

Q1 2023 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®, BAKS® and Silício Forte® (“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) and filed on SEDAR (www.sedar.com) and any future amendments to such. Readers are also directed to the cautionary notices and disclaimers contained herein. Potential investors should conduct their own investigations as to the suitability of investing in securities of Verde AgriTech Ltd.



Buy Super Greensand® at Amazon:



5% OFF Coupon (USA): Q120235OFF

5% OFF Coupon (CA): Sold Out

The discount codes are valid through June 23, 2023.

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



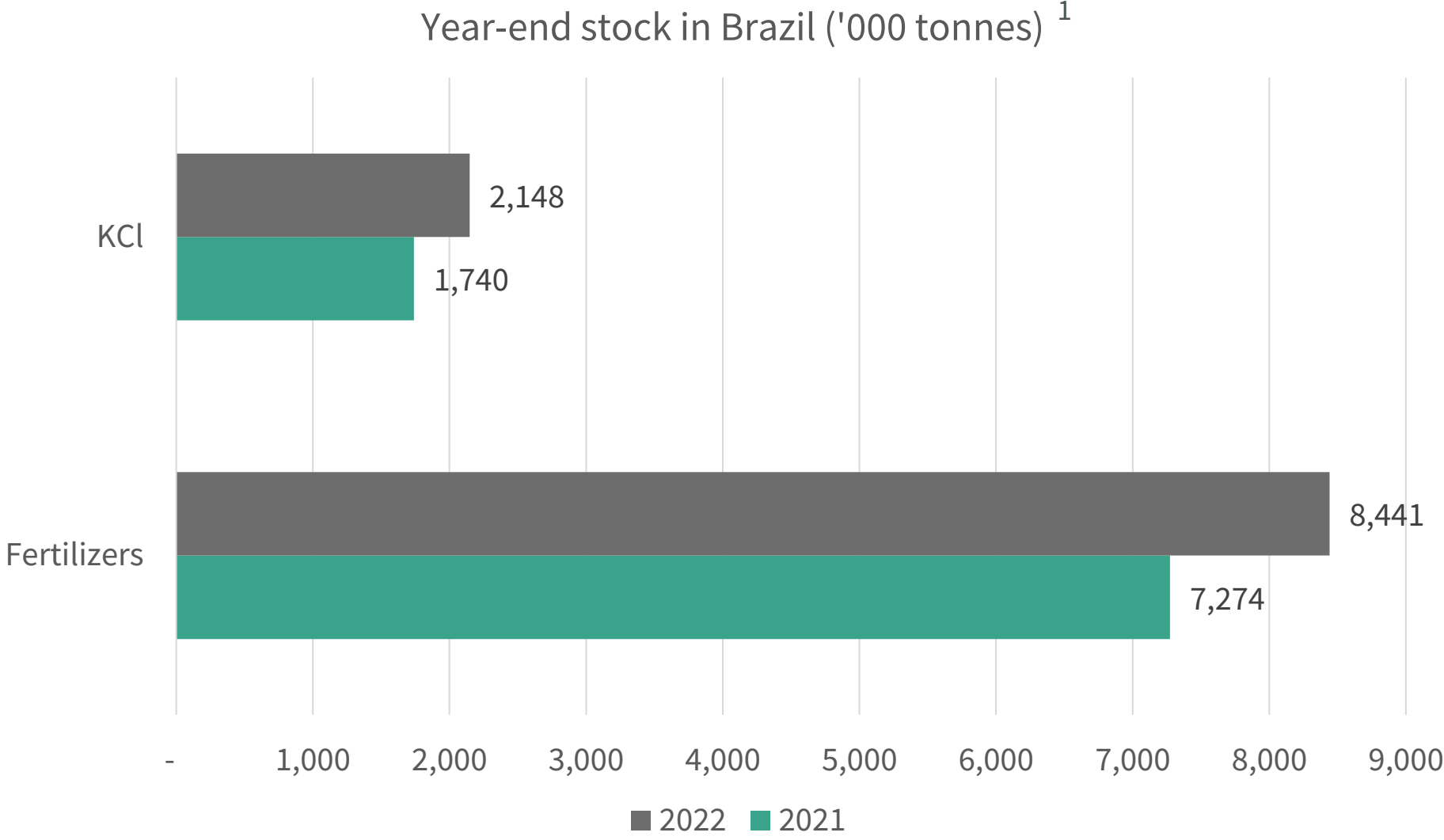
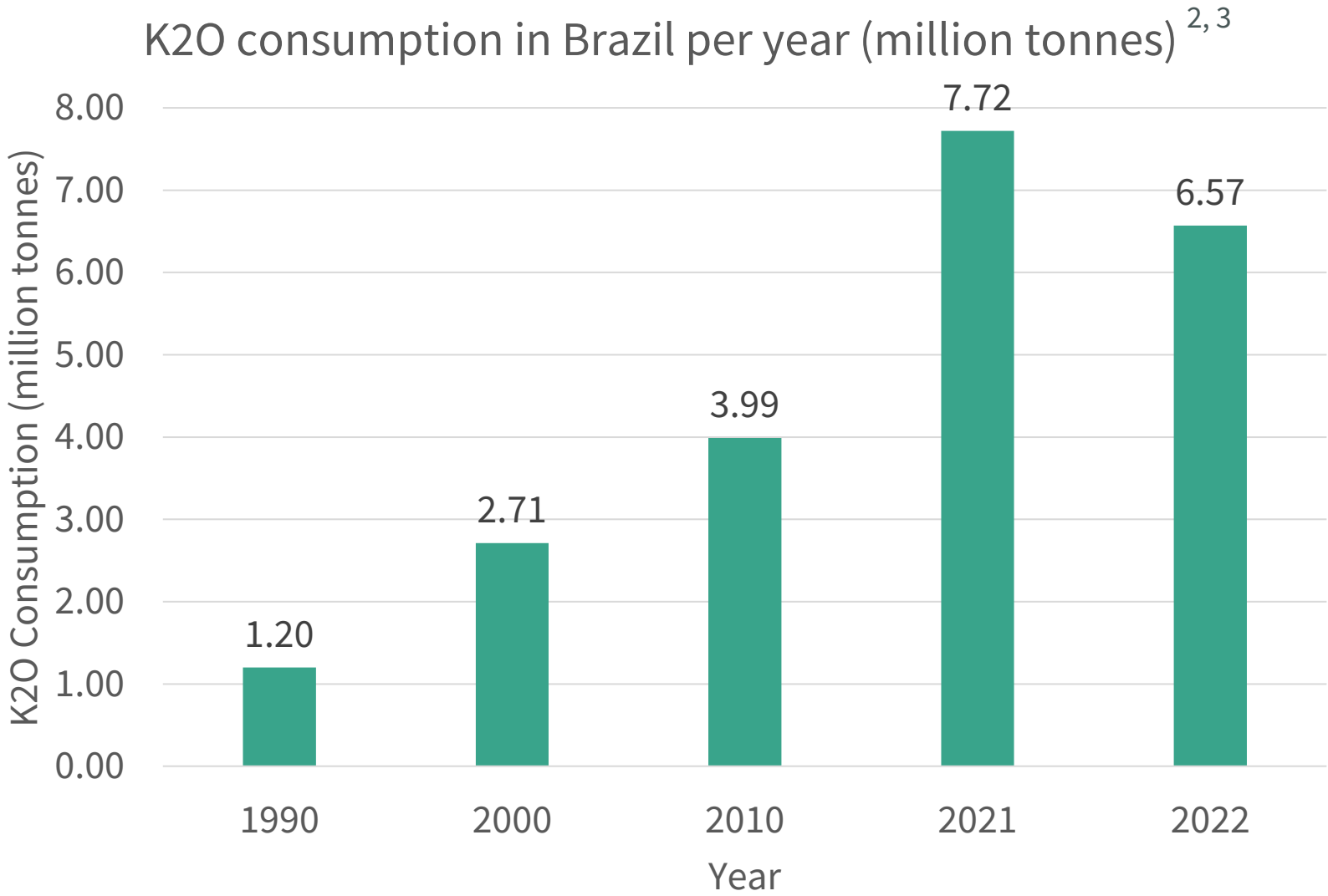
Summary

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Market Overview

In 2022, the market experienced an oversupply of potash due to increased availability. Coupled with a 15% decrease in potash consumption in Brazil, this resulted in a 23% increase in year-end potash stock, highlighting the lower overall demand.

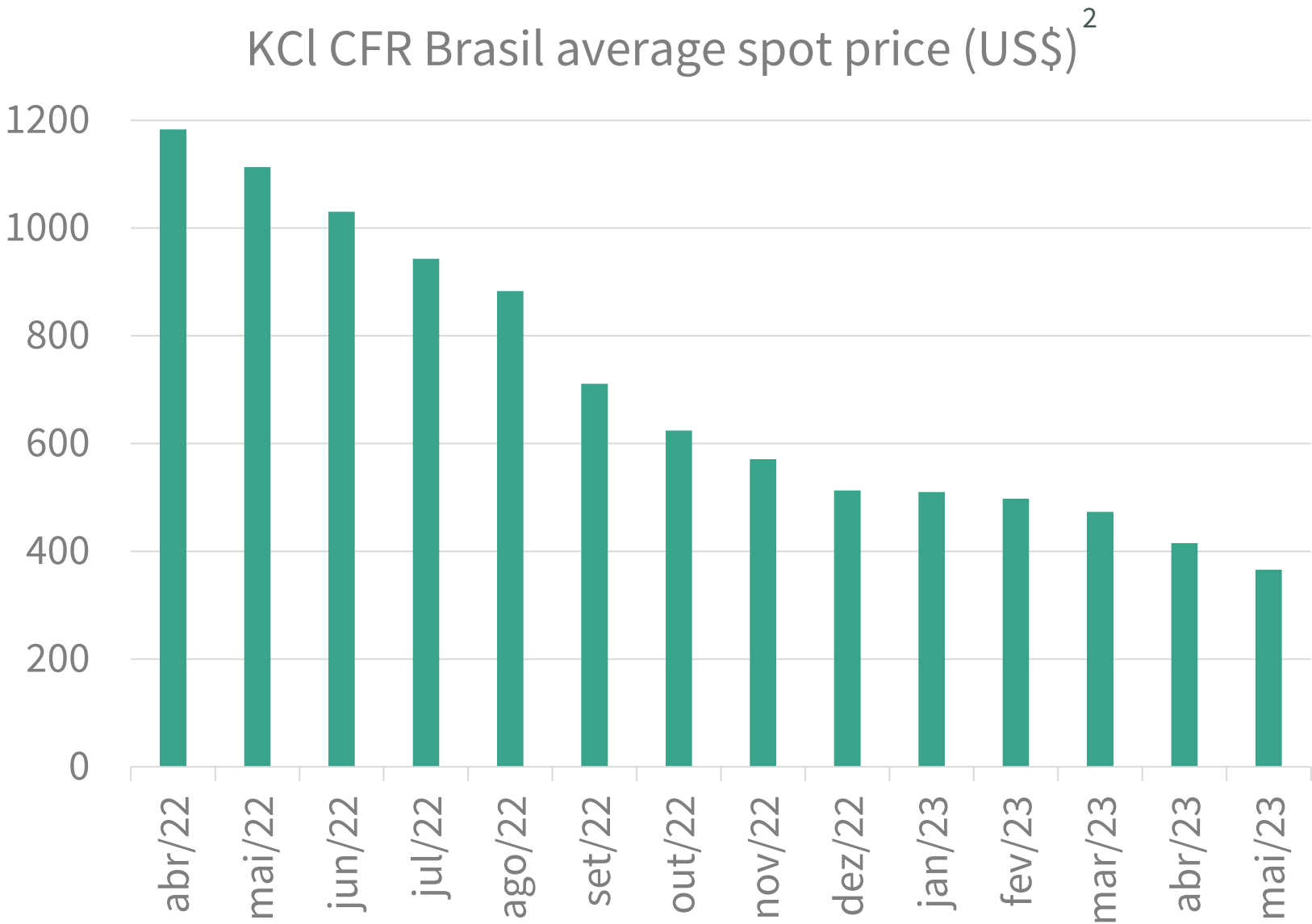
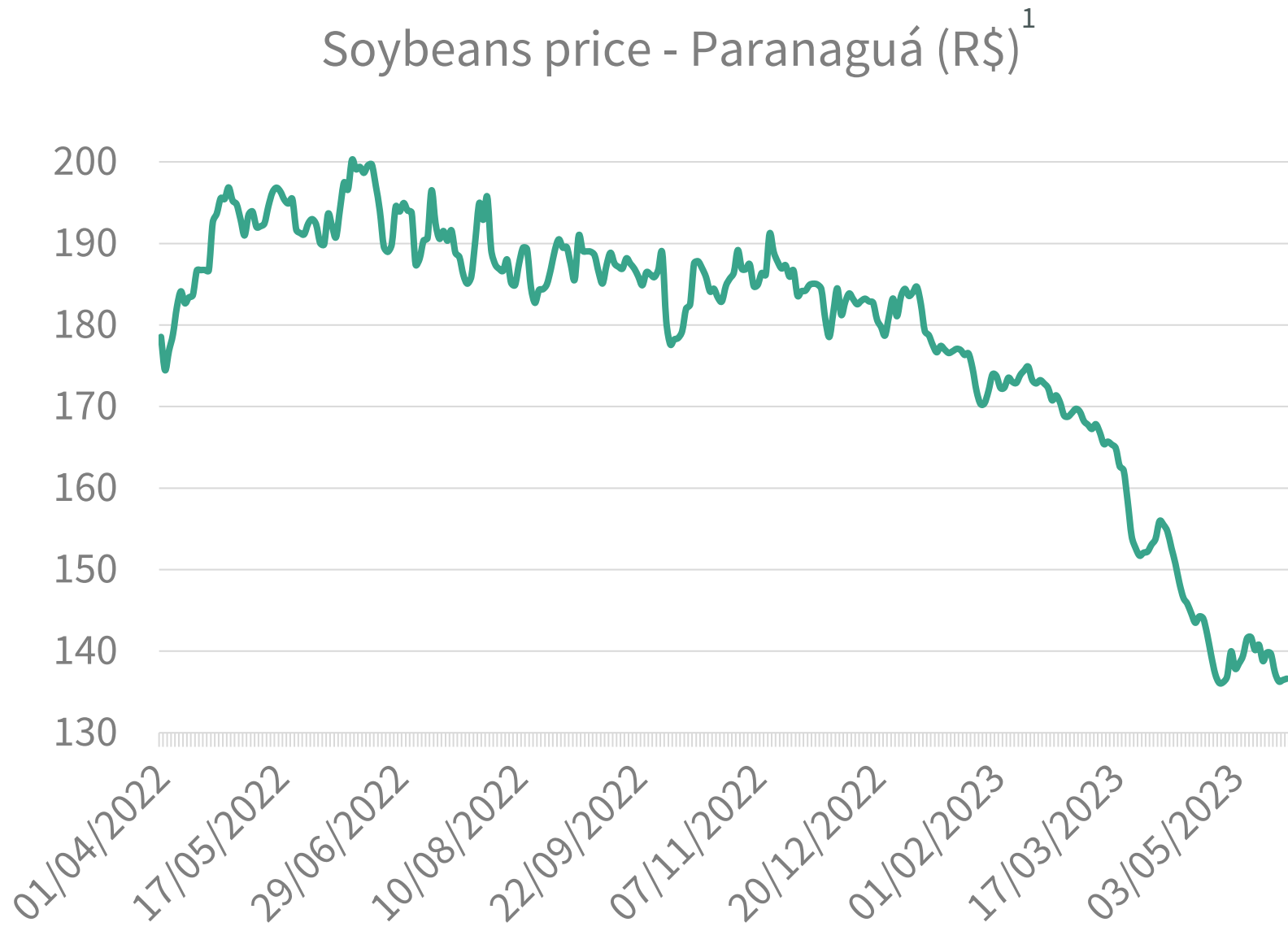


Source: 1 - Brazilian Fertilizer Mixers Association (from "Associação Misturadores de Adubo do Brasil")
2 - Brazilian potash consumption, Statistical Yearbook of the National Association for the Dissemination of Fertilizers ("ANDA", from Associação Nacional para Difusão de Adubos)
3 - Brazilian Fertilizer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



Commodities prices in Brazil

Soybeans (Paranaguá) price has declined by 33% over the past 12 months, with a significant drop of 21% in the last three months. Potash prices have significantly declined, with a 67% decrease over the past year, and a sharp 22% decline in the first three months of 2023.



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

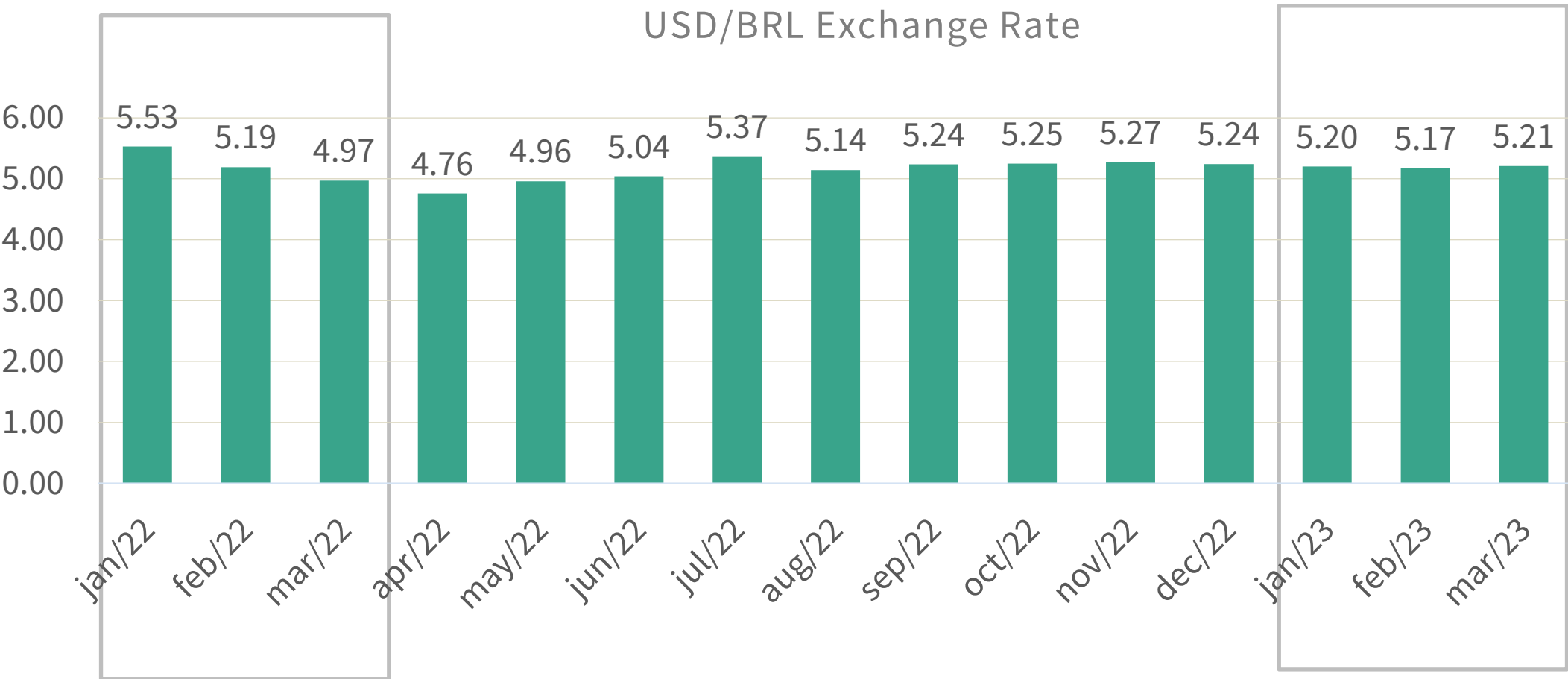


Brazilian Economic Scenario

Brazilian Real versus US Dollar

From January to March 2023, the Brazilian Real decreased by 1% in relation to US Dollar, compared to the same period of 2022.

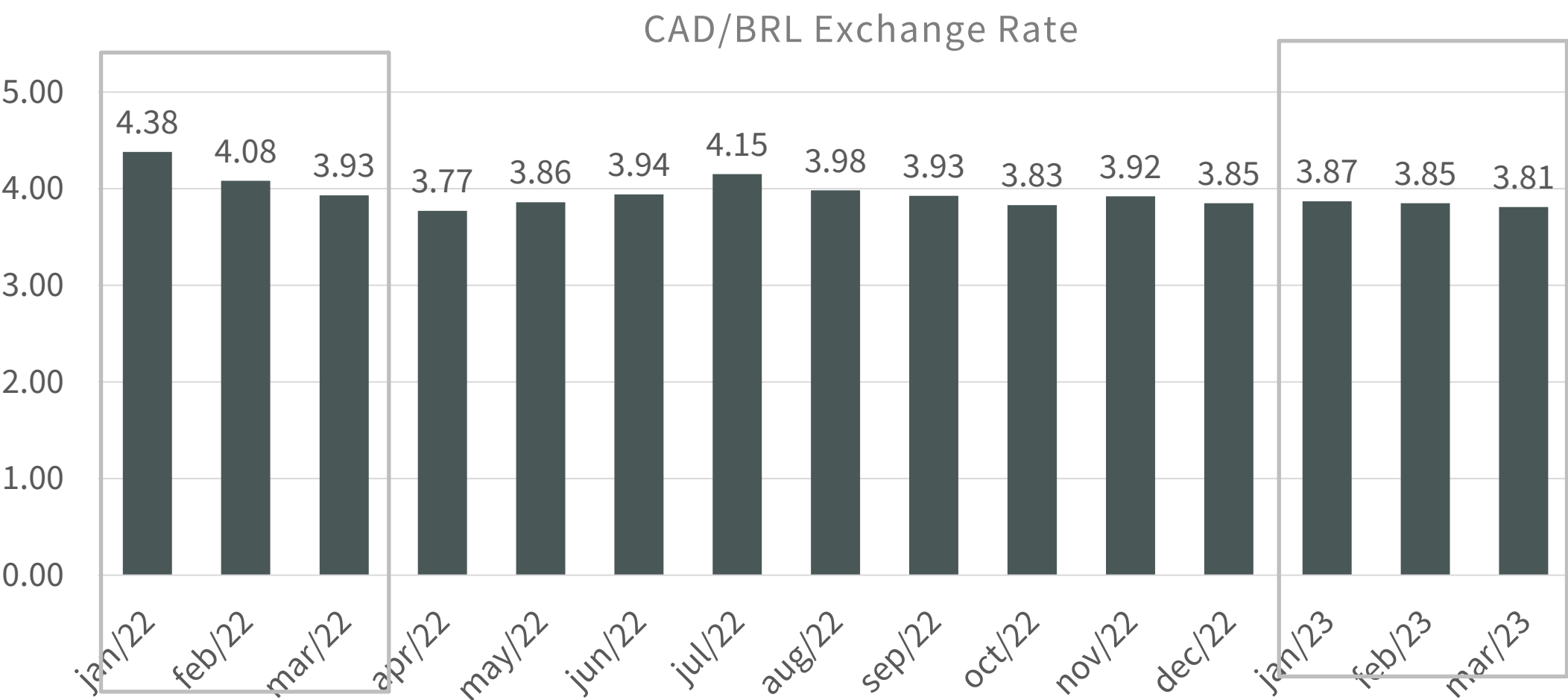
As of May 23, 2023, US\$1.00 = R\$4.95



Brazilian Real versus Canadian Dollar

From January to March 2023, the Brazilian Real valued by 7% in relation to Canadian Dollar, compared to the same period of 2022.

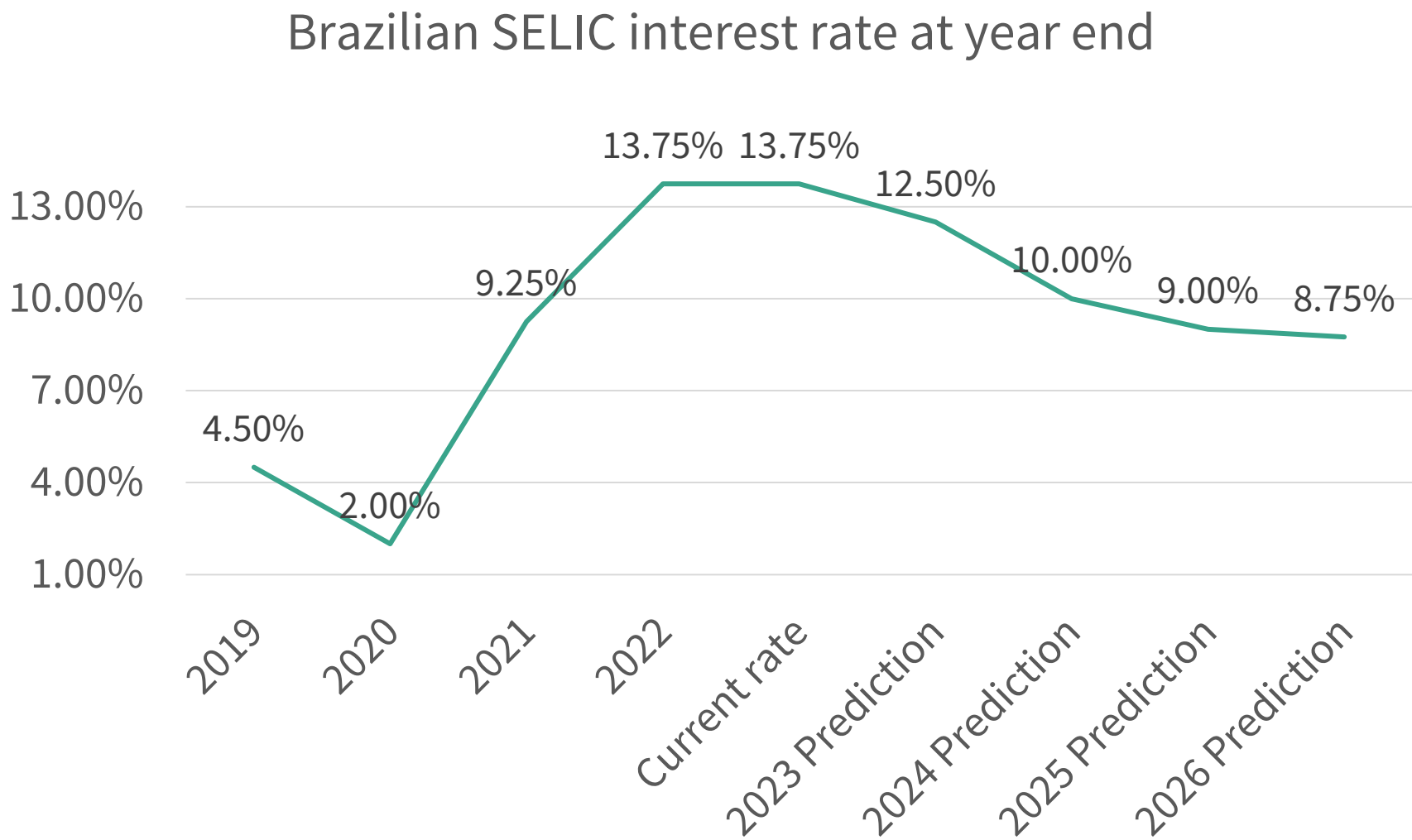
As of May 23, 2023, C\$1.00 = R\$3.68



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



Brazilian Economic Scenario



Verde's debts are tied directly to the Central Bank of Brazil's monetary policy interest rate, known as SELIC.

With the current SELIC rate at 13,75% per year, the interest expenses projected for 2023 are \$4.5 million.

Considering Verde's existing debts, a 1% change in the SELIC rate would result in an approximate impact of \$0.3 million on the Company's annual interest expenses.

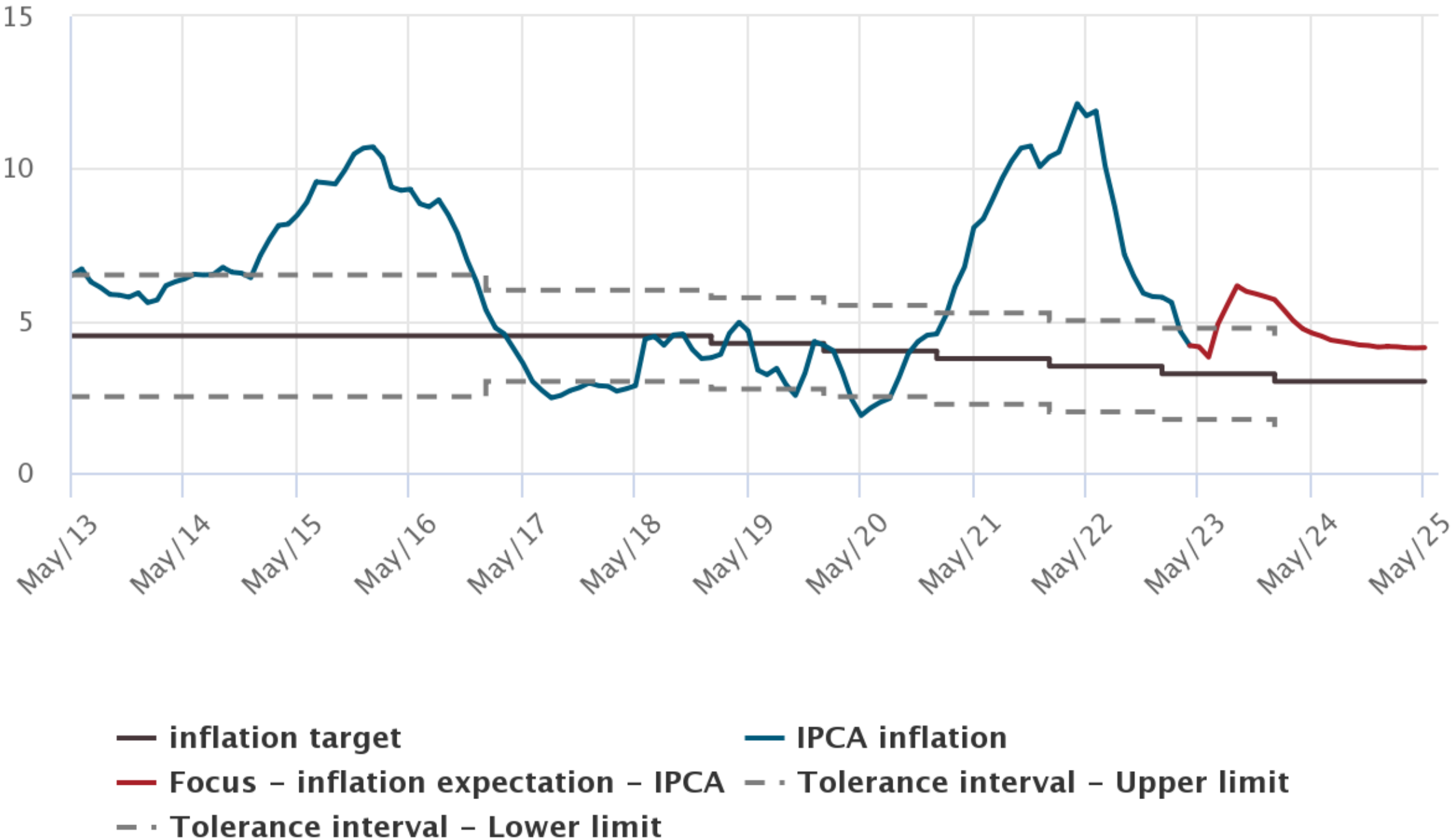
The Central Bank of Brazil has projected a decrease of approximately 36% in the SELIC rate by the end of 2026. The current SELIC rate is 13.75%.

Source: Focus Report, Central Bank of Brazil (May 2023). Available at: <https://www.bcb.gov.br/en>



Brazilian Economic Scenario

Annual inflation rate and Market expectations



Inflation in Brazil has shown a decreasing trend since May 2022. The Central Bank of Brazil has set its expectation for inflation at 5.80% for the year 2023. Furthermore, the bank forecasts inflation rates of 4.00% per year from 2024 to 2026.

These projections indicate a positive outlook for inflation control and stability in the coming years.

Source: Focus Report, Central Bank of Brazil (May 2023). Central Bank of Brazil . Available at: <https://www.bcb.gov.br/en>



Q1 2023 Highlights

- Cash** Cash utilised from investing activities decreased by 44% in Q1 2023, to \$1.9 million compared to \$3.4 million in Q1 2022.
- Cash and other receivables held by the Company in Q1 2023 were \$34.3 million, compared to \$22.3 million in Q1 2022 and \$4.8 million in Q1 2021.
- Total loans for CAPEX and working capital in March 31: \$45.4 million.
- Profitability** Sales by volume were 108,000 tonnes in Q1 2023, compared to 112,000 tonnes in Q1 2022 and 16,558 tonnes in Q1 2021.
- Revenue in Q1 2023 was \$11.1 million, compared to \$11.3 million in Q1 2022 and \$0.8 million in Q1 2021.
- Gross margin in Q1 2023 was 76%, compared to 77% in Q1 2022.
- EBITDA before non-cash events in Q1 2023 was \$2.0 million, compared to \$3.7 million in Q1 2022 and a \$0.8 million loss in Q1 2021.
- Net loss in Q1 2023 was \$0.1 million, compared to a \$3.0 million profit in Q1 2022 and a \$1.0 million loss in Q1 2021.
- Total non-current assets in Q1 2023 were \$68.3 million, compared to \$30.1 million in Q1 2022 and \$21.4 million in Q1 2021.
- Operations** Verde's Plant 2 production capacity is 2.4Mtpy and Plant 1 operates at a capacity of 0.6Mtpy; therefore, Verde's current overall production capacity is 3Mtpy.



Q1 2023 Financial Statements

All amounts in CAD \$'000	Q1 2023	Q1 2022	% Δ
Revenue	11,125	11,304	(2%)
Production costs ⁽¹⁾	(2,710)	(2,654)	2%
Gross Profit	8,415	8,650	(3%)
Gross Margin	76%	77%	N/A
Sales and marketing expenses	(1,207)	(958)	26%
Product delivery freight expenses	(3,867)	(2,973)	30%
General and administrative expenses	(1,372)	(1,041)	32%
EBITDA ⁽²⁾	1,969	3,678	N/A
Share Based, Equity and Bonus Payments (Non-Cash Event) ⁽³⁾	(28)	(64)	857%
Depreciation and Amortisation ⁽³⁾	(911)	(26)	3404%
Operating Profit after non-cash events	1,030	3,588	N/A
Interest Income/Expense	(1,042)	(185)	463%
Net (Loss) / Profit before tax	(12)	3,403	N/A
Income tax	(96)	(370)	(74%)
Net Profit	(108)	3,033	N/A

(1) - \$864,000 of depreciation related to the investments made in Plant 1, Plant 2 and access routes improvement in the last 12 months that are included in production costs in the financial statements have been reclassified to a non-cash event

(2) - Non GAAP measure.

(3) - Included in General and Administrative expenses in financial statements.



Operational Summary

All amounts in CAD, except percentages	Q1 2023	Q1 2022	% Δ
Tonnes sold '000	108	112	(4%)
Average revenue per tonne sold \$	103	101	2%
Average production cost per tonne sold \$	(25)	(24)	6%
Average Gross Profit per tonne sold \$	78	77	1%
Average Gross Margin	76%	77%	N/A

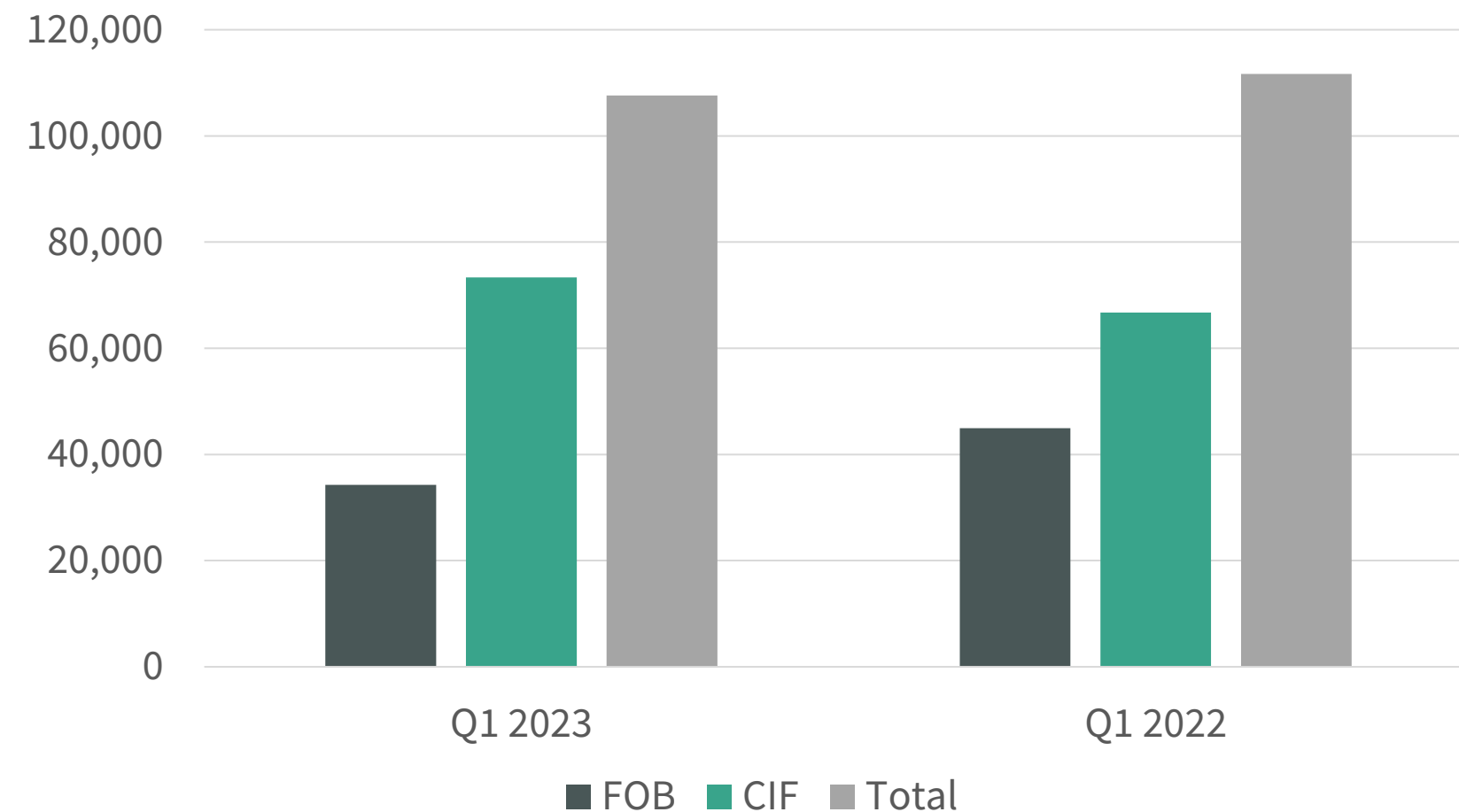
Operational Summary – Excluding freight revenue

All amounts in CAD, except percentages	Q1 2023	Q1 2022	% Δ
Average revenue per tonne sold \$	67	75	(10%)
Average production cost per tonne sold \$	(25)	(24)	6%
Average Gross Profit per tonne sold \$	42	51	(6%)
Average Gross Margin	63%	68%	N/A



Logistics

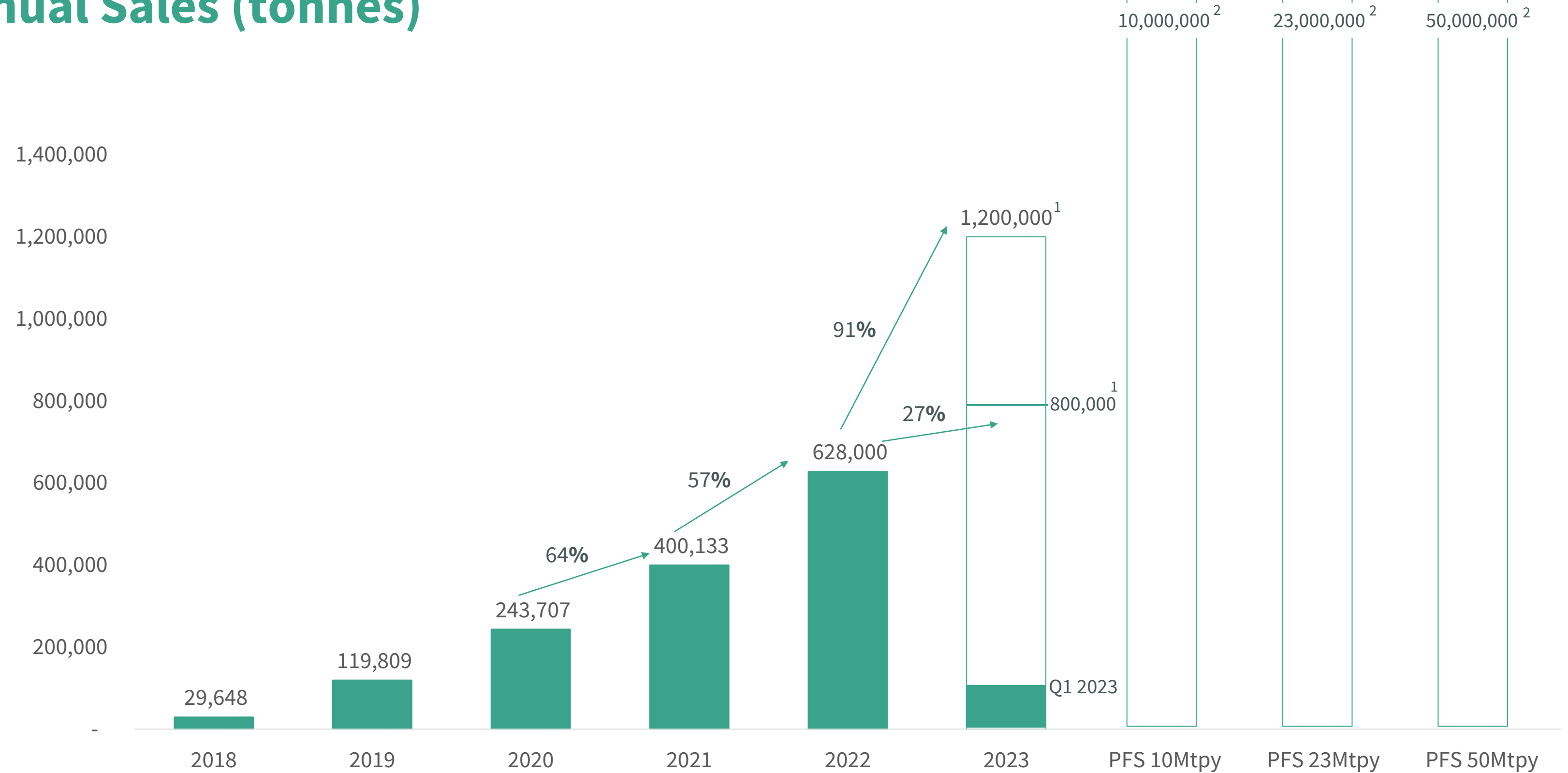
FOB vs CIF (tonnes)



Sales	Q1 2023	Q1 2022	YoY
FOB	34,248	44,942	(24%)
CIF	73,348	66,725	10%
Total	107,596	111,667	(4%)

- The Company has increased the volume sold as CIF, from 60% of total sales in Q1 2022 to 68% in Q1 2023.
- Product delivery freight expenses increased by 30% in Q1 2023, to \$3,9 million compared to \$3,0 million in Q1 2022.
- Weighted average distance of Product delivered increased by 12% in Q1 2023 compared to Q1 2022, with a \$0.6 million impact in the quarter.
- In Q1 2023, the average freight cost per tonne of Product sold on a CIF basis increased from \$44 to \$53, compared to the previous year.
- From January to May 2023, the diesel price at Petrobras Distributors has decreased by approximately 33%.

Annual Sales (tonnes)



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>.



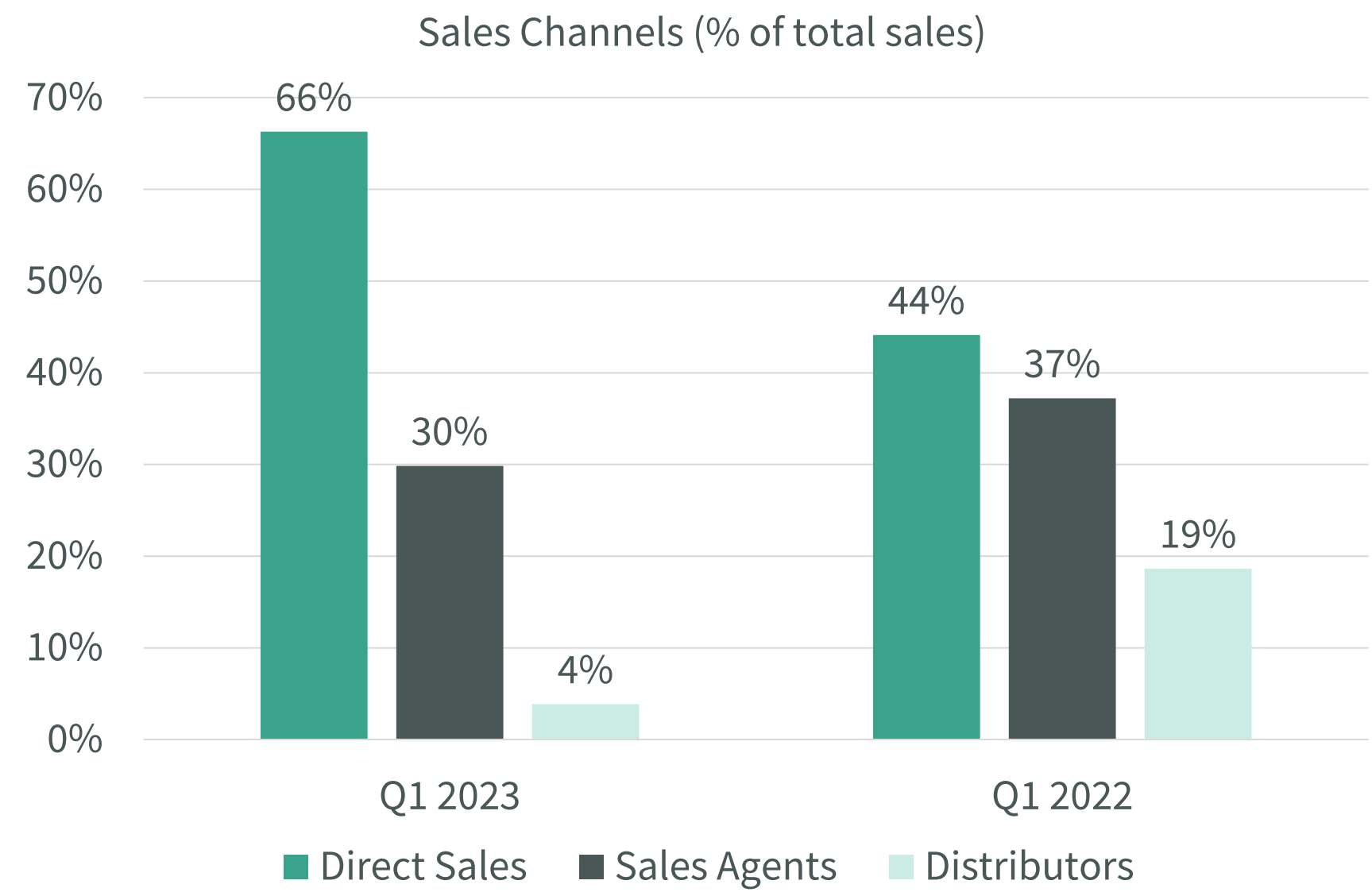
Sales, General and Administrative Expenses

All amounts in CAD \$'000, except percentages	Q1 2023	Q1 2022	YoY
Sales Expenses			
Sales and marketing expenses	(1,070)	(822)	30%
Fees paid to sales agents	(137)	(136)	1%
Product delivery freight expenses	(3,867)	(2,973)	30%
Total Sales expenses	(5,074)	(3,931)	29%
General expenses			
General administrative expenses	(920)	(410)	124%
Legal, professional, consultancy and audit costs	(317)	(411)	(23%)
IT/Software expenses	(112)	(204)	(45%)
Taxes and licenses fees	(23)	(16)	44%
Total General expenses	(1,372)	(1,041)	32%

General administrative expenses increased by 125% in Q1 2023, mainly driven by an adjustment implemented to ensure alignment with accounting standards, which involved shifting the cost center from production costs to general administrative expenses in the quarter. Furthermore, additional rental expenses were incurred in Plant 2,

The increase in sales and marketing expenses can be primarily attributed to the implementation of a field sales team, which resulted in expenses related to car rentals and travel.

Sales Channels



Sales made directly by Verde’s team increased by 45% in Q1 2023 compared to Q1 2022.

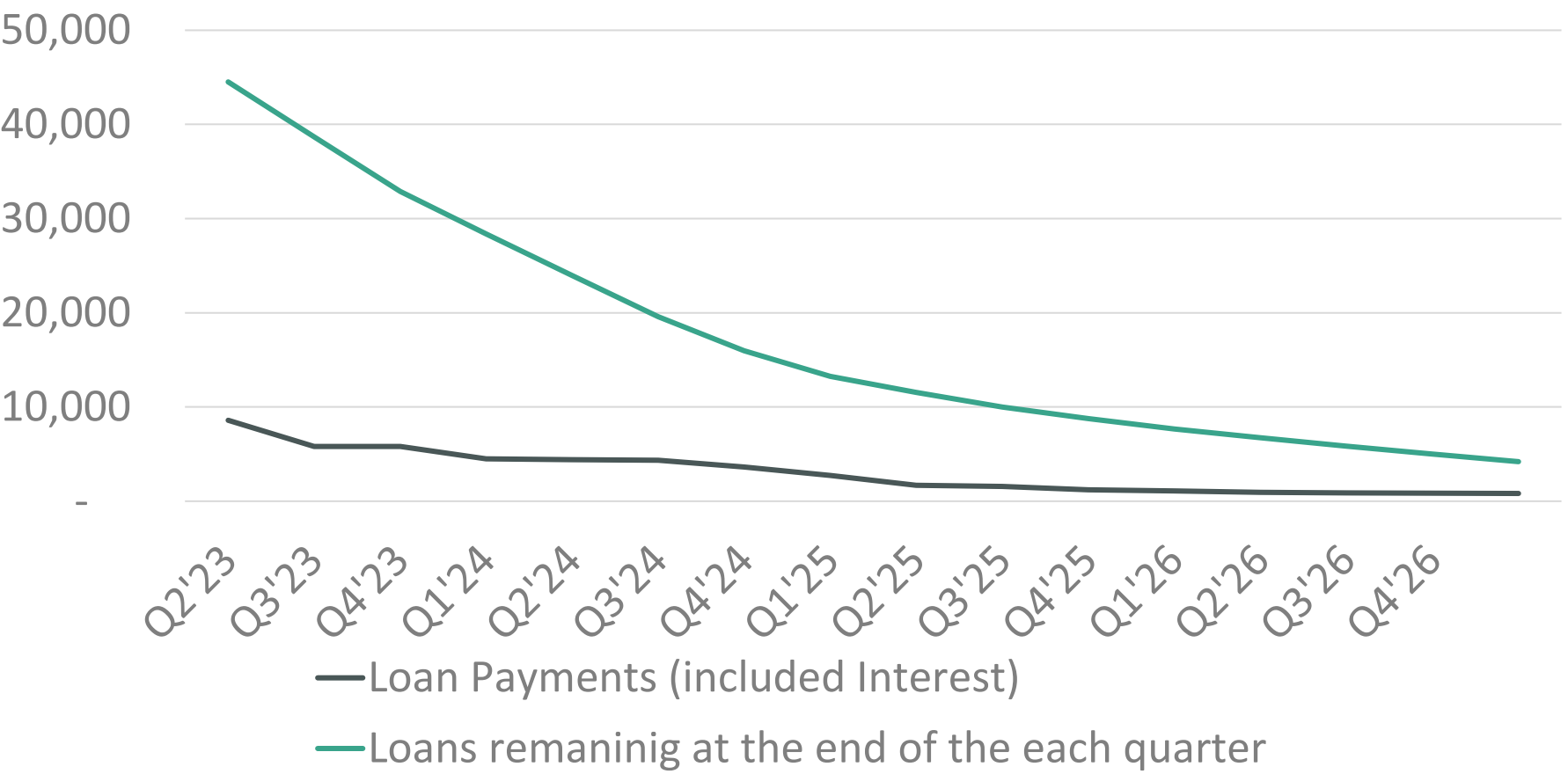
This increase in direct sales has partially offset the decline of 80% and 23% in sales volume reported by Distributors and Sales Agents, respectively, in the same period.



Loans

- In Q1 2023, Verde recorded cash and other receivables totaling over \$34.3 million, providing valuable support for the company's cash flow. This strengthened position enables Verde to fulfill its payment obligations in full for debts due in 2023.
- To further enhance its cash flow, the Company obtained additional loans of \$8.0 million in the Q1 2023 and \$7.7 million³ in Q2 2023 from local banks.
- By leveraging its cash reserves and obtaining these additional loans, the Company aims to fortify its financial stability, ensuring sufficient liquidity to meet payment obligations and sustain ongoing operations.
- Verde's average current loan rates stand at 16.25% per annum.

Company's Loan Profile (C\$)



C\$'000	2023	2024	2025	2026
Amortization	20.5 ¹	16.8	7.2	3.5
Total loans at year-end ²	32.6	15.7	8.5	5.0

1 - Amortization from Q2 2023 to Q4 2023.

2 - Total loans and payments includes all interest projected for the operation. Values might change according to the Central Bank of Brazil's SELIC rate.

3 - 12 months grace period, total loan period 60 months. Includes interest rates.



Contingency Plan

In light of the current market conditions, Verde has been actively implementing cost reduction measures and expense optimization strategies since March 2023. These initiatives have identified various opportunities for savings and cost avoidance, with an estimated total impact of over \$1.2 million over a 12-month period.

Outlined below are some of the actions undertaken by the company, along with the projected annual savings for each:

Action	Description	Estimated savings in 12 months
Workforce optimization	Reduction of 30 personnel across operations, maintenance, inbound logistics, and back-office functions, including directors and managers.	\$772,000 ¹
Machinery optimization	Renegotiating rental contracts for machinery such as wheel loaders, mining excavators, and trucks.	\$407,000
Third-Party contract renegotiation	Reviewing and renegotiating contracts with third-party vendors.	\$62,000

These measures reflect Verde's commitment to optimizing its operations, improving cost efficiencies, and enhancing financial performance in the current market environment.

1 - Severance fee expenses estimated at \$90,000.



Appendix

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\$) ⁽¹⁾	Cash cost	Assets depreciation	Total cost expected for 2023 ⁽²⁾	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) ⁽³⁾ 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.



Summary of Interest-Bearing Loans and Borrowings

Part 1:

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R\$'000)	Balance at Mar 31, 2023 (C\$'000)	Repayable by	Total interest payable*
Bradesco	Mar, 2023	Capex	6	18	4,729	1,262	Mar, 2025	CDI ⁽¹⁾ +4.18%
Bradesco	Jan, 2023	Capex	6	18	10,000	2,594	Jan, 2025	CDI ⁽¹⁾ +4.21%
Bradesco	Jan, 2023	Capex	6	18	5,000	1,297	Jan, 2025	CDI ⁽¹⁾ +4.57%
Inter	Jan, 2023	Working capital	12	24	5,000	1,294	Jan, 2026	CDI ⁽¹⁾ +5.51%
Itaú ⁽⁴⁾	Jan, 2023	Working capital	6	6	5,867	1,565	July, 2024	15.84%
Brazil	Dec, 2022	Working capital	6	18	10,000	3,563	Dec, 2024	CDI ⁽¹⁾ +4.10%
Brazil ⁽⁴⁾	Dec, 2022	Working capital	12	12	4,891	1,305	Dec, 2023	14.88%
Itaú ⁽⁴⁾	Dec, 2022	Working capital	6	6	7,800	2,081	May, 2023	15.96%
Itaú ⁽⁴⁾	Dec, 2022	Working capital	6	6	12,105	3,229	May, 2023	16.08%
Brazil	Oct, 2022	Working capital	12	48	20,000	8,319	Oct, 2027	CDI ⁽¹⁾ +3.70%
Votorantim	Sep, 2022	Working capital	12	30	10,000	3,206	Mar, 2025	CDI ⁽¹⁾ +5.10%
Brazil	Sep, 2022	Working capital	6	24	5,000	1,491	Sep, 2024	CDI ⁽¹⁾ +3.00%
Bradesco	Aug, 2022	Equipment	6	24	5,597	1,676	Oct, 2024	IPCA ⁽²⁾ +5.19%
ABC Brazil	Aug, 2022	Working capital	5	24	3,500	966	Sep, 2024	CDI ⁽¹⁾ +7.44%
ABC Brazil	Aug, 2022	Working capital	6	24	1,500	432	Sep, 2024	CDI ⁽¹⁾ +7.44%
Santander	Aug, 2022	Working capital	3	24	12,000	2,755	Aug, 2024	CDI ⁽¹⁾ +4.85%
ABC Brazil	Aug, 2022	Working capital	6	30	2,500	757	Mar, 2025	CDI ⁽¹⁾ +7.44%

(1) - CDi (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at March 31, 2023, the 12 months cumulative rate was 13.28%.

(2) - Inc Variable interest (IPCA) - Broad Consumer Price Index, a measure of the average price needed to buy consumer goods and services. As at March 31, 2023 the 12 months cumulative rate was 5.60%.

(4) - \$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". According to accounting standards, the entire interest of Reverse Factoring operations must be recognized at the time of the loan, rather than over the loan period. In Q4 2022, these loans total \$6,313,000, with a total of \$560,000 in interest expenses.



Summary of Interest-Bearing Loans and Borrowings

Part 2:

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R\$'000)	Balance at Mar 31, 2023 (C\$'000)	Repayable by	Total interest payable*
Brazil	Aug, 2022	Working capital	6	18	5,000	1,151	Aug, 2023	CDI ⁽¹⁾ +3,00%
BDMG	Apr, 2022	Working capital	24	72	3,000	1,237	Mar, 2030	TJLP ⁽³⁾ +5,00%
Santander	Feb, 2022	Equipment	03	36	260	49	Feb, 2025	CDI ⁽¹⁾ + 4,60%
Santander	Feb, 2022	Equipment	03	36	888	208	Feb, 2025	CDI ⁽¹⁾ + 4,60%
Santander	Feb, 2022	Equipment	03	36	1,340	286	Feb, 2025	CDI ⁽¹⁾ + 4,60%
Santander	Feb, 2022	Equipment	03	36	2,169	461	Jan, 2025	CDI ⁽¹⁾ + 4,60%
Santander	Feb, 2022	Equipment	03	36	888	189	Jan, 2025	CDI ⁽¹⁾ + 4,60%
Brazil	Jan, 2022	Working capital	06	36	5,000	1,065	Dec, 2024	CDI ⁽¹⁾ +2,92%
Various loans	pre 2022				9,842	2,968		
Total					153,876	45,406		

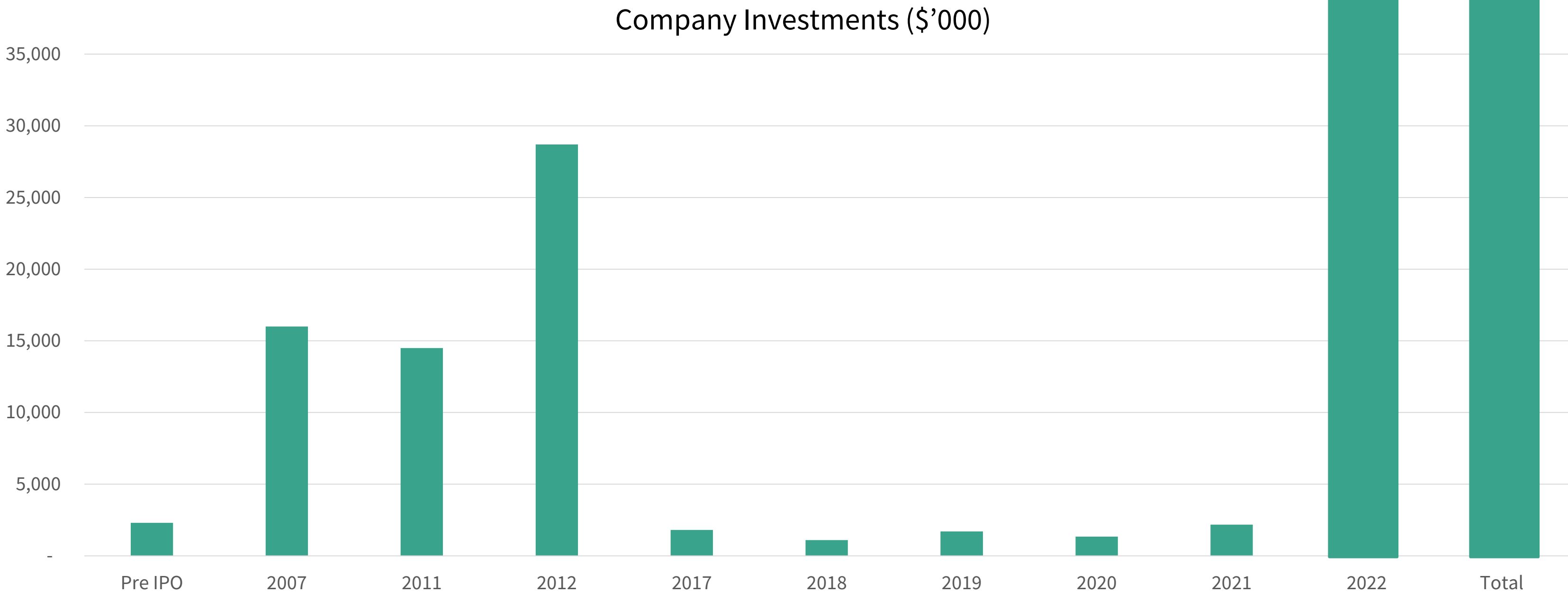
(1) - CDi (Certificado de Depósito Interbancário) is the average of interbank overnight rates in Brazil. As at March 31, 2023, the 12 months cumulative rate was 13.28%.

(3) - TJLP (Taxa de Juros de Longo Prazo) is the long term interest rate in Brazil. As at March 31, 2023, the 12 months cumulative rate was 7.28%.



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.

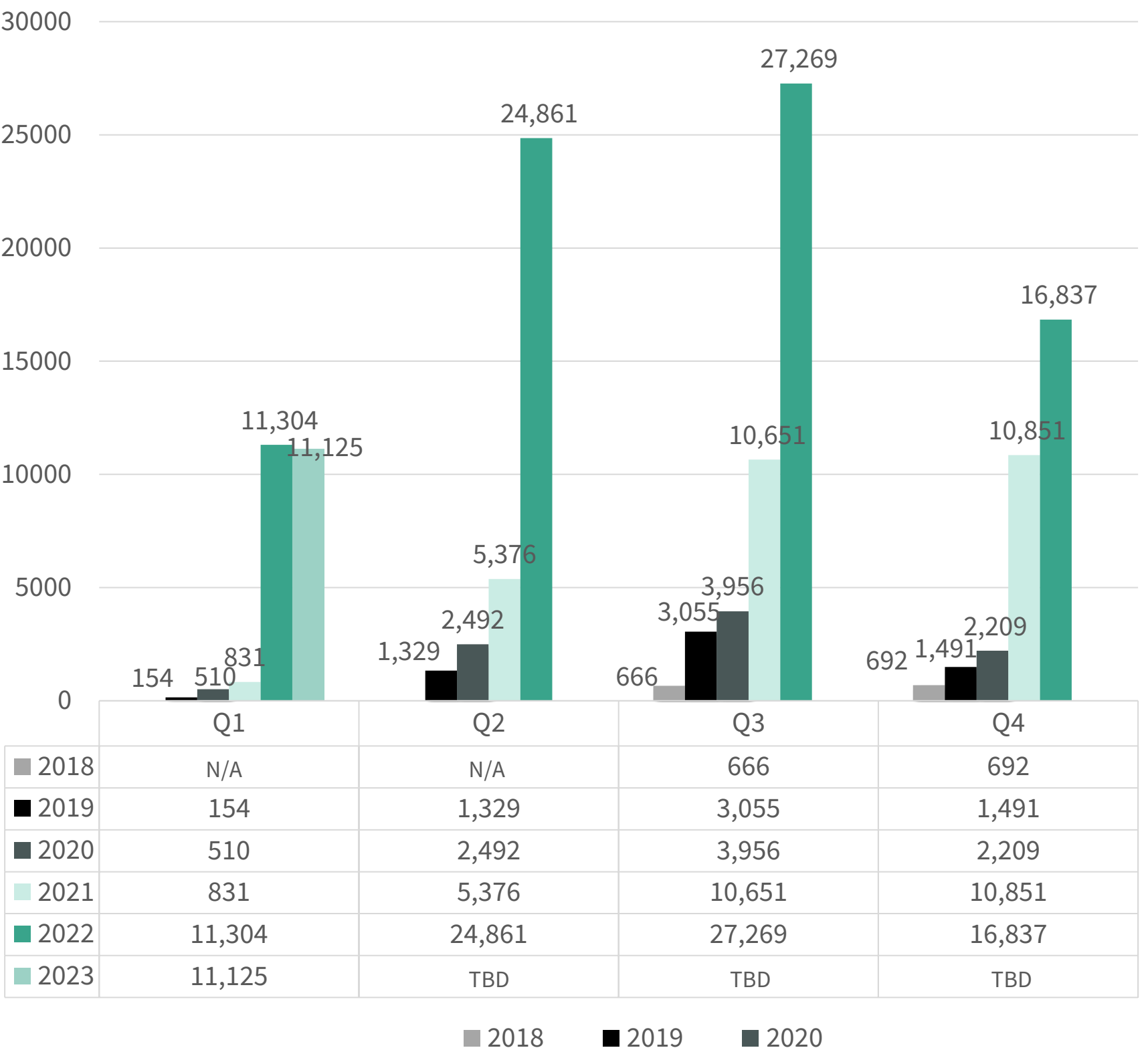


Key Metrics Quarterly

Sales (Tonnes)



Revenue ('000 CAD)



Earned Growth Rate

Earned Growth Rate (“EGR”) is an accounting-based methodology that provides companies with an objective, data-driven connection between customer success, repeat and expanded purchases, word-of-mouth recommendations, a positive company culture, and business results. It gauges customer loyalty through the lens of revenue growth, identifying which revenue streams come from existing customers doing more business with a company and which ones come from referrals. The EGR measures the sales growth by volume generated by returning customers and new client purchases made by existing clients’ referrals.¹

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%

Potassium Chloride Replacement

Potassium chloride is composed of approximately 46% of chloride, which can have biocidal effects when excessively applied to soils.¹

Soil microorganisms play a crucial role in agriculture by capturing and storing carbon in the soil, making a significant contribution to the global fight against climate change.

The average farmer applies 200 kg of potassium chloride to the soil per hectare per year, equivalent to the application of 1,600 litres of bleach as far as killing soil biodiversity.²

Verde’s Product is a salinity and chloride-free replacement for KCl fertilizers.

Period	Chloride amount that has been prevented from being applied into soils by farmers who used the Product in lieu of KCl fertilizers ³	Bleach equivalent amount
In Q1 2023	8,559 tonnes	136.1 million liters
Since production started	121,201 tonnes	1.93 billion liters

Over the next 26 years⁴ , the Company intends, along with its customers, to have prevented approximately 1,503 billion liters of bleach from being applied into soils.

1 According to Heide Hermary (Effects of some synthetic fertilizers on the soil ecosystem, 2007), applying 1 pound of potassium chloride to the soil is equivalent to applying 1 gallon of Clorox bleach, with regard to killing soil microorganisms. / 2 - FAOSTAT, Agricultural use of nutrient potash, 2018. <http://www.fao.org/faostat/en/#data/RFN>
3 – 1 tonne of Product (10% K2O) has 0.1 tonnes of K2O, which is equivalent to 0.17 tonnes of potassium chloride (60% K2O), containing 0.08 tonnes of chloride.
4 - Based on the 50Mtpy production scenario of the NI 43-101 Pre-Feasibility Technical Report. See the PFS for further information: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>



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.



Permit Status – Last 12 months

Pit	Date	Category	Status	Event
10	March 20, 2023	Mining	Applied	400,000 tpy Mining Concession Application
2	November 12, 2022	Environment	Applied	22,500,000 Operating Environmental License
9	October 25, 2022	Mining	Applied	1,000,000 tpy Mining Concession Application
8	October 25, 2022	Mining	Applied	1,500,000 tpy Mining Concession Application
7	October 25, 2022	Mining	Applied	2,500,000 tpy Mining Concession Application
6	September 12, 2022	Mining	Approved	4,660,000 tpy Feasibility Study



Summary of licenses and permits

Under Brazilian law, a pit is fully permitted to mine when the Company holds both a Mining Concession/Permit and Environmental License for that area. Verde is fully permitted to mine 2,833,000 million tonnes per year (“Mtpy”) and has submitted concurrent mining and environmental applications for an additional 25,000,000 tpy, still pending approval.

The Company has different mine pits, each at different permitting stages and targeting different volumes, as summarized in the table below:

Mine Pit	Fully Permitted to Produce (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	0	2,500,000	0	2,500,000
Other pits	0	0	11,560,000	0	0
Total	2,833,000	2,833,000	36,560,000	2,833,000	25,000,000

The Company is fully permitted to achieve its 2023 targets.

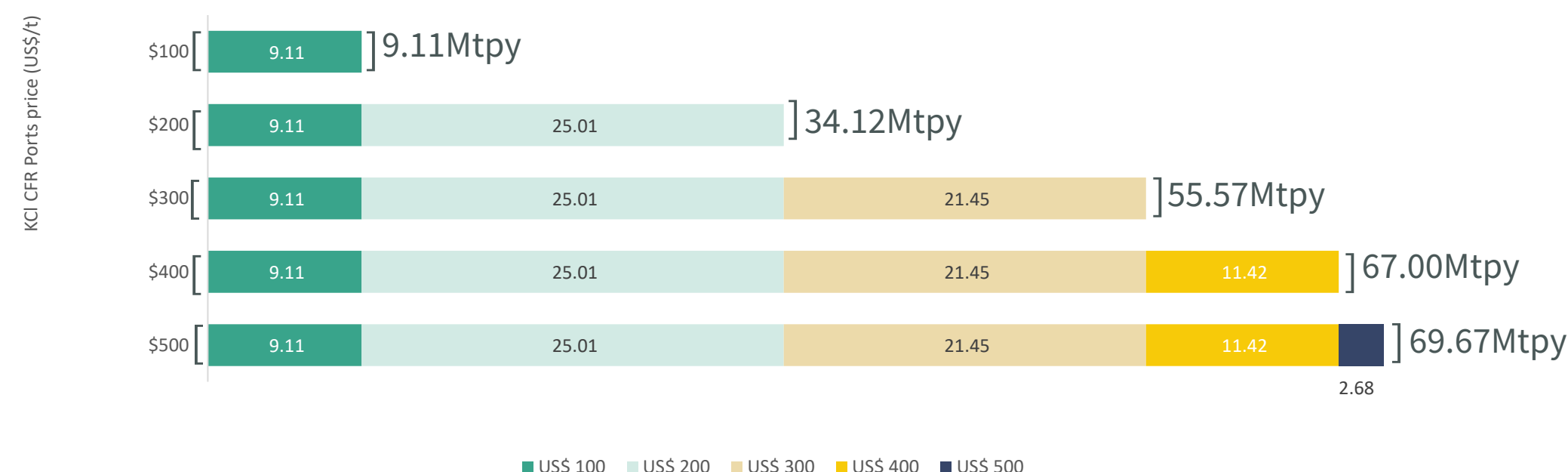


Verde's market size according to average KCl CFR Ports price

K Forte® has 10% K₂O whereas KCl has 60% K₂O. 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 K₂O 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 K₂O than KCl, according to the average KCl CFR Ports price.¹

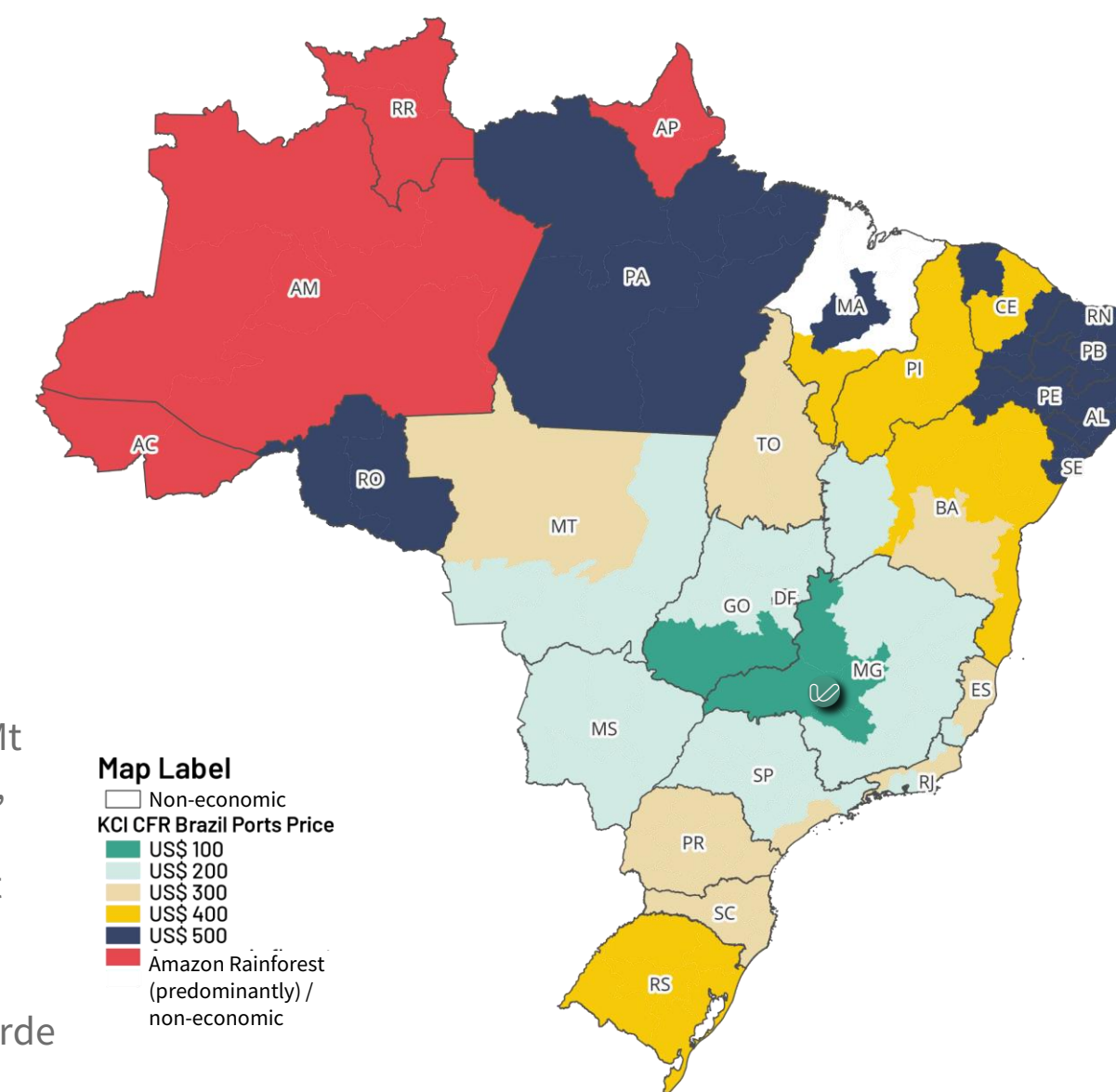
Potential market for Verde (million tonnes of K Forte® / KCl price)



1 - The analysis is based on the following assumptions: Brazil's market size projected for 2023 = 7.02Mt of K₂O, equivalent to 70.20Mt of K Forte® (10% K₂O). 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 K₂O for each region.

K Forte® production cost per tonne (100kg of K₂O) = 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 K₂O, based on their K₂O amount and potential market size.

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

1 - Source: Tec-Fertil.



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 (US\$ per tonne)	KCl price per tonne delivered to the farmer (600kg of K2O)(US\$) ^{1,2}	K Forte® production cost per tonne (100kg of K2O)(US\$) ³	K Forte® production cost per tonne x 6 (600kg of K2O)(US\$)	Freight cost to deliver 6 tonnes of K Forte® to the farmer (600kg of K2O)(US\$) ⁴	K Forte® delivered to the farmer (600kg of K2O)(US\$)	Brazil's potential market size to be supplied by Verde (million tonnes of K Forte®, 100kg of K2O)	Potential revenue for Verde (million US\$) ⁵	Verde's margin (% of potential revenue) ⁵
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 K₂O, equivalent to 70.20Mt of K Forte® (10% K₂O). 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-Fertil).

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 K₂O 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 K₂O 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 K₂O 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) ^{1,2}	Freight from the port to the blender (US\$/t) ^{2,3}	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).





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