

November/2023

Q3 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): Q320235OFF

5% OFF Coupon (CA): Sold out

The discount codes are valid through December 20, 2023.

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



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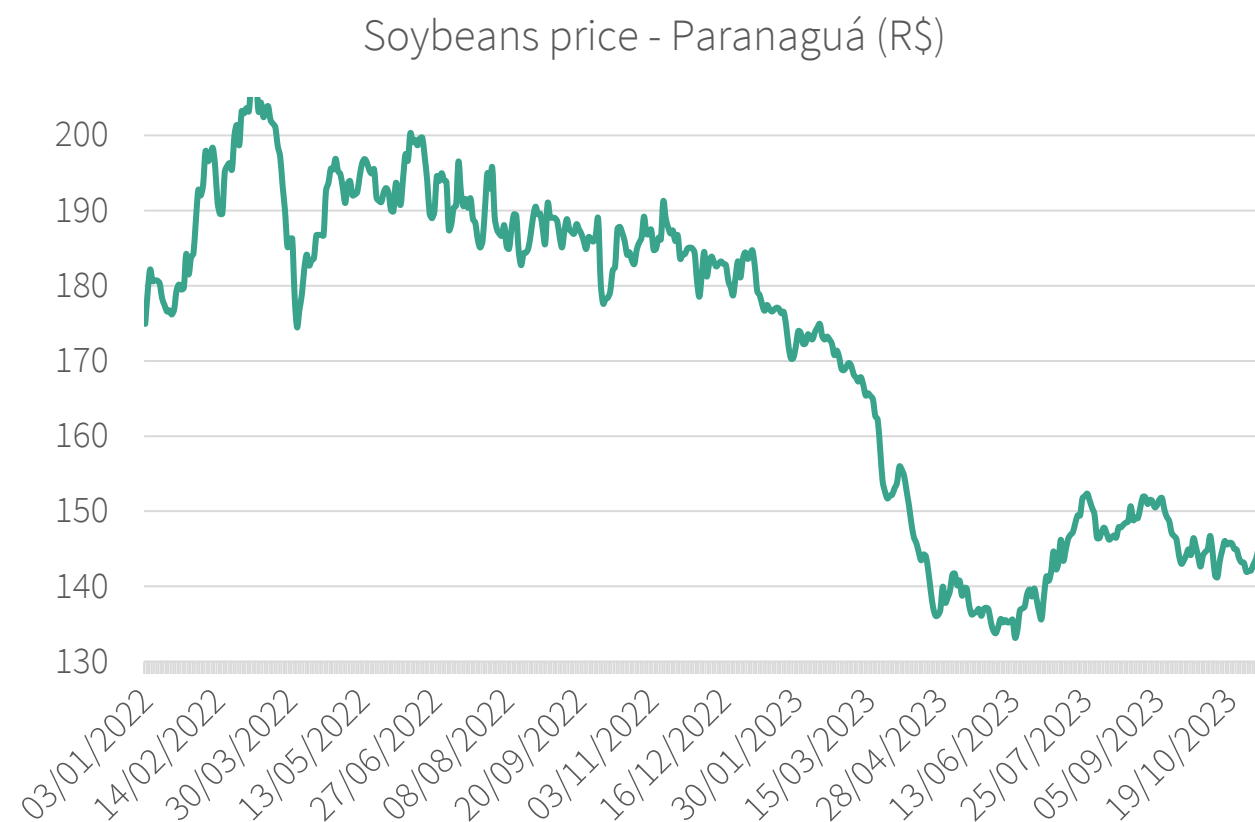
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market overview_

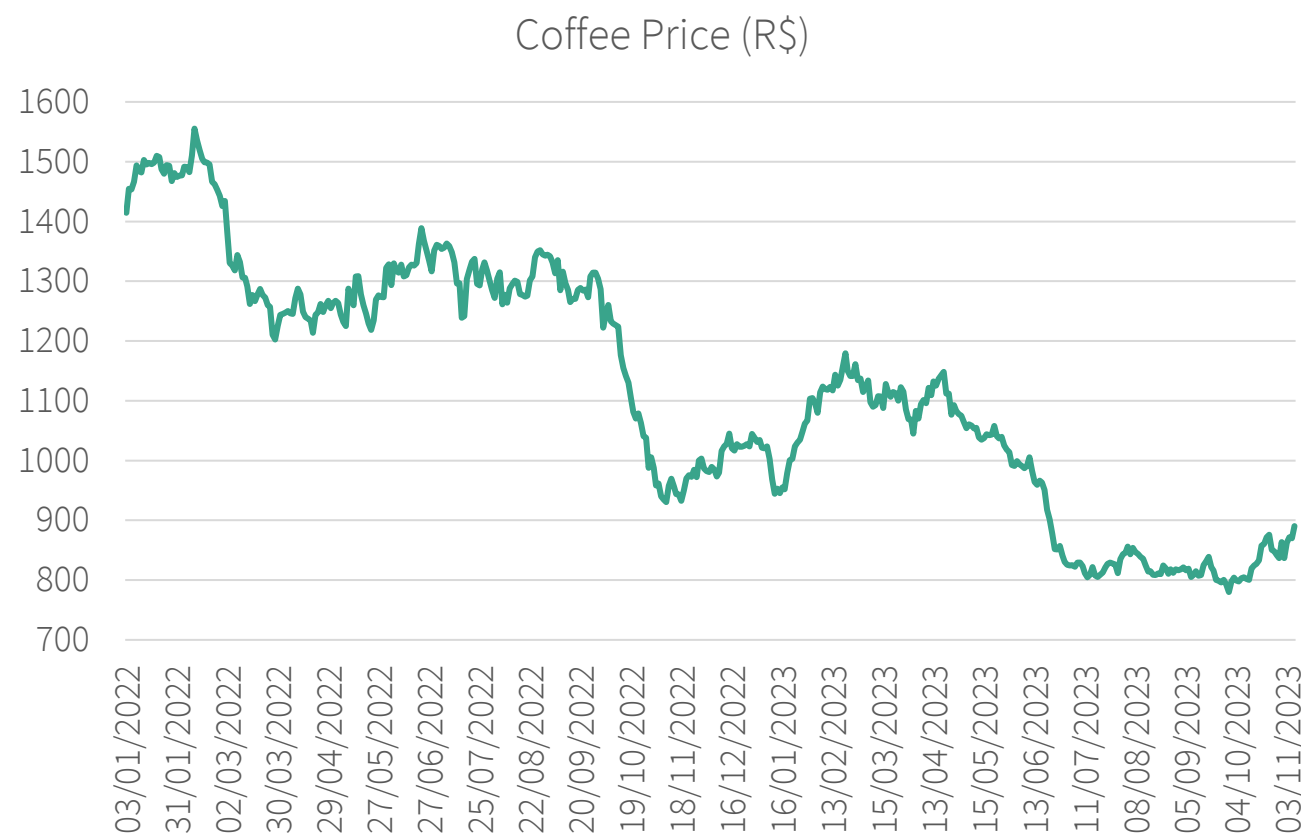


brazilian agricultural market_

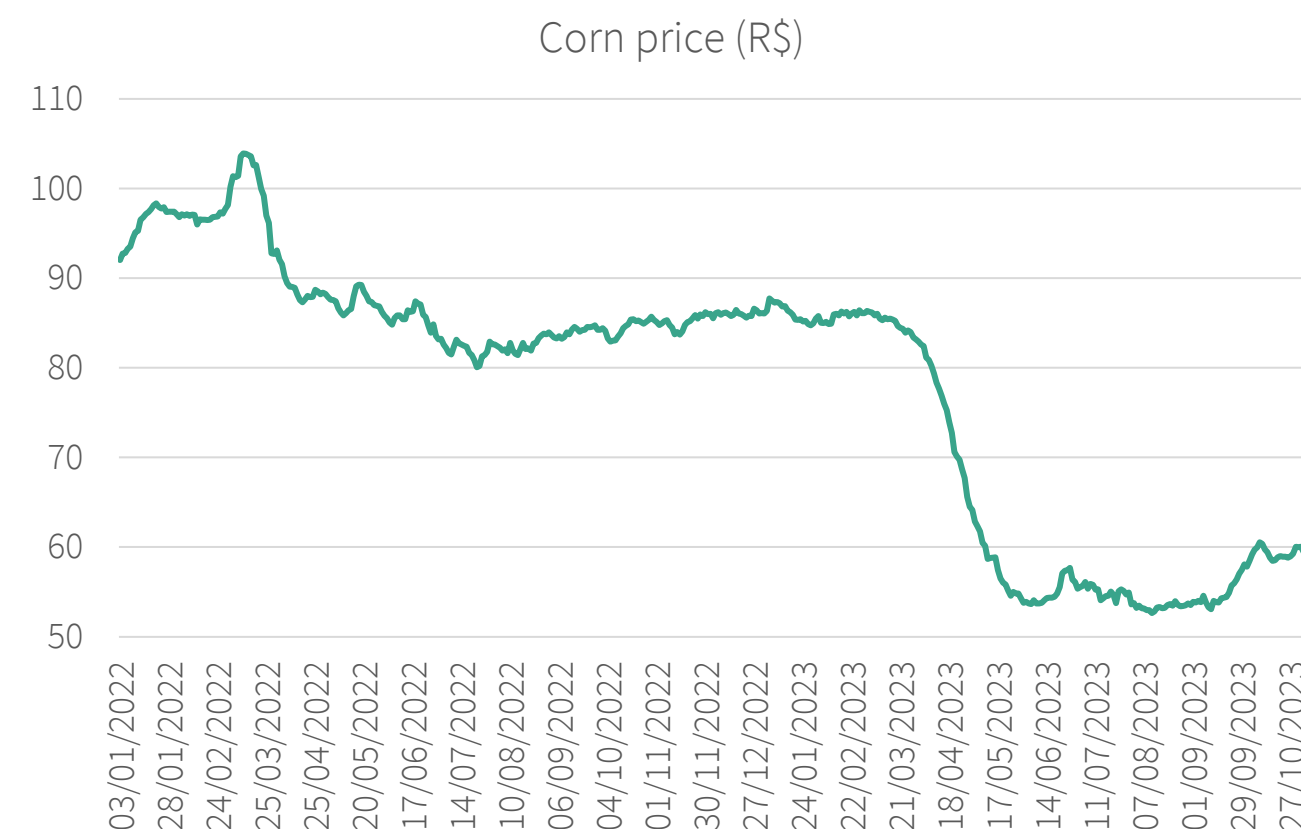
The agricultural commodities market has been experiencing significant fluctuations on a downward trend since H1 2022, impacting the fertilizers’ market worldwide.



Soybean prices decreased 22% in Q3 2023, compared to Q3 2022. The crop also decreased 17% from January 2023 to September 2023.



Coffee prices decreased 37% in Q3 2023, compared to Q3 2022. The crop also decreased 20% from January 2023 to September 2023.

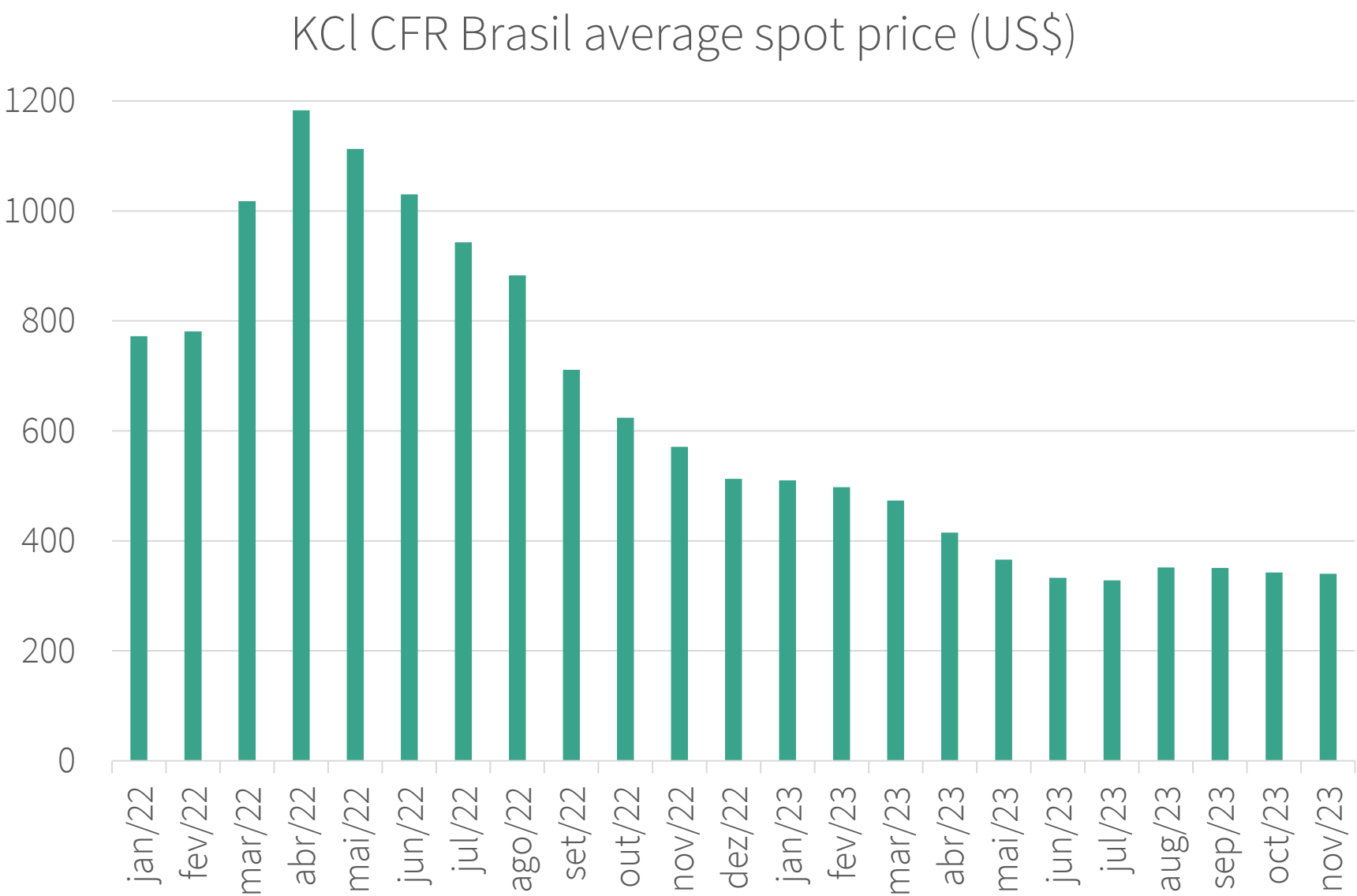


Corn prices decreased 34% in Q3 2023, compared to Q3 2022. The crop also decreased 37% from January 2023 to September 2023.

potassium chloride price_

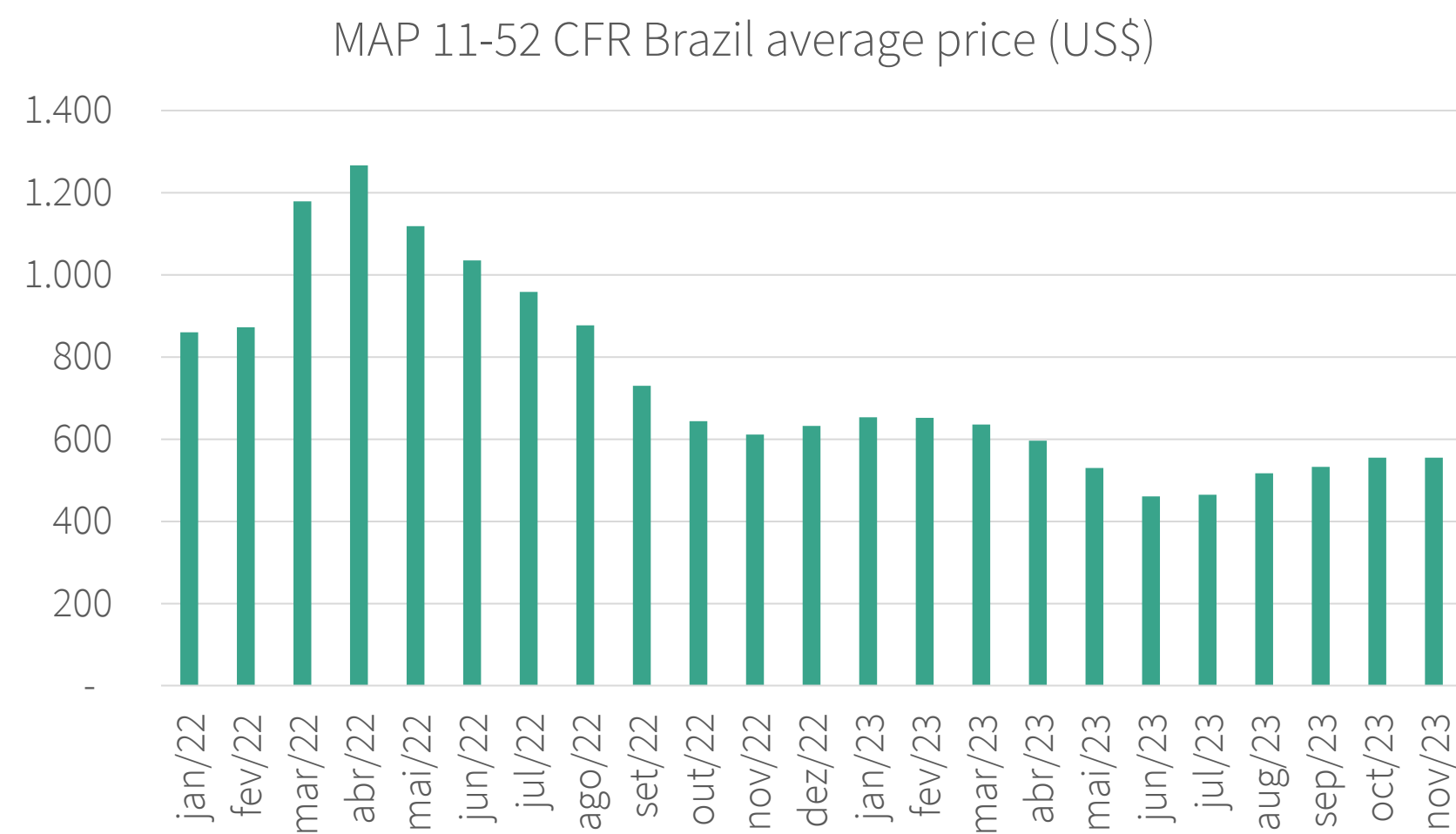
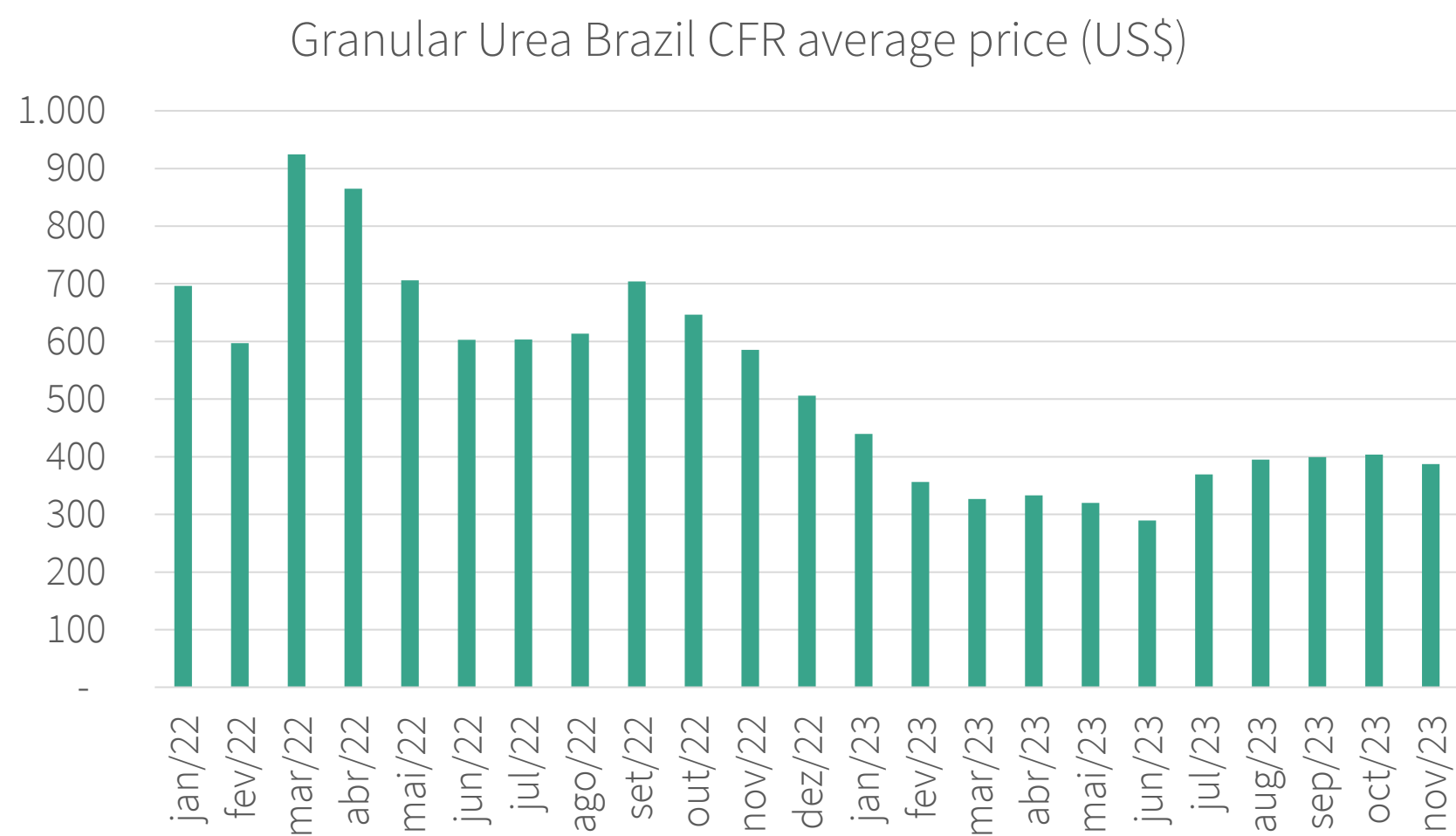
The Average KCl CFR price declined by 59% in Q3 2023, compared to Q3 2022, with a 34% decrease from January to September 2023.

Nonetheless, the market has witnessed a stabilization in KCl prices since July 2023, a trend consistent with the general stabilization of commodity markets.



market overview_

Other fertilizer also showed historic high prices in 2022. Urea prices declined 48% in 2023, compared to 2022, and 39% in Q3 2023, compared to the same period in 2022. MAP prices declined 41% in 2023, compared to 2022, and 41% in Q3 2023, compared to the same period in 2022.

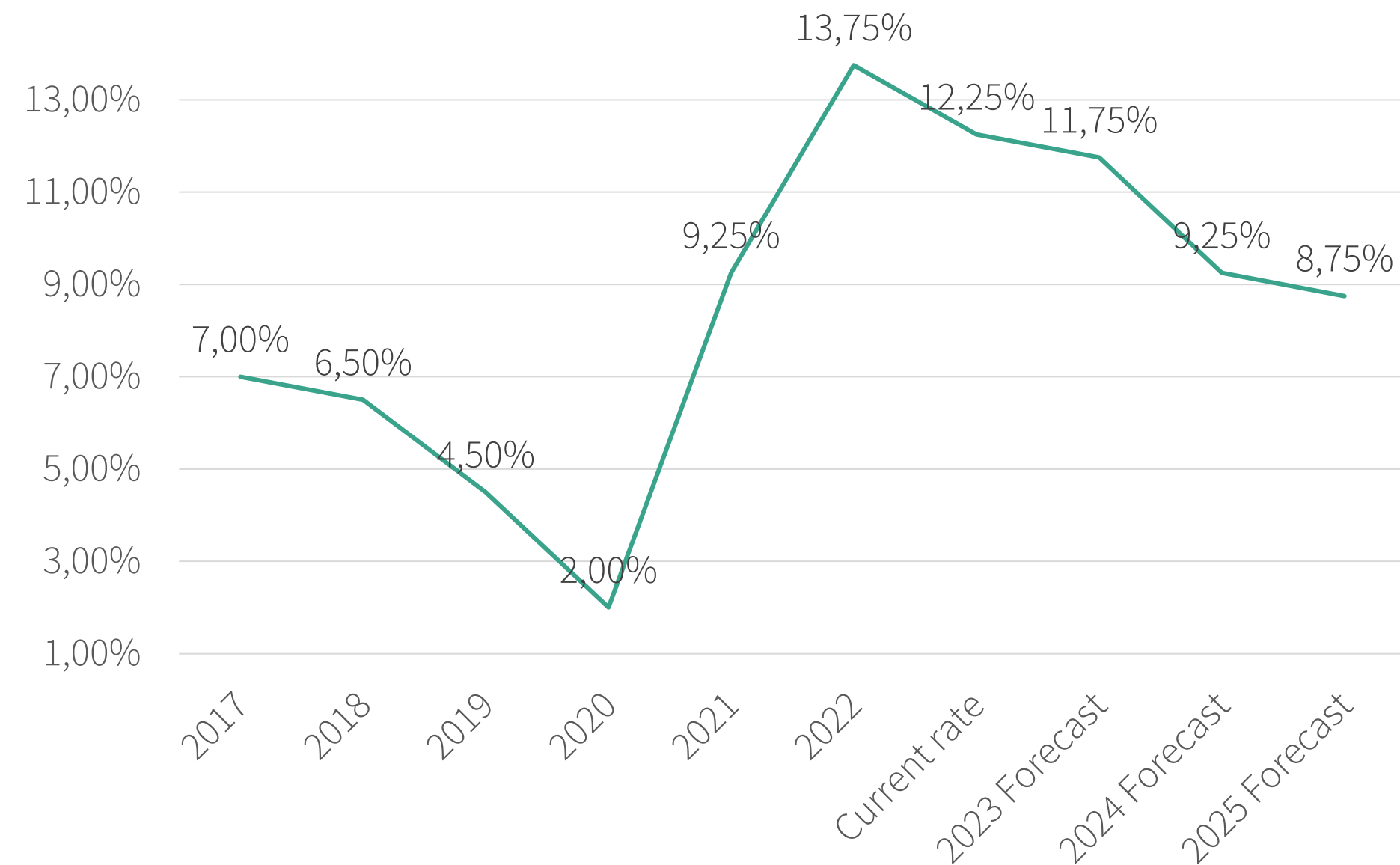


brazilian economic scenario_

- On November 01, 2023, the Central Bank of Brazil lowered the SELIC rate to 12.25%.
- The Central Bank of Brazil projects the SELIC rate to reach 11.75% per annum by the end of 2023, 9.25% in 2024, and 8.75% in 2025.

The latest economic activity indicates an annual inflation eased to 4.55% in 2023 and 3.92% in 2024 and 3.50% in 2025.

Brazilian SELIC interest rate at year end



market outlook_

The market outlook for agricultural inputs, particularly fertilizers, is cautiously optimistic, with:

- Stabilization of fertilizer prices;
- Steadying of agricultural commodity prices;
- Brazilian economic positive indicators;
- Should the SELIC rate decrease to the anticipated 8.5%, Verde is projected to benefit from interest expense savings of C\$1.1 million by the end of 2024 and C\$2.7 million by Q4 2026.
- Market's growing focus on climate change and sustainability.

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

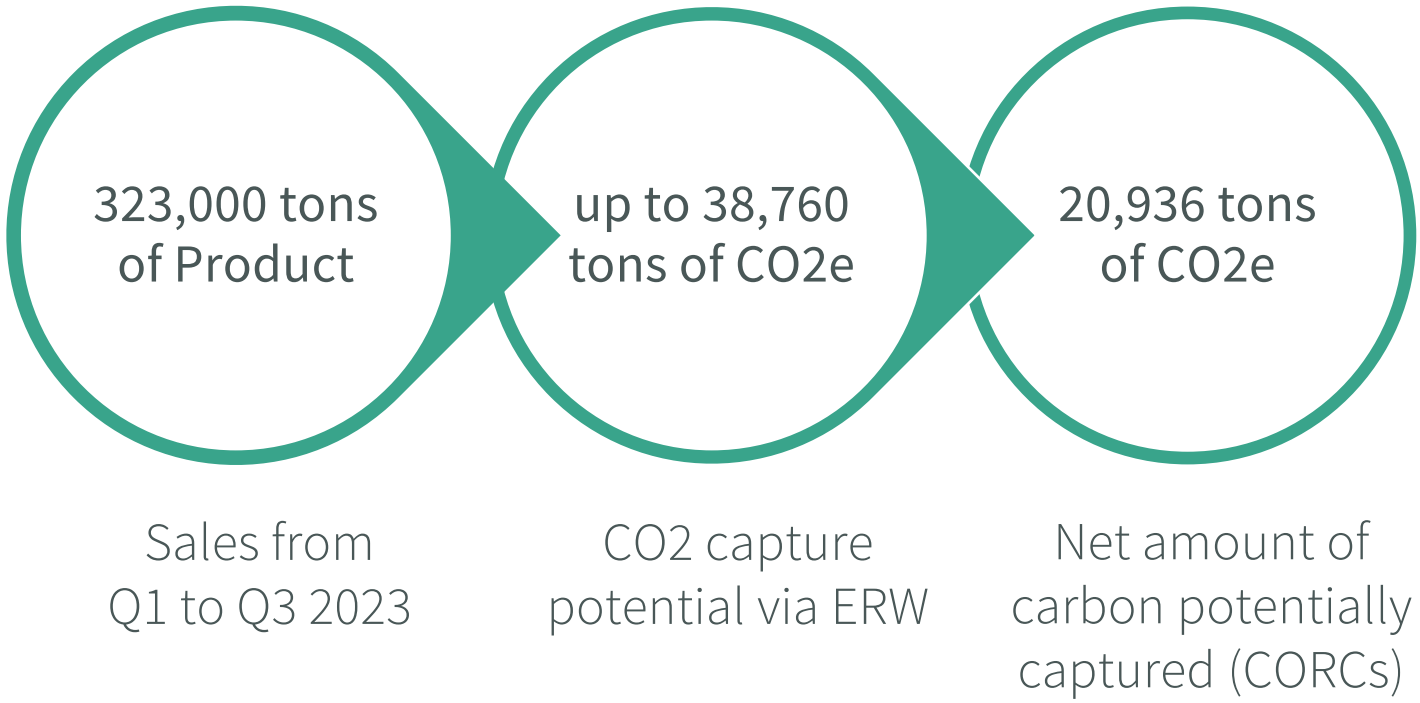
CO₂ capture potential_

Verde's sustainable production processes, which has 100% use of renewable energy (hydroelectric) for the processing plants, contributes to a lower carbon footprint associated with K Forte®.

The shipping distance between Verde's production facilities and the application site also influences the range of greenhouse gas emissions within Verde's supply chain.

K Forte®'s potential of carbon removal through ERW can reach up to 112.56 kilograms of CO₂e per ton of Product.¹

Carbon credits for ERW are currently being negotiated in a range of \$138.78/t² to \$563.9/t³.



1 - For further information, see “Verde Announces Life Cycle Assessment Results in Accordance with ISO Standards”.
 2 - Puro.earth (Nasdaq), a crediting platform for engineered carbon removal. Available at: <https://puro.earth/carbon-removal-index-price/>. Exchange rate: €1.00 = \$1.07.
 3 - Average price of carbon credits sold by Frontier between 2022 and 2023. Frontier is an advance market commitment that aims to accelerate the development of carbon removal technologies by guaranteeing future demand for them. It was founded by Stripe, Alphabet, Shopify, Meta, McKinsey and tens of thousands of businesses using Stripe Climate. Available at: <https://frontierclimate.com/>

financial results_



Q3 2023 highlights_

Cash

Cash held by the Group in Q3 2023 was \$9.3 million, compared to \$5.1 million in Q3 2022.

Cash utilized from investing activities decreased by 104% in Q3 2023, to \$504K compared to \$13.7M in Q3 2022 as costs relating to the commissioning and construction of Plant 2 were high in Q3 2022 as the Group worked towards opening Plant 2.

The Company has successfully secured a bank loan of \$12.4M in Q3 2023 and an additional \$5.4M in October and \$4.0 in November 2023. The funds raised will be used to replace existing debt that were at higher interest rates and provide the Group with more favorable terms.

Profitability

Sales by volume were 108K tonnes in Q3 2023, compared to 189K tonnes in Q3 2022.

Revenue in Q3 2023 was \$9.4M, compared to \$27.3M in Q3 2022.

EBITDA before non-cash events in Q3 2023 was -\$0.6M, compared to \$8.1M Q3 2022.

Net profit/loss in Q3 2023 was -\$3.5M, compared to a \$6.5M profit in Q3 2022.

Total non-current assets in Q3 2023 were \$67.3 million, compared to \$55.8 million in Q3 2022.

Q3 2023 financial statements_

All amounts in CAD \$'000	Q3 2023	Q3 2022	2023 YTD	2022 YTD
Revenue	9,375	27,269	30,805	63,434
Production costs ⁽¹⁾ on costs	(3,056)	(6,069)	(7,680)	(14,055)
Gross Profit	6,319	21,200	23,125	49,379
Gross Margin	67%	78%	75%	78%
Sales and marketing expenses	(695)	(1,866)	(3,026)	(3,895)
Product delivery freight expenses	(3,919)	(9,187)	(11,509)	(19,200)
General and administrative expenses	(2,328)	(1,970)	(5,142)	(3,666)
EBITDA ⁽²⁾	(623)	8,177	3,448	22,618
Share Based and Bonus Payments (Non-Cash Event) ⁽³⁾	(261)	(20)	(145)	(124)
Depreciation, Amortisation and P/L on disposal of plant and equipment ⁽³⁾	(973)	(84)	(2,852)	(148)
Operating Profit after non-cash events	(1,857)	8,073	451	22,346
Interest Income/Expense ⁽⁴⁾	(1,593)	(722)	(3,586)	(1,152)
Net Profit before tax	(3,450)	7,351	(3,135)	21,194
Income tax ⁽⁵⁾	(14)	(893)	(196)	(2,079)
Net Profit	(3,464)	6,458	(3,331)	19,115

⁽¹⁾ – C\$2,693,000 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 \$'000	Q3 2023	Q3 2022	% Δ	2023 YTD	2022 YTD	% Δ
Tons sold '000	108	189	(43%)	323	503	(36%)
Average Revenue per ton sold \$	87	144	(40%)	95	126	(24%)
Average Production cost per ton sold \$	(28)	(32)	(11%)	(24)	(28)	(15%)
Average Gross Profit per ton sold \$	59	112	(48%)	71	98	(27%)
Gross Margin	67%	78%	N/A	75%	78%	N/A

operational summary – excluding freight revenue_

All amounts in CAD, except percentages	Q3 2023	Q3 2022	% Δ	2023 YTD	2022 YTD	% Δ
Average revenue per tonne sold \$	51	96	(47%)	60	88	(32%)
Average production cost per tonne sold \$	(28)	(32)	(11%)	(24)	(28)	(11%)
Average Gross Profit per tonne sold \$	22	64	(65%)	36	60	(40%)
Average Gross Margin	44%	66%	N/A	60%	68%	N/A

sales, general and administrative expenses_

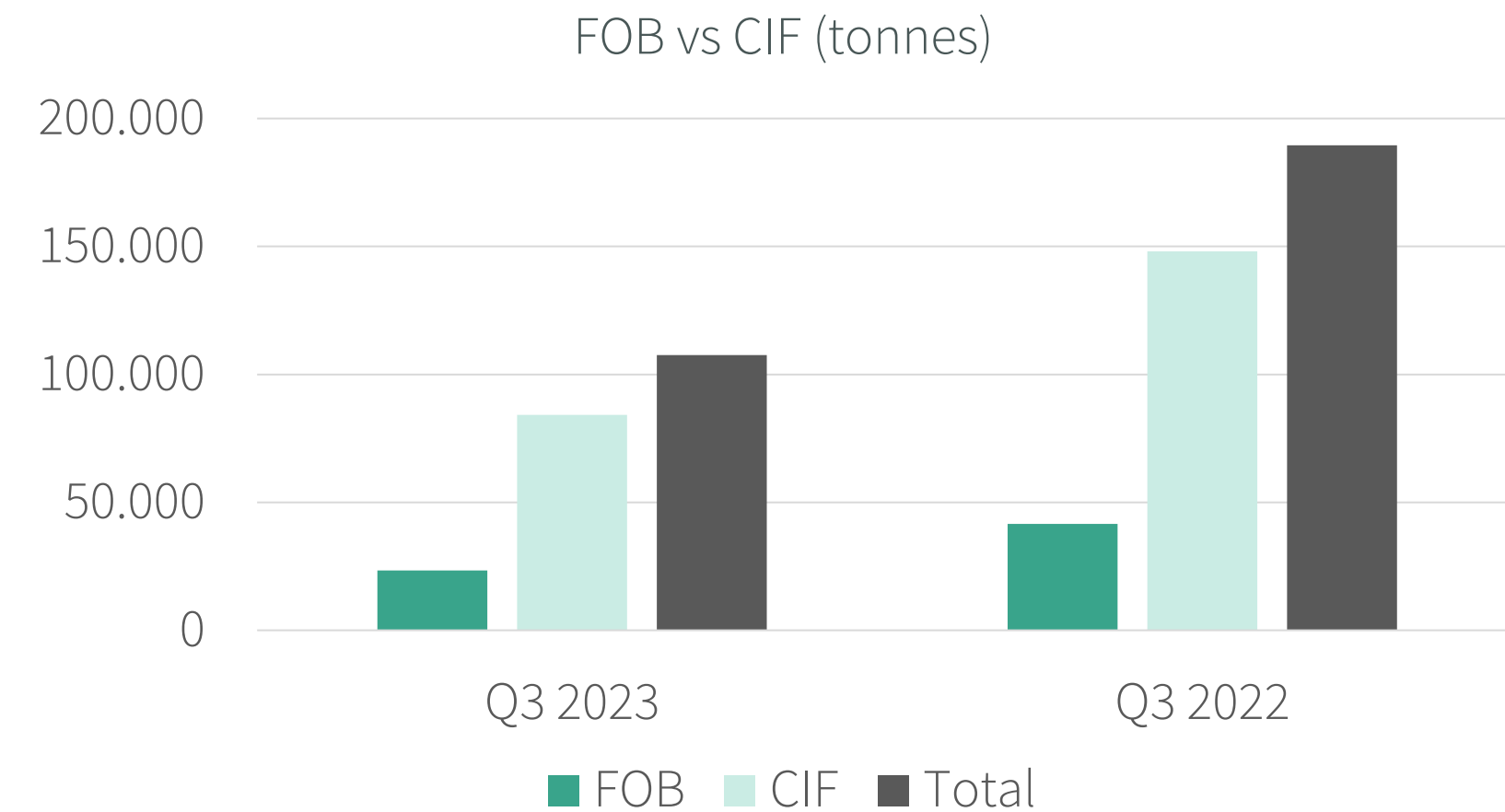
All amounts in CAD \$'000, except percentages	Q3 2023	Q3 2022	% Δ	2023 YTD	2022 YTD	% Δ
Sales expenses						
Sales and marketing expenses	(890)	(1,385)	(36%)	(2,990)	(2,919)	2%
Fees paid to sales agents	195	(481)	NA	(36)	(976)	(96%)
Total Sales expenses	(695)	(1,866)	(63%)	(3,026)	(3,895)	(22%)
General expenses						
General administrative expenses	(1,203)	(1,096)	10%	(2,983)	(1,895)	57%
Bad debt provision	(563)	0	N/A	(592)	0	N/A
Legal, professional, consultancy and audit costs	(332)	(667)	(50%)	(939)	(1,155)	(19%)
IT/Software expenses	(190)	(180)	6%	(532)	(570)	(7%)
Taxes and licenses fees	(40)	(27)	52%	(96)	(46)	110%
Total General expenses	(2,328)	(1,970)	18%	(5,142)	(3,666)	40%

Sales and marketing expenses decreased by 36% in Q3 2023 to \$890,000 compared to \$1,385,000 in Q3 2022.

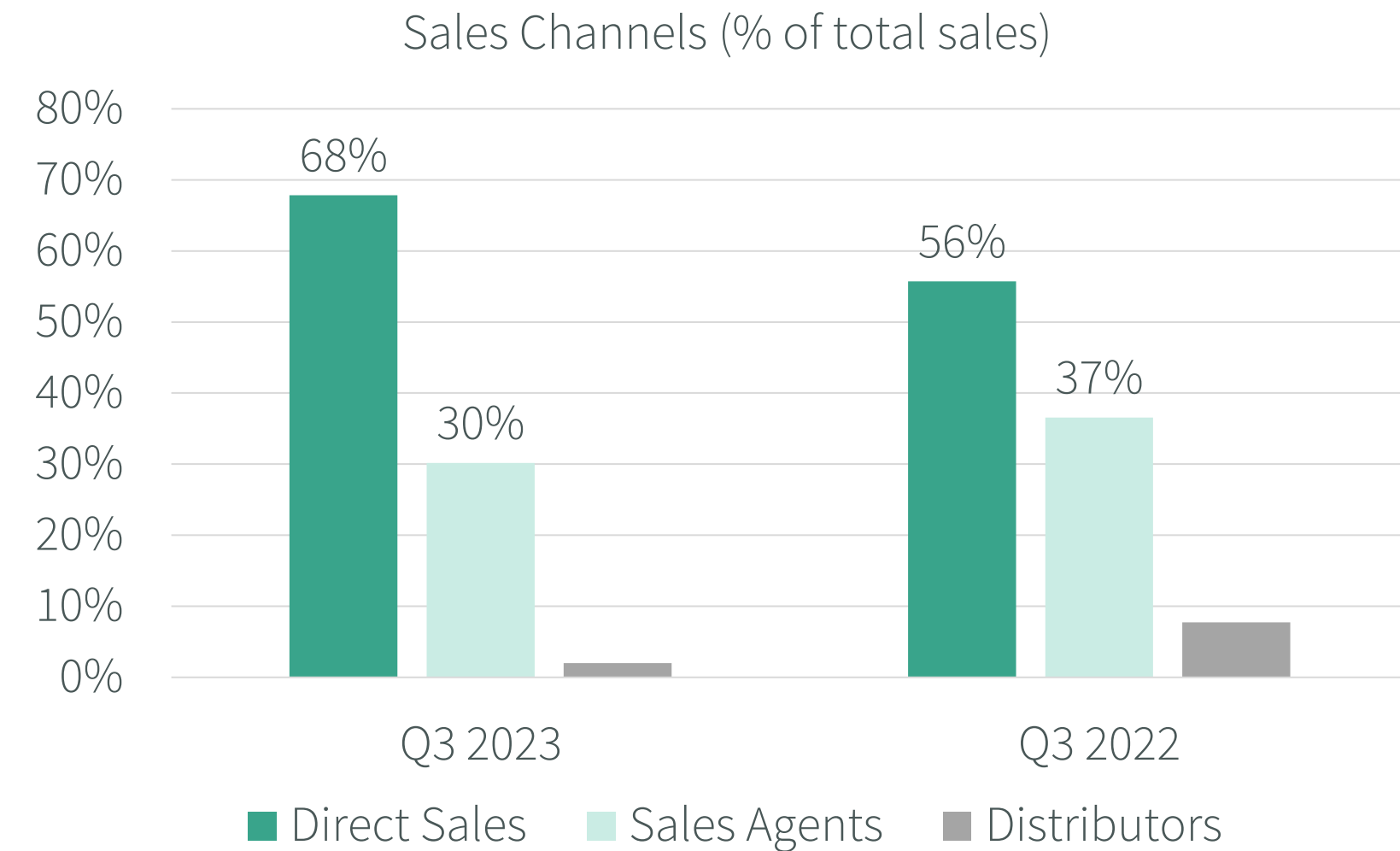
Bad debt provision of \$563,000 in Q3 2023 due to market conditions already presented.

Legal, professional, consultancy and audit costs decreased by 50% in Q3 2023, to \$332,000 compared to \$667,000 in Q3 2022.

logistics_



Volume Sales	FOB	CIF	Total
YoY	(44%)	(43%)	(43%)



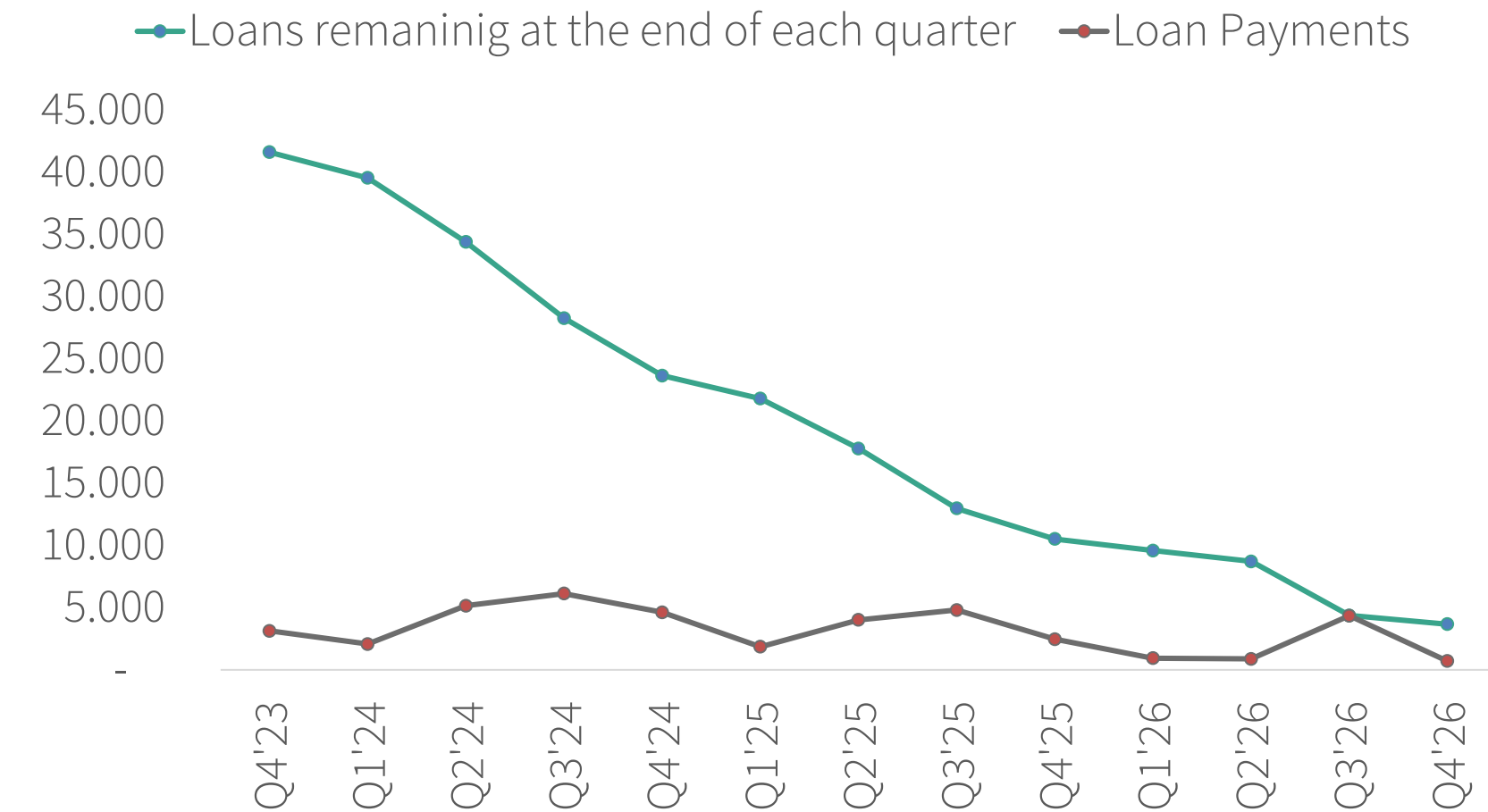
The sales through direct sales was 68% in Q3 2023, compared to 56% in Q3 2022. Sales made by distributors was 2% in Q3 2023, compared to 8% in Q3 2022.

- The volume sold as CIF as a percentage of the total sales in the quarter remained stable at 78% during this period.
- Product delivery freight expenses decreased by 57% in Q3 2023, to \$3,919,000 compared to \$9,187,000 in Q3 2022.
- Average freight cost per tonne for products sold on a CIF basis, to \$46.58 in Q3 2023 from \$62.06 in the comparable period of the previous year.

loans_

- In Q3 2023, Verde recorded a cash of \$9.2M and trade receivables totaling over \$16.1M, providing valuable support for the company's cash flow.
- The total net loans in the end of Q3 2023 was \$41.6M.
- The Company obtained additional loans of \$12.1M in the Q3 2023 and additional \$5.4M in October and \$4,0 in November 2023 from local banks.
- Verde's average current loan rates stand at 16.4% per annum.

Company Loans Profile



C\$'000	2023	2024	2025	2026
Loans Amortization	3.1 ¹	18.0	13.1	6.9
Total loans at year-end ²	41.6	23.7	10.5	3.7

1 - Loans Amortization in Q4 2023.

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

q&a_



thank you_

We are an agricultural technology company that produces multi-nutrient potassium fertilizers.

We bring together the best of nature and technology to revolutionize agriculture, making it healthier, more productive, and profitable.

Our purpose is to improve the health of all people and the planet.

www.verde.ag

