

Q2 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): Q220235OFF

5% OFF Coupon (CA): Sold out

The discount codes are valid through August 23, 2023.

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



Summary

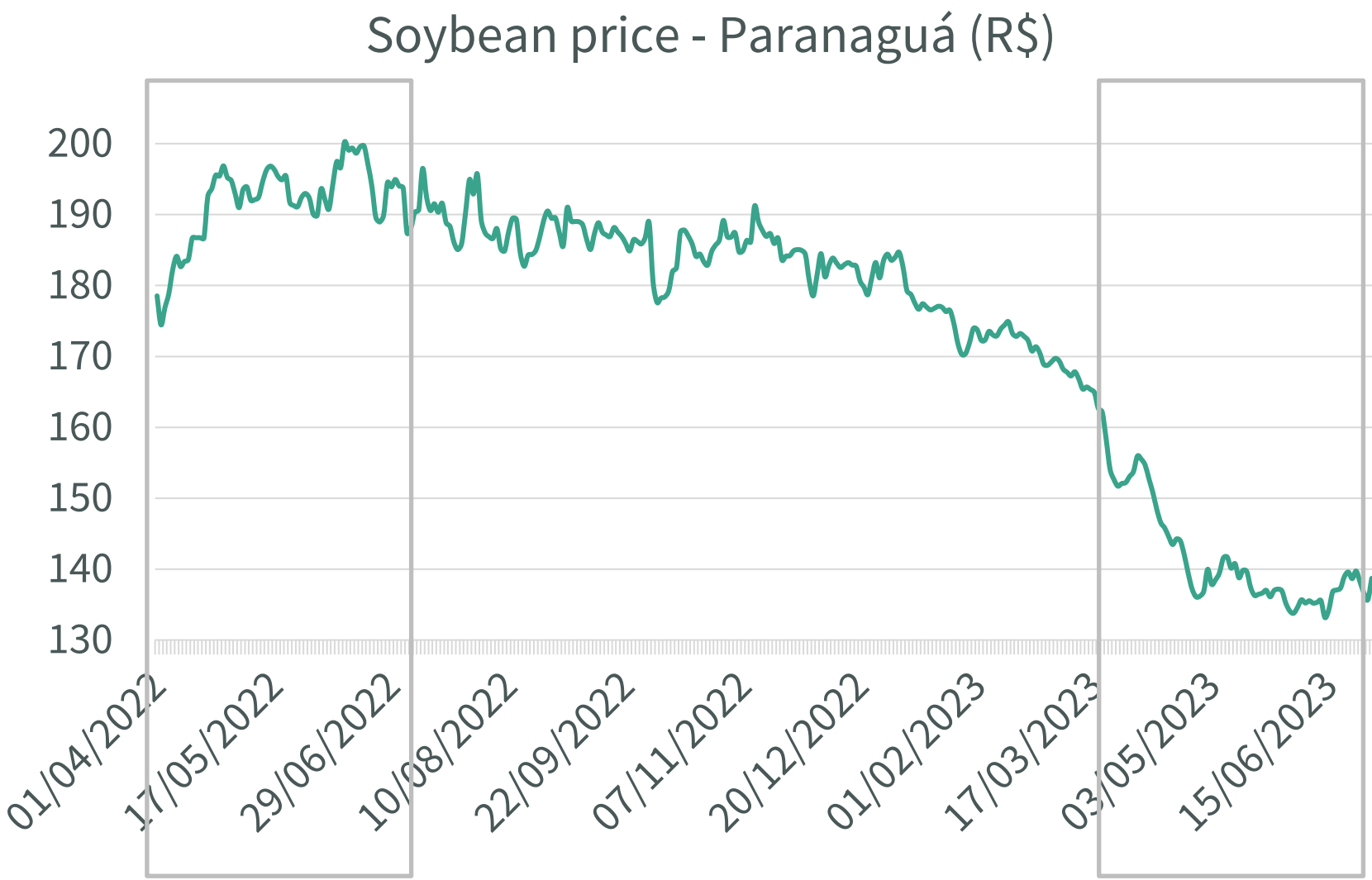
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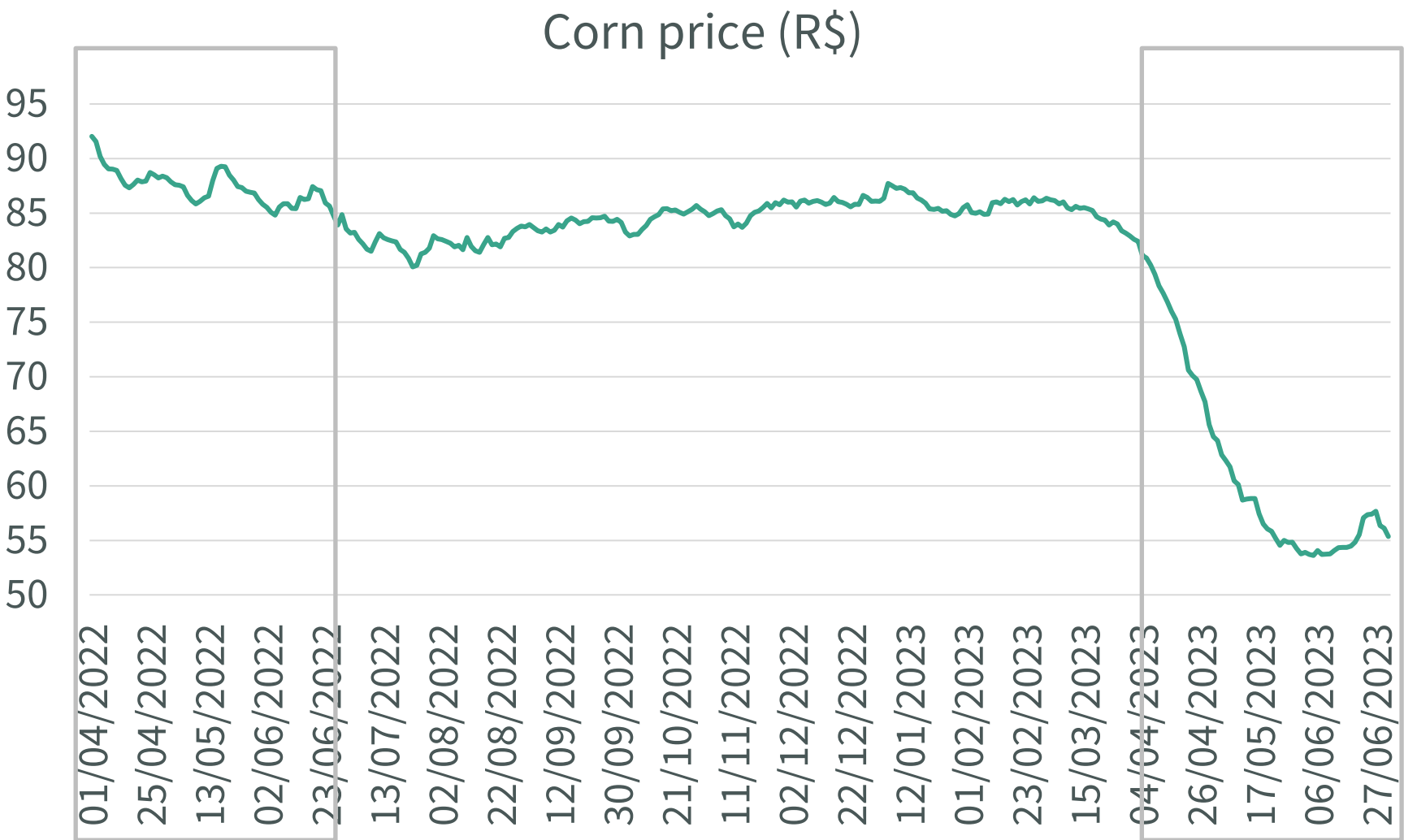


Market Overview

The agricultural commodities market has been experiencing significant fluctuations on a downward trend for the last months, impacting the fertilizers' market worldwide.



Soybean prices decreased 27% in Q2 2023, compared to Q2 2022.
The crop also decreased 19% from January 2023 to June 2023.

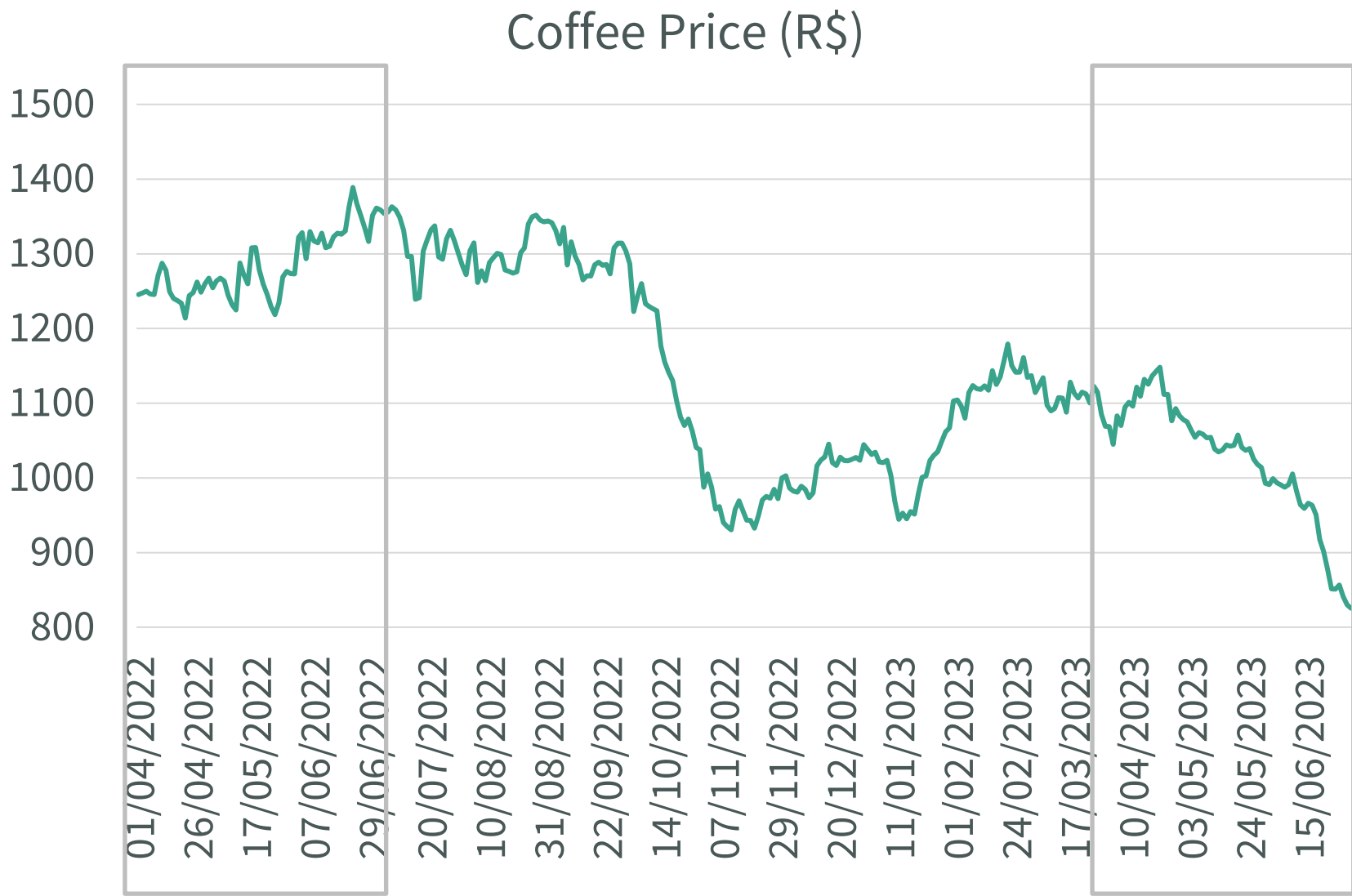


Corn prices decreased 28% in Q2 2023, compared to Q2 2022. The crop also decreased 20% from January 2023 to June 2023.

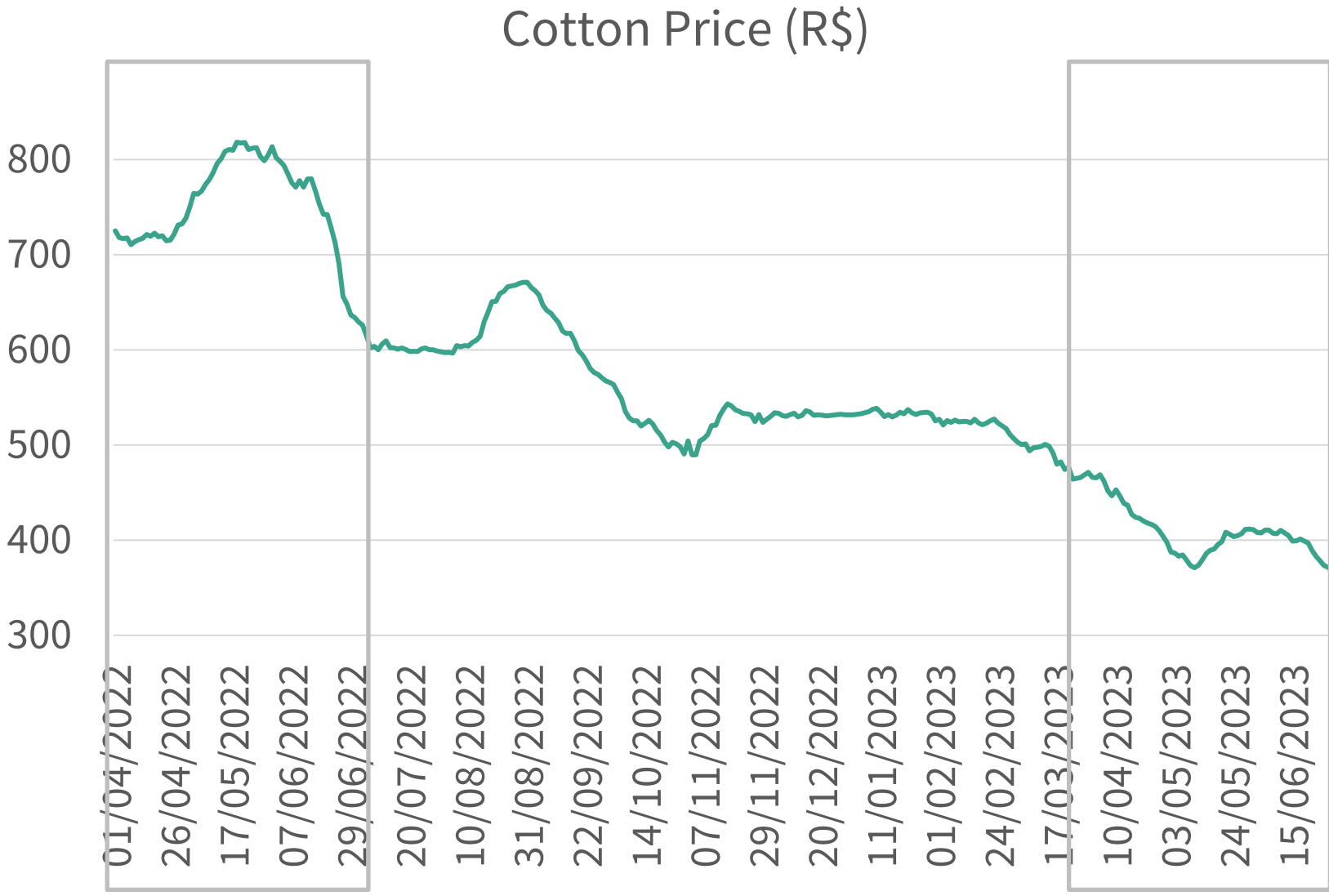
Source: CEPEA – ESALQ / USP. Available at: <https://www.cepea.esalq.usp.br/br>



Market Overview



Coffee prices decreased 20% in Q2 2023, compared to Q2 2022. The crop also decreased 22% from January 2023 to June 2023.



Cotton prices decreased 46% in Q2 2023, compared to Q2 2022. The crop also decreased 36% from January 2023 to June 2023.

Source: CEPEA – ESALQ / USP. Available at: <https://www.cepea.esalq.usp.br/br>



Brazilian Economic Scenario

Brazilian SELIC interest rate at year end



The latest economic activity indicators consistently align with a scenario of deceleration, with annual inflation eased to 3.99% in the last 12 months.

Source: Brazilian Central Bank. Available at: <https://www.bcb.gov.br/en>

- On August 5, 2023, the Central Bank of Brazil lowered the SELIC rate from 13.75% to 13.25% after a sequence of 12 consecutive rate hikes, commencing in March 2021.
- This series unfolded against the backdrop of escalating prices in essential commodities like food, energy, and fuel.
- Since August 2022, the rate has remained fixed at 13.75% per annum for seven consecutive periods.
- The SELIC rate is to reach 11.75% per annum by the end of 2023, 9% in 2024, and 8.5% in 2025 and 2026.



Agricultural inputs market and credit crunch

The convergence of these factors characterizes the current scenario as an atypical and extreme circumstance.



As a result, farmers opt to procure inputs from suppliers that provide extended payment terms, combined with the most competitive interest rates achievable. This strategy enables them to cover the expenses associated with these inputs after generating revenue from the imminent harvest, usually spanning a period of 9 to 12 months.

Agricultural inputs market and credit crunch

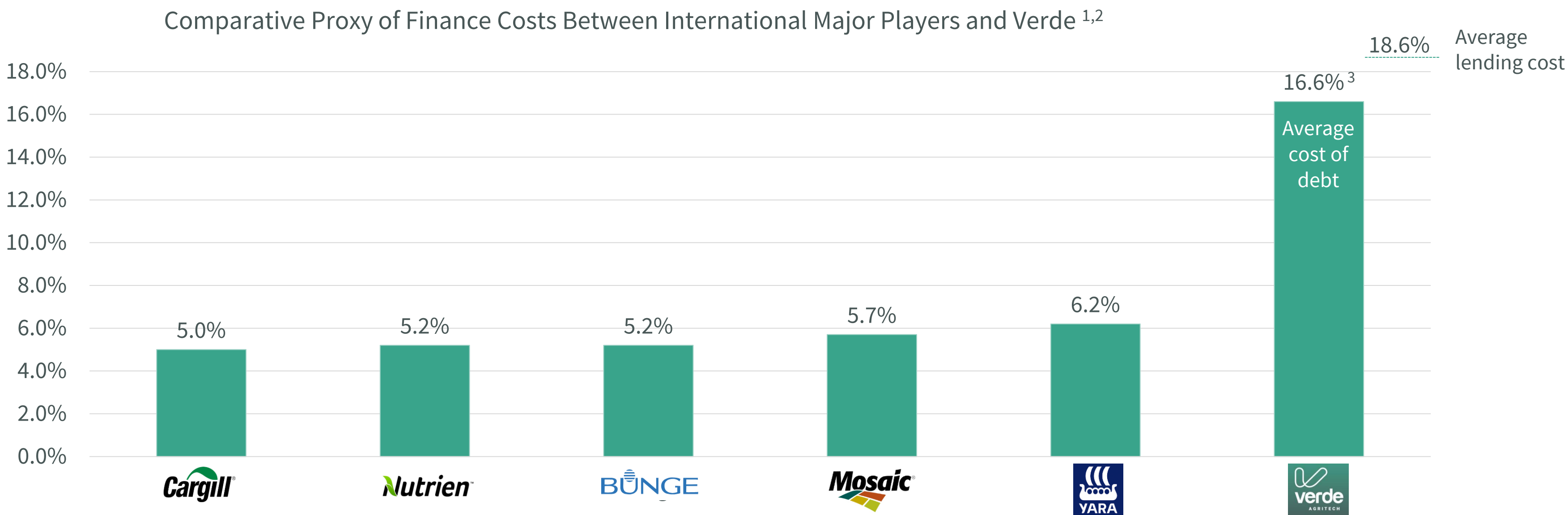
In addition to the forecast of a record harvest in Brazil, the decline in grain prices has prompted Brazilian farmers to suspend sales, causing a backlog in product distribution. In the state of Mato Grosso, the country's largest soybean producer, over 20% of the soybeans harvested in January are still occupying storage facilities.



Source: <https://g1.globo.com/jornal-nacional/noticia/2023/07/20/falta-de-silos-de-armazenamento-ameaca-a-superproducao-de-graos-no-centro-oeste-do-brasil.ghtml>

Global Market Competition and Financing

Unlike its competitors, Verde does not have the option to incur most of its cost of debt in US dollar-denominated liabilities. Overall, the Company is not able to provide financing for more than 20% of its revenue due to constraints related to lines of credit.

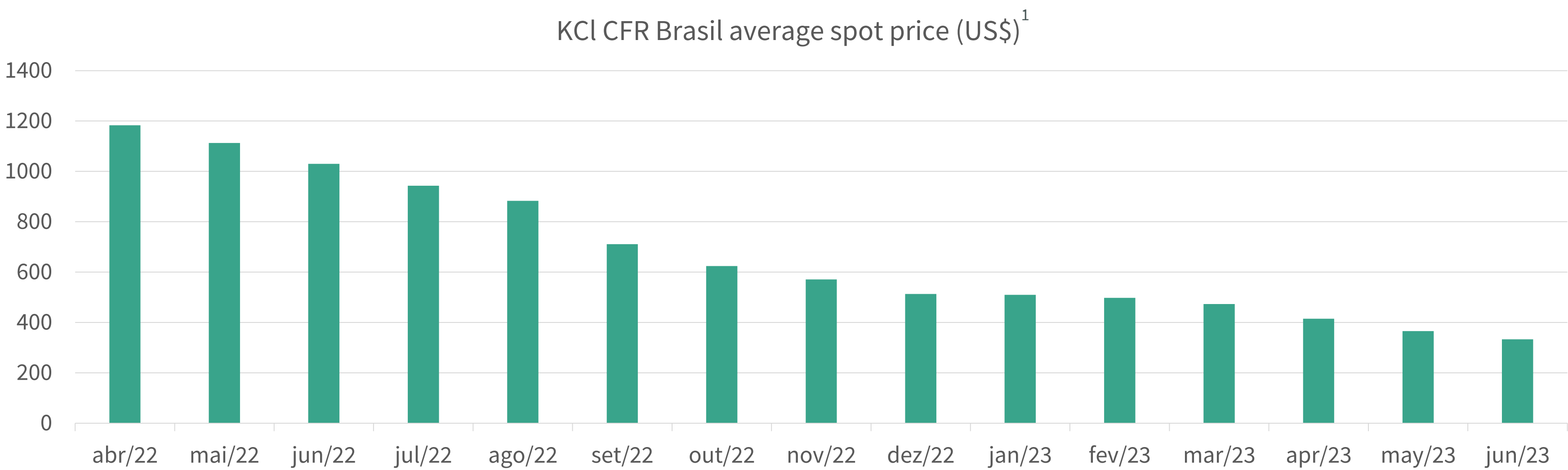


1- Source: Bloomberg, as of July 24th, 2023.
2 - Considers each Company most traded bond, which differs considerably from Verde's tenors. This is likely to imply that large international players have an even lower cost of finance.
3 - Considers average cost of debt related to working capital loans with maturity from September 2023 onwards as of Q2 2023.



Market Overview

The price of potassium chloride (KCl) has exhibited a consistent downward trend since H2 2022. The Average KCl CFR declined by 67% in Q2 2023, compared to Q2 2022, with a sharp 40% decrease from January to July 2023.



1 - Acerto Limited Report.



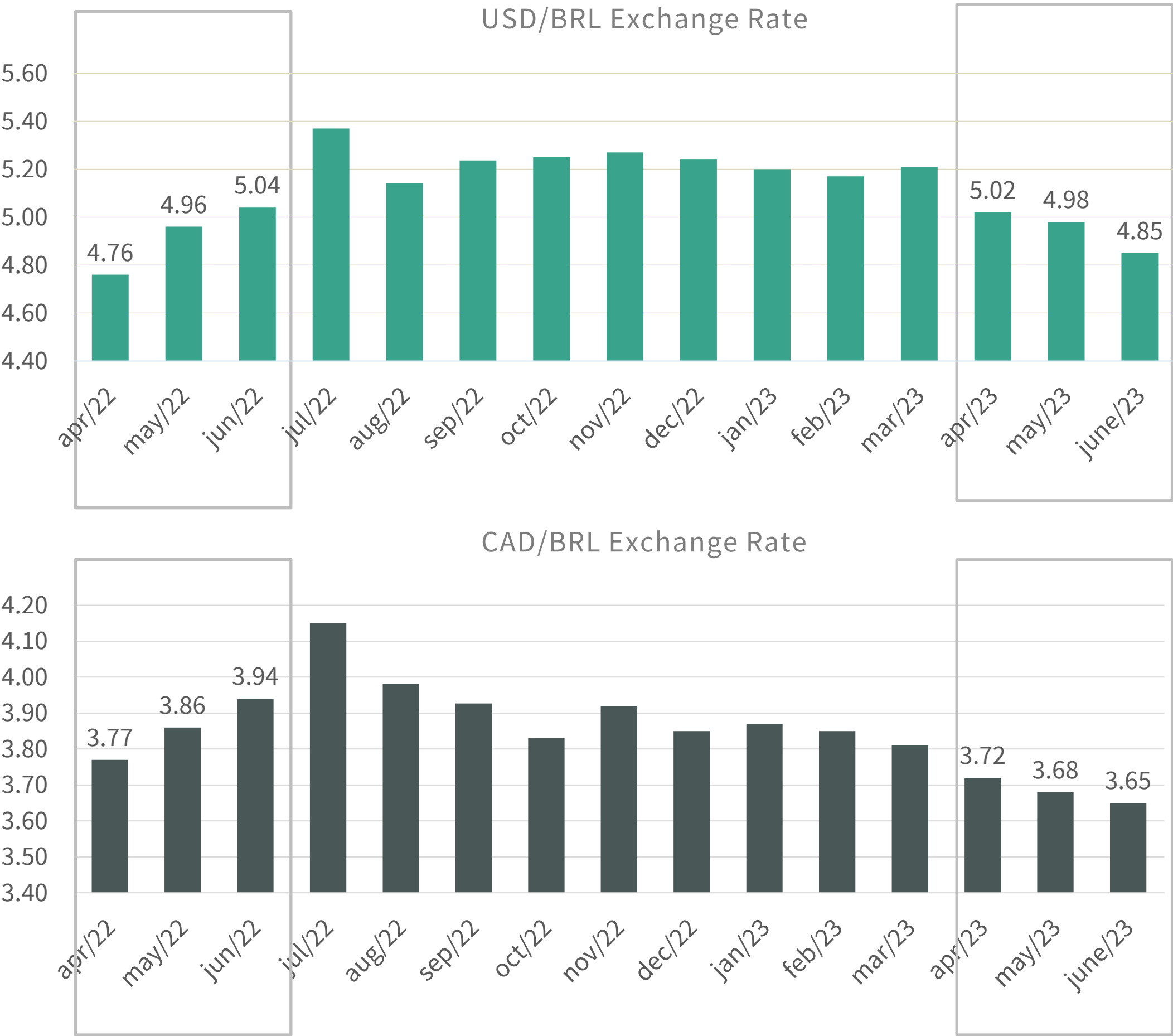
Currency exchange

As the US dollar weakened by 10% against the Brazilian Real during the year, Verde's sales revenue, priced based on potassium chloride, suffered a decline when converted to Brazilian Real.

Canadian dollar devaluated by 6% versus Brazilian Real in Q2 2023, with an average exchange rate of R\$3.76 in the quarter, compared to R\$3.99 in Q2 2022.

As of August 10, 2023, US\$1.00 = R\$4.85, and C\$1.00 = R\$3.62

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



Market outlook

The agricultural market is showing early signs of recovery:

- Agricultural commodity prices are no longer experiencing a rapid decline.
- Interest rates in Brazil have started to decrease from their elevated levels.
- Projections indicate a positive outlook for inflation control and stability in the coming years.

We anticipate that these shifts will soon mitigate the extraordinary distortions that temporarily favoured competitors with lower capital costs.



Q2 2023 Highlights

- Cash** Cash and other receivables held by the Company in Q2 2023 were \$23.8M, compared to \$22.1M in Q2 2022.
- Cash utilised from investing activities decreased by 97% in Q2 2023, to \$329k compared to \$12,480,000 in Q2 2022 as costs relating to the commissioning and construction of Plant 2 were high in Q2 2022 as the Group worked towards opening plant 2.
- The company has successfully secured a bank loan of \$5.5 million from the Bank of Brazil, with a grace period of 12 months and a repayment schedule spanning 48 months.
- Total loans for CAPEX and working capital in Q2 2023 \$38.4 million.
- Profitability** Sales by volume were 107K tonnes, compared to 202K tonnes in Q2 2022 and 56K tonnes in Q2 2021.
- Revenue in Q2 2023 was \$10.3M, compared to \$24.9M in Q2 2022.
- EBITDA before non-cash events in Q2 2023 was \$2.1M, compared to \$10.8M in Q2 2022.
- Net profit in Q2 2023 was \$0.2M, compared to a \$9.6M profit in Q2 2022.
- Total equity and liabilities in Q2 2023 were \$97.3M, compared to \$65.5M in Q2 2022.
- Operations** Verde announced the carbon capture properties of its Products as detailed by an independent study conducted at Newcastle University under the leadership of Prof. David Manning, PhD, a renowned soil scientist. The CO₂ capture is inherent to the Products and is estimated at 120kg per tonne. As a result, in the production scenario of 50Mtpy, Verde would be one of the world's largest carbon capture projects with a total of 6 million tonnes of CO₂ permanently subtracted from the atmosphere every year.



Q2 2023 Financial Statements

All amounts in CAD \$'000	Q2 2023	Q2 2022	% Δ	2023 YTD	2022 YTD	% Δ
Revenue	10,305	24,861	(59%)	21,430	36,165	(41%)
Production costs ⁽¹⁾	(1,914)	(5,332)	(64%)	(4,623)	(7,987)	(42%)
Gross Profit	8,391	19,529	(57%)	16,807	28,178	(40%)
Gross Margin	81%	79%	N/A	78%	78%	N/A
Sales and marketing expenses	(1,124)	(1,070)	5%	(2,331)	(2,028)	15%
Product delivery freight expenses	(3,723)	(7,040)	(47%)	(7,590)	(10,013)	(24%)
General and administrative expenses	(1,442)	(655)	120%	(2,814)	(1,696)	66%
EBITDA ⁽²⁾	2,102	10,764	(80%)	4,072	14,441	(72%)
Share Based and Bonus Payments (Non-Cash Event) ⁽³⁾	144	(40)	(458%)	116	(104)	(211%)
Depreciation, Amortisation and P/L on disposal of plant and equipment	(968)	(38)	2436%	(1,880)	(64)	2826%
Operating Profit after non-cash events	1,278	10,686	N/A	2,308	14,273	N/A
Interest Income/Expense ⁽⁴⁾	(951)	(245)	288%	(1,993)	(430)	363%
Net Profit before tax	327	10,441	N/A	315	13,843	N/A
Income tax ⁽⁵⁾ e tax ⁽³⁾	(86)	(816)	(89%)	(182)	(1,186)	(85%)
Net Profit	241	9,625	N/A	133	12,657	N/A

(1) – C\$1,770,000 of depreciation in 2023 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 in the MD&A.

(2) – Non GAAP measure.

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

(4) – Please see Summary of Interest-Bearing Loans and Borrowings notes.

(5) – Please see Income Tax notes.



Operational Summary

All amounts in CAD, except percentages	Q2 2023	Q2 2022	% Δ	2023 YTD	2022 YTD	% Δ
Tonnes sold '000	107	202	(47%)	215	314	(31%)
Average Revenue per tonne sold \$ er tonne sold \$	96	123	(22%)	99	115	(14%)
Average Production cost per tonne sold \$	(18)	(26)	(32%)	(21)	(25)	(16%)
Average Gross Profit per tonne sold \$ s fit per tonne s \$	78	97	(19%)	78	90	(13%)
Average Gross Margin	81%	79%	N/A	78%	78%	N/A

Operational Summary – Excluding freight revenue

All amounts in CAD, except percentages	Q2 2023	Q2 2022	% Δ	2023 YTD	2022 YTD	% Δ
Average revenue per tonne sold \$	61	88	(31%)	64	83	(23%)
Average production cost per tonne sold \$	(18)	(26)	(31%)	(21)	(25)	4%
Average Gross Profit per tonne sold \$	44	62	(30%)	43	58	(34%)
Average Gross Margin	71%	70%	N/A	67%	69%	N/A

Sales, General and Administrative Expenses

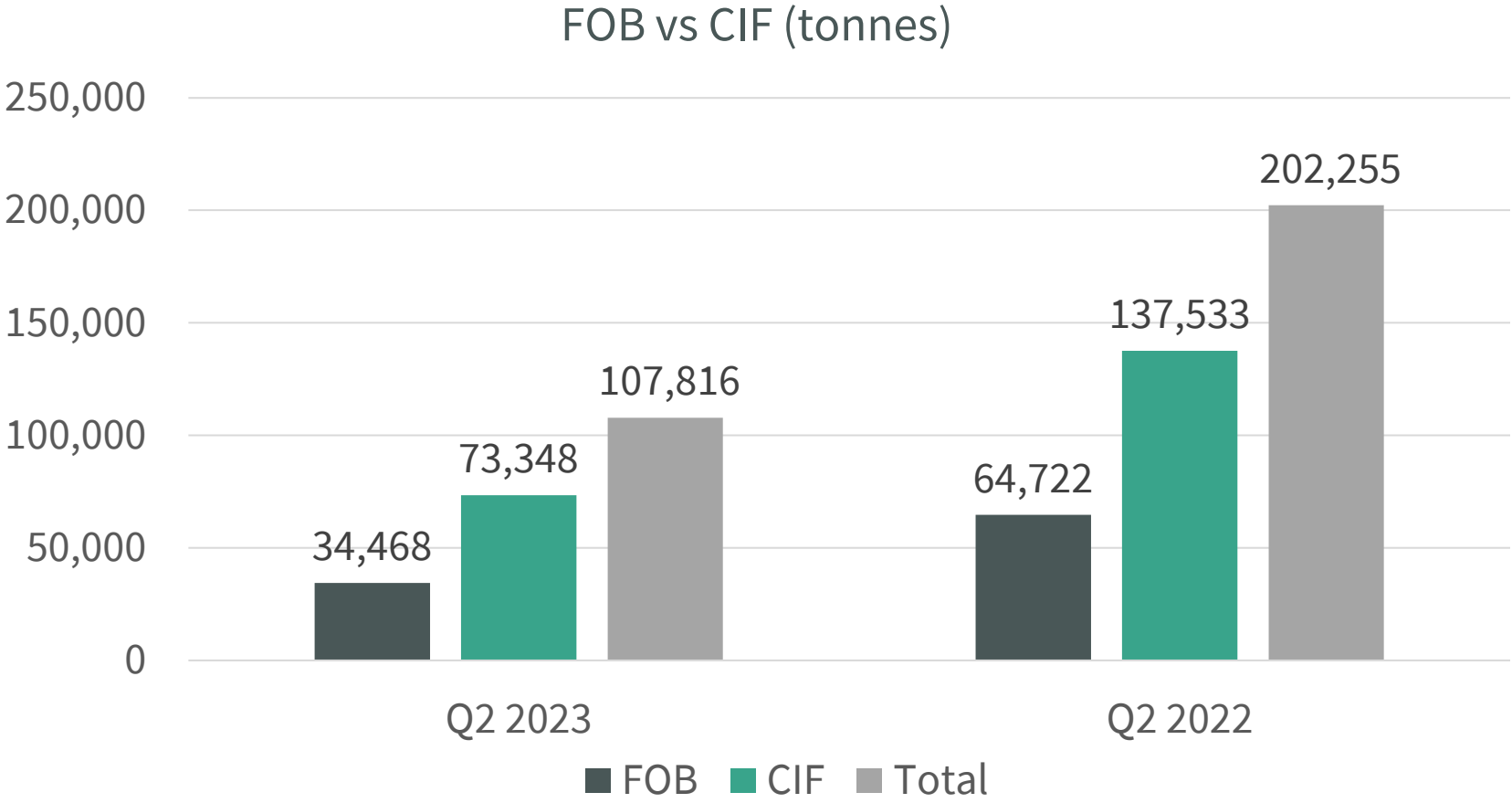
All amounts in CAD \$'000, except percentages	Q2 2023	Q2 2022	% Δ	2023 YTD	2022 YTD	% Δ
Sales Expenses						
Sales and marketing expenses	(1,030)	(711)	45%	(2,100)	(1,533)	37%
Fees paid to sales agents	(94)	(359)	(74%)	(231)	(495)	(53%)
Product delivery freight expenses	(3,723)	(7,040)	(47%)	(7,590)	(10,013)	(24%)
Total Sales expenses	(1,124)	(1,070)	5%	(2,331)	(2,028)	15%
General expenses						
General administrative expenses	(888)	(389)	128%	(1,809)	(799)	126%
Legal, professional, consultancy and audit costs	(290)	(77)	277%	(607)	(488)	24%
IT/Software expenses	(231)	(185)	25%	(343)	(390)	(12%)
Taxes and licenses fees	(33)	(4)	811%	(56)	(19)	190%
Total General expenses	(1,442)	(655)	120%	(2,814)	(1,696)	66%

Sales and marketing expenses increased by 45% in Q2 2023, mainly due to the implementation of a field sales team, resulting in expenses related to salaries car rentals and travel.

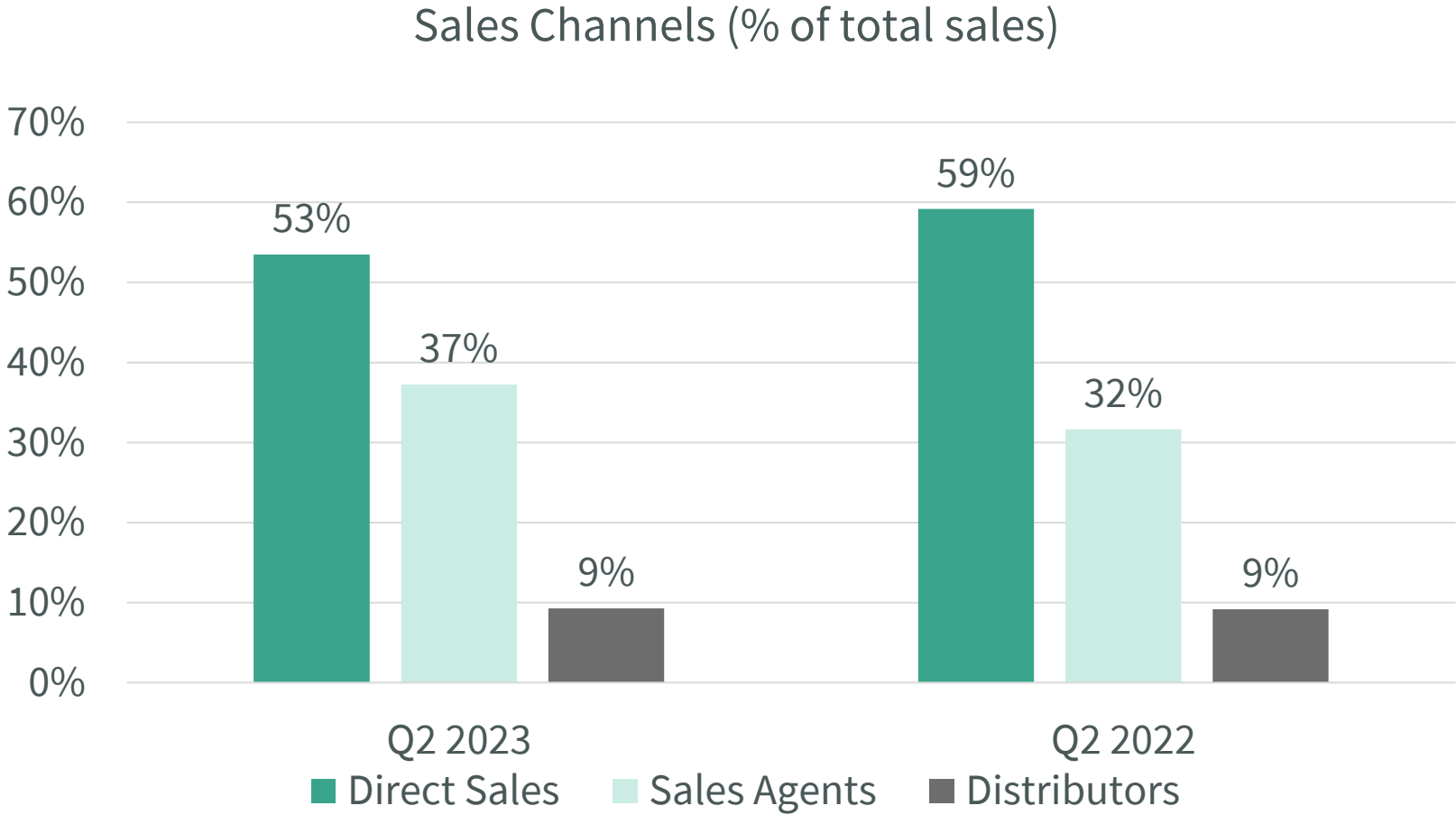
G&A expenses increased by 128% primarily be attributed to severance costs, with an expected cumulative annual cost reduction of \$588,000. In Q2 2023, the Company set aside a bad debt provision of \$25,000, within the total revenue of \$75,000,000 generated over the preceding 12 months.

Legal, professional, consultancy and audit costs increased by 278%, mainly due to higher expenditures linked to the Company's re-domiciliation to Singapore.

Logistics



Volume Sales	FOB	CIF	Total
YoY	(47%)	(47%)	(47%)

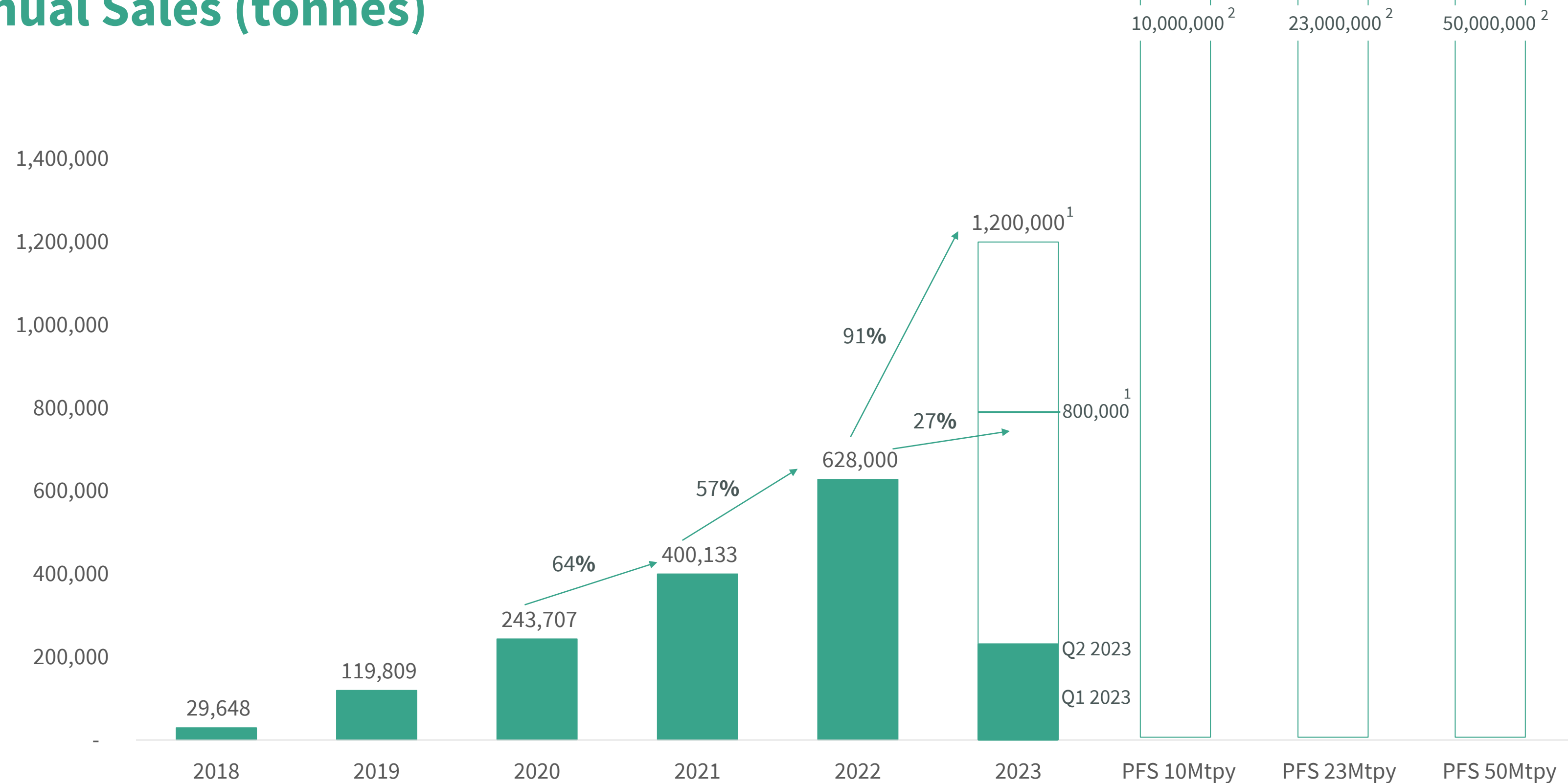


The sales channels mix between had a reduction of 6% in Q2 2023, which was offset by a 5% increase in sales made through sales agents.

- The volume sold as CIF by the Company as a percentage of the total sales in Q2 2022 remained stable at 68% during Q2 2023.
- Product delivery freight expenses decreased by 47% in Q2 2023, to \$3,723,000 compared to \$7,040,000 in Q2 2022.
- Average freight cost per tonne remained stable in Q2 2023 compared to Q2 2022, at approximately C\$34.50.



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>.



Loans

- In Q2 2023, Verde recorded cash and trade receivables totaling over \$23.8 million, providing valuable support for the company's cash flow.

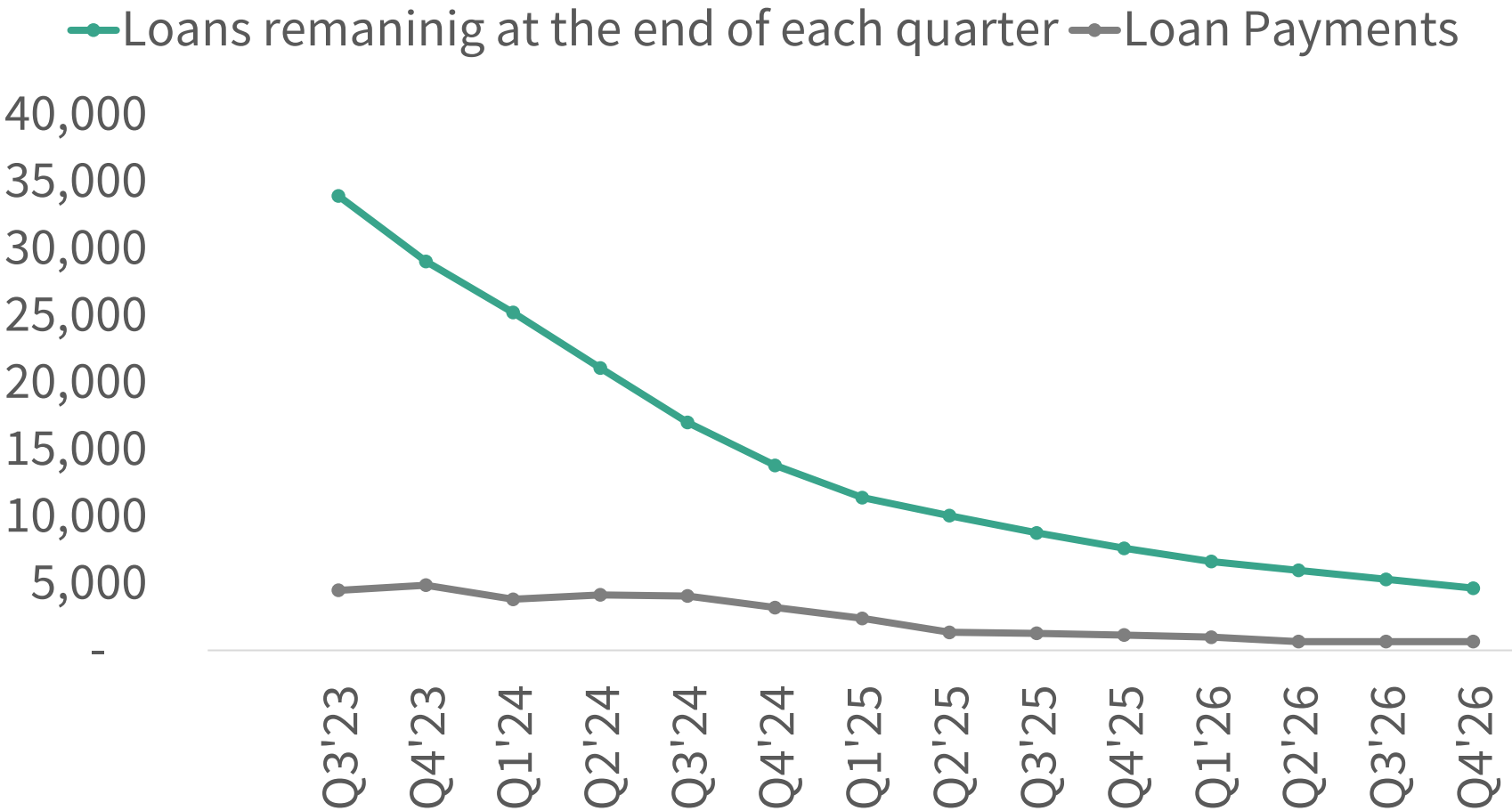
This strengthened position enables Verde to fulfill its payment obligations in full for debts due in 2023.

- The total net loans in the end of Q2 2023 was \$38,4 million
- To further enhance its cash flow, the Company obtained additional loans of \$5.76 million in the Q2 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 16.54% per annum.

1 - Amortization from Q3 2023 to Q4 2023.

2 – Total loans at year end consider the face value of the loans. No interest rates are included.
Values might change according to the Central Bank of Brazil’s SELIC rate.

Company Loans Profile



C\$'000	2023	2024	2025	2026
Amortization and Interest	9.4 ¹	18.6	7.7	5.9
Total loans at year-end ²	29.0	13.8	7.2	4.6



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

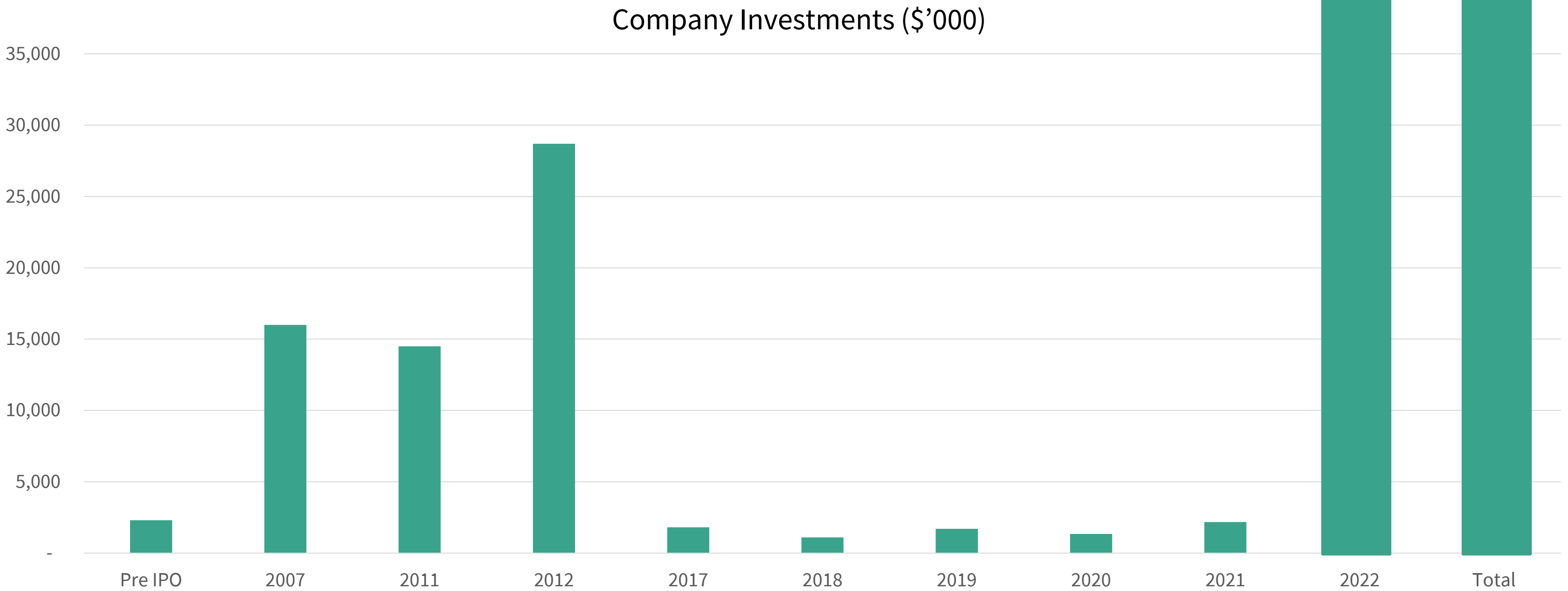
2 - Total cost per tonne includes labor mining, mining, crushing, processing, maintenance of support facilities, product transportation from mine pits to production plants, laboratory expenses, G&A, and environmental compensation expenses.

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.



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.



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 (KCl) is the conventional source of potassium, produced mostly in Canada, Russia, and Belarus. Brazil is highly dependent on imported KCl, accounting for over 96% of the total potassium used in the country's crops.
- Despite its effectiveness as a potassium fertilizer, the production and use of KCl have resulted in significant environmental and social costs. The manufacturing process of KCl, has been linked to devastating effects, including human fatalities, large-scale water pollution due to chloride contamination, and the formation of sinkholes leading to the destruction of an entire city.
- By using Verde’s product in leu of potassium chloride fertilizers, farmers are preventing chloride from being applied into soils.^{1,2}

Period	Chloride amount that has not been applied to agricultural soils
In Q2 2023	8,480M tonnes
Since production started	129,682 tonnes

Once it achieves the production capacity of 50 million tonnes per year, the Company aims to mitigate the application of approximately 94.5 billion tonnes of chloride into soils over time³ in collaboration with its customers.

¹ Verde’s Product is a salinity and chloride-free replacement for KCl fertilizers. 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.

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

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, regarding killing soil microorganisms. 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.

² 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.

³ 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

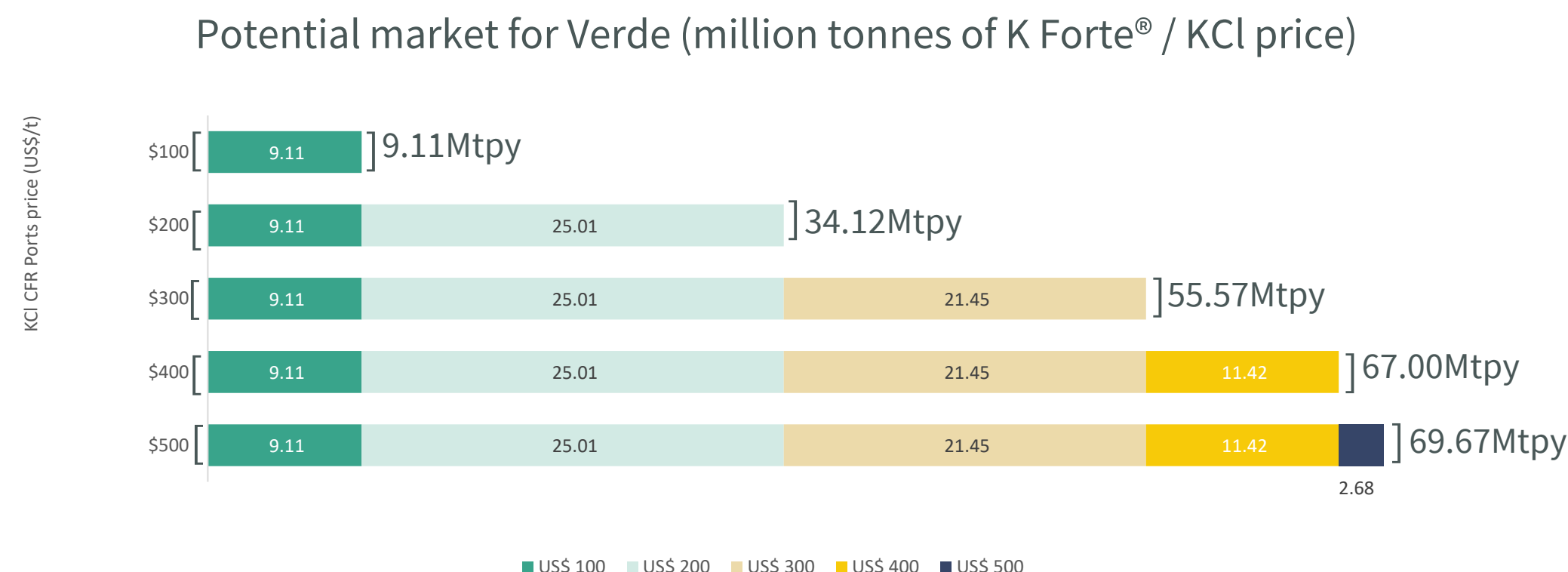
The Company is fully permitted to achieve its 2023 targets.



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.

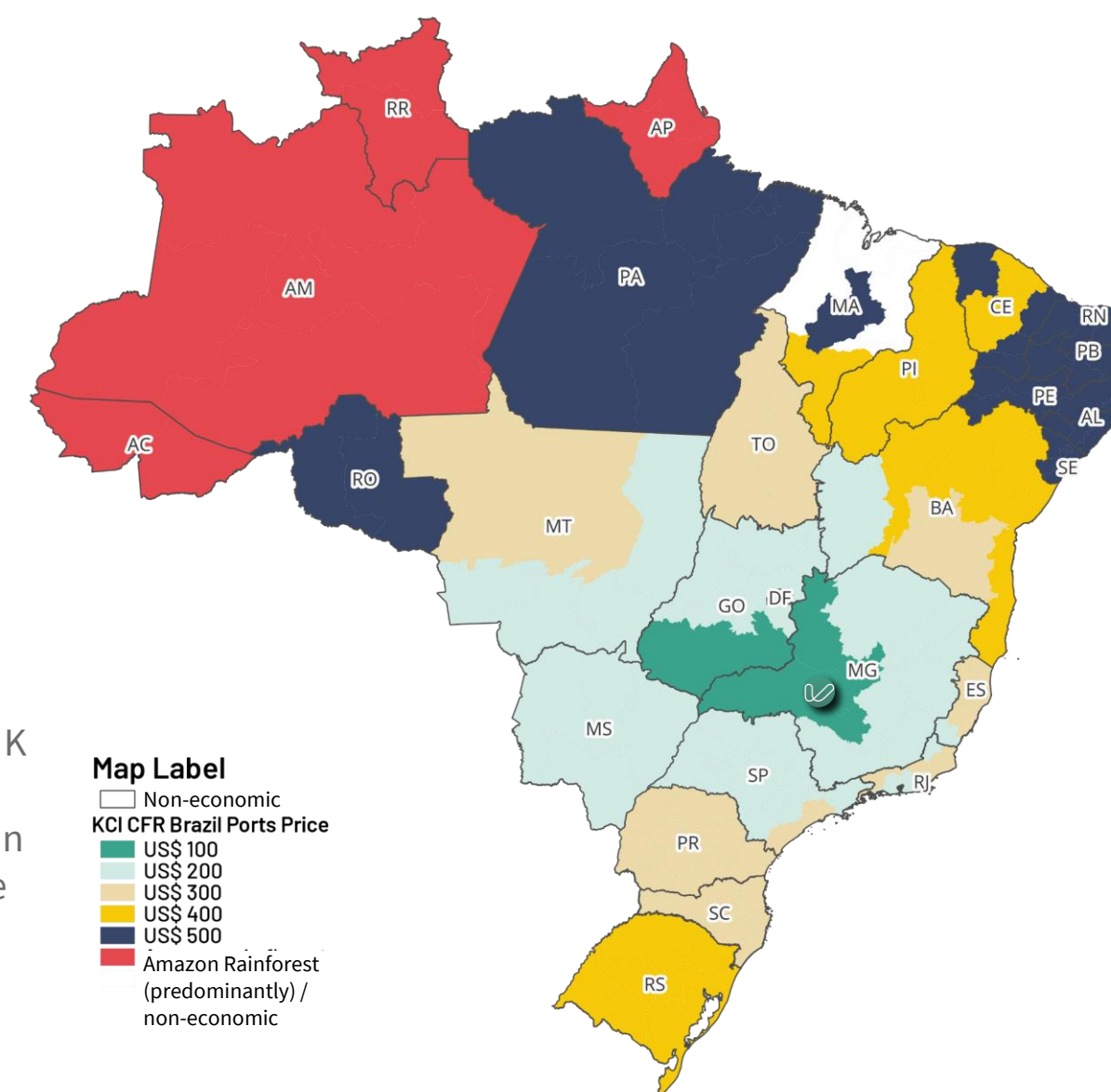
The map and chart below show Verde's market size, highlighting the regions of Brazil where the Company can deliver K Forte® for the same cost or at a lower cost per tonne of K₂O than KCl, according to the average KCl CFR Ports price.¹



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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