

May /2024

Q1 2024 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): MAY245OFF

5% OFF Coupon (CA): Sold out

The discount codes are valid through June 30, 2024.

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



contents_

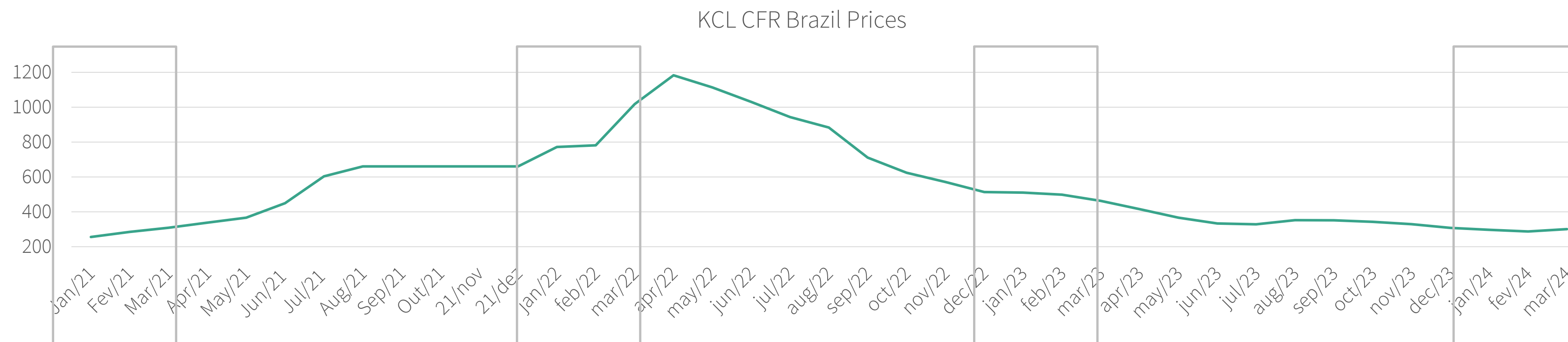
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market overview_



KCl prices_

After the historic high reached in 2022, **average KCl CFR price declined by 40% in the first quarter of 2024 compared to 2023, and by 66% compared to Q1 2022.**

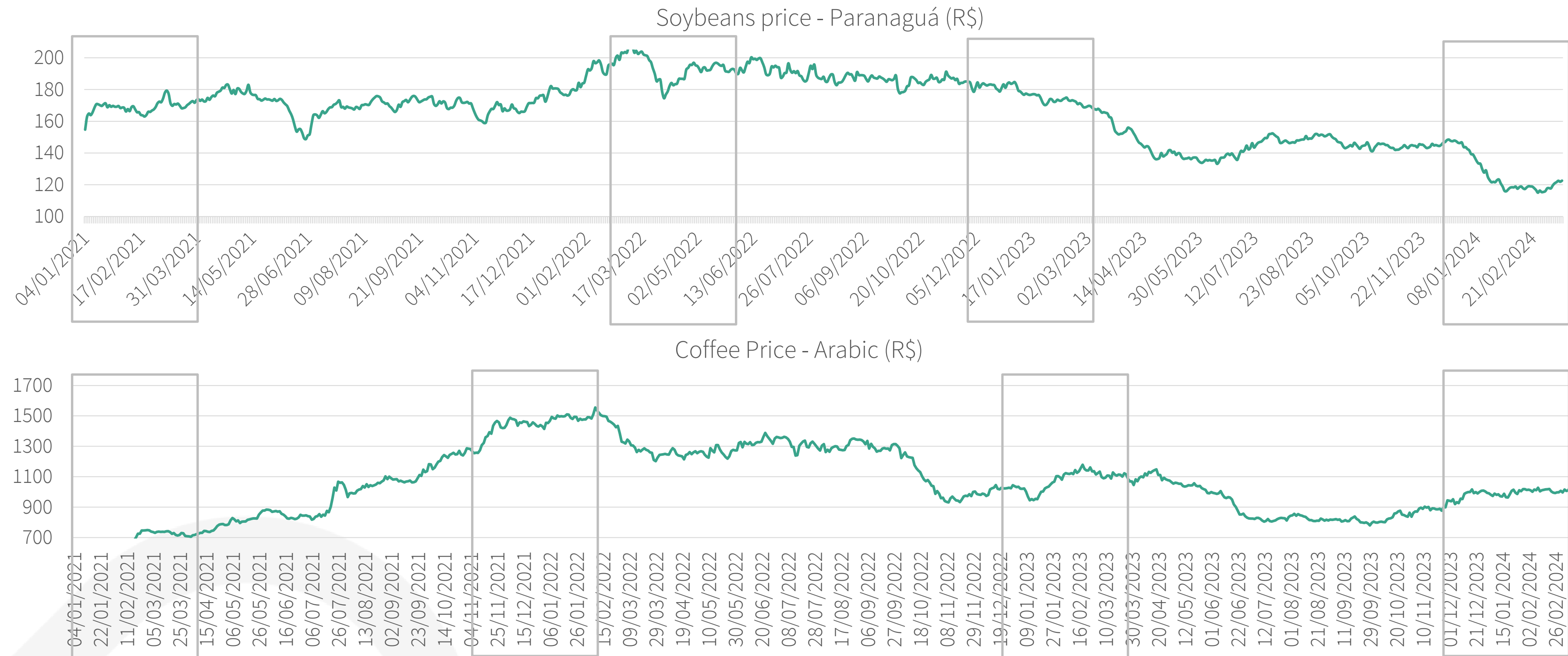


Following the onset of the Ukraine-Russia conflict in early 2022, the agricultural sector experienced a historic surge in the prices of inputs and commodities. Notably, the average potash price jumped by 204% in Q1 2022, peaking at US\$1,200 per ton in March 2022, compared to an average of US\$293 in Q1 2021.¹⁰ This spike in KCl CFR prices in 2022 was so significant that, despite a downward trend beginning in the latter half of the year, the market in 2023 still benefited the effects of the record-high levels reached in 2022.

Source:
1 - Acerto Limited Report.0

brazilian agricultural market

The market prices for Brazil's main crops remained stable in Q1 2024 with minor variations, although they continued to be significantly lower than the levels observed in Q1 2022 and Q1 2023.



El Niño Impact

In Q1 2024, however, a "perfect storm" hit the Brazilian fertilizer market. Starting in the second half of 2023, the El Niño effects altered rainfall patterns, severely affecting Brazil's agricultural cycle all the way through early 2024. The irregular and unpredictable precipitation complicated agricultural planning, increasing risks to crop productivity and profitability. Consequently, many soybean farmers postponed planting, leading to a widespread decision to forego planting the *safrinha* corn. This resulted in a significant decrease in fertilizer demand in the first quarter of 2024.



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Commodities

El Nino worries Brazil soy farmers as planting progresses, grain lobby says

By Roberto Samora

 France 24

Brazil floods strike blow to powerful agriculture sector

Floodwaters in Brazil have swallowed up soybean fields and farming equipment, cutting off roads, livestock farms and warehouses in the...



 World Meteorological Organization WMO

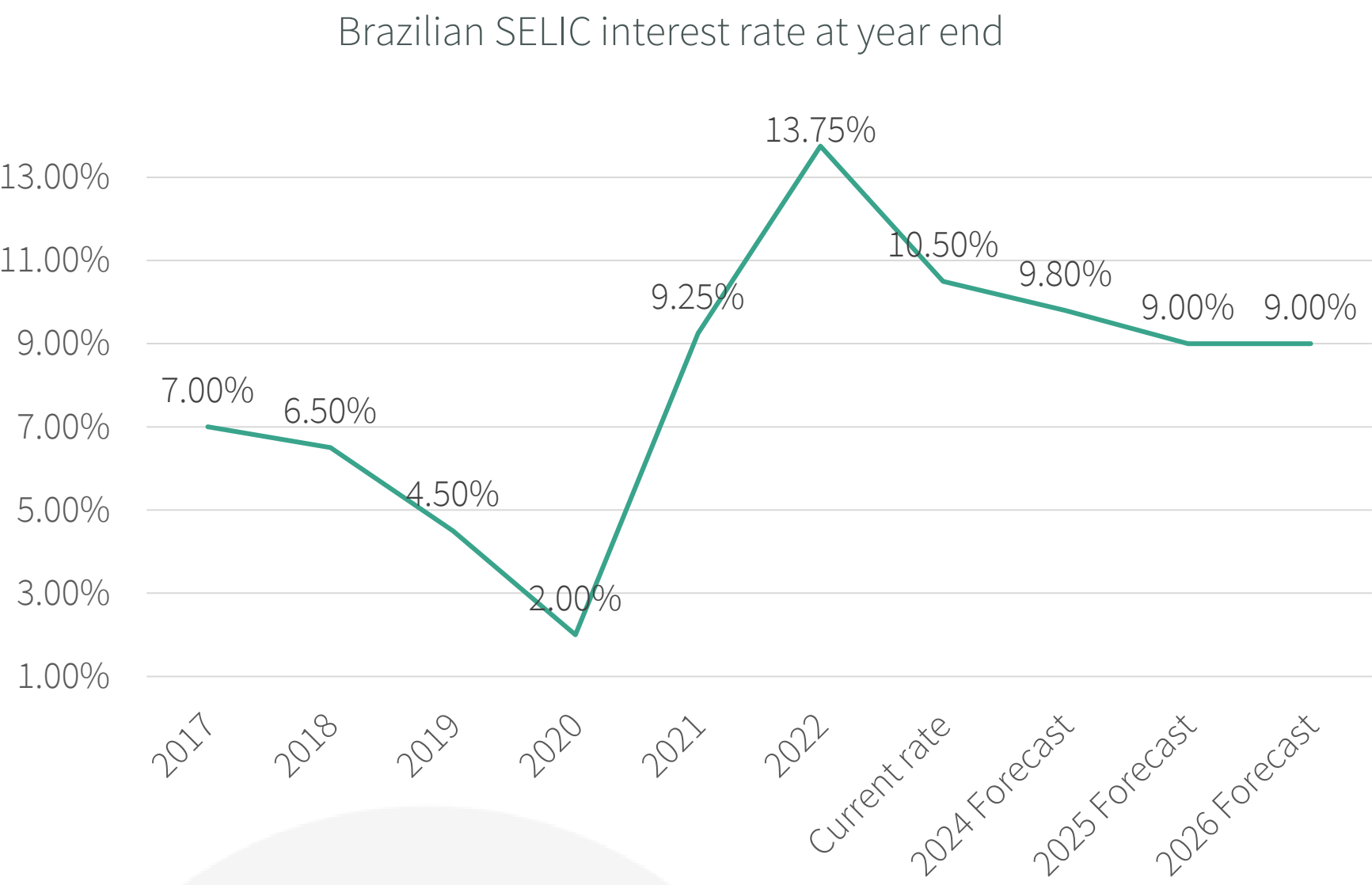
El Niño and climate change impacts slam Latin America and Caribbean in 2023

A double-whammy of El Niño and long-term climate change hit Latin America and the Caribbean in 2023, according to a new report from the...



brazilian economic scenario and currency exchange_

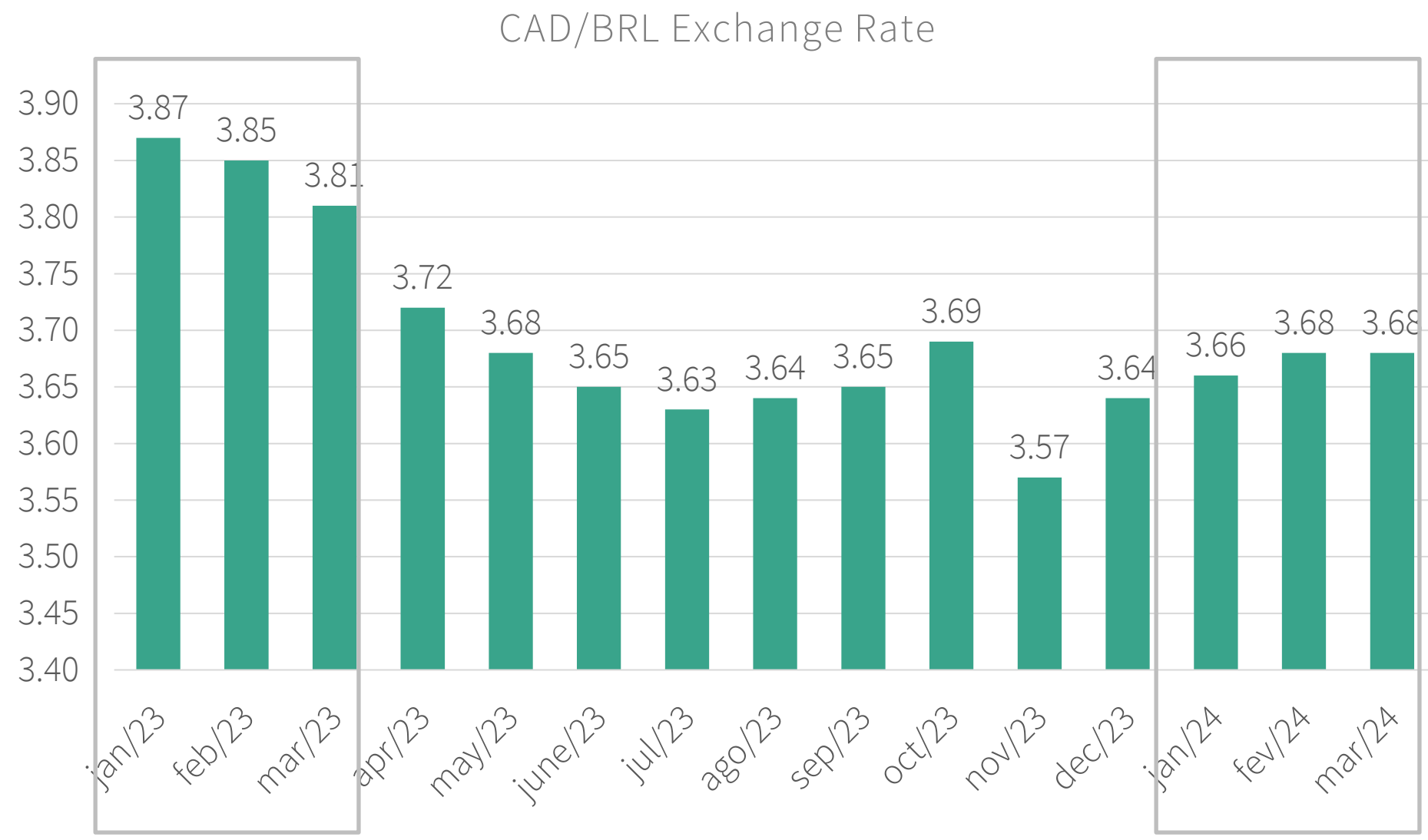
The current SELIC interest rate is 10.5%. The Central Bank of Brazil projects the SELIC rate to reach 9.8% per annum by the end of 2024, 9.0% in 2025 and 2026. Annual inflation forecast for 2024 and 2025 are 3.8% and 3.7% respectively.



Source: [Brazilian Central Bank](#).
As of May 08, 2024. Source: [Brazilian Central Bank](#).

Canadian dollar devaluated by 4% versus Brazilian Real in Q1 2024 compared to Q1 2023.

As of May 15, 2024, C\$1.00 = R\$3.77.



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

Q1 2024 results_



Q1 2024 highlights_

Cash

Cash and other receivables held by the Group in Q1 2024 were \$17.3M, compared to \$34.3M in Q1 2023 and \$4.9M in Q1 2021.

The Group has secured bank loans of \$1.8M (BRL \$6.8M) in Q1 2024. As of March 31, 2024, the Group's total loan balance was \$45.7M.

Profitability

Sales in Q1 2024 were 85K tonnes, compared to 108K tonnes in Q1 2023 and 16.6K tonnes in Q1 2021.

Revenue in Q1 2024 was \$5.1M, compared to \$11.1M in Q1 2023 and \$0.8M in Q1 2021.

EBITDA before non-cash events was -\$0.7M in Q1 2024, compared to \$2.0M in Q1 2023 and a -\$0.9M in Q1 2021.

Net loss in Q1 2024 was \$4.8M, compared to a \$0.1M loss in Q1 2023 and a \$1.8M loss in Q1 2021.

Q1 2024 financial statements_

All amounts in CAD \$'000	Q1 2024	Q1 2023	% Δ
Revenue	5,068	11,125	(54%)
Production costs	(1,671)	(2,710)	(37%)
Gross Profit	3,397	8415	(60%)
Gross Margin	67%	76%	N/A
Sales and marketing expenses	(970)	(1,207)	(20%)
Product delivery freight expenses	(1,595)	(3,867)	(59%)
General and administrative expenses	(1,501)	(1,372)	9%
EBITDA ⁽¹⁾	(670)	1,969	N/A
Share Based, Equity and Bonus Payments (Non-Cash Event) ⁽²⁾	(1,777)	(28)	6228%
Depreciation and Amortisation ⁽³⁾	(919)	(911)	(6%)
Operating (Loss) / Profit after non-cash events	(3,366)	1,030	N/A
Interest Income/Expense ⁽⁴⁾	(1,377)	(1,042)	32%
Net (Loss) / Profit before tax	(4,743)	(12)	37945%
Income tax ⁽⁵⁾	(9)	(96)	(91%)
Net (Loss) / Profit	(4,752)	(108)	4283%

(1) – Non GAAP measure

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

(3) – Included in General and Administrative expenses and Cost of Sales 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	Q1 2024	Q1 2023	% Δ
Tons sold '000	85	108	(21%)
Average Revenue per ton sold \$	60	103	(42%)
Average Production cost per ton sold \$	(20)	(25)	(20%)
Average Gross Profit per ton sold \$	40	78	(49%)
Gross Margin	67%	76%	N/A

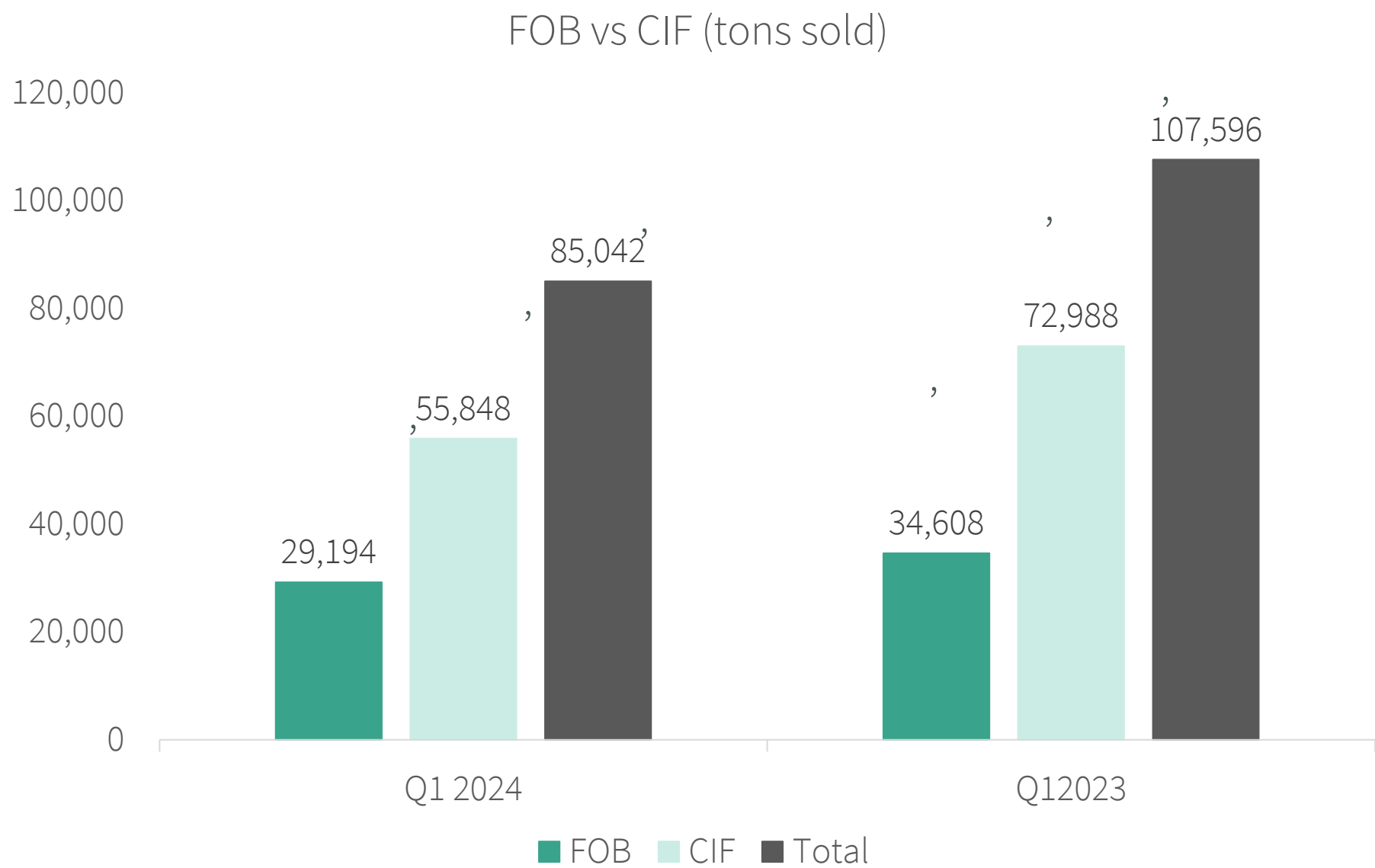
operational summary – excluding freight revenue_

All amounts in CAD, except percentages	Q1 2024	Q1 2023	% Δ
Average revenue per tonne sold \$	41	67	(39%)
Average production cost per tonne sold \$	(20)	(25)	(20%)
Average Gross Profit per tonne sold \$	21	43	(51%)
Average Gross Margin	52%	64%	N/A

sales, general and administrative expenses_

All amounts in CAD \$'000, except percentages	Q1 2024	Q1 2023	% Δ
Sales expenses			
Sales and marketing expenses	837	1,070	(22%)
Fees paid to sales agents	133	137	(3%)
Total Sales expenses	970	1,207	(20%)
General expenses			
General administrative expenses	805	916	(12%)
Bad debt provision	146	4	3780%
Legal, professional, consultancy and audit costs	341	317	8%
IT/Software expenses	181	112	62%
Taxes and licenses fees	28	23	24%
Total General expenses	1,501	1,372	9%

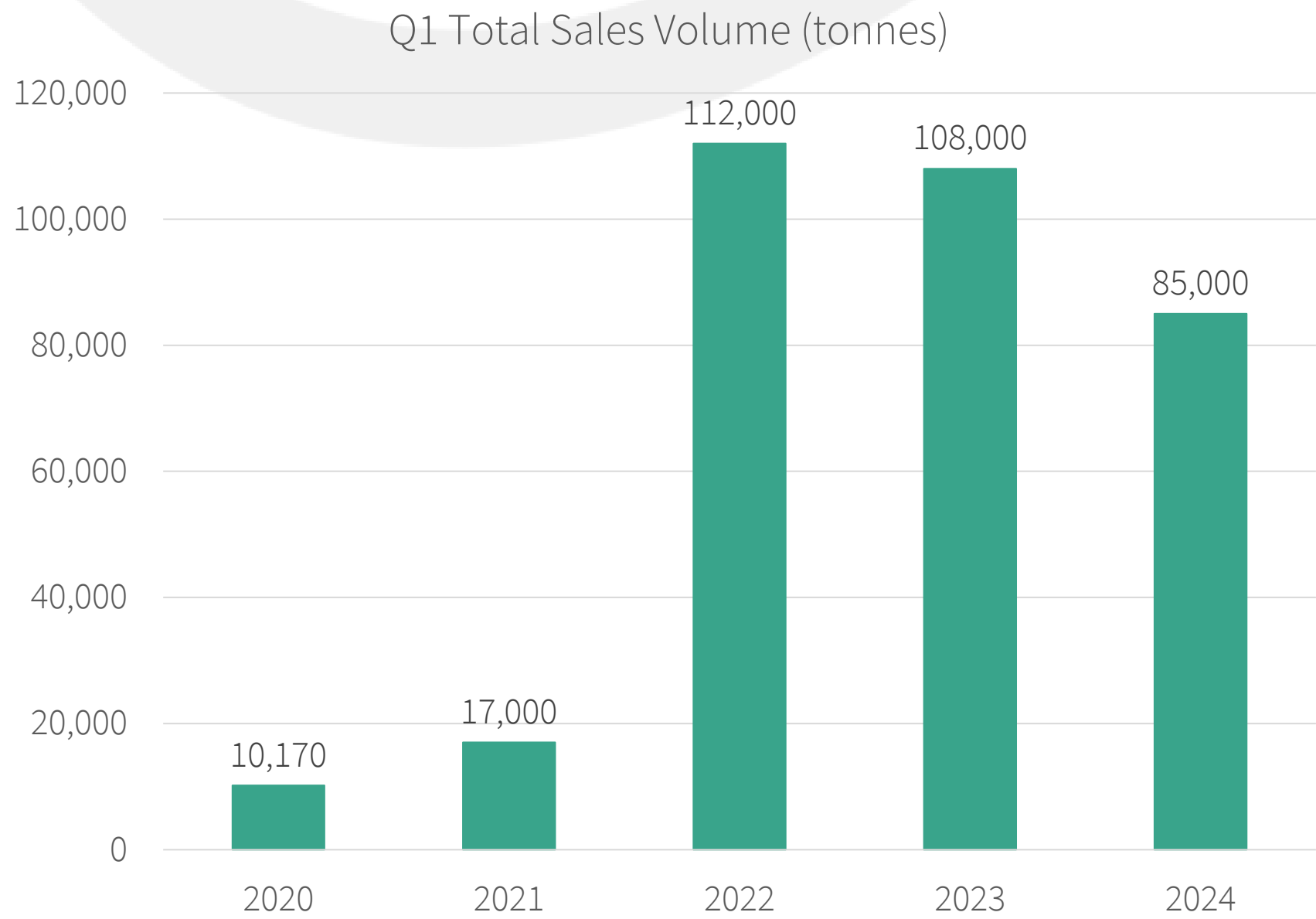
Sales and marketing expenses cover salaries for employees, car rentals, domestic travel in Brazil, hotel accommodations, and Product promotion at marketing events. The 22% reduction in these expenses in Q1 2024 compared to Q1 2023 is attributed to Verde's strategic decision to scale back investments in media channels that were not anticipated to yield short-term returns. This decision was made in response to the Group's current economic constraints.



- The volume sold as CIF as a percentage of the total sales was 66% in Q1 2024, compared to 68% in Q1 2023.
- Product delivery freight expenses decreased by 59% in Q1 2024, to \$1.6M compared to \$3.9M in Q1 2023.
- Average freight cost per ton for products sold on a CIF basis decreased to \$29 in Q1 2024, from \$53 in Q1 2023, due to a reduction in the percentage of sales made to regions that are more distant from Verde's production facilities.

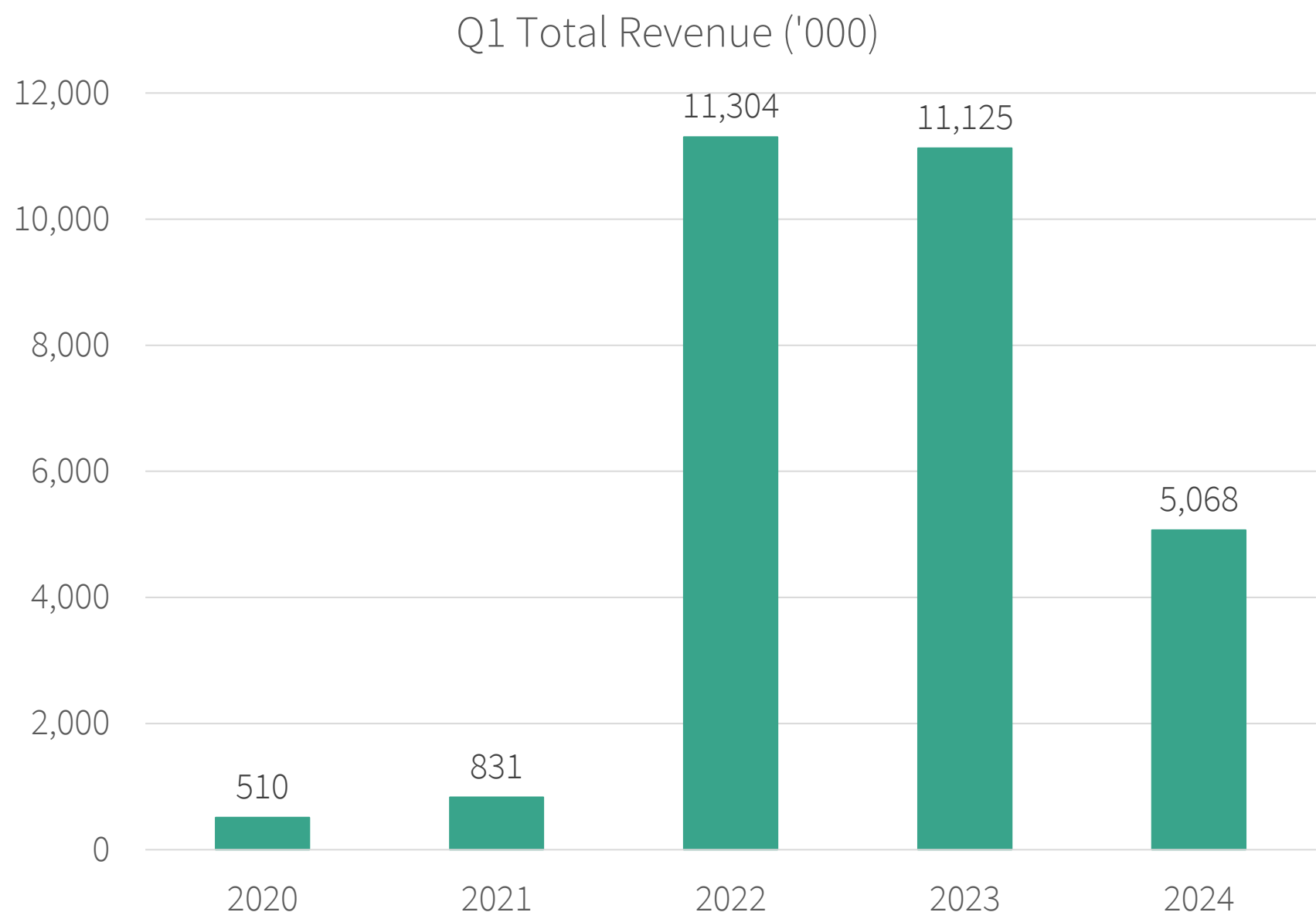
Volume Sales	Q1 2024	Q1 2023
	CIF 55,848	CIF 72,988

Q1Results: CAGR in the last 5 years



VOLUME: Q1 2020 – to Q1 2024 CAGR = 53%

Sales Volume in Q1 2024 were 85K tonnes, compared to 10K tonnes in Q1 2020 (750% Growth).



REVENUE: Q1 2020 –to Q1 2024 CAGR = 58%

Total Revenue in Q1 2024 were \$5,1M , compared to \$0,5M in Q1 2020. (920% Growth).

financial condition_

- Cash held by the Group in Q1 2024 was \$3.2M compared to \$4.3M in Q1 2023 a decrease of 25%.
- As of December March 31, 2024, the Group's total loan balance was \$45.7M compared to \$46.1M in Q4 2023, with and average loan rate of 14.4% per annum.
- In April 2024, the Group initiated a Strategic Debt Restructuring Plan involving seven banks, which encompasses the full 100% of the Group's current debt.
- Negotiations with the banks are progressing constructively, and the Group anticipates achieving a significant improvement in debt terms, including a substantial extension of the payment period, a grace period, and a reduction in interest rates.
- In compliance with legal requirements, all loan payment obligations have been suspended since April 2024.

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

