to abiotic and biotic stresses



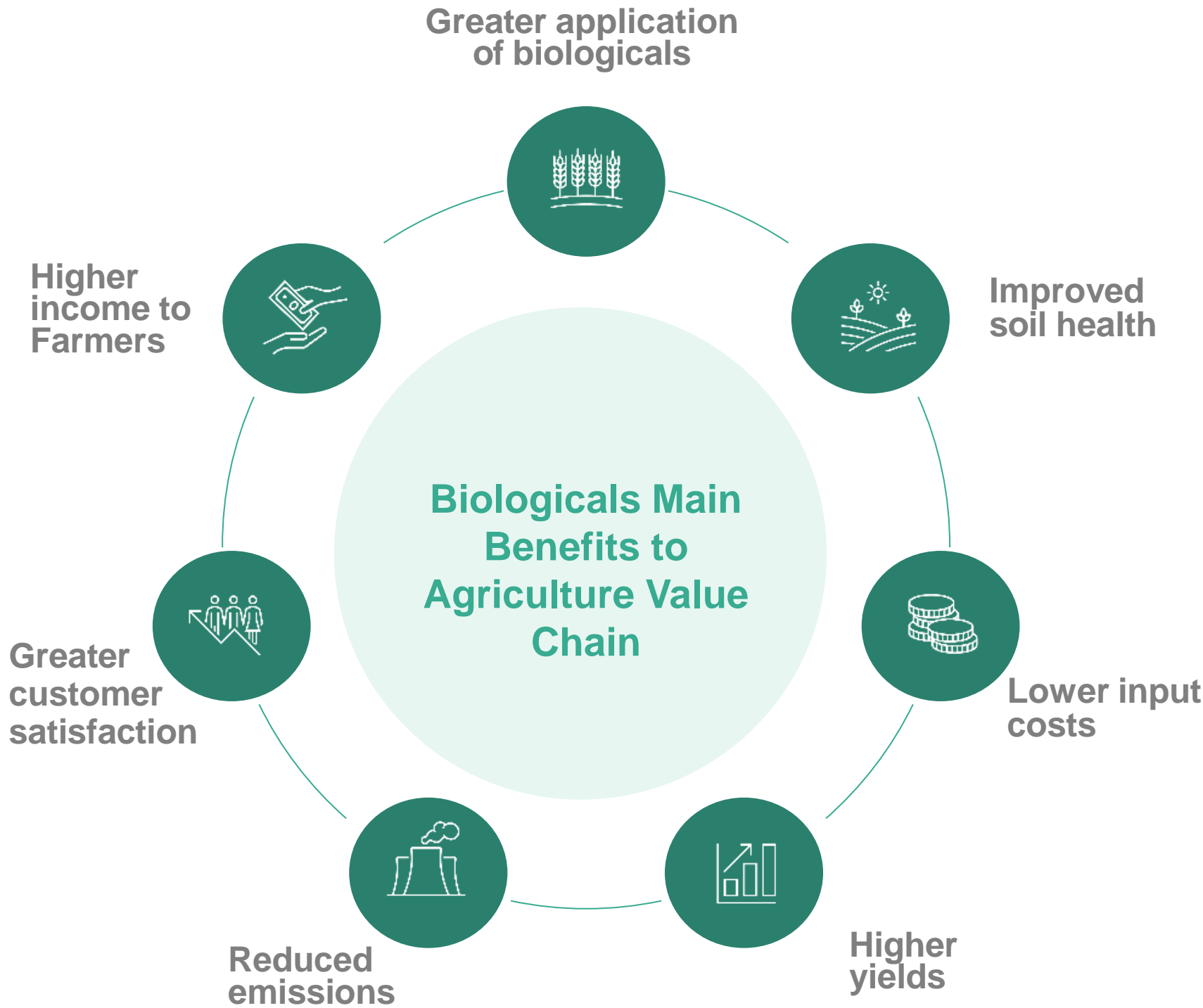


# Biologicals Are a Game Changer for Agriculture

Verde is the largest player in the Brazilian fertilizer industry to add microorganisms to its products

## Biologicals overview

- **Biologicals** are products for crop protection and fertilizers that use natural sources ingredients
- Examples of components include microbes, bacteria, proteins, peptides and others
- **Main drivers for this market are:**
  1. **Lower development costs** and increasing R&D and technology progress
  2. **Shorter time** to market
  3. **Alternative to synthetic** products
  4. A more **environmentally friendly solution**



## Largest Players in the Biologicals Universe



Source: The Insight Partners Analysis

# BAKS® is a Cost-Efficient Solution that Requires Less Applications

## BAKS® Grains

### Comparison between BAKS® Grains vs. a Conventional Source

### Results from Exercises

Verde has recently published a report comparing the impacts of the use of BAKS® Grains vs. a conventional source of Sulphur

1 First exercise had **4 steps**: 1 application of **BAKS®**, 2 applications of MAP and 1 application of urea

2 Second exercise had **5 steps**: 1 application of **MAP with pastille sulphur**, 2 applications of KCl, 1 application of MAP alone and 1 application of urea

| Operation             | 1 BAKS® Grains | 2 Conventional Source  |
|-----------------------|----------------|------------------------|
| Soybean               |                |                        |
| Pre-Planting          | BAKS®          | -                      |
| Plantation Furrow     | MAP            | MAP + pastille sulphur |
| 1 <sup>st</sup> Cover | -              | KCl                    |
| 2 <sup>nd</sup> Cover | -              | -                      |
| Corn                  |                |                        |
| Plantation Furrow     | MAP            | MAP                    |
| 1 <sup>st</sup> Cover | Urea           | KCl                    |
| 2 <sup>nd</sup> Cover | -              | Urea                   |
| Total Applications    | 4              | 5                      |

|                           | 1 BAKS® Grains | 2 Conventional Source |
|---------------------------|----------------|-----------------------|
| Operational Cost (R\$/ha) | 355            | 392                   |
| Fertilizer Cost (R\$/ha)  | 4,273          | 4,325                 |
| Total Cost                | 4,628          | 4,717                 |

Source: Company Filings

# BAKS® is a Cost-Efficient Solution that Requires Less Applications (Cont'd)

## BAKS® Coffee

### Comparison between BAKS® Coffee vs. a Conventional Source

### Results from Exercises

Verde has recently published a report comparing the impacts of the use of BAKS® Coffee vs. a conventional source of Sulphur

- 1 First exercise had **3 steps**: 1 application of **BAKS®**, 2 applications of Urea
- 2 Second exercise had **4 steps**: 1 application of **MAP with micronutrients** and 3 applications of NK 22-00-25

| Operation             | 1 BAKS® Coffee | 2 Conventional Source |
|-----------------------|----------------|-----------------------|
| Coffee                |                |                       |
| 1 <sup>st</sup> Cover | BAKS® Coffee   | MAP + micronutrients  |
| 2 <sup>nd</sup> Cover | Urea           | NK 22-00-25           |
| 3 <sup>rd</sup> Cover | Urea           | NK 22-00-25           |
| 4 <sup>th</sup> Cover | -              | NK 22-00-25           |
| Total Applications    | 3              | 4                     |

|                           | 1 BAKS® Coffee | 2 Conventional Source |
|---------------------------|----------------|-----------------------|
| Operational Cost (R\$/ha) | 288            | 336                   |
| Fertilizer Cost (R\$/ha)  | 4,180          | 4,242                 |
| Total Cost                | 4,468          | 4,578                 |

Source: Company Filings

# BAKS® is a Cost-Efficient Solution that Requires Less Applications (Cont'd)

## BAKS® Eucalyptus



### Comparison between BAKS® Eucalyptus vs. a Conventional Source

### Results from Exercises

Verde has recently published a report comparing the impacts of the use of BAKS® Eucalyptus vs. a conventional source of Sulphur

- 1 First exercise had **1 steps**: 1 application of **BAKS®**, 2 applications of Urea
- 2 Second exercise had **3 steps**: 1 application of **MAP with micronutrients** and 3 applications of NK 22-00-25

| Operation             | 1<br>BAKS®<br>Eucalyptus | 2<br>Conventional<br>Source      |
|-----------------------|--------------------------|----------------------------------|
|                       | Eucalyptus               |                                  |
| Pre-Cutting           | BAKS®<br>Eucalyptus      | NK 12-24-12 +<br>micronutrients  |
| 1 <sup>st</sup> Cover | -                        | NK 10-00-33 +<br>Sulphur + Boron |
| 2 <sup>nd</sup> Cover | -                        | KCl                              |
| Total<br>Applications | 1                        | 3                                |

|                              | 1<br>BAKS®<br>Eucalyptus | 2<br>Conventional<br>Source |
|------------------------------|--------------------------|-----------------------------|
| Operational<br>Cost (R\$/ha) | 175                      | 294                         |
| Fertilizer Cost<br>(R\$/ha)  | 2,174                    | 2,180                       |
| Total Cost                   | 2,349                    | 2,474                       |

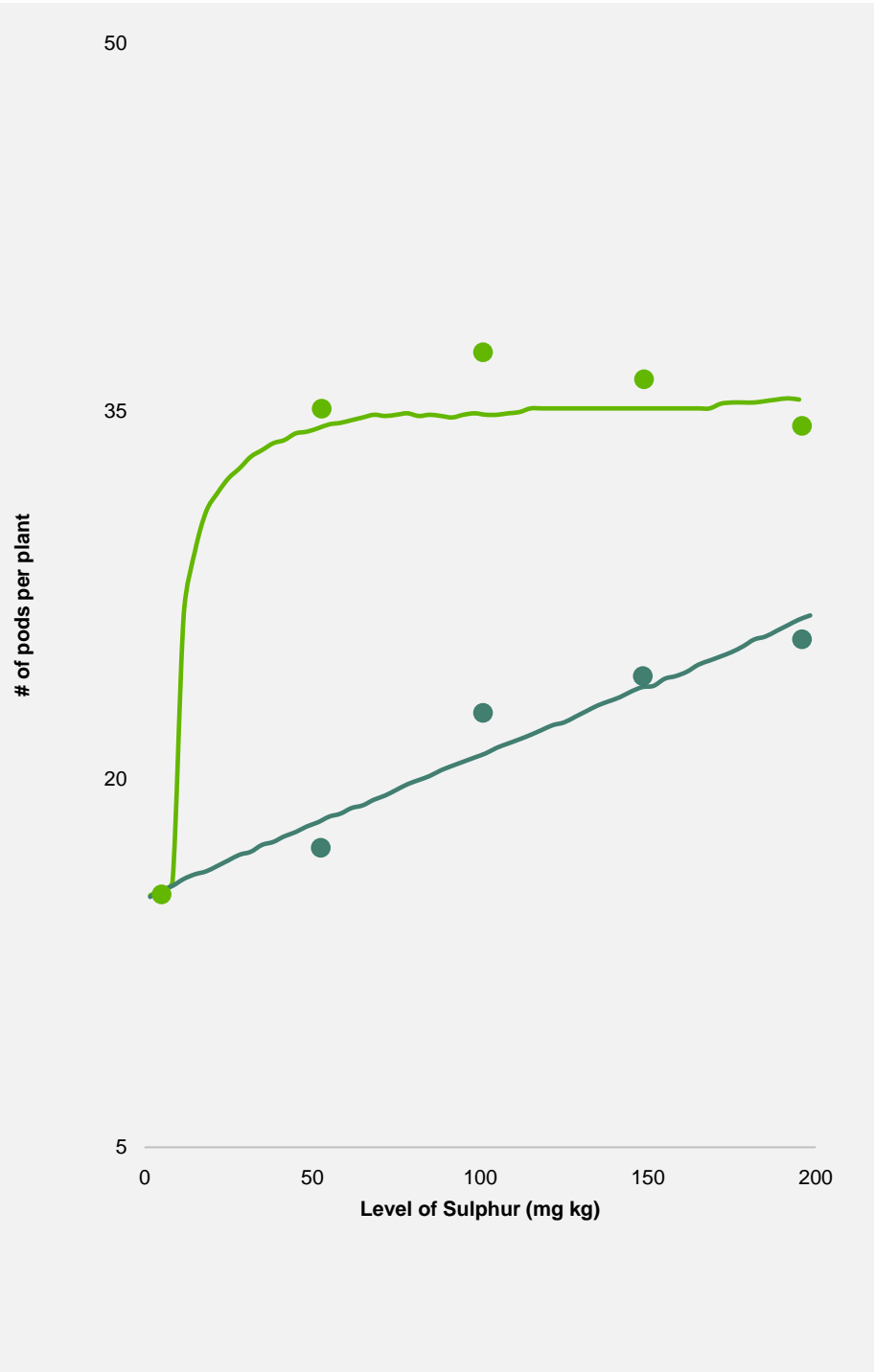
Source: Company Filings

# Micro S Technology Allows BAKS Superior Efficiency vs. Elemental S Pastille

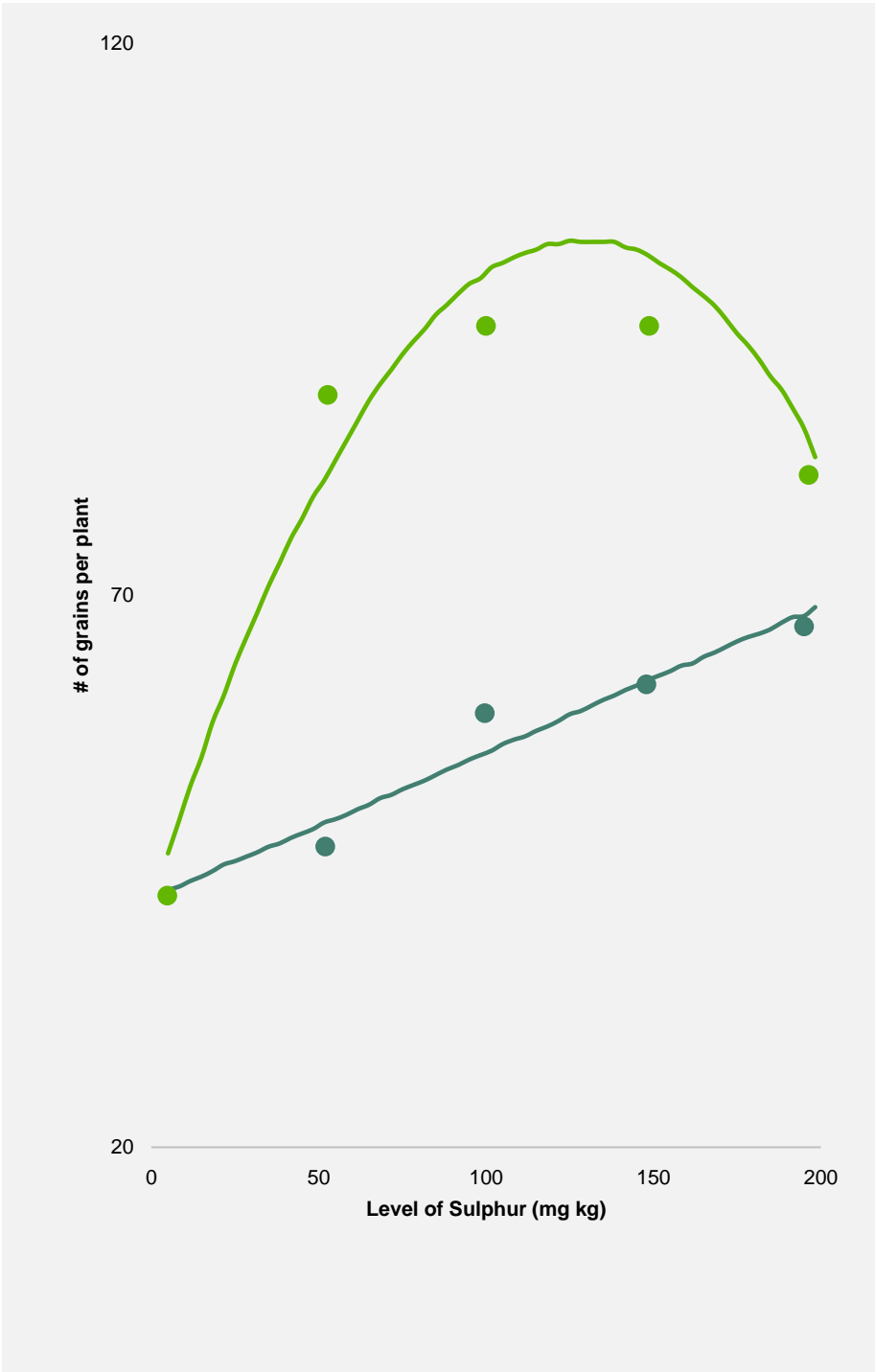


- **Micro S Technology is BAKS®'s exclusive elemental sulphur micronization technology**, offering a source of sulphur with small granulometry
- The granulometry is a key factor as the smaller the particle size of S, the **greater the contact surface**, increasing oxidation rate and plant development efficiency
- BAKS®, using MicroS technology, is an **efficient source of reduced Sulphur**, which can be oxidized by microorganisms and then absorbed gradually by plants

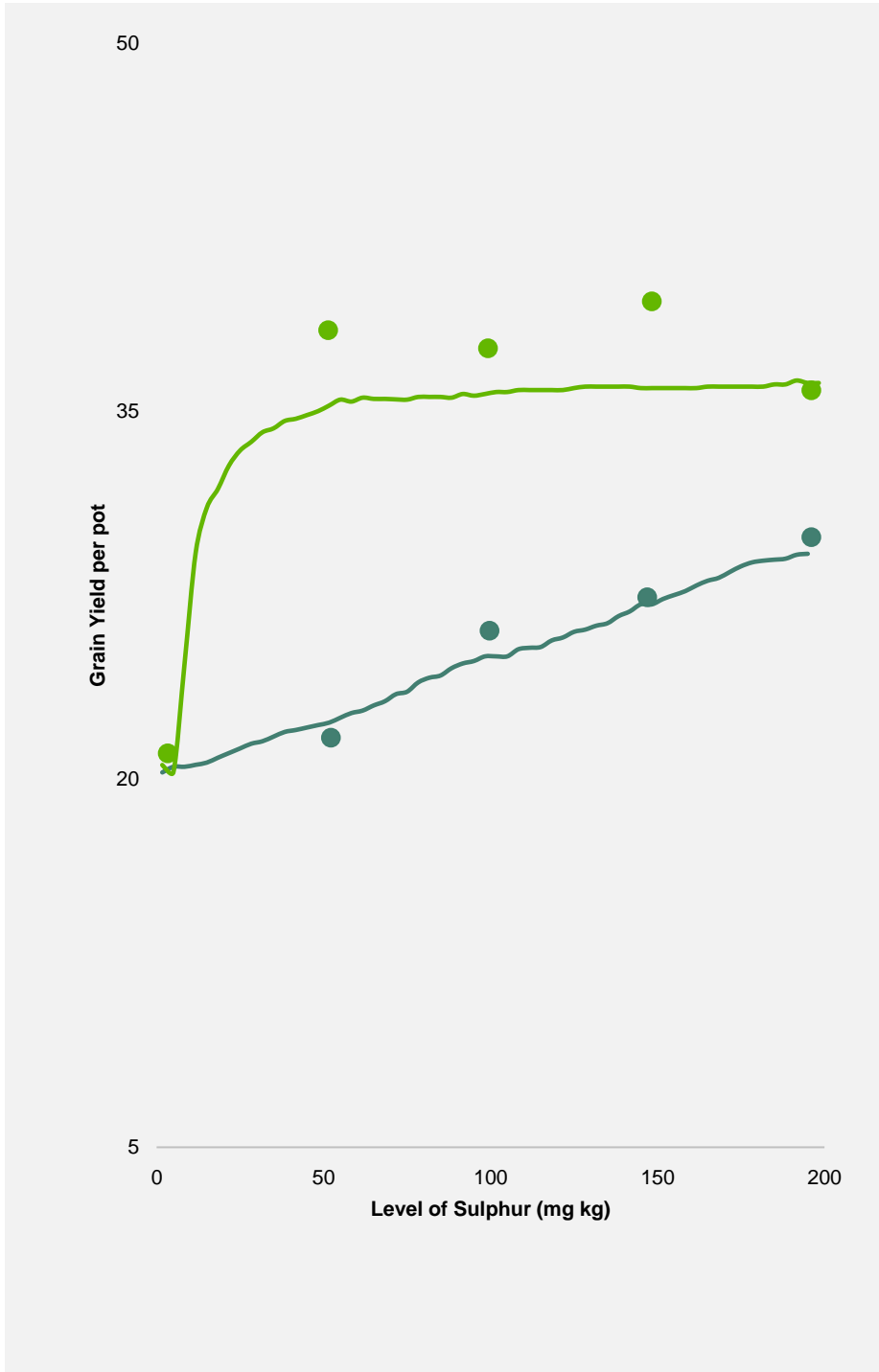
Number of pods per plant



Number of grains per plant



Grain yield per pot (g)



**Notes:**

1. According to anez et al. 2020. Sulphur modulates yield and storage proteins in soybean grains. Sci. agric. (Piracicaba, Braz.) [online]. 2021, vol.78, n.1, e20190020. Epub Mar 13, 2020. ISSN 1678- 992X. <https://doi.org/10.1590/1678-992x-2019-0020>.

● Elemental S powder  
Exemple: BAKS®

● Elemental S pastille



## Our margins with proprietary technologies

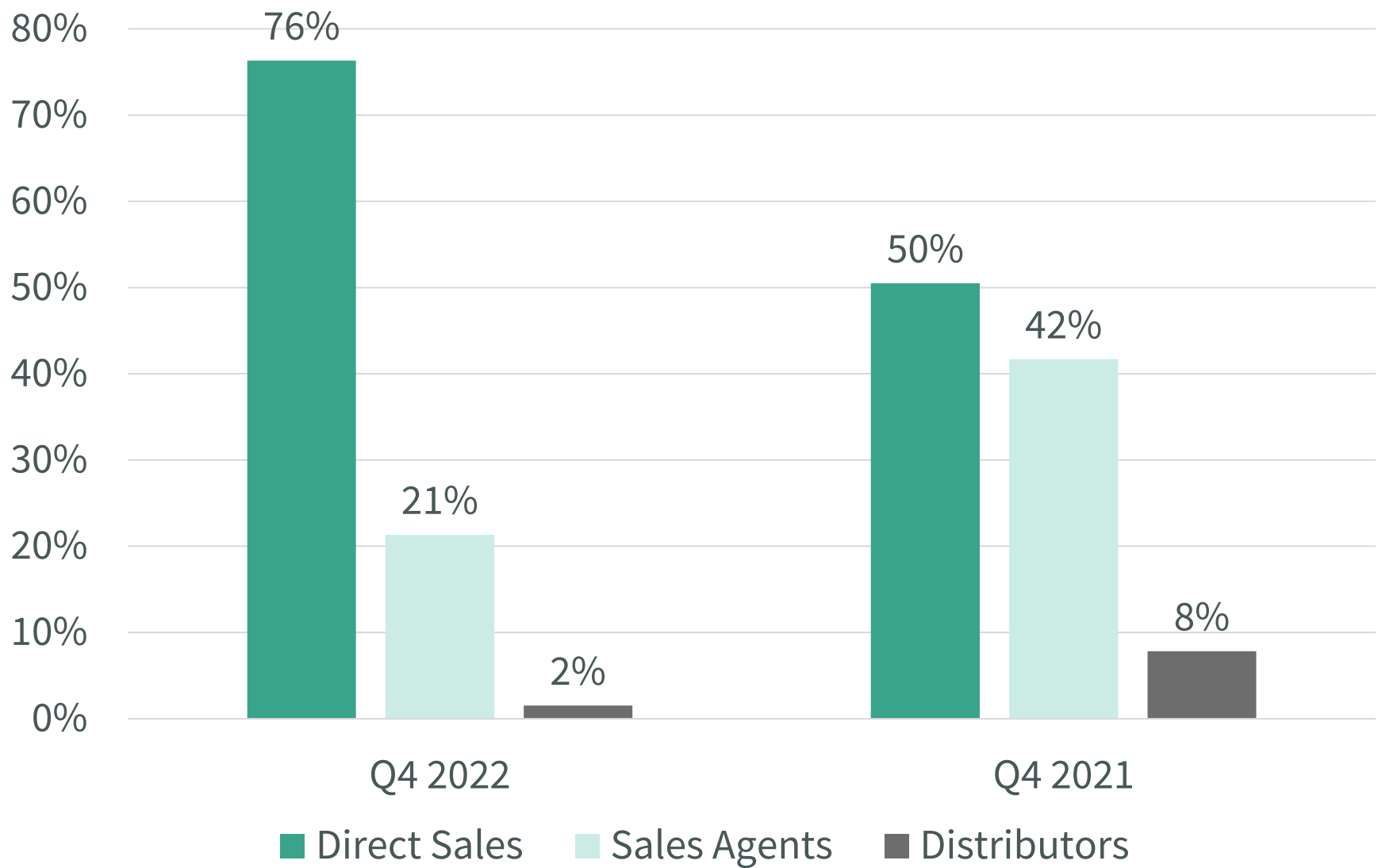
Our products contain different technologies that increase their added value for Verde and for our customers.

| Product | Technology         | Added nutrient | Grade (%)     | Cost per tonne of BAKS® with added nutrient (R\$) <sup>1</sup> | Sales price per tonne of BAKS® (R\$) <sup>1</sup> | Margin per tonne of fertilizer sold with added nutrient (R\$) | Margin per tonne (%) |
|---------|--------------------|----------------|---------------|--|---|---|----------------------|
| BAKS®   | Micro S Technology | Sulfur         | 1.00% - 5.00% | 20.68 - 103.40   | 47.99 - 239.95                                    | 27.31 - 136.55  | 56.91%               |
| BAKS®   | 3D Alliance        | Boron          | 0.10% - 0.30% | 18.54 - 55.62  | 45.99 - 137.97                                    | 27.45 - 82.35   | 59.69%               |
| BAKS®   | 3D Alliance        | Zinc           | 0.10% - 0.40% | 17.30 - 69.20  | 41.19 - 164.76                                    | 23.89 - 95.56   | 58.00%               |
| BAKS®   | 3D Alliance        | Copper         | 0.10% - 0.40% | 58.91 - 235.64   | 86.31 - 345.24                                    | 27.40 - 109.60  | 31.75%               |

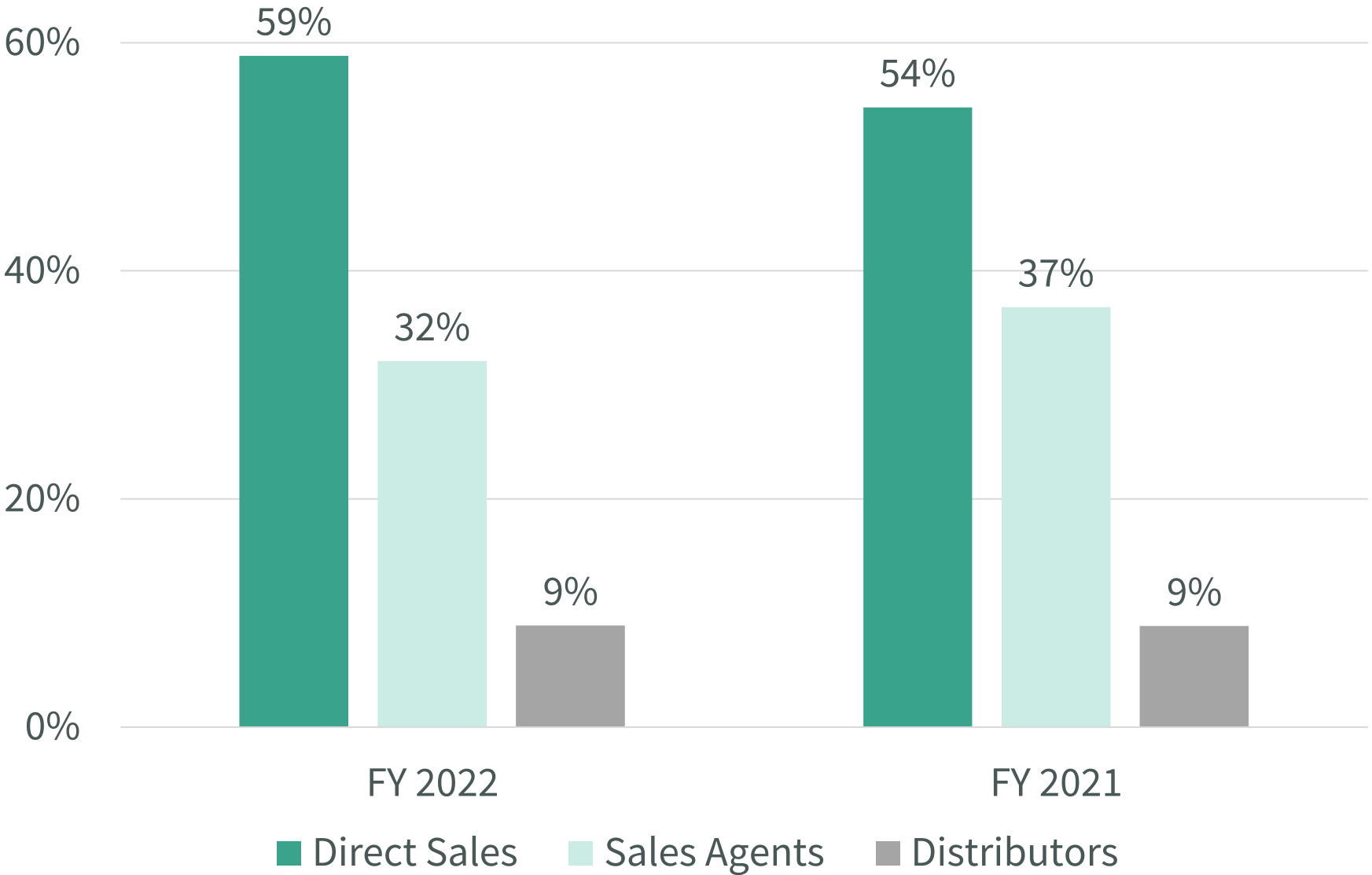
<sup>1</sup> - Nutrients price can change daily. This slide is based on the prices as of January 20, 2023 (Source: Quotes from Verde's suppliers).

# Sales Channels

Sales channels quarterly (% of total sales)



Sales channels yearly (% of total sales)



## AI powered Sales



**Jasper**



**synthesia**

**Meet Einstein GPT, the World's  
First Generative AI for CRM**



## Strategic partnerships for Product distribution



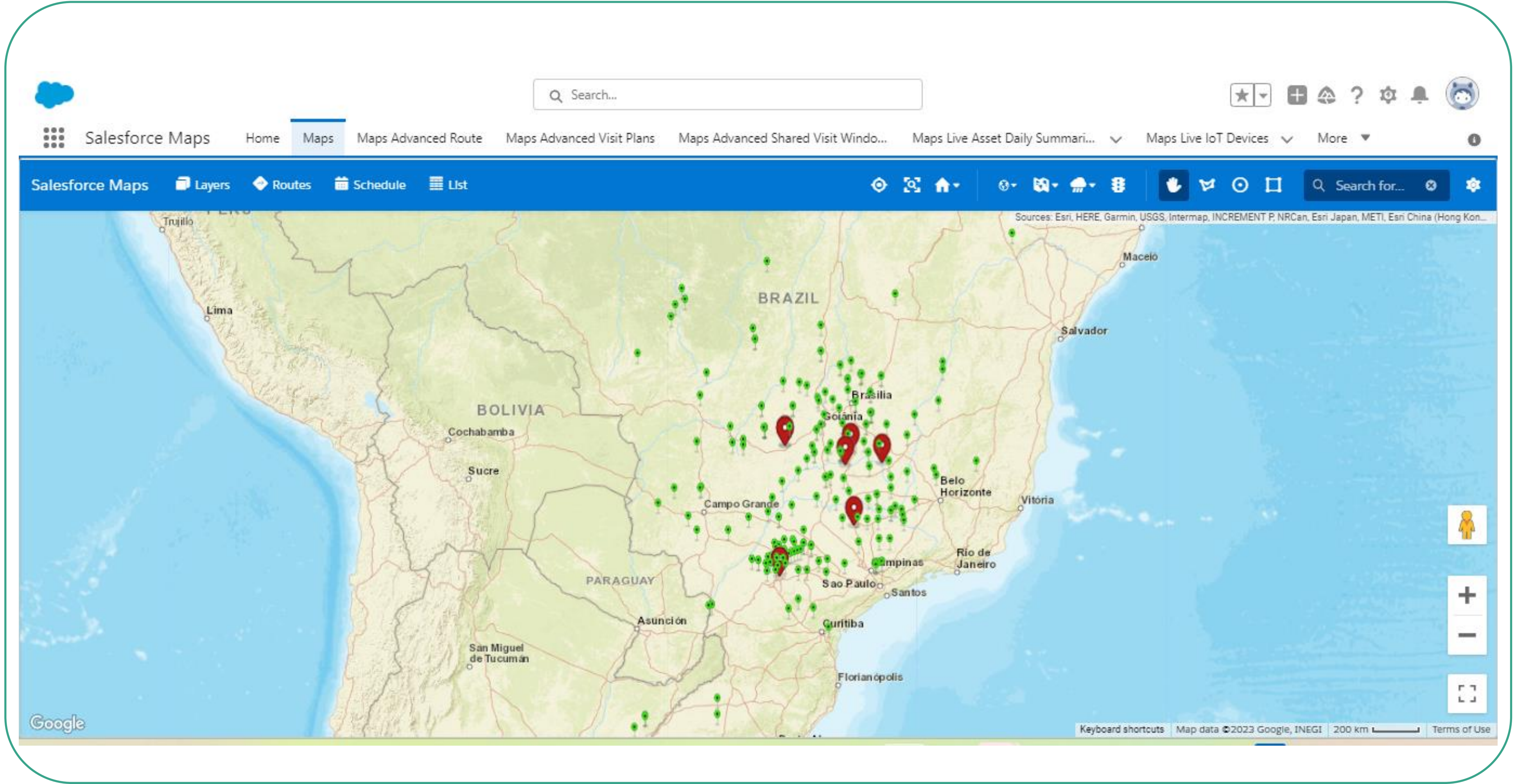
Lavoro Group is the largest distributor of agricultural inputs in Latin America. It operates over 190 stores, staffed by 2,500 employees in Brazil, many of whom are agronomists and farming specialists who work closely with its over 55,000 clients.

Lavoro 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



AgroGalaxy is one of the main retail platforms of agricultural Inputs and services focused on agribusiness in Brazil. AgroGalaxy is a highly respected integrated agriculture ecosystem and one of the country's largest platforms for agricultural inputs, seed production, storage and sale of grains, origination, and agronomic consultancy services. It has over 145 stores that cover around 1,000 municipalities across 12 Brazilian states, providing capillarity to Brazil's most prolific farming regions. With over 24,000 clients, AgroGalaxy cultivates close relationships with farmers to advise them on the agricultural inputs and the products that are most suited to their crops' and regions' specific needs.







# Carbon sequestration

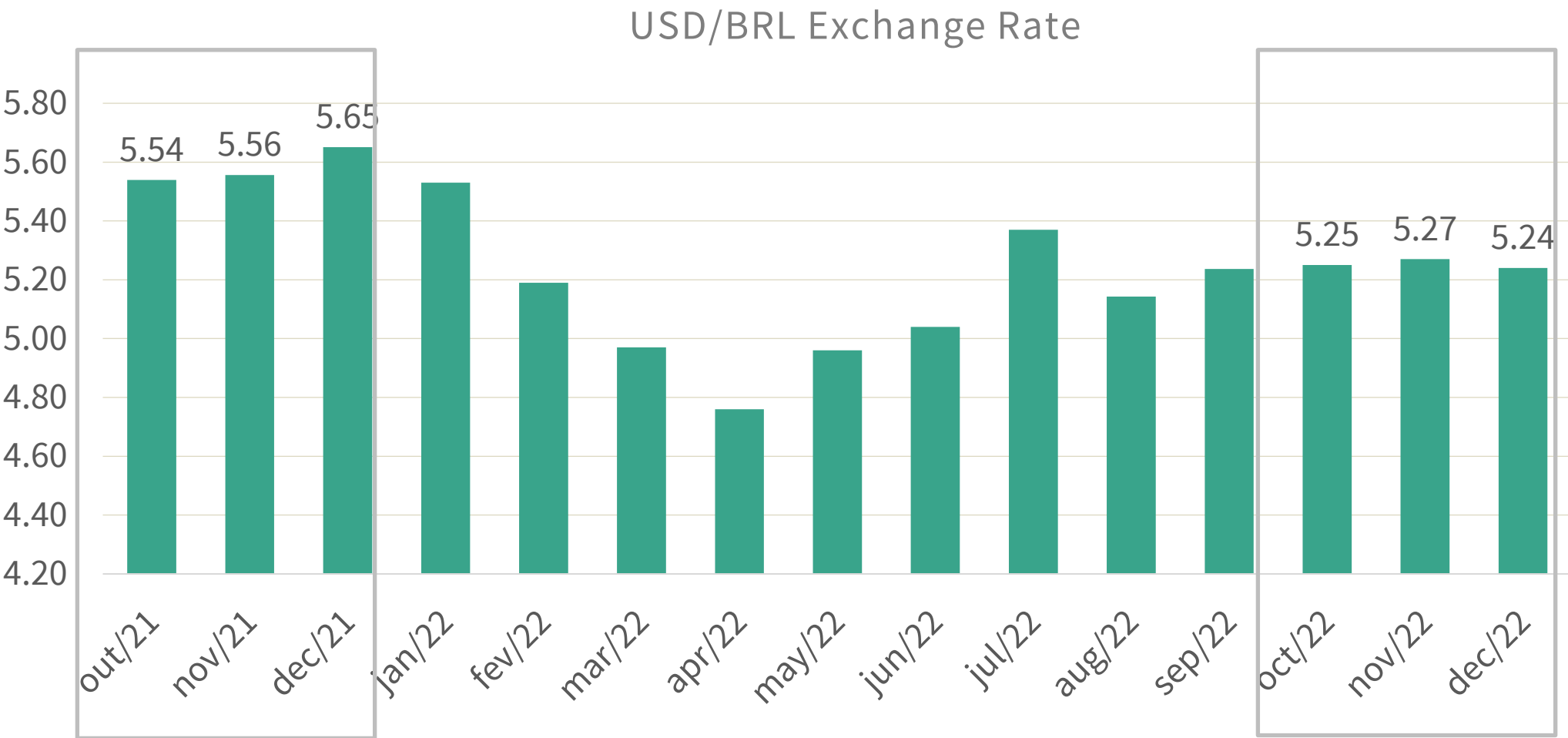
## Appendix

# Brazilian Economic Scenario

## Brazilian Real versus US Dollar

From October to December 2022, the Brazilian Real valued by 6% in relation to US Dollar, compared to the same period of 2021.

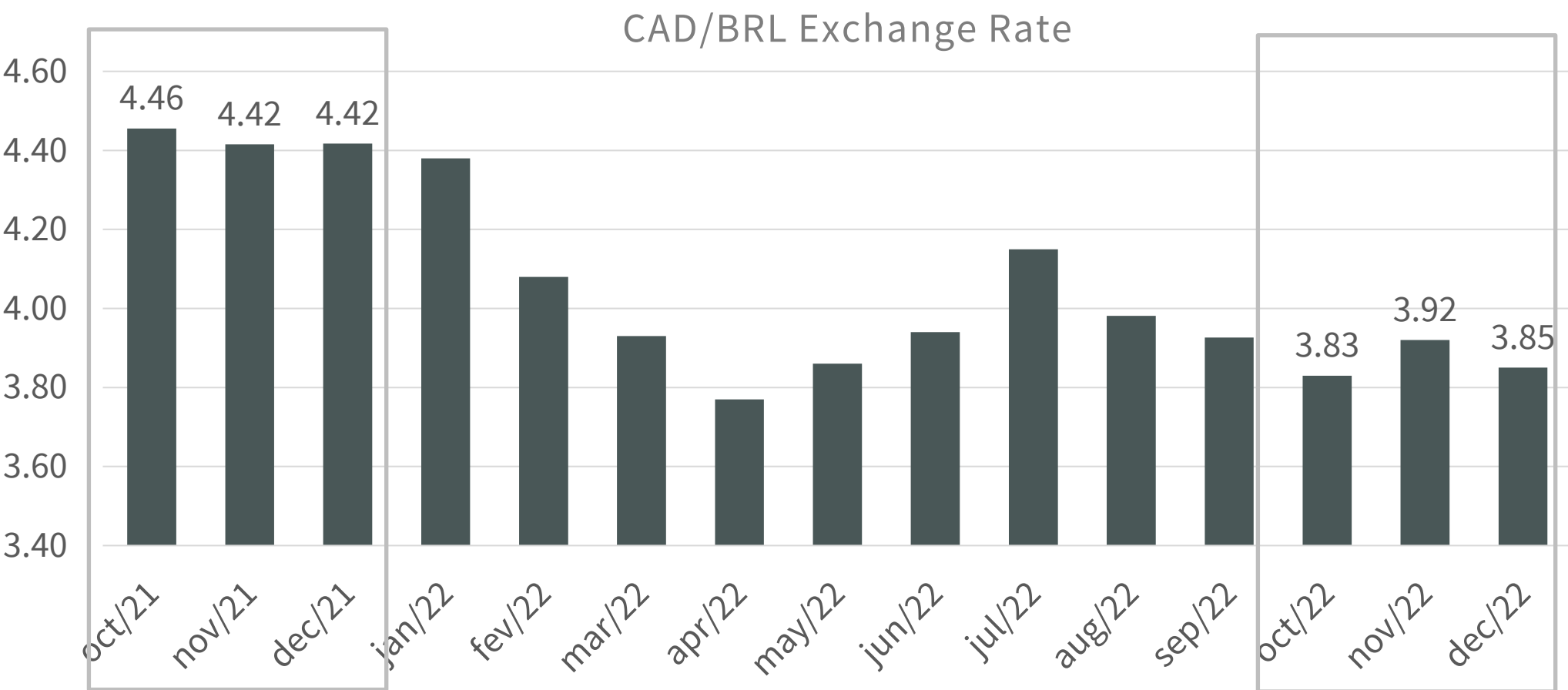
As of March 28, 2023, US\$1.00 = R\$5.17



## Brazilian Real versus Canadian Dollar

From October to December 2022, the Brazilian Real valued by 13% in relation to Canadian Dollar, compared to the same period of 2021.

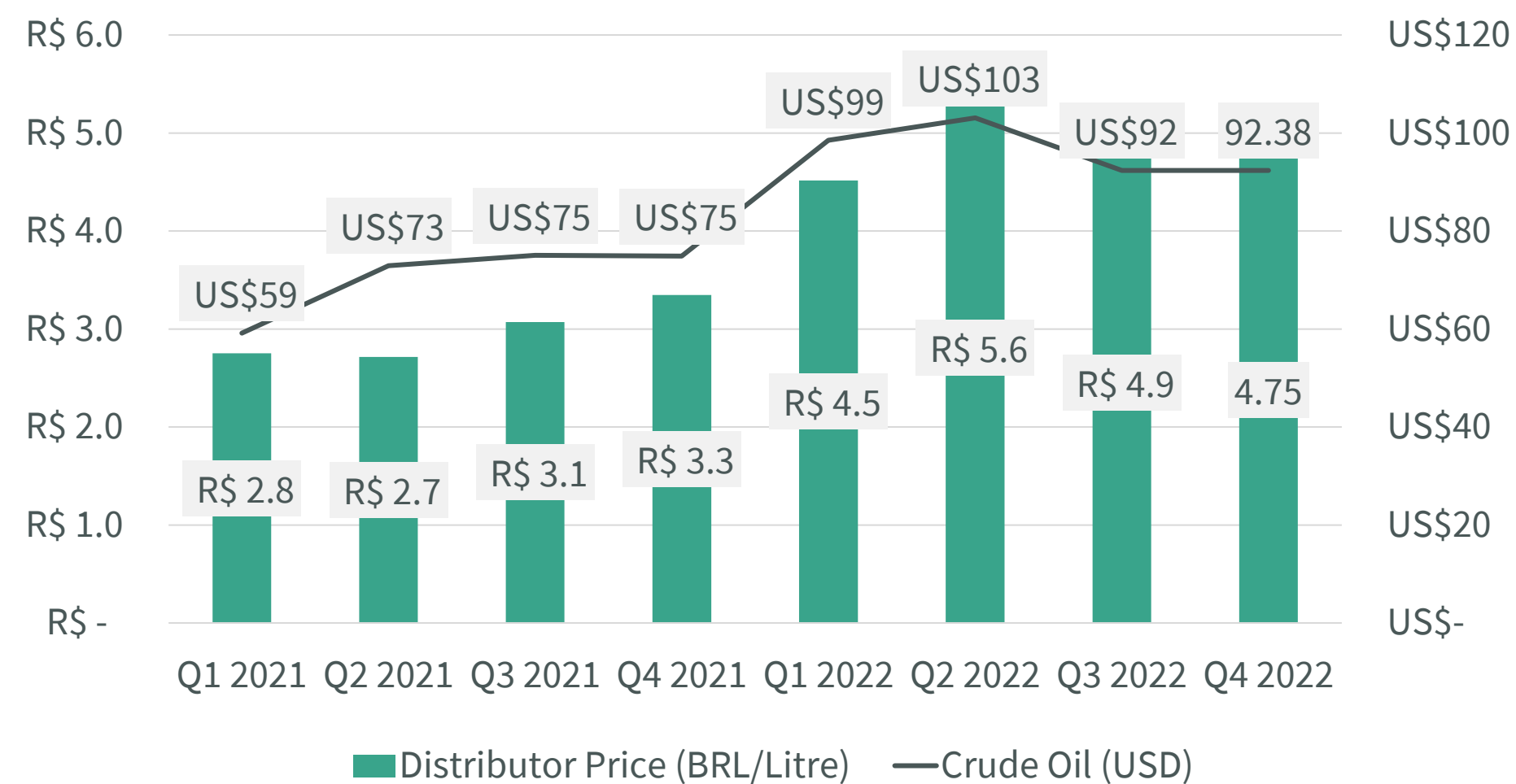
As of March 28, 2023, C\$1.00 = R\$3.79



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

# Brazilian Economic Scenario

Diesel and Crude Oil Prices (R\$ vs US\$)



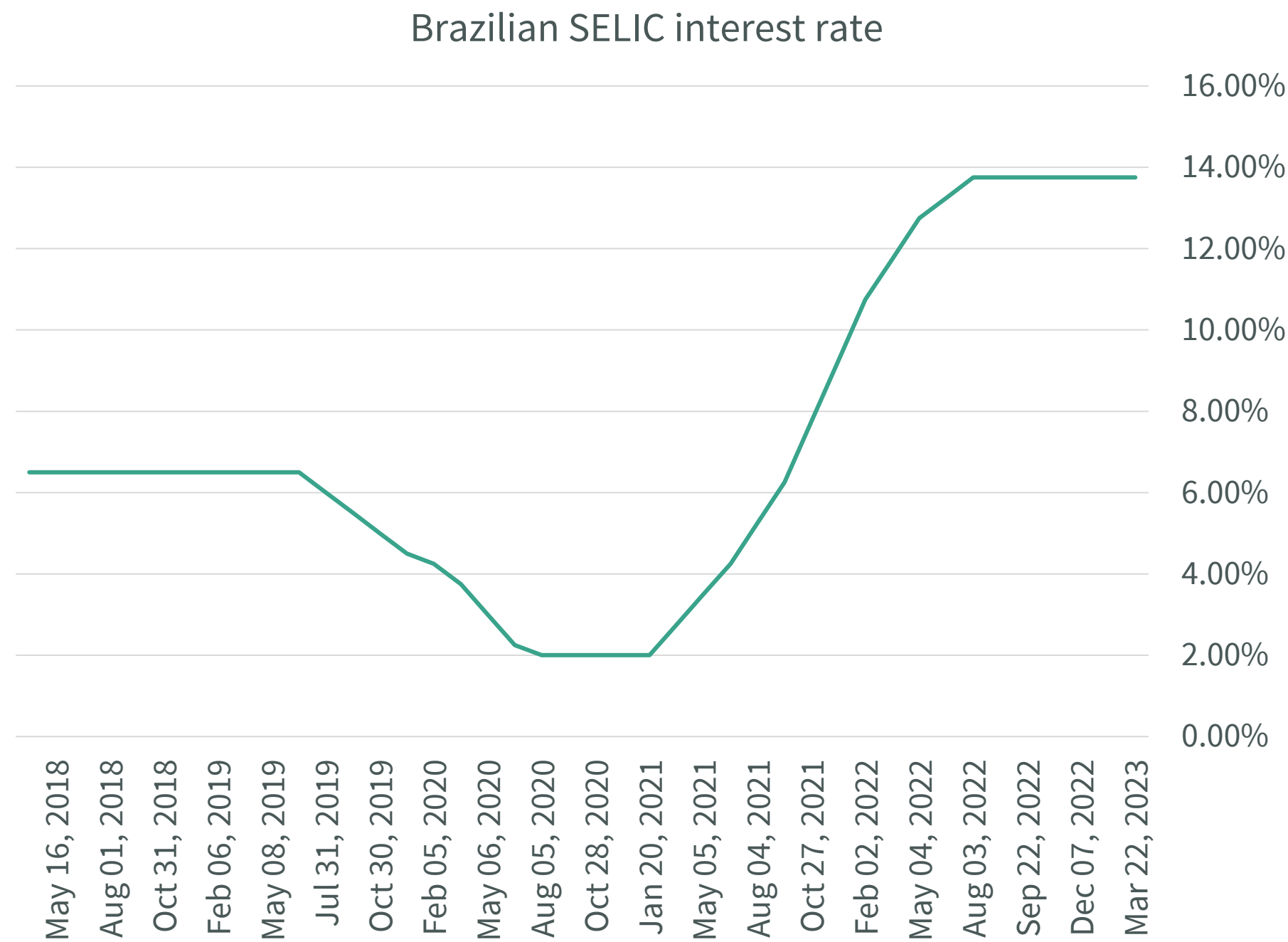
Diesel price sold by distributors in Brazil increased by 42% in Q4 2022 compared to Q4 2021.

Crude Oil international price increased by 23% in the same period.

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

2 - <https://tradingeconomics.com/commodity/crude-oil/> <https://setcemg.org.br/reajuste-de-preco-de-diesel/>

# Brazilian Economic Scenario



**Before the presidential election in Brazil:**

Stagnant fertilizer market, with farmers holding off on purchasing decisions for the 2022/2023 harvests.

**After the presidential the election:**

The market remained stagnant due to concerns and uncertainty surrounding the new government policies.

Source: Banco Central do Brasil. Available at: <https://www.bcb.gov.br/en>



# 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 Dec 31, 2022 (C\$'000) | Repayable by | Total interest payable*    |
|------------|-----------------|-----------------|-----------------------|---------------|----------------------|-----------------------------------|--------------|----------------------------|
| Brazil     | Dec, 2022       | Working capital | 6                     | 18            | 10,000               | 3,421                             | Dec, 2024    | CDI <sup>(1)</sup> +4.10%  |
| Brazil     | Dec, 2022       | Working capital | 12                    | 12            | 4,891                | 1,253                             | Dec, 2023    | 14.88%                     |
| Itaú       | Dec,2022        | Working capital | 6                     | 6             | 7,800                | 1,983                             | May, 2023    | 15.96%                     |
| Itaú       | Dec,2022        | Working capital | 6                     | 6             | 12,105               | 3,077                             | May, 2023    | 16.08%                     |
| Brazil     | Oct, 2022       | Working capital | 12                    | 48            | 20,000               | 7,988                             | Oct, 2027    | CDI <sup>(1)</sup> +3.70%  |
| Votorantim | Sep, 2022       | Working capital | 12                    | 30            | 10,000               | 3,175                             | Mar, 2025    | CDI <sup>(1)</sup> +5.10%  |
| Brazil     | Sep, 2022       | Working capital | 6                     | 24            | 5,000                | 1,482                             | Sep, 2024    | CDI <sup>(1)</sup> +3.00%  |
| Bradesco   | Aug, 2022       | Equipment       | 6                     | 24            | 5,597                | 1,665                             | Oct, 2024    | IPCA <sup>(2)</sup> +5.19% |
| ABC Brazil | Aug, 2022       | Working capital | 5                     | 24            | 3,500                | 1,081                             | Sep, 2024    | CDI <sup>(1)</sup> +7,44%  |
| ABC Brazil | Aug, 2022       | Working capital | 6                     | 24            | 1,500                | 462                               | Sep, 2024    | CDI <sup>(1)</sup> +7,44%  |
| Santander  | Aug, 2022       | Working capital | 3                     | 24            | 12,000               | 3,149                             | Aug, 2024    | CDI <sup>(1)</sup> +4,85%  |
| ABC Brazil | Aug, 2022       | Working capital | 6                     | 30            | 2,500                | 785                               | Mar, 2025    | CDI <sup>(1)</sup> +7,44%  |

(1) - CDi (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at December 31, 2022, the 12 months cumulative rate was 12.43%.

(2) - 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, 2022 the 12 months cumulative rate was 5.90%.

# 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 Dec 31, 2022 (C\$'000) | Repayable by | Total interest payable*    |
|---------------|-----------------|-----------------|-----------------------|---------------|----------------------|-----------------------------------|--------------|----------------------------|
| Brazil        | Aug, 2022       | Working capital | 6                     | 18            | 5,000                | 1,369                             | Aug, 2023    | CDI <sup>(1)</sup> +3,00%  |
| BDMG          | Apr, 2022       | Working capital | 24                    | 72            | 3,000                | 1,209                             | Mar, 2030    | TJLP <sup>(3)</sup> +5,00% |
| Santander     | Feb, 2022       | Equipment       | 03                    | 36            | 260                  | 54                                | Feb, 2025    | CDI <sup>(1)</sup> + 4,60% |
| Santander     | Feb, 2022       | Equipment       | 03                    | 36            | 888                  | 225                               | Feb, 2025    | CDI <sup>(1)</sup> + 4,60% |
| Santander     | Feb, 2022       | Equipment       | 03                    | 36            | 1,340                | 312                               | Feb, 2025    | CDI <sup>(1)</sup> + 4,60% |
| Santander     | Feb, 2022       | Equipment       | 03                    | 36            | 2,169                | 504                               | Jan, 2025    | CDI <sup>(1)</sup> + 4,60% |
| Santander     | Feb, 2022       | Equipment       | 03                    | 36            | 888                  | 208                               | Jan, 2025    | CDI <sup>(1)</sup> + 4,60% |
| Brazil        | Jan, 2022       | Working capital | 06                    | 36            | 5,000                | 1,188                             | Dec, 2024    | CDI <sup>(1)</sup> +2,92%  |
| Various loans | pre 2022        |                 |                       |               | 23,723               | 3,518                             |              |                            |
| <b>Total</b>  |                 |                 |                       |               | <b>137,161</b>       | <b>38,108</b>                     |              |                            |

The Group's average current loan rates is 15.36% per annum. The Brazilian Government long term bond rate is currently 13.75% per annum.

(1) - CDi (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at December 31, 2022, the 12 months cumulative rate was 12.43%.

(3) - TJLP (Taxa de Juros de Longo Prazo) is the long term interest rate in Brazil. As at December 31, 2022, the 12 months cumulative rate was 7.37%.

## 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 in 2020, 9,888 in 2021 and 10,341 in 2022, totaling over 29,500 trees. In 2023, Verde intends to plant 5,000 trees.

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.<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 Q4 2021               | 157.5M litres  |
| Since production started | 1.79B 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.

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 2022, Verde donated over R\$262,900 to local charities in Brazil.



# 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.<sup>1</sup>

Verde’s EGR was 38.71% in 2022, which shows a positive rate of sales driven by returning customers and clients’ referrals.

| Year               | 2019           | 2020 | 2021 | 2022   |
|--------------------|----------------|------|------|--------|
| Earned Growth Rate | Not Registered | 61%  | 165% | 38.71% |

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>

# Number of clients per year

The table below indicates the number of clients who purchased Verde's products annually in Brazil since 2017, along with their total cultivated area.

The percentage of the clients' total purchase potential (in tonnes of Product) that was served by Verde increased from 9.57% in 2021 to 16.76% in 2022, demonstrating an increase in market adoption due to customers applying Verde's product in a larger area of their farms.

| Year   | 2018  | 2019  | 2020  | 2021  | 2022   |
|--|-------|-------|-------|-------|--------|
| Number of total clients  | 127   | 351   | 847   | 1277  | 1223   |
| Sales volume ('000 tonnes)   | 29    | 120   | 244   | 400   | 628    |
| Total area cultivated by clients (million hectares)  | 1.09  | 1.99  | 2.01  | 3.03  | 2.93   |
| Total purchase potential ('000 tonnes of K Forte)  | 1,629 | 2,882 | 2,825 | 4,179 | 3,747  |
| Percentage of the clients' total purchase potential (in tonnes of Product) served by Verde | 1.78% | 4.16% | 8.64% | 9.57% | 16.76% |

# Permit Status – Last 12 months

| Mine Pit | Date              | Category    | Status  | Event                                      |
|----------|-------------------|-------------|---------|--|
| 2        | November 12, 2022 | Environment | Applied | 22,500,000 Operating Environmental License |
| 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. With this latest Environmental License Application, Verde is now fully permitted to mine 2,833,000 tpy and has submitted concurrent mining and environmental applications for an additional 25,000,000 tpy, still pending approval.

| 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           | 22,500,000 |
| 3        | 0                     | 49,800       | 2,500,000  | 0                   | 2,500,000  |
| Total    | 2,833,000             | 2,882,800    | 25,000,000 | 2,833,000           | 25,000,000 |

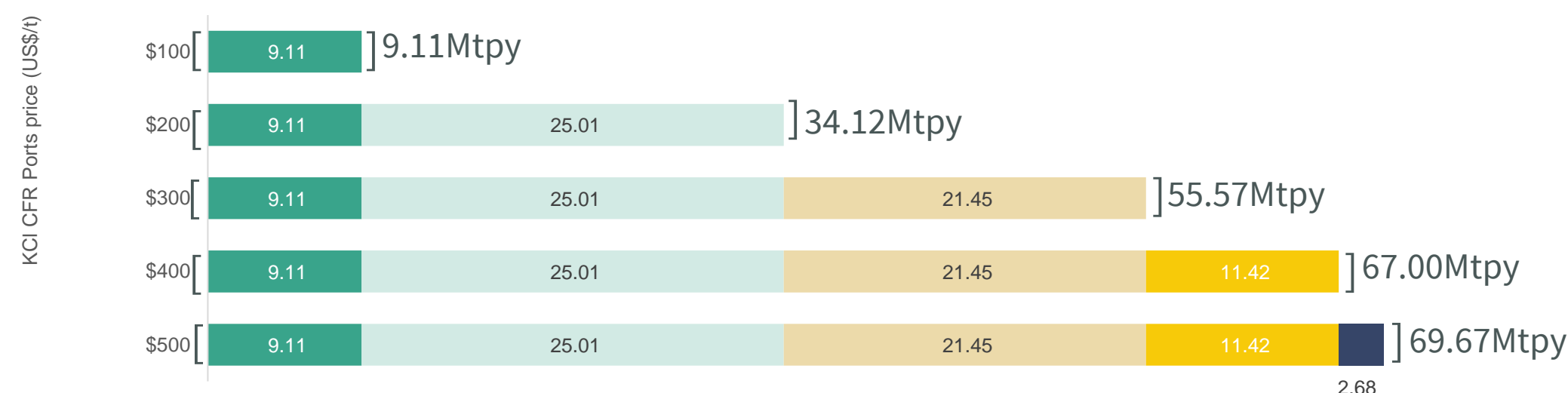
The Company is fully permitted to achieve its 2023 targets.

# Verde's market size according to average KCl CFR Ports price

K Forte® has 10% K<sub>2</sub>O whereas KCl has 60% K<sub>2</sub>O. Therefore, a farmer in Brazil pays 6 times less per tonne of K Forte® than it pays per tonne of KCl. Verde delivers K Forte® to the farmers for the same price per tonne of K<sub>2</sub>O than KCl. Verde's freight costs increase as it sells its products further away from its production plants.

The map and chart below show Verde's market size, highlighting the regions of Brazil where the Company can deliver K Forte® for the same cost or at a lower cost per tonne of K<sub>2</sub>O than KCl, according to the average KCl CFR Ports price.<sup>1</sup>

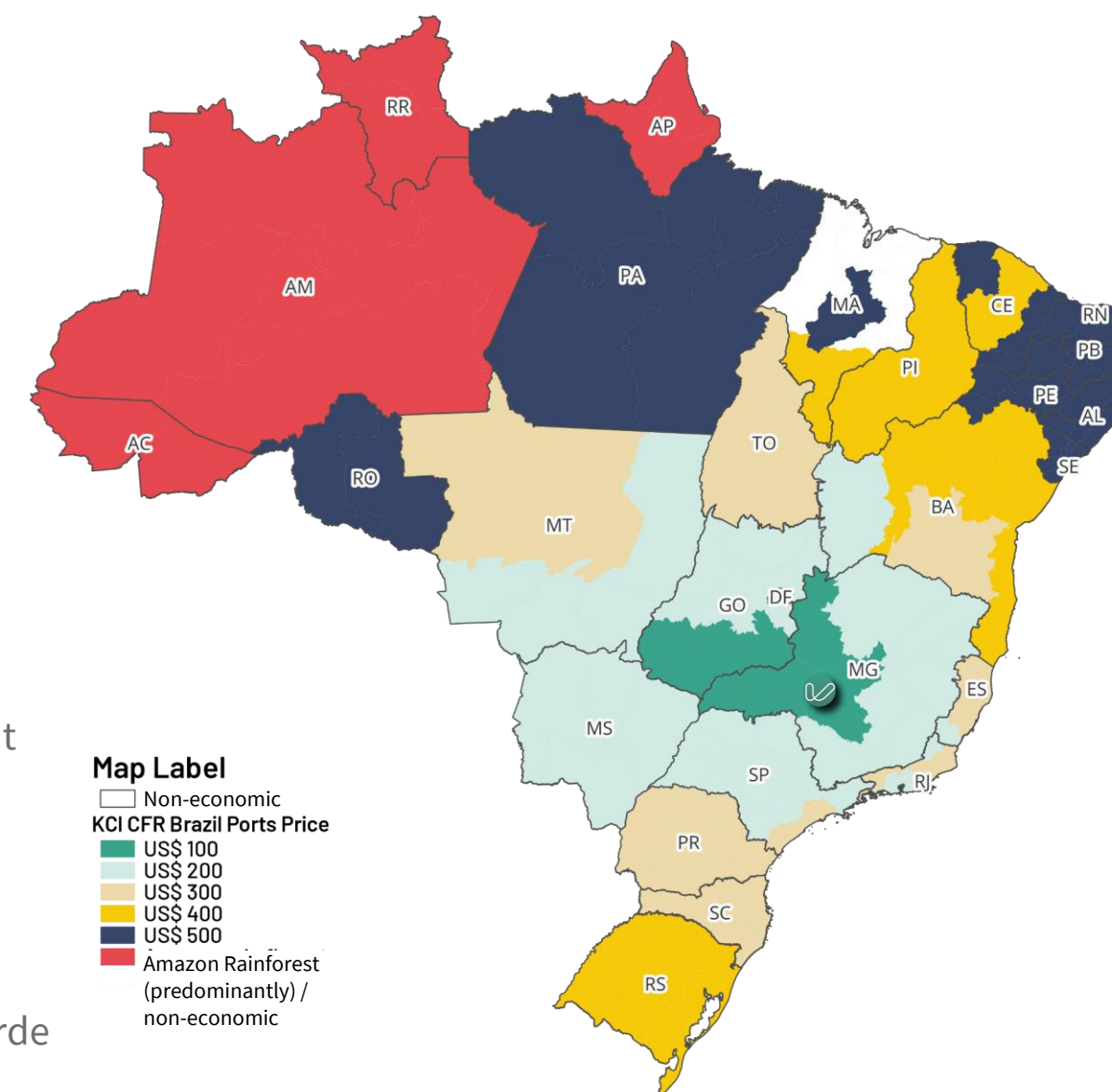
Potential market for Verde (million tonnes of K Forte® / KCl price)



1 - The analysis is based on the following assumptions: Brazil's market size projected for 2023 = 7.02Mt of K<sub>2</sub>O, equivalent to 70.20Mt of K Forte® (10% K<sub>2</sub>O). 0.8% rate charged for brokerage and 0.17% rate charged for insurance rate, 25% rate charged for sea freight, US\$25 (blender / dealer costs) + 12% (from KCl delivered to the blender) rate charged by blender/dealer, which includes taxes and profit margin (source Tec-Fértil). Diesel price = US\$1.08. Currency exchange rate: US\$1.00 = R\$5.25. Forte® weighted average freight cost based on the market size in tonnes of K<sub>2</sub>O for each region.

K Forte® production cost per tonne (100kg of K<sub>2</sub>O) = US\$10.17 (for 69.67Mtpy, 67.00Mtpy, and 55.57Mtpy markets), US\$11.29 (for 34.12Mtpy market) and US\$12.95 (for 9.11Mtpy market), according to Verde's NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project at each production scenario (10Mtpy, 23Mtpy and 50Mtpy). For further information, please refer to the PFS at:

<https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>



# Brazil’s market size projected for 2023

The table below compares K Forte®, potassium chloride and K<sub>2</sub>O, based on their K<sub>2</sub>O amount and potential market size.

| Potassium unit*  | K <sub>2</sub> O grade | Amount of K <sub>2</sub> O per tonne of fertilizer | Brazil’s potential market size (million tonnes) <sup>1</sup> |
|------------------|------------------------|--|--|
| K <sub>2</sub> O | 100%                   | 1,000 kg   | 7.02   |
| K Forte®         | 10%                    | 100kg  | 70.2   |
| KCl              | 60%                    | 600kg  | 42.12  |

1 - Source: Tec-Fétil.



# Verde's margin according to average KCl CFR Ports price

The table below compares Verde's and KCl's prices delivered to the farmer and shows Verde's potential revenue at each case.

|                                   |  | (+)   | (+)   | (=)  |   |  |   |  |
|-----------------------------------|--|---|---|--|---|--|---|--|
| KCl CFR Ports<br>(US\$ per tonne) | KCl price per tonne<br>delivered to the<br>farmer (600kg of<br>K2O)(US\$) <sup>1,2</sup> | K Forte®<br>production cost<br>per tonne (100kg<br>of K2O)(US\$) <sup>3</sup> | K Forte® production<br>cost per tonne x 6<br>(600kg of K2O)(US\$) | Freight cost to<br>deliver 6 tonnes of<br>K Forte® to the<br>farmer (600kg of<br>K2O)(US\$) <sup>4</sup> | K Forte® delivered to<br>the farmer (600kg of<br>K2O)(US\$) | Brazil's potential market<br>size to be supplied by<br>Verde (million tonnes of<br>K Forte®, 100kg of K2O) | Potential revenue<br>for Verde<br>(million US\$) <sup>5</sup> | Verde's margin (%<br>of potential<br>revenue) <sup>5</sup> |
| 100                               | 263  | 12.95   | 77.71   | 167  | 244   | 9  | 399   | 7%   |
| 200                               | 378  | 11.29   | 67.72   | 238  | 306   | 34   | 2,150   | 19%  |
| 300                               | 493  | 10.17   | 61.00   | 281  | 342   | 56   | 4,566   | 31%  |
| 400                               | 608  | 10.17   | 61.00   | 313  | 374   | 67   | 6,789   | 38%  |
| 500                               | 723  | 10.17   | 61.00   | 325  | 386   | 70   | 8,396   | 47%  |

The table above is based on the following assumptions: Brazil's market size projected for 2023 = 7.02Mt of K<sub>2</sub>O, equivalent to 70.20Mt of K Forte® (10% K<sub>2</sub>O). Diesel price = US\$1.08. Currency exchange rate: US\$1.00 = R\$5.25.

1 - Source: Acerto Limited Report, as of December 12, 2022.

2 - 0.8% rate charged for brokerage and 0.17% rate charged for insurance rate, 25% rate charged for sea freight, US\$25 (blender / dealer costs) + 12% (from KCl delivered to the blender) rate charged by blender/dealer, which includes taxes and profit margin (source Tec-Fértil).

3 - Based on Verde's NI 43-101 Pre-Feasibility Technical Report Cerrado Verde Project, considering K Forte®'s potential market for each production scenario (10Mtpy, 23Mtpy and 50Mtpy).

4 - Weighted average freight cost based on the market size in tonnes of K<sub>2</sub>O for each region. The freight value variation is due to the different regions of Brazil where the Company can deliver K Forte® for the same cost or at a lower cost per tonne of K<sub>2</sub>O than KCl, according to the average KCl CFR Ports price (please refer to the map on previous slide).

5 - Verde's potential revenue was calculated based on KCl's price to be delivered to the farmer multiplied by KCl's potential market in K<sub>2</sub>O demand. Verde's margin was calculated as the deduction of the total costs to deliver 6 tonnes K Forte® to the farmer (production + freight costs) for each potential market of K Forte® from Verde's potential revenue.



# KCl CFR Ports delivered to the farmer

The table below shows a breakdown of KCl CFR Ports price delivered to the farmer in Brazil.

| (+)                              | (+)                                   | (+)  | (+)  | (+)                             | (+)                              | (+)   | (=)  |
|----------------------------------|---------------------------------------|--|--|---------------------------------|----------------------------------|---|--|
| KCl CFR Brazilian Ports (US\$/t) | Marine brokerage and insurance (US\$) | Demurrage and Storage (port costs) (US\$/t) <sup>1,2</sup> | Freight from the port to the blender (US\$/t) <sup>2,3</sup> | Blender/dealer's costs (US\$/t) | Blender/dealer's margin (US\$/t) | Freight from the blender to the farm (US\$/t) | KCl's price delivered to the farmer (US\$/t) |
| 100                              | 1                                     | 51   | 35   | 25                              | 22                               | 29  | 263  |
| 200                              | 2                                     | 52   | 35   | 25                              | 35                               | 29  | 378  |
| 300                              | 3                                     | 53   | 36   | 25                              | 47                               | 29  | 493  |
| 400                              | 4                                     | 54   | 37   | 25                              | 59                               | 29  | 608  |
| 500                              | 5                                     | 55   | 38   | 25                              | 72                               | 29  | 723  |

The analysis is based on the following assumptions: 0.8% rate charged for brokerage and 0.17% rate charged for insurance rate, according to KCl CFR Ports price, 25% rate charged for sea freight, US\$25 (blender / dealer costs) + 12% (from KCl delivered to the blender) rate charged by blender/dealer, which includes taxes and profit margin (source Tec-Fértil). Diesel price = US\$1.08. Currency exchange rate: US\$1.00 = R\$5.25.

1 - Port costs weighted average include storage plus stevedorage and other related charges.

2 - Source: Acerto Limited Report, as of December 12, 2022.

3 - The variation in freight from the port to the blender is due to a 1% charge (from KCl CFR Ports price) regarding transportation losses and damages (source Tec-Fértil).



TSX: **NPK** | OTCMKTS: **VNPKF**

[investor.verde.ag](https://investor.verde.ag)