

October 02, 2024

Verde Successfully Renegotiates Loans with Its Two Largest Creditors

Deal Projected to Generate 115 Million Reais in Cash Savings Over the Next 24 Months

Singapore. Verde Agritech Ltd (TSX: "NPK") ("**Verde**" or the "**Company**") is pleased to announce that it has successfully renegotiated with banks holding 73% of its outstanding loans. The Company expects the remaining five creditor-banks to accept the same terms or face a 75% debt reduction by a court order, as per applicable Brazilian legislation.

Under the renegotiated agreement, the repayment term is extended to 120 months, with principal repayments suspended for 18 months. Crucially, 90% of the principal will be repaid on a staged schedule, starting after 55 months. The deal is anticipated to yield cash savings of R\$115 million over the next 24 months.

Additionally, all interest payments are suspended for 18 months¹, followed by an average nominal interest payment based on Brazil's CDI (*Certificado de Depósito Interbancário*) plus 2.08%. The total interest rate has been materially reduced, with the indexation above the CDI decreased by approximately 50% compared to previous loan agreements.

"The renegotiation process was complex and time-consuming, lasting several months. We are deeply grateful for the support of our main lenders and appreciate their repeated understanding of the severe crisis affecting the Brazilian agricultural sector. Their continued commitment to supporting Verde as it evolves into one of the world's leading suppliers of low-carbon and sustainable fertilizers has been invaluable", stated Cristiano Veloso, Verde's Founder and CEO.

Under applicable Brazilian law, when an agreement is reached with the largest creditors, other creditors are presented with two legal options: The first option allows the standout creditors to adhere to the same terms and conditions negotiated with the largest creditors, ensuring that they receive the same benefits under the plan. This mechanism is grounded in the principle of equal treatment among creditors, encouraging broader acceptance of the agreement. The second option arises when a standout creditor elects not to adhere to the terms of the renegotiation. In this case, Brazilian legislation allows the Company to impose less favorable conditions on those creditors. The goal is to incentivize creditors to join the agreement while ensuring that dissenting creditors do not gain undue advantage over those who participate in the renegotiation.

¹ With the exception of a symbolic monthly payment of R\$100,000 starting after six months.

For the debt renegotiation to become legally binding, it must first be homologated by a Brazilian court. This involves submitting the agreement to a judge, who will review it to ensure that it complies with applicable legal requirements. The court's review process typically takes a couple of months. Once the judge issues a favorable opinion on the renegotiated terms, the agreement becomes enforceable, and all creditors, whether they choose to adhere to the plan or not, are required to comply with the court-sanctioned conditions. Until the approval process the payments are suspended and creditors are prevented from taking any enforcement actions.

ABOUT VERDE AGRITECH

Verde Agritech is dedicated to advancing sustainable agriculture through the innovation of specialty multi-nutrient potassium fertilizers. Our mission is to increase agricultural productivity, enhance soil health, and significantly contribute to environmental sustainability. Utilizing our unique position in Brazil, we harness proprietary technologies to develop solutions that not only meet the immediate needs of farmers but also address global challenges such as food security and climate change. Our commitment to carbon capture and the production of eco-friendly fertilizers underscores our vision for a future where agriculture contributes positively to the health of our planet.

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 of future production,;
- (ii) the Company's competitive position in Brazil and demand for potash; ,
- (iii) estimates of economic returns from an operating mine;
- (iv) the expected terms of the debt restructuring;
- (v) the expected financial impact of the debt restructuring to the Company;
- (vi) the timeline for court approval of the debt restructuring; and

(vii) the potential arising from the re-assaying of certain core samples.

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 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;
- (iii) the capacities and durability of various machinery and equipment;
- (iv) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- (v) currency exchange rates;
- (vi) Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
- (vii) appropriate discount rates applied to the cash flows in the economic analysis;
- (viii) tax rates and royalty rates applicable to the proposed mining operation;
- (ix) the availability of acceptable financing under assumed structure and costs;
- (x) anticipated mining losses and dilution;
- (xi) reasonable contingency requirements;
- (xii) success in realizing proposed operations;
- (xiii) receipt of permits and other regulatory approvals on acceptable terms; and
- (xiv) 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 related to the court approval process for the debt restructuring; 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, 2023. 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, Chief Executive Officer and Founder

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

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