

March 30, 2023

Verde's revenue grows 190%, with a 271% increase in EBITDA in full year 2022

(All figures are in Canadian dollars, unless stated otherwise. Average exchange rate in 2022: C\$1.00 = R\$3.97)

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: "NPK") (OTCMKTS: "VNPKE") ("**Verde**" or the "**Company**") is pleased to announce its financial results for the full year ended December 31, 2022 ("**FY 2022**") and the fourth quarter 2022 ("**Q4 2022**").

FY 2022 FINANCIALS

- Revenue increased by 190% in FY 2022, to \$80,271,000 compared to \$27,709,000 in FY 2021.
- Revenue in Brazilian Real ("**R\$**") increased by 167% in FY 2022, to R\$318,544,000, compared to R\$119,310,000 in FY 2021.
- Sales of Verde's multinutrient potassium products, BAKS® and K Forte® sold internationally as Super Greensand® (the "**Product**") by volume increased by 57% in FY 2022, to 628,000 tonnes compared to 400,000 tonnes in FY 2021.
- Gross margin increased to 78% in FY 2022, compared to 74% in FY 2021.
- EBITDA before non-cash events increased by 271% in FY 2022, to \$23,912,000 compared to \$6,450,000 in FY 2021.
- Net profit increased by 405%, to \$17,804,000 in FY 2022 compared to \$3,522,000 in FY 2021.
- Capital expenditures increased to \$41,623,000 in FY 2022 compared to \$2,179,000 in FY 2021.

"Our record results in 2022 demonstrate Verde's commitment to growth and innovation. In parallel, we are proud to have achieved important milestones throughout the year, including the conclusion of our updated Pre-Feasibility Study, the construction and expansion of Plant 2, the redomiciliation of our Company to Singapore, and the renewal of our Board of Directors, with Luciana de Oliveira Cezar Coelho, Madeleine Lee and Fernando Prezzotto," declared Verde's Founder, President & CEO Cristiano Veloso.

"We are proud to now be Brazil's largest potash producer by capacity, with an installed capacity of 3 million tonnes per year ("**Mtpy**"). However, our ambitions do not stop here. We are determined to continue growing and reach our goal of producing 50Mtpy as outlined in our PFS.¹ To achieve this, in 2022 we have filed an Environmental License Application to extract up to 25 Mtpy and have already been granted

¹ For further information on the PFS, see the press release at: <https://investor.verde.ag/verde-announces-pre-feasibility-study/>

multiple easements by the Brazilian National Mining Agency to build and access future mines. Moreover, we have requested authorization from the National Land Transport Agency to build a railway branch capable of transporting up to 50 Mtpy of our product, linking our facilities to the Ferrovia Centro Atlântica, the largest railroad network in Brazil. We are grateful for the tireless efforts and dedication of our employees, without whom these milestones would not have been possible. I want to express my sincere gratitude to each and every one of them," concluded Mr. Veloso.

2022'S KEY MILESTONES

On March 22, 2022, Verde announced its key objectives for that year. A review of those objectives is detailed below:

Launch a new technology in Q2 2022

In April 2022, Verde launched Bio Revolution, a technology that enables the incorporation of microorganisms to mineral fertilizers. K Forte® is the first fertilizer in the world to use Bio Revolution technology. *Bacillus aryabhatai* will be the first microorganism to be incorporated into Verde's Product, it is a bacterial strain widely renowned in agriculture for its multiple benefits.

Finish the expansion Pre-Feasibility Study ("PFS")

In May 2022, Verde concluded the expansion PFS for the Cerrado Verde Project, which supplants the Pre-Feasibility Study completed in December 2017, covering the financial economic potential for the Brazilian agricultural market for potash, sulphur, and the micronutrients zinc, boron, copper and manganese. The expansion PFS contemplates three distinct and independent production scenarios for Verde's Product with annual productions of 10Mtpy, 23Mtpy and 50Mtpy.²

Reach Plant 2's commercial production by Q3 2022

In August 2022, the Company announced the commissioning of its second production plant ("Plant 2"), with initial capacity to produce up to 1.2 Mtpy of Product. It achieved its nameplate capacity in October 2022.

² For further information on the PFS, see the press release at: <https://investor.verde.ag/verde-announces-pre-feasibility-study/>

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

In November 2022, Verde announced that the expansion of Plant 2 was complete, increasing the Company's total production capacity to 3Mtpy.

Upgrade local infrastructure to sustain Plant 2's logistics

As part of Plant 2's logistics corridor, the Company upgraded the road infrastructure, including 22 kms of roads, 14 kms of asphaltting, and the construction of a new bridge. At its peak, the Company employed 350 people in the construction works of Plant 2 and correlated infrastructure.

Reach 100 cities with *Cultivando Amor* – Verde's flagship social engagement program that donates part of Verde's sales proceeds to charities chosen by the Company's clients in their municipalities.

In 2022, Verde donated over R\$262,900 to local charities across 06 cities in Brazil.

2022 OVERVIEW

Fertilizer demand and commodities market

At the onset of the Ukrainian war, in February 2022, concerns that geopolitical sanctions against Russia would cause significant shortage of potash fertilizers resulted in a 154% surge in the average price of potash between March and July, compared to 2021.³ However, this fear proved unfounded, as there was actually a glut of potash in the market due to increased availability, resulting in a 45% surge in potash imports by Brazil over the same period, compared to 2021.⁴ This oversupply, combined with a 15% drop in potash consumption in Brazil in 2022,⁵ contributed to a challenging market for fertilizer producers.

³ Acerto Limited Report.

⁴ Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

⁵ Source: Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).

Brazil potassium chloride imports ('000 tonnes)⁶

Month	2021	2022	YoY	2023	YoY
January	738	695	-6%	501	-28%
February	977	896	-8%	729	-19%
March	730	855	17%	-	-
April	643	1,181	84%	-	-
May	807	1,413	75%	-	-
June	987	1,552	57%	-	-
July	1,283	1,471	15%	-	-
August	1,454	944	-35%	-	-
September	1,211	663	-45%	-	-
October	1,349	649	-52%	-	-
November	1,409	458	-67%	-	-
December	941	511	-46%	-	-
Year total	12,529	11,288	-10%	N/A	N/A

The table below compares Brazil's monthly average KCI CFR prices from 2021 to 2023:

KCI CFR average spot price (US\$)⁷

Month	2021	2022	YoY	2023	YoY
January	256	772	202%	510	-34%
February	285	781	174%	498	-36%
March	309	1018	229%	473	-54%
April	338	1183	250%	-	-
May	366	1113	204%	-	-
June	449	1030	129%	-	-
July	617	943	53%	-	-
August	680	883	30%	-	-
September	740	711	-4%	-	-
October	780	624	-20%	-	-
November	788	571	-28%	-	-
December	780	513	-34%	-	-

In 2022, the remaining fertilizer stock in Brazil increased by 16% compared to the previous year, while the potash stock saw a 23% increase during the same period. These figures demonstrate a lower overall demand for these products over the year.

⁶ Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

⁷ Acerto Limited Report.

Year-end stock in Brazil ('000 tonnes)⁸

	2021	2022	YoY
Fertilizers ⁹	7,274	8,441	16%
Potassium Chloride	1,740	2,148	23%

Potassium chloride production, imports and consumption in Brazil ('000 tonnes)¹⁰

	2021	2022	YoY
Nacional production	335	290	-13%
Imports	12,529	11,288	-10%
Consumption	12,868	10,948	-15%

The price for Brazil's main agricultural commodities has also been following. Coffee and soybeans have fallen 28% and 7%, respectively, from January to December 2022.¹¹

Production capacity

In the first months of 2022, Verde faced record demand for its Product from customers looking to build potash inventories ahead of an expected market shortage. However, despite the expected start date for Plant 2 operations and increase in production capacity, the Company had to halt the sale of its Product for Q3 and Q4 delivery due to anticipated inability to supply the demand.

In addition to that, Verde could not fulfill all the orders in its books during the peak season between Q3 and Q4 due to limited access to and from Plant 2, caused by unforeseen groundwater issues that impacted the new road construction. As agriculture is a seasonal business with a determined period for applying fertilizers for each crop, some of Verde's customers had to cancel their orders. This had an impact on the Company's results, which could have been better if Plant 2 had started producing and delivering on schedule.

Brazilian Economy and Elections

The presidential election in Brazil brought additional challenges to farmers' purchasing decisions for the 2022/2023 harvests. The fertilizer market was stagnant before the elections, with many customers holding off on purchasing. Following the elections, the market remained stagnant due to concerns and uncertainty surrounding the new government policies.

⁸ Source: Brazilian Fertilizer Mixers Association (from "*Associação Misturadores de Adubo do Brasil*", in Portuguese).

⁹ Fertilizers include: ammonium sulfate, urea, nitrate, diammonium phosphate, monoammonium phosphate, single superphosphate, triple superphosphate, thermophosphate, natural phosphate, potassium chloride, NPKs and others.

¹⁰ Source: Brazilian Fertilizer Mixers Association (from "*Associação Misturadores de Adubo do Brasil*", in Portuguese).

¹¹ Economic Research Center of the ESALQ/University of São Paulo. Available at: <https://www.cepea.esalq.usp.br/br/indicador/soja.aspx>

The Central Bank of Brazil (the “**Bank**”) kept its monetary policy interest rate (“**SELIC**”) unchanged at 13.75% for the fifth consecutive meeting in March 2023. The Bank’s Monetary Policy Committee (“**Copom**”) mentioned that global activity and inflation remain resilient, and the monetary tightening continues to advance in major economies. Copom decided to maintain its strategy for a longer period to ensure the convergence of inflation, while won’t hesitate to resume the tightening cycle if the disinflationary process does not proceed as expected.

Most recent economic activity indicators continue to corroborate the deceleration scenario. Annual inflation eased to 5.6% in February 2023, while inflation expectations for 2023 and 2024 have increased to 6.0% and 4.1%, respectively.¹² The table below shows the SELIC rates from 2018 to 2023:

SELIC interest rates¹³

March 2018	March 2019	March 2020	March 2021	March 2022	March 2023
6.50%	6.50%	3.75%	2.75%	11.75%	13.75%

The Brazilian economy closed the year 2022 with an accumulated growth of 2.9%, according to the Gross Domestic Product (“**GDP**”) data released by the Brazilian Institute of Geography and Statistics (“**IBGE**”). In the fourth quarter of 2022, Brazilian GDP was negative after five consecutive increases. The decrease was 0.2% in relation to the immediate previous three months, which reflects a scenario of deceleration of economic activity.¹⁴

Coffee sector impacts

The Brazilian coffee sector experienced significant challenges in 2022 due to adverse climate conditions, following on two years of frost and drought,^{15,16} which disrupted global commodity markets and impacted crop productivity for years to come. **As a result, many farmers opted not to apply fertilizers as they anticipated low yields in the next harvests.**

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 July/August. Recently, with the incidence of hail and

¹² *Copom maintains the Selic rate at 13.75% p.a* (Banco Central do Brasil). Available at: <https://www.bcb.gov.br/en/pressdetail/2467/nota>

¹³ Source: Banco Central do Brasil. Available at: <https://www.bcb.gov.br/en>

¹⁴ *Brazil's GDP Grows 2.9% in 2022 but Retreats 0.2% in 4th Quarter* (Folha de São Paulo). Available at: <https://www1.folha.uol.com.br/internacional/en/business/2023/03/brazils-gdp-grows-29-in-2022-but-retreats-02-in-4th-quarter.shtml>

¹⁵ *Brazil's Weather-Damaged Coffee Trees Will Take Years to Recover* (Bloomberg). Available at: <https://www.bloomberg.com/news/articles/2022-10-04/brazil-s-weather-damaged-coffee-trees-will-take-years-to-recover?leadSource=uverify%20wall>

¹⁶ *Coffee prices may face volatility amid unknown harvest figures* (Valor Internacional). Available at: <https://valorinternational.globo.com/agribusiness/news/2023/01/04/coffee-prices-may-face-volatility-amid-unknown-harvest-figures.ghtml>

strong winds in the main coffee-growing regions,¹⁷ it can not only damage current productivity levels but also alter the cycle of the next year, when, despite being a positive biennial crop, it may present reduced productivity levels, as in 2022.

In 2021, a lower production was already expected compared to that observed in 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, with the incidence of water scarcity combined with frost during the harvest. These occurrences brought about a significant reduction in productivity levels for this harvest, which had a great impact on next year's harvest.

The national average productivity was 27.7 sacks per hectare ("**scs/ha**"), only 4.8% higher than that of the 2021 harvest, a year of negative bienniality, and 19.3% lower than that recorded in the 2020 harvest, a year of positive bienniality, like 2022.

In Minas Gerais, the largest national producer, the average productivity was 21.6 scs/ha, 4.6% lower than the 2021 harvest, a year of negative bienniality.

The adverse weather conditions recorded before the start of this cycle, as well as throughout this season, affected the crops to some extent. Prolonged periods of drought and cold fronts that even resulted in frost in some areas affected crops in important phenological phases, impacting flowering, load, and fruit "catching," as well as their development. During the harvest, a fruit load well below expectations was noticed, with fewer grains than usual, and their weight below average.

Coffee productivity report in the Southeast Region states of Brazil¹⁸

Southeast Region States	2019	2020	YoY	2021	YoY	2022	YoY
ES	34.27	34.87	1.8%	35.4	1.5%	41.5	17.4%
RJ	20.92	31.00	48.2%	20.7	-33.1%	28.1	32.4%
SP	21.55	30.67	42.3%	20.2	-34.1%	22.0	8.5%
SUL	25.83	26.40	2.2%	26.5	0.4%	18.4	-30.7%
MG	24.96	33.27	33.3%	22.6	-32.1%	21.6	-4.6%
Brazilian average productivity	27.20	33.48	23.1%	26.4	-21.2%	27.7	4.8%

¹⁷ 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-Brasil-em-2022-OFICIAL.pdf>

¹⁸ 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](#).

The coffee sector is a major consumer of Product during the last quarter of the year and Verde has a competitive geographical advantage thanks to its proximity to major coffee growers in Brazil, reducing freight costs and boosting margins. Therefore, the decline in Product sales in the coffee sector had an outsized impact on the Company's Q4 2022 results.

In 2021, Verde's sales to the coffee sector in Q4 represented 9% of total sales in the quarter and in 2022, 5% of total sales in the quarter. The total sales volume of the Company decreased by 7% in Q4 2022 compared to Q4 2021, but the sales volume made to the coffee sector had a decline of 43% in the same period, as can be seen in the table below:

Percentage of sales made to the coffee sector in the fourth quarter

Year	Q4 total sales (tonnes of K Forte)	Q4 sales made to the coffee sector (tonnes of K Forte)	Sales made to the coffee sector (% of total sales in Q4)
2018	29,648	4,131	14%
2019	32,221	6,953	22%
2020	56,585	14,149	25%
2021	134,000	11,952	9%
2022	125,000	6,757	5%
YoY	-7%	-43%	-4%

The total number of Verde's customers in the coffee sector decreased from 98 in Q4 2021 to 49 in Q4 2022. Despite that, the percentage of the clients' total purchase potential (in tonnes of Product) that was supplied by Verde increased from 29% in Q4 2021 to 63% Q4 2022, demonstrating an increase in market adoption due to customers applying Verde's product on a larger area of their farms.

Percentage of clients' purchase potential (in tonnes of Product) supplied by Verde

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

"When the war in Ukraine broke out, there were concerns about a potential shortage of potash. In reality, however, the market was oversupplied. Throughout 2022, many farmers refrained from buying potash due to the unprecedented soaring prices, resulting in a 15% Brazilian potash imports and, consequently, a record inventory build-up.¹⁹ In Brazil, the last quarter of 2022 saw the convergence of several unfavourable factors, including pre and post-electoral tensions that drastically reduced investments by farmers. Moreover, two years of bad weather severely affected coffee harvests in Brazil, leading coffee growers to reduce expenditure on inputs. Despite all these challenges, which are unlikely to recur in

¹⁹ Source: Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).

2023, I am proud to share Verde's record growth and financial results for the year", commented Mr. Veloso.

In 2022, Verde presented a growth of 386% in EPS, 271% in EBITDA, 190% in revenue and 57% in sales compared to the previous year, as can be seen in the table below:

FY 2022 growth compared to FY 2021

Period	Year	EPS (C\$)	EBITDA ²⁰ (C\$'000)	Revenue (C\$'000)	Sales (tonnes)
FY	2021	0.07	6,450	27,709	400,133
	2022	0.34	23,912	80,271	628,000
	YoY	386%	271%	190%	57%

Q4 2022 FINANCIALS

- Revenue increased by 55% in Q4 2022, to \$16,837,000 compared to \$10,851,000 in Q4 2021.
- Revenue in R\$ increased by 43% in Q4 2022, to R\$66,814,000 compared to R\$46,723,000 in Q4 2021.
- Sales by volume decreased by 7% in Q4 2022, to 125,000 tonnes, compared to 134,000 tonnes in Q4 2021.
- Gross margin increased to 76% in Q4 2022, compared to 75% in Q4 2021.
- EBITDA before non-cash events decreased by 47% in Q4 2022 to \$1,293,000, compared to \$2,452,000 in Q4 2021.
- Net loss was \$1,312,000 in Q4 2022, compared to a \$1,878,000 profit in Q4 2021.

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 KCI CFR Brasil price, compared to the current price,²¹ leading farmers to holdback potash purchases with the expectation of even lower prices in the near future.

²⁰ Before non-cash events.

²¹ As of March 23, 2023. Source: Acerto Limited report.

In light of the aforementioned factors, Verde's guidance for 2023 is described in the table below:

FY 2023 guidance ranges

FY 2023 Guidance	Range
Sales target (tonnes)	800,000 - 1,200,000
Revenue (C\$'000)	78,135 - 115,332
EBITDA (C\$'000) ²²	9,341 - 24,565
EPS (C\$)	0.04 - 0.29

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 KCI 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

As of January 2023, the Brazilian Subsidiary (Verde Fertilizantes) is subject to income taxes using the 'Actual Profits' method ("Lucro Real", in Portuguese), which is based on taxable income (the tax in this method is approximately 34% of the Net Profit), adjusted by certain additions and exclusions as determined by the legislation. The Actual Profit will be calculated quarterly.

Up to December 31, 2022, the Brazilian Subsidiary was under the 'Assumed Profits' method.

VERDE'S KEY OBJECTIVES FOR 2023:

- Launch a range of BAKS® products customized for different types of crops, with the addition of new nutrients.
- Launch a new microorganism to be added to Bio Revolution, in addition to Verde's currently inoculated microorganism *Bacillus Aryabhattai*.
- Obtain environmental licence and mining permits for the additional extraction of up to 25Mtpy.
- Launch a new technology and file its patent.
- Start engineering studies for Plant 3.

²² Before non-cash events.

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.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below summarizes Q4 and FY 2022 financial results compared to Q4 and FY 2021:

All amounts in CAD \$'000	Q4 2022	Q4 2021	FY 2022	FY 2021
Tonnes sold '000	125	134	628	400
Average revenue per tonne sold \$	135	81	128	69
Average production cost per tonne sold \$	(32)	(20)	(29)	(18)
Average gross profit per tonne sold \$	103	61	99	51
Average gross margin	76%	75%	78%	74%
Revenue	16,837	10,851	80,271	27,709
Production costs	(3,967)	(2,691)	(18,022)	(7,131)
Gross Profit	12,870	8,160	62,249	20,578
Gross Margin	76%	75%	78%	74%
Sales and product delivery freight expenses	(9,892)	(4,463)	(32,986)	(11,252)
General and administrative expenses	(1,685)	(1,245)	(5,351)	(2,876)
EBITDA ⁽¹⁾	1,293	2,452	23,912	6,450
Share Based, Equity and Bonus Payments (Non-Cash Event) ⁽²⁾	(220)	(23)	(344)	(1,551)
Depreciation and Amortisation ⁽²⁾	(33)	(18)	(181)	(53)
Profit on disposal of plant and equipment ⁽²⁾	-	-	-	9
Operating Profit after non-cash events	1,040	2,411	23,387	4,855
Interest Income/Expense	(1,812)	(173)	(2,964)	(402)
Net Profit before tax	(772)	2,238	20,423	4,453
Income tax ⁽³⁾	(540)	(360)	(2,619)	(931)
Net Profit	(1,312)	1,878	17,804	3,522

⁽¹⁾ – Non GAAP measure

⁽²⁾ – Included in General and Administrative expenses in financial statements

⁽³⁾ – Please see Income Tax notes

External Factors

Revenue and costs are affected by external factors including changes in the exchange rates between the C\$ and R\$ along with fluctuations in potassium chloride spot CFR Brazil. The table below summarizes these changes:

	% Δ	Q4 2022	Q4 2021	% Δ	FY 2022	FY 2021
Canadian Dollar (C\$) Average Exchange Rate	-13%	R\$3.87	R\$4.43	-8%	R\$3.97	R\$4.31
Potassium Chloride CFR Brazil Lowest Price⁽¹⁾	-34%	US\$500	US\$760	+104%	US\$500	US\$245
Potassium Chloride CFR Brazil Highest Price⁽¹⁾	-19%	US\$650	US\$800	+50%	US\$1200	US\$800

(1) – Source: Acerto Limited Report.

FY and Q4 2022 compared with FY and Q4 2021

Net Profits and EPS

FY 2022

The Company generated a net profit of \$17,804,000 in FY 2022, an increase of \$14,282,000 compared to a net profit of \$3,522,000 in FY 2021, thanks to an increase of 57% in sales and an increase of 59% in the average Potassium Chloride CFR Brazil price in 2022, compared to 2021.

Earnings per share were \$0.34 for FY 2022, compared to \$0.07 for FY 2021.

Q4 2022

The Company suffered a net loss of \$1,312,000 for Q4 2022, a decrease of \$3,190,000 compared to \$1,878,000 profit for Q4 2021, mainly due to a \$1,639,000 increase in interest expenses.

Basic loss per share was \$0.03 for Q4 2022, compared to earnings of \$0.04 for Q4 2021.

Product Sales

FY 2022

Sales increased by 57% in FY 2022, to 628,000 tonnes sold, compared to 400,000 tonnes FY 2021, thanks to purchases from new clients and an increase in the purchase of K Forte® and BAKS® among Verde's returning customers,

Q4 2022

Sales by volume decreased by 7% in Q4 2022, to 125,000 tonnes sold, compared to 134,000 tonnes sold in Q4 2021, due to the circumstances summarized in the topics below. For further details, please refer to the topic [2022 Overview](#) of this document.

- A glut of potash in the market due to increased availability, resulted in a 45% surge in potash imports by Brazil over the same period, compared to 2021.²³ This oversupply, combined with a 15% drop in potash consumption in Brazil in 2022,²⁴ contributed to a challenging market for fertilizer producers. The 23% increase in the year-end stock of potash in Brazil demonstrate its lower overall demand over the year.
- In the first months of 2022, Verde faced record demand for its Product from customers looking to build potash inventories ahead of an expected market shortage. However, the Company had to halt the sale of its Product for Q3 and Q4 delivery due to anticipated inability to supply the demand.
- In addition to that, Verde could not fulfill all the orders in its books during the peak season between Q3 and Q4 due to limited access to and from Plant 2, caused by unforeseen groundwater issues that impacted the new road construction. Consequently, some of Verde's customers had to cancel their orders, which had an impact on the Company's results, that could have been better if Plant 2 had started producing and delivering on schedule.
- The presidential election in Brazil brought additional challenges to farmers' purchasing decisions for the 2022/2023 harvests. The fertilizer market was stagnant before the elections, with many customers holding off on purchasing. Following the elections, the market remained stagnant due to concerns and uncertainty surrounding the new government policies.
- The Brazilian coffee sector experienced significant challenges in 2022 due to adverse climate conditions, following on two years of frost and drought,^{25,26} which disrupted global commodity markets and impacted crop productivity for years to come. In Minas Gerais, the largest coffee producer in Brazil, the average productivity was 21.6 scs/ha, 4.6% lower than the 2021 harvest, a year of negative bienniality. As a result, many farmers opted not to apply fertilizers as they anticipated low yields in the next harvests.

²³ Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

²⁴ Source: Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).

²⁵ *Brazil's Weather-Damaged Coffee Trees Will Take Years to Recover* (Bloomberg). Available at: <https://www.bloomberg.com/news/articles/2022-10-04/brazil-s-weather-damaged-coffee-trees-will-take-years-to-recover?leadSource=uverify%20wall>

²⁶ *Coffee prices may face volatility amid unknown harvest figures* (Valor Internacional). Available at: <https://valorinternational.globo.com/agribusiness/news/2023/01/04/coffee-prices-may-face-volatility-amid-unknown-harvest-figures.ghtml>

Revenue

FY 2022

Revenue from sales increased by 190% in FY 2022, to \$80,271,000 from the sale of 628,000 tonnes of K Forte® and BAKS, at an average \$128 per tonne sold; compared to \$27,709,000 in FY 2021 from the sale of 400,000 tonnes of Product, at an average \$69 per tonne sold.

Average revenue per tonne excluding freight expenses (FOB price) improved by 77% in FY 2022, to \$83 compared to \$47 in FY 2021.

Average revenue per tonne in FY 2022 was higher than FY 2021 mainly due to:

1. Product volume sold as CIF (Cost Insurance and Freight) increased from 52% of total sales in FY 2021 to 71% in FY 2022.
2. Potassium Chloride CFR Brazil price increased from US\$245-US\$800 per tonne in FY 2021 to US\$500-US\$1200 per tonne in FY 2022 (as reported by Acerto Limited).
3. BAKS®, which has a higher sales price per tonne compared to K Forte®, accounted for 11% of the total volume sold by the Company, compared to 10% in FY 2021.
4. Brazilian Real appreciated by 8% against the Canadian Dollar.

Q4 2022

Revenue from sales increased by 55% in Q4 2022, to \$16,837,000 from the sale of 125,000 tonnes of Product, at average \$135 per tonne sold; compared to \$10,851,000 in Q4 2021 from the sale of 134,000 tonnes of Product, at average \$81 per tonne sold.

Average revenue per tonne excluding freight expenses (FOB price) improved by 15% in Q4 2022, to \$62 compared to \$53 in Q4 2021.

Average revenue per tonne in Q4 2022 was higher than Q4 2021 mainly due to:

1. Product volume sold as CIF (Cost Insurance and Freight) increased from 63% of total sales in Q4 2021 to 74% in Q4 2022.
2. Potassium Chloride CFR Brazil price decreased from US\$760-US\$800 per tonne in Q4 2021 to US\$500-US\$650 per tonne in Q4 2022 (as reported by Acerto Limited, a market intelligence firm).
3. BAKS® has a higher sales price per tonne compared to K Forte®. BAKS® accounted for 7% of the total volume sold by the Company compared to 5% in 2021.
4. Brazilian Real appreciated by 8% against the Canadian Dollar.

Production costs

Production costs include all direct costs from mining, processing, and the addition of other nutrients to the Product, such as Sulphur and Boron. It also include the logistics costs from the mine to the plant and related salaries.

Verde's production costs and sales price are based on the following assumptions:

1. Micronutrients added to BAKS® increase its production cost, rendering K Forte® less expensive to produce.
2. Production costs vary based on packaging type, with bulk packaging being less expensive than Big Bags.
3. Plant 1 produces K Forte® Bulk, K Forte® Big Bag, BAKS® Bulk, and BAKS® Big Bag, while Plant 2 exclusively produces K Forte® Bulk. Therefore, Plant 2's production costs are lower than Plant 1's costs, which produces two types of Products and offers two types of packaging options each.
4. Non-controllable costs, such as transportation, electricity, packaging, acquisition of other nutrients (especially Sulfur and Boron), and depreciation, range from 30 to 80% of the Company's total production cost, depending on the type of product, packaging, and production site (Plant 1 or Plant 2).

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:

	(+)	(+)	(=)	
Cost per tonne of product projected for 2023 ²⁷ (C\$)	Cash cost	Assets depreciation	Total cost expected for 2023 ²⁸	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) ²⁹ 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%

Verde calculates its total production costs as a weighted average of the production costs for BAKS® and K Forte®, taking into account the production site and packaging type for each product. Therefore, comparing the Company's production costs on a quarter-over-quarter basis may not be meaningful due to the varying proportions of the cost factors that impact each quarter.

FY 2022

Production costs increased by 153% in FY 2022, to \$18,022,000 compared to \$7,131,000 in FY 2021. This was due to a 57% increase in volume sold, from 400,000 tonnes in FY 2021 to 628,000 tonnes in FY 2022. Average cost per tonne increased by 61% in FY 2022, to \$29 compared to \$18 in FY 2021. The cost increase was due in large part to higher fuel prices, which increased by 66% in FY 2022 compared to FY 2021 and Brazil's inflation over the twelve-month period of 6,6%. In addition, volume sold on Big Bags, which have a significantly higher cost than Bulk, increased from 21% to 32% year on year.

Q4 2022

Production costs increased by 47% in Q4 2022, to \$3,967,000 compared to \$2,691,000 in Q4 2021. Average cost per tonne increased by 59% in Q4 2022, to \$32 compared to \$20 in Q4 2021. Although the

²⁷ 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

²⁸ 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.

²⁹ 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.

volume sold decreased by 7%, from 134,000 tonnes in Q4 2021 to 125,000 tonnes in Q4 2022, the average production costs increased due to:

1. Diesel costs increased by 42% in Q4 2022 compared to Q4 2021.
2. BAKS® accounted for 7% of the total volume sold by the Company, compared to 5% in 2021.
3. Brazil's inflation was over 6,5% in the twelve-month period.
4. The lower volume sold in Q4 2022, compared to Q4 2021, also impacted the cost per tonne due to fixed cost dilution.

SALES EXPENSES

CAD \$'000	Q4 2022	Q4 2021	FY 2022	FY 2021
Sales and marketing expenses	(533)	(578)	(3,451)	(1,818)
Fees paid to independent sales agents	(196)	(203)	(1,172)	(464)
Product delivery freight expenses	(9,163)	(3,682)	(28,363)	(8,970)
Total	(9,892)	(4,463)	(32,986)	(11,252)

Sales and marketing expenses

Sales and marketing expenses include employees' salaries, car rentals, travel within Brazil, hotel expenses, and the promotion of the Product in marketing events.

FY 2022

Expenses increased by 90% in FY 2022, with a total of \$3,451,000, compared to \$1,818,000 in FY 2021, also mainly due to a further expansion of Verde's sales and marketing team. This increase is in line with the Company's growth strategy. *Q4 2022*

In Q4 2022, Verde's expenses decreased by 8% to \$533,000, compared to \$578,000 in Q4 2021. This was mainly due to the provision reversion of \$493,000 in bonuses and market programs that occurred during the year. Despite the decrease in expenses, the Company's sales and marketing team increased the professional headcount, and additional investments were made in media as a strategy to attract new customers.

Fees paid to independent sales agents

As part of Verde's marketing and sales strategy, the Company pays out commissions to its independent sales agents.

FY 2022

Fees paid to independent sales agents increased by 153% in FY 2022, to \$1,172,000 compared to \$464,000 in FY 2021, as a direct result of increased sales in the year. The increase was partially mitigated by the decrease in percentage of sales made by sales agents, from 37% of total sales in FY 2021 to 32% in FY 2022.

Q4 2022

Fees paid to independent sales agents decreased by 3% in Q4 2022, to \$196,000 compared to \$203,000 in Q4 2021. Besides revenue growth of 55% in the quarter, the percentage of sales made by sales agents, decreased from 42% of total sales in Q4 2021 to 21% in Q4 2022.

Product delivery freight expenses

FY 2022

Expenses increased by 216% in FY 2022, to \$28,363,000 compared to \$8,970,000 in FY 2021, as the Company has significantly increased the volume sold as CIF (Cost Insurance and Freight), up from 52% of total sales in FY 2021 to 71% in FY 2022 and due to higher fuel prices, which increased 66% in FY 2022 compared to FY 2021.

Q4 2022

Product delivery freight expenses increased by 149% in Q4 2022, to \$9,163,000 compared to \$3,682,000 in Q4 2021, as the Company has significantly increased the volume sold as CIF (Cost Insurance and Freight), up from 63% of total sales in Q4 2021 to 74% in Q4 2022, and due to higher fuel prices, which increased by 42% in the period.

The Brazilian coffee sector continued to experience challenges in 2022 due to adverse climate conditions, with over two years of frost and drought,^{30,31} which disrupted global commodity markets and have impacted crop productivity. As a result, many farmers opted not to apply fertilizers as they anticipated low yields in the next harvests. The coffee sector is a significant consumer of Product, and Verde has a competitive geographical advantage thanks to its proximity to major coffee growers in Brazil, reducing freight costs and boosting margins. Therefore, the decline in Product sales in the coffee sector had an outsized impact on the Company's Q4 2022 results.

³⁰ Brazil's Weather-Damaged Coffee Trees Will Take Years to Recover (Bloomberg). Available at: <https://www.bloomberg.com/news/articles/2022-10-04/brazil-s-weather-damaged-coffee-trees-will-take-years-to-recover?leadSource=uverify%20wall>

³¹ Source: Erica Polo, Agribusiness (Valor Internacional). Available at: <https://valorinternational.globo.com/agribusiness/news/2023/01/04/coffee-prices-may-face-volatility-amid-unknown-harvest-figures.ghtml>

Furthermore, sales made to states located further away from Verde's production facilities also had a significant impact on the logistics costs, with 48% of the total sales delivered to the states of Pará, Mato Grosso and to the Northeast region of Brazil in Q4 2022, compared to 40% in 2021, which increased the freight cost per tonne in the quarter.

GENERAL AND ADMINISTRATIVE EXPENSES

CAD \$'000	3 months ended Dec 31, 2022	3 months ended Dec 31, 2021	12 months ended Dec 31, 2022	12 months ended Dec 31, 2021
General administrative expenses	(1,270)	(612)	(3,166)	(1,621)
Legal, professional, consultancy and audit costs	(188)	(516)	(1,343)	(915)
IT/Software expenses	(219)	(103)	(788)	(307)
Taxes and licenses fees	(8)	(14)	(54)	(33)
Total	(1,685)	(1,245)	(5,351)	(2,876)

General administrative expenses

These costs include general office expenses, rent, bank fees, insurance, foreign exchange variances and remuneration of executive and administrative staff in Brazil.

FY 2022

Expenses increased by 95% in FY 2022, to \$3,166,000 compared to \$1,621,000 in FY 2021, as they include additional administrative employees, and also due to an increase of \$689,000 in bonuses provision to employees, compared to the prior year.

Q4 2022

Expenses increased by 108% in Q4 2022, to \$1,270,000 compared to \$612,000 in Q4 2021, as they include additional administrative employees, and also due to an increase of \$430,000 in bonus provision to employees, compared to the prior year.

Legal, professional, consultancy and audit costs

Legal and professional fees include legal, professional, consultancy fees along with accountancy, audit and regulatory costs. Consultancy fees are consultants employed in Brazil, such as accounting services, patent process, lawyer's fees and regulatory consultants.

FY 2022

Expenses increased by 47% in FY 2022, to \$1,343,000 compared to \$915,000 in FY 2021, mainly due to the costs incurred with the Company's redomiciliation from the UK to Singapore, which involved hiring lawyers, accountants, and consultants in Singapore, the UK, and Canada.

Q4 2022

Expenses decreased by 64% in Q4 2022, to \$188,000 compared to \$516,000 in Q4 2021. The decrease was due to a \$347,000 provision in Q4 2021, set aside for a contested claim made by a consultant retained by the Company in 2012. The consultancy services were for an environmental report, the quality of which was disputed by Verde and payment withheld. The court decision in Q4 2021 was favourable to the consultant.

IT/Software expenses

IT/Software expenses include software licenses such as Microsoft Office, Customer Relationship Management (CRM) software and enterprise resource planning (ERP).

FY 2022

Expenses increased by 157% in FY 2022, to \$788,000 compared to \$307,000 in FY 2021, due to an increase in third party computing services and number of software licenses used by the Company in Brazil. In addition to that, the Company has changed its accountant ERP to SAP Business One, effective from July 1st, 2022, which has a higher cost compared to the former ERP used.

Q4 2022

Expenses increased by 113% in Q4 2022, to \$219,000 compared to \$103,000 in Q4 2021, mainly due to CRM and ERP consultants' services. In addition to that, the Company has changed its accountant ERP to SAP Business One, which has a higher cost compared to the former ERP used.

Taxes and licences

Taxes and licence expenses include general taxes, product branding and licence costs.

FY 2022

Expenses increased by 64% in FY 2022, to \$54,000 compared to \$33,000 in FY 2021, due to increased fees, taxes and state contributions in line with the growth of the Company.

Q4 2022

Expenses decreased in Q4 2022, to \$8,000 compared to \$14,000 in Q4 2021.

Share Based, Equity and Bonus Payments (Non-Cash Events)

These costs represent the expense associated with stock options granted to employees and directors along with equity compensation and non-cash bonuses paid to key management.

FY 2022

Share Based, equity and bonus payments costs decreased by 78% in FY 2022, to \$344,000 compared to \$1,551,000 in FY 2021. In FY 2021, non-cash bonuses of \$609,000 were paid along with a share based payment charge of \$855,000 for stock options vesting.

Q4 2022

Share Based, equity and bonus payments costs increased by 857% in Q4 2022, to \$220,000 compared to \$23,000 in Q4 2021. This increase is mainly a result of an equity compensation accrual to the board of directors of \$178,000 made in Q4 2022.

Q4 AND FY 2022 RESULTS CONFERENCE CALL

The Company will host a conference call on Friday, March 31, 2023, at 10:00 am Eastern Time, to discuss Q4 and FY 2022 results and provide an update. Subscribe using the link below and receive the conference details by email.

Date:	Friday, March 31, 2023
Time:	10:00 am Eastern Time
Subscription link:	https://bit.ly/Q4-FY_2022_ResultsPresentation

The questions can be submitted in advance through the following link up to 2 hours before the conference call: <https://bit.ly/Questions-Q4-FY2022-ResultsPresentation>.

The Company's full year and fourth quarter financial statements and related notes for the period ended December 31, 2022 are available to the public on SEDAR at www.sedar.com and the Company's website at www.investor.verde.ag/.

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: it mines and processes its main feedstock from its 100% owned mineral properties, then sells and distributes the Product.

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.³² 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®. In 2022, it became Brazil's largest potash producer by capacity.³³ 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).³⁴ This amounts to 295.70 million tonnes of potash in K₂O. For context, in 2021 Brazil's total consumption of potash in K₂O was 6.57 million³⁵.

Brazil ranks second in global potash demand and is its single largest importer, currently depending on external sources for over 97% of its potash needs. In 2022, potash accounted for approximately 3% of all Brazilian imports by dollar value.³⁶

CORPORATE PRESENTATION

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

<https://verde.docsend.com/view/fzkwsugdix23kvzn>

INVESTORS NEWSLETTER

Subscribe to receive the Company's updates at:

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

³² Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8jx6g4r9>

³³ See the release at: <https://investor.verde.ag/verde-starts-ramp-up-of-plant-2s-second-stage-to-reach-production-of-2-4mtpy/>

³⁴ 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>

³⁵ Source: Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil", in Portuguese).

³⁶ Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

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 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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