

November/2024

Q3 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): 5OFFQ42024

The discount codes are valid through November 21, 2024.

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

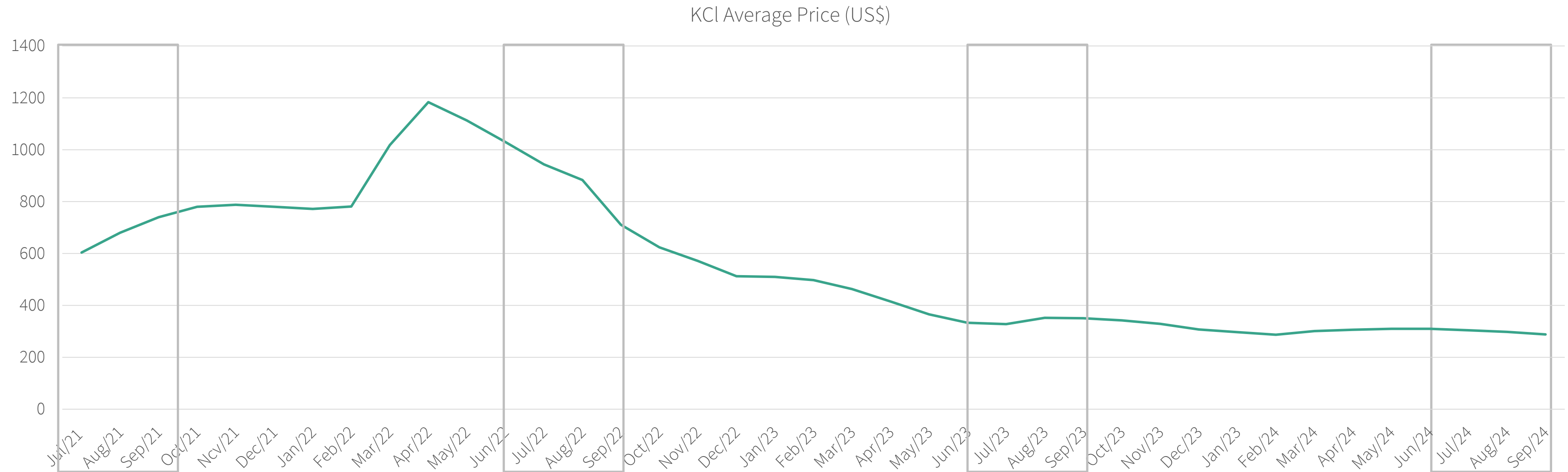


market overview_



KCl prices_

The price of potassium chloride (KCl) decreased by approximately 8% during the quarter and by 13% compared to the same period last year, intensifying competitive pressure from lower-priced imports.



This downward pricing trend, along with a more conservative purchasing approach adopted by farmers, is driven by macroeconomic uncertainties such as elevated interest rates, that led to significant delays in fertilizer purchases across the agricultural sector, causing a postponement in fertilizer demand.

Source:
1 - Acerto Limited Report.

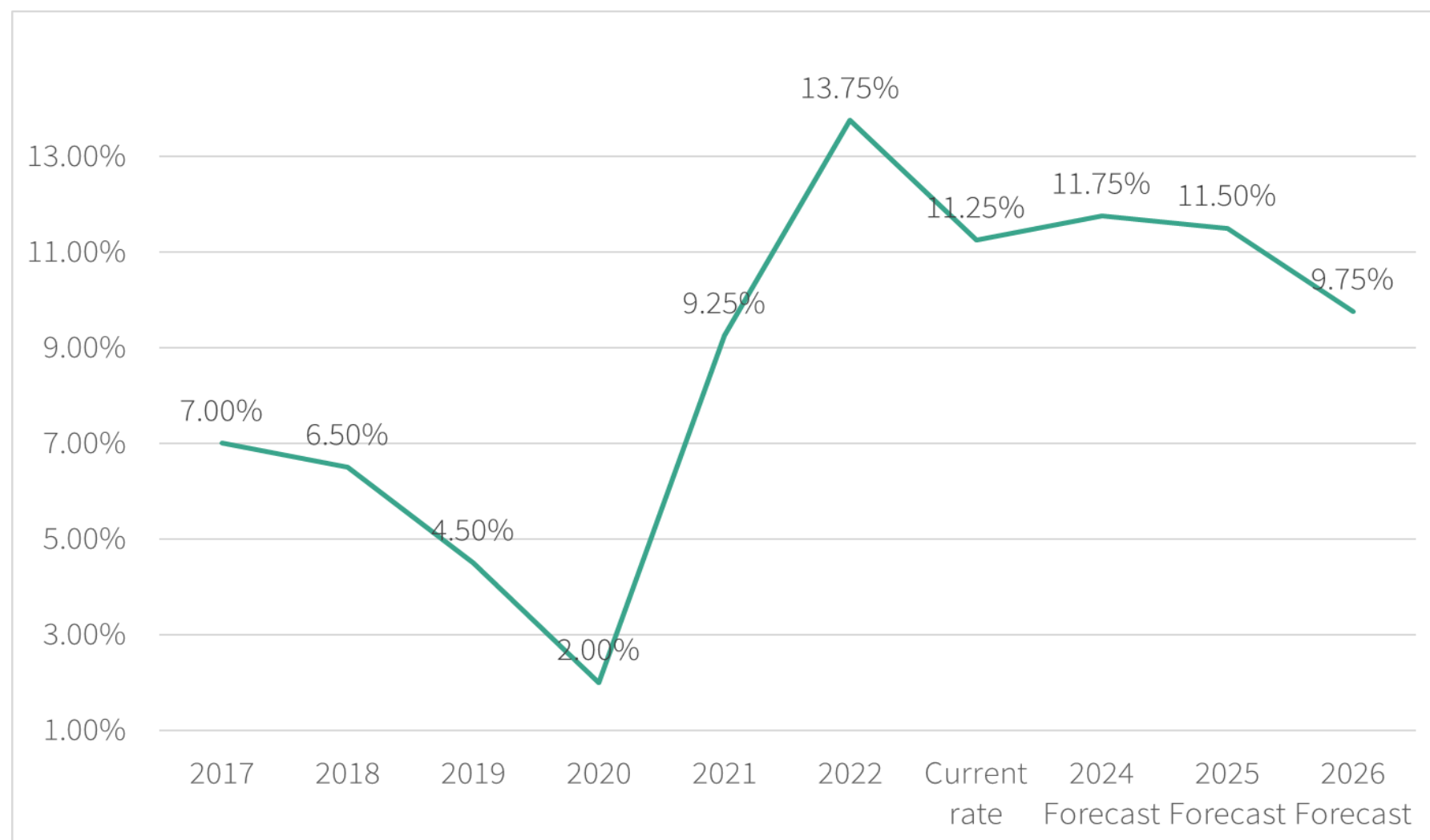
brazilian economic scenario and currency exchange_

In 2024, Brazil continues to face elevated interest rates, impacting the financing conditions for both companies and farmers. The current SELIC interest rate is 11.25% and The Central Bank of Brazil projects the SELIC rate to be 11.75% by the end of 2024, 11.50% by the end of 2025, and 9.75% by the end of 2026. Annual inflation forecasts stand at 4.5% for 2024 and 4.0% for 2025.

Canadian dollar valued by 3.5% versus Brazilian Real in Q3 2024 compared to the same period from last year.

As of November 11, 2024, C\$1.00 = R\$4.16.

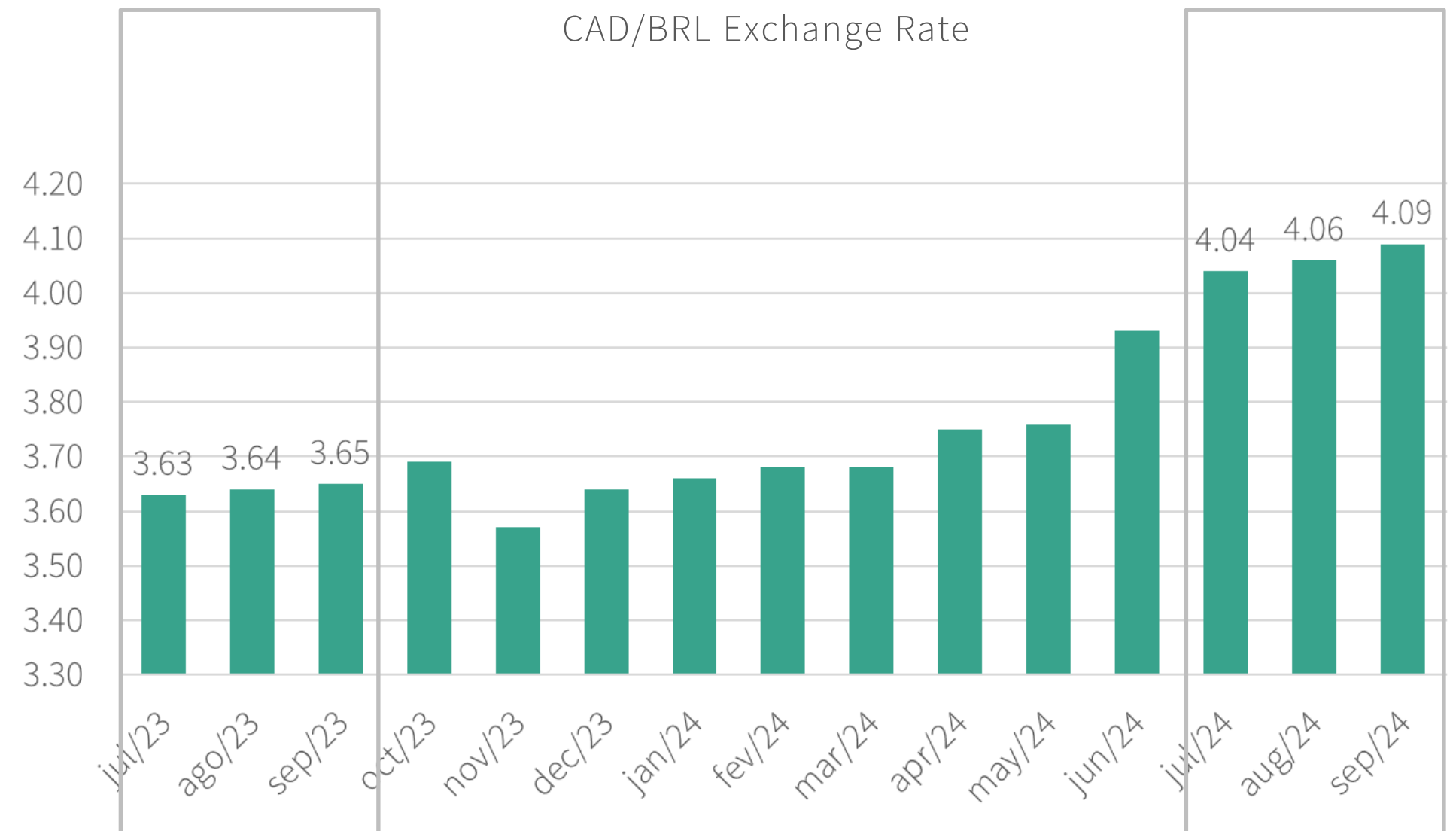
Brazilian SELIC interest rate at year end



Source: [Brazilian Central Bank](#).

As of September 30, 2024. Source: [Brazilian Central Bank](#).

CAD/BRL Exchange Rate



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

Crisis in the agricultural market_

- Bankruptcy protection filings have reached their highest level in nearly 20 years.
- Despite the current snapshot in time, long-term growth and strength within agribusiness is undeniable, especially in Brazil.

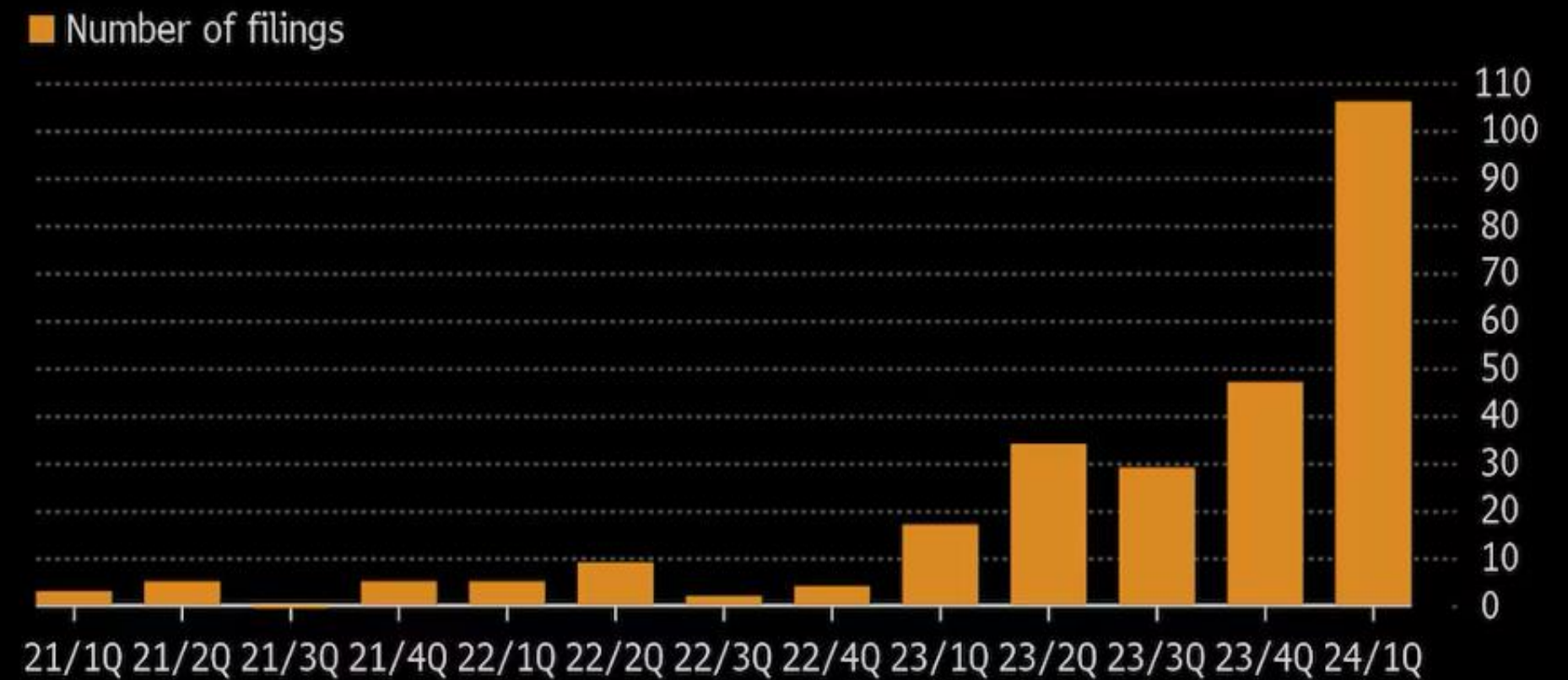
10 largest judicial reorganizations in Brazilian agribusiness

| Company | Debt | Location |
|------------------------------------|-------------------|---------------------------------|
| AgroGalaxy Participações | R\$ 4,670 bilhões | Goiânia - GO |
| Grupo Patense | R\$ 2,154 bilhões | Patos de Minas - MG |
| Sperafico Agroindustrial | R\$ 1,076 bilhão | Toledo - PR |
| Usina Maringá Indústria e Comércio | R\$ 1,028 bilhão | Santa Rita do Passa Quatro - SP |
| Elisa Agro Sustentável | R\$ 679,6 milhões | Aruanã - GO |
| Usina Açucareira Ester | R\$ 651,7 milhões | Cosmópolis - SP |
| Grupo AFG | R\$ 648,5 milhões | Cuiabá - MT |
| Grupo Portal Agro | R\$ 548,8 milhões | Paragominas - PA |
| Grupo Libra Bioenergia | R\$ 534,7 milhões | Cuiabá - MT |
| Grupo Cella | R\$ 327,6 milhões | Cuiabá - MT |

Fonte: Diamantino Advogados Associados
 Nota: a tabela refere-se a valores sujeitos à RJ, declarados pelas empresas

Bankruptcy Protection Booms in Rural Brazil

Filings made by individual producers in each quarter



Source: Serasa Experian

Bloomberg

Q3 2024 results_



Q3 2024 highlights_

Cash

Cash and other receivables held by the Group in Q3 2024 were \$14.7M, compared to \$25.4M in Q3 2023.

As of September 30, 2024, the Group's total loan balance was \$42.2M.

Profitability

Sales in Q3 2024 were 101K tonnes, compared to 108K tonnes in Q3 2023.

Revenue in Q3 2024 was \$7.1M, compared to \$9.4M in Q3 2023.

EBITDA before non-cash events was $-\$0.03\text{M}$ in Q3 2024, compared to $-\$0.62\text{M}$ in Q3 2023.

Net loss in Q3 2024 was $-\$2.3\text{M}$, compared to a $-\$3.4\text{M}$ net loss in Q3 2023.

Q3 2024 financial statements_

| All amounts in CAD \$'000 | Q3 2024 | Q3 2023 | % Δ | 2024 YTD | 2023 YTD | % Δ |
|---|---------|---------|-------|----------|----------|----------|
| Revenue | 7,161 | 9,375 | (24%) | 18,709 | 30,805 | (39%) |
| Production costs | (1,830) | (3,056) | (40%) | (5,316) | (7,680) | (31%) |
| Gross Profit | 5,331 | 6,319 | (16%) | 13,393 | 23,125 | (42%) |
| Gross Margin | 74% | 67% | N/A | 72% | 75% | N/A |
| Sales and marketing expenses | (895) | (695) | 29% | (2,844) | (3,026) | (6%) |
| Product delivery freight expenses | (2,630) | (3,919) | (33%) | (6,767) | (11,509) | (41%) |
| General and administrative expenses | (1,839) | (2,328) | (21%) | (4,485) | (5,142) | (13%) |
| EBITDA ⁽¹⁾ | (33) | (623) | (95%) | (703) | 3,448 | (120%) |
| Share Based, Equity and Bonus Payments (Non-Cash Event) ⁽²⁾ | (104) | (261) | (60%) | (2,146) | (145) | 1380% |
| Depreciation and Amortisation ⁽³⁾ | (758) | (973) | (22%) | (2,479) | (2,852) | (13%) |
| Operating (Loss) / Profit after non-cash events | (895) | (1,857) | (52%) | (5,328) | 451 | (1,281%) |
| Interest Income/Expense ⁽⁴⁾ | (1,431) | (1,593) | (10%) | (4,372) | (3,586) | 22% |
| Net (Loss) / Profit before tax | (2,326) | (3,450) | (33%) | (9,700) | (3,135) | 209% |
| Income tax ⁽⁵⁾ | (10) | (14) | (29%) | (27) | (196) | (86%) |
| Net (Loss) / Profit | (2,336) | (3,464) | (33%) | (9,727) | (3,331) | 192% |

(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

operational summary_

| All amounts in CAD \$'000 | Q3 2024 | Q3 2023 | % Δ | 2024 YTD | 2023 YTD | % Δ |
|---|---------|---------|-------|----------|----------|-------|
| Tons sold '000 | 101 | 108 | (6%) | 271 | 323 | (16%) |
| Average Revenue per ton sold \$ | 71 | 87 | (18%) | 69 | 95 | (27%) |
| Average Production cost per ton sold \$ | (18) | (28) | (36%) | (20) | (24) | (17%) |
| Average Gross Profit per ton sold \$ | 53 | 59 | (10%) | 49 | 71 | (31%) |
| Gross Margin | 75% | 67% | N/A | 71% | 75% | N/A |

operational summary – excluding freight revenue_

| All amounts in CAD, except percentages | Q3 2024 | Q3 2023 | % Δ | 2024 YTD | 2023 YTD | % Δ |
|---|---------|---------|-------|----------|----------|-------|
| Average revenue per tonne sold \$ | 45 | 51 | (11%) | 44 | 60 | (26%) |
| Average production cost per tonne sold \$ | (18) | (28) | (36%) | (20) | (24) | (17%) |
| Average Gross Profit per tonne sold \$ | 27 | 23 | 19% | 24 | 36 | (33%) |
| Average Gross Margin | 60% | 45% | N/A | 55% | 60% | N/A |

sales, general and administrative expenses_

| All amounts in CAD \$'000, except percentages | Q2 2024 | Q2 2023 | % Δ | 2024 YTD | 2023 YTD | % Δ |
|--|----------------|----------------|--------------|----------------|----------------|--------------|
| Sales expenses | | | | | | |
| Sales and marketing expenses | (825) | (890) | (7%) | (2,558) | (2,990) | (14%) |
| Fees paid to sales agents | (70) | 195 | (136%) | (286) | (36) | 694% |
| Total Sales expenses | (895) | (695) | 29% | (2,844) | (3,026) | (6%) |
| General expenses | | | | | | |
| General administrative expenses | (682) | (1,203) | (43%) | (2,083) | (2,983) | (30%) |
| Allowance for expected credit losses | (785) | (563) | 39% | (1,018) | (592) | 72% |
| Legal, professional, consultancy and audit costs | (262) | (332) | (21%) | (905) | (939) | (4%) |
| IT/Software expenses | (99) | (190) | (48%) | (427) | (532) | (20%) |
| Taxes and licenses fees | (11) | (40) | (73%) | (52) | (96) | (46%) |
| Total | (1,839) | (2,328) | (21%) | (4,485) | (5,142) | (13%) |

cash flow and debit overview_

- Cash held by the Group in Q3 2024 was \$3.4M compared to \$9.2M in Q3 2023 a decrease of 37%, and trade and other receivables was \$11.3M in Q3 2024, compared to \$16.1M in Q3 2023.
- As of 30 September 2024, the Group's total loan balance was \$42.2M compared to \$41.5M in Q3 2023, with an average loan rate of 14.95% 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.
- Successful Conclusion of Bank Negotiations: The Company has successfully finalized negotiations with more than 92% of the Company's creditors have formally agreed to the restructuring terms, covering a total of R\$156 million in debt and the restructuring plan is now pending court homologation.

subsequent events_

Loan Renegotiation

On October 02, 2024, Verde announced that it had successfully renegotiated with banks holding 73% of its outstanding loans. Following this action, the Company expected the remaining five creditor banks to accept the same terms or face a 75% debt reduction through 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 months, followed by an average nominal interest payment based on Brazil's CDI (*Certificado de Depósito Interbancário*) plus 2.08%.

Rare Earths

On October 07, 2024, the Company announced that 4,708 hectares of its mineral concessions are prospective for Magnetic Rare Earths mineralization, following a review of historical drill holes. MREs, including Praseodymium, Neodymium, Dysprosium, and Terbium, are in high demand due to their crucial role in the energy transition and these elements are also essential components in the production of high-performance magnets used in electric vehicles, wind turbines, and other green technologies. Results from 15 additional drill holes revealed a 65-meter mineralized zone with grades of up to 4,209 ppm TREO and 975 ppm MREO.

On October 29, 2024, Verde announced significant assay results from over 1,500 meters of exploration, identifying rare earth elements with concentrations reaching up to 12,487 ppm TREO and 3,357 ppm MREO. Results from 13 additional drill holes revealed an 89-meter mineralized zone with grades of up to 3,706 ppm TREO and 839 ppm MREO.

SOURCES:

- [1.Verde Successfully Renegotiates Loans with Its Two Largest Creditors.](#)
- [2.High grade ionic absorption clay magnetic rare earths mineralization found in Verde's historical drill holes.](#)
- [3.Verde's assays of over 1,500m of drilling find rare earths up to 12,487 ppm TREO and 3,357 ppm MREO.](#)

q&a_



