

October 23, 2023

Verde Cultivates Financial Resilience with Banco do Brasil and Bradesco Backing

(All figures are in Canadian dollars, unless stated otherwise. Currency exchange rate: C\$1.00 = R\$3.70)

Singapore, Verde AgriTech Ltd (TSX: “**NPK**”) (“**Verde**” or the “**Company**”) is pleased to announce that it has secured 16.2 million Canadian Dollars (“**C\$**”) - 60 million Brazilian Reais (“**R\$**”) - in debt financing facility from Banco do Brasil S.A. (“**Banco do Brasil**”) and Banco Bradesco S.A. (“**Bradesco**”), the two largest Brazilian banks (the “**Financing**”). The funds raised will be used to replace existing debt that were at higher interest rates and provide the Company with more favorable terms, including 6 months of grace period for Bradesco’s loan and 12 months for Banco do Brasil’s loan. This will enable Verde to offer financing solutions to potential customers, whilst fostering growth and financial stability. The Financing consists of C\$10.8 million in debt from Banco do Brasil, Brazil’s largest bank (R\$40 million), of which the Brazilian Federal Government retains a 50% share; and C\$5.4 million from Bradesco (R\$20 million), the second largest financial group in Brazil (the “**Banks**”). Additionally, Verde currently has C\$20 million (R\$74 million) pre-approved credit with banks in Brazil.

The loan granted by Banco do Brasil received a Sustainability Certificate (the “**Certificate**”) distinguishing it as a sustainable financial operation. The Certificate is awarded to financing activities included in Banco do Brasil’s¹ evaluated against a diverse array of national and international standards and taxonomies. The purpose of BB’s Sustainable Business Portfolio is to encourage the expansion of enterprises and initiatives that directly contribute to Brazil’s sustainable development, by offering services and resources aimed at addressing social-environmental issues.

The Certificate awarded to Verde falls under the Environmental category, which encompasses projects like forest restoration, low-carbon agriculture, and the rehabilitation of degraded areas, all of which are undertaken by the Company, which integrates sustainable practices throughout its operational process as a core value.

For a transaction to receive Banco do Brasil’s approval within the Sustainable Credit framework, it undergoes a rigorous evaluation encompassing Environmental, Governance, and Social dimensions. This assessment entails:

- Analyzing the sustainability of production processes;
- Ensuring the Company’s financial statements undergo third-party auditing;

¹ For further information, see: <https://www.bb.com.br/site/sustainability/how-banco-do-brasil-works/sustainable-credit-portfolio/>

- Gauging the brand's reliability and reputation;
- Verifying compliance with national and international quality standards;
- Reviewing the competence of the management squad;
- Checking for any recorded discrepancies with government agencies;
- Assessing transparency in the Company's communications.

"We are encouraged to count on the backing of two of the largest banks in Latin America² to support our growth. The loans will increase our cash reserves and replace existing high-interest debt along with better terms, and provide financing to potential customers, allowing us to extend essential financial support to farmers in the agricultural sector, who require post-harvest input payments. These two loans reflect significant confidence in our business and in the partnership between Verde and these reputable institutions", stated Cristiano Veloso, Verde's Founder and CEO.

The Financing transactions were structured as follows:

- **Banco do Brasil:** C\$10.8 million loan (R\$40 million), with an interest rate of CDI³ + 3.60%. The loan term extended to 36 months, including a grace period of 12 months. Payment was scheduled with three annual instalments of principal and interest, due in August 2024, August 2025, and August 2026.
- **Bradesco:** C\$5.4 million loan (R\$20 million), with an interest rate of CDI + 3.61%. The loan term was set at 24 months, featuring a grace period of 6 months. The payment schedule included the first 6 months with monthly interest, followed by 4 semesters payments of principal in March and October for the next two years.

Out of the total Financing secured, C\$9.5 million (R\$35 million) has been allocated towards the settlement of six existing loans.

BRAZILIAN INTEREST RATES OUTLOOK:

The Central Bank of Brazil, on August 5, 2023, announced a reduction in the SELIC rate from 13.75% to 13.25%, marking a significant shift following a series of 12 consecutive rate hikes. Subsequently, on October 11, 2023, the SELIC rate was further adjusted, reaching 12.75%.⁴ These adjustments reflect the Central Bank's commitment to managing the nation's monetary policy in response to changing economic conditions.

² Source: <https://www.investopedia.com/articles/investing/111314/10-biggest-latin-american-banks.asp>

³ CDI stands for Certificate of Interbank Deposit (*Certificado de Depósito Interbancário*, in Portuguese). The CDI rate is an average of interest rates on unsecured interbank short-term funding. Its value is usually very close to the rates of repurchase agreements of securities issued by the federal government. Available at: <https://www.bcb.gov.br/content/publicacoes/WorkingPaperSeries/wps168.pdf>

⁴ Source: Brazilian Central Bank. Available at: <https://www.bcb.gov.br/en>

Projections indicate a steady decline in the SELIC rate over the coming years, with expectations of reaching 11.75% by the close of 2023, followed by a reduction to 9.0% in 2024 and a further decrease to 8.5% in 2025 and 2026.⁵ These adjustments align with the broader economic indicators with annual inflation easing to 4.86% in 2023.

If the projected reduction in the SELIC interest rate materializes in the coming years, it would result in significant interest expense savings for the Company. These potential savings are estimated to reach C\$1.1 million (R\$4 million) by the end of 2024 and a total accumulated savings of C\$2.7 million (R\$9.9 million) by the end of Q4 2026.

ABOUT BANCO DO BRASIL:

Banco do Brasil is a Brazilian bank, incorporated as a mixed capital company, with the Federal Government of Brazil holding 50% of the shares (as of October 18, 2023)⁶, being one of the five state-owned banks of the Brazilian government, traded on the B3 as BBAS3.

The bank was established in 1808, is a key player in Brazil's financial landscape. Originally founded to promote manufacturing businesses during colonial Brazil, it later evolved into one of the country's largest banks, primarily owned by the government. Today, it actively contributes to Brazil's economic and social growth, supporting sectors like rural credit and offering a range of financial services, including low-interest loans and insurance. Its multifaceted involvement in culture, sports, and various economic sectors solidifies its role in shaping Brazil's future.⁷

BB was recognized by the Corporate Knights' Global 100 ranking as the world's most sustainable bank four times, first in 2019 at the World Economic Forum in Davos. It was the only Brazilian entity in the top 100, ranking 15th among over 6,000 companies.

The bank is part of several indices including the Dow Jones Sustainability Index (DJSI) since 2012, the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange since 2005, and the FTSE4 Good Index Series since 2016. It was included in the Silver Class of the S&P Global and RobecoSAM AG 2022 Yearbook. In 2021, the Transparency Observatory listed the bank among the Most Transparent Companies.

In 2023, Capital Finance International named BB the most sustainable bank in South America. The bank scored a 'B' in the 2022 CDP Climate Change Programme. It has an 'A' rating from the Morgan Stanley Capital International (MSCI) ESG Rating since 2020.

In January 2023, the bank received the Terra Carta Seal from the Sustainable Markets Initiative. Only 19 companies received this in its 2022 edition, with Banco do Brasil being the sole recipient from Latin America.

⁵ Source: Brazilian Central Bank. Available at: <https://www.bcb.gov.br/content/focus/focus/R20231013.pdf>

⁶ Source: <https://ri.bb.com.br/en/banco-do-brasil/ownership-structure/>

⁷ Source: <https://www.bb.com.br/site/sobre-nos/>

In 2023, the Getúlio Vargas Foundation's Center for Sustainability Studies awarded the bank the Gold Seal for its Corporate Greenhouse Gas (GHG) Inventory.

ABOUT BRADESCO:

Banco Bradesco, a leading financial institution in Brazil, boasts a rich history of serving customers since 1943. With a comprehensive range of financial services and a vast network of branches and ATMs across the country, Bradesco is committed to providing top-notch customer service. The bank is dedicated to sustainability, actively participating in social and environmental initiatives.⁸

Bradesco stands out as a leading financial institution, consistently recognized for its solidity, security, and innovative strides in technology.

Among other recognitions, Bradesco BBI received awards in 4 Latin American categories of the Sustainable Finance Awards 2023: Outstanding Leadership in Green Bonds, Outstanding Leadership in Transition/Sustainability Linked Bonds, Outstanding Leadership in Sustainable Infrastructure Finance and Outstanding Leadership in Project Finance (Global Finance).

Bradesco was also featured in the Top Innovations in Finance (Global Finance) award. The bank was chosen by the Global Finance magazine, an international publication specialized in finance, as the best sub-custodian bank in Brazil in the 21st annual award as the Best Subcustodian Bank.

Furthermore, Inovabra was recognized as one of the best financial innovation laboratories in the world. Bradesco is also listed among the top-rated companies in the S&P Global Sustainability Yearbook 2023 and is included in Bloomberg's 2023 Gender-Equality Index.⁹

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.¹⁰ 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

⁸ Source: <https://banco.bradesco/html/classic/sobre/>

⁹ Source: <https://www.bradesco.com.br/en/market-information/acknowledgments/>

¹⁰ Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8ix6g4r9>

2022, it became Brazil's largest potash producer by capacity.¹¹ 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).¹² 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 million¹³.

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.¹⁴

CORPORATE PRESENTATION

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

<https://verde.docsend.com/view/nekrrk8xfujzasr9x>

INVESTORS NEWSLETTER

Subscribe to receive the Company's updates at: <http://cloud.marketing.verde.ag/InvestorsSubscription>

The last edition of the newsletter can be accessed at: https://bit.ly/InvestorNL_August2023

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;

¹¹ See the release at: <https://investor.verde.ag/verde-starts-ramp-up-of-plant-2s-second-stage-to-reach-production-of-2-4mtpy/>

¹² 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>

¹³ Source: Brazilian Fertilizer Mixers Association (from "*Associação Misturadores de Adubo do Brasil*", in Portuguese).

¹⁴ Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

- (ii) the estimated amount of CO₂ removal per tonne of rock;
- (iii) the PFS representing a viable development option for the Project;
- (iv) 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;
- (v) the estimated amount of future production, both produced and sold;
- (vi) timing of disclosure for the PFS and recommendations from the Special Committee;
- (vii) the Company's competitive position in Brazil and demand for potash; and,
- (viii) 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 estimation of CO₂ removal based on the chemical and mineralogical composition of assumed resources and reserves;
- (iii) 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;
- (iv) the capacities and durability of various machinery and equipment;
- (v) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- (vi) currency exchange rates;
- (vii) Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
- (viii) appropriate discount rates applied to the cash flows in the economic analysis;
- (ix) tax rates and royalty rates applicable to the proposed mining operation;

- (x) the availability of acceptable financing under assumed structure and costs;
- (xi) anticipated mining losses and dilution;
- (xii) reasonable contingency requirements;
- (xiii) success in realizing proposed operations;
- (xiv) receipt of permits and other regulatory approvals on acceptable terms; and
- (xv) 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:

Cristiano Veloso, Founder, Chairman & Chief Executive Officer

Tel: +55 (31) 3245 0205; Email: investor@verde.ag

www.verde.ag | www.investor.verde.ag