Verde Announces Q2 2025 Earnings Results

Singapore. August 08, 2025. -- Verde AgriTech Ltd (TSX: "NPK") ("**Verde**" or the "**Company**") announces its financial results for the period ended June 30, 2025 ("**Q2 2025**"). *All figures are in Canadian dollars, unless stated otherwise. Average exchange rate in Q2 2025: C$1.00 = R$4.08.*

Q2 2025 Highlights

Operational and Financial Highlights

- Verde's sales volume in Q2 2025 was 80,354 tons; a 6% reduction compared to Q2 2024, which generated $4.8 million in revenue during the quarter.
- Gross margin excluding freight was 58% during the quarter, compared to Q2 2024 gross margin of 55%.
- Sales and Marketing expenses in Q2 2025 were -$0.9 million, compared to -$1.0 million in Q2 2024.
- Positive operating cash inflow of $0.2 million was recorded during the quarter, compared to -$0.3 million cash outflow in Q2 2024.
- EBITDA before non-cash events was -$0.2 million in Q2 2025, compared to nil in Q2 2024.
- Net loss in Q2 2025 was -$2.4 million, compared to a -$2.6 million loss in Q2 2024.
- Cash of $2.4 million in Q2 2025 compared to $2.7 million in Q2 2024. Short-term receivables in the quarter were $8.2 million compared to $12.8 million in Q2 2024.
- The Company successfully completed the renegotiation of short-term and long-term loans in Q2 2025, with approximately 99.5% of loans classified as long-term versus 19.8% prior to the renegotiation. Short-term loans totaled $0.2 million in the quarter, compared to $22.9 million in Q2 2024.

Sustainability Highlights

- Product sold in Q2 2025 has the potential to capture up to 9,640 tons of carbon dioxide ("**CO_2**") from the atmosphere via Enhanced Rock Weathering ("**ERW**").[1] The potential net amount of carbon captured is estimated at 6,890 tons of CO_2. In addition to the carbon removal potential, Q2 2025 sales avoided the emissions of 4,102 tons of CO_2e, by substituting potassium chloride ("**KCl**") fertilizers.[2] Combining the potential carbon removal and carbon emissions avoided by the use of

[1] The carbon capture potential of Verde's products, through Enhanced Rock Weathering (ERW), is 120 kg CO_2e per ton of K Forte®. For further information, see "Verde's Products Remove Carbon Dioxide From the Air".
[2] K Forte® is a fertilizer produced in Brazil using national raw materials. Its production process has low energy consumption from renewable sources and, consequently, a low environmental and GHG emissions footprint. Whereas the high carbon footprint of KCl results from a complex production process, involving extraction, concentration, and

the product since the start of production in 2018, Verde's total potential impact stands at 315,564 tons of CO_2.[3]

- 6,368 tons of chloride have been prevented from being applied into soils in Q2 2025, by farmers who used the Product in lieu of KCl fertilizers.[4] A total of 182,002 tons of chloride has been prevented from being applied into soil by Verde's customers since the Company started production.[5]

"Against a backdrop of tight credit and elevated interest rates, our team delivered a resilient second quarter," said Cristiano Veloso, Founder and Chief Executive Officer of Verde AgriTech. *"By renegotiating more than 99 per cent of our debt into long-term maturities, cutting unit production costs, and preserving a best-in-class 58 per cent gross margin (ex-freight), we have fortified the balance sheet and protected cash flow while Brazil's farm economy cycles through unprecedented volatility."*

"At the same time, every ton we sold in Q2 puts money back in growers' pockets and carbon back in the ground. Since first production, our products have the potential to remove or avoid over 315,000 tons of CO_2 and have kept 182,000 tons of chloride out of Brazilian soils. That double dividend—higher crop productivity and climate impact—continues to differentiate Verde in the fertilizer market."

"Looking ahead to the second half, our presence in core regions, launching tailored multi-nutrient formulations. These priorities position Verde to capture the upside when sector demand rebounds, while creating enduring value for our customers, communities and shareholders."

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granulation of KCl, in addition to the long transportation distances to Brazil, given that 95% of the KCl consumed in the country is imported. 12Mt of K Forte® is equivalent to 2Mt of KCl in K2O content. Emissions avoided are calculated as the difference between the weighted average emissions for KCl suppliers to produce, deliver, and apply their product in each customer's city and the emissions determined according to K Forte®'s Life Cycle Assessment for its production, delivery, and application in each customer's city.

[3] From 2018 to Q2 2025, the Company has sold 2.3 million tons of Product, which can potentially remove up to 251,734 tons of CO_2. Additionally, this amount of Product could potentially avoid up to 63,829 tons of CO_2 emissions.

[4] Verde's Product is a salinity and chloride-free replacement for KCl fertilizers. Potassium chloride is composed of approximately 46% of chloride, which can have biocidal effects when excessively applied to soils. According to Heide Hermary (Effects of some synthetic fertilizers on the soil ecosystem, 2007), applying 1 pound of potassium chloride to the soil is equivalent to applying 1 gallon of Clorox bleach, with regard to killing soil microorganisms. Soil microorganisms play a crucial role in agriculture by capturing and storing carbon in the soil, making a significant contribution to the global fight against climate change.

[5] 1 ton of Product (10% K_2O) has 0.1 tons of K_2O, which is equivalent to 0.17 tons of potassium chloride (60% K_2O), containing 0.08 tons of chloride.

Market Analysis

In Q2 2025, Brazil's agricultural input sector continued to navigate the lingering effects of a prolonged downturn that began in 2022. High indebtedness among farmers and distributors, combined with limited access to credit and adverse market dynamics, led to cautious purchasing behavior. Many agribusinesses remain engaged in debt renegotiation processes — either judicial or informal — while suppliers across the chain have tightened credit policies and prioritized liquidity.[6]

Despite this challenging backdrop, certain indicators signaled a possible shift in market dynamics. Potash prices, particularly for potassium chloride (KCl), remained stable and showed a modest upward trend throughout the quarter.[7]

Like Verde, other players in the sector adopted measures to safeguard operations and improve resilience. Companies face a combination of climate-related delays, lower technology adoption, and farmer cost containment. Many have launched debt restructuring efforts to reduce short-term liabilities, preserve liquidity, and secure more sustainable financial terms.[8] These actions reinforce a sector-wide emphasis on cost discipline, credit selectivity, and long-term stability. Verde maintained a conservative commercial strategy throughout the quarter, limiting sales exposure to higher-risk clients.

Macroeconomic Conditions

The macroeconomic environment in Brazil remained restrictive during Q2 2025. The SELIC rate stood at 15.00% at the end of the quarter and remained unchanged in the following month[9]— still among the highest real interest rates globally. These financing conditions continue to constrain credit availability for rural producers and delay investments in agricultural inputs. Projections suggest that the SELIC will remain at current levels through the end of 2025[10], while JP Morgan foresees it to gradually decrease to 10.75% by the end of 2026.[11]

Inflation forecasts for 2025 and 2026 stand at 5.10% and 4.40%[12], respectively, suggesting a cautiously optimistic outlook that Brazil's macroeconomic environment may be on a path toward stabilization in the medium term. Although working capital remains tight for many farmers, especially during the critical period for purchasing inputs such as fertilizers, the industry has adapted by shifting payment terms to post-harvest

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[6] Source: *Lack of Credit Challenges Brazil's Agricultural Inputs Market*, AgriBrasilis, July 23, 2025. Available at: https://agribrasilis.com/2025/07/23/credit-access-agricultural-inputs/.
[7] Source: Acerto Limited.
[8] Source: *Lavoro Restructures $460 Million Debt to Secure Crop Input Supply*, The AgriBiz. Available at: https://www.theagribiz.com/international/lavoro-restructures-460-million-debt-to-secure-crop-input-supply/.
[9] As of June 30, 2025. Source: Brazilian Central Bank
[10] As of June 30, 2025. Source: Brazilian Central Bank
[11] Source: J.P. Morgan, COPOM Preview, Latin America Emerging Markets Research, August 5, 2025.
[12] As of June 30, 2025. Source: Brazilian Central Bank

settlements, typically between 9 and 12 months. This practice, while standard in the agricultural sector, requires careful management of cash flow and credit exposure across the supply chain.

Global political developments involving key Brazilian trading partners, along with ongoing discussions around taxation and regulation, have introduced some uncertainty for farmers considering long-term investments. In response, many are taking a more conservative approach, prioritizing essential inputs and maintaining financial discipline. While this cautious sentiment has moderated short-term fertilizer demand, it also reflects a broader focus on operational efficiency and strategic resource allocation. As greater clarity emerges around policy and market dynamics, purchasing activity may begin to recover.[13]

EXTERNAL FACTORS

Revenue and costs are affected by external factors including changes in the exchange rates between the C$ and R$ along with fluctuations in potassium chloride spot CFR Brazil, agricultural commodities prices, interest rates, among other factors. For further details, please refer to the Q2 2025 Year in Review section.

[13] "US sanctions could cause chaos on Latam farms run on Russian fertilizers," Reuters, July 21, 2025. Available at: https://www.reuters.com/world/americas/us-sanctions-could-cause-chaos-latam-farms-run-russian-fertilizers-2025-07-21

RESULTS OF OPERATIONS

The following table provides information about three months ended June 30, 2025, as compared to the three months ended June 30, 2024. All amounts in CAD $'000.

All amounts in CAD $'000	3 months ended Jun 30, 2025	3 months ended Jun 30, 2024	6 months ended Jun 30, 2025	6 months ended Jun 30, 2024
Tons sold '000	80	85	128	170
Average Revenue per ton sold $	60	76	60	68
Average Production cost per ton sold $	(16)	(21)	(16)	(21)
Average Gross Profit per ton sold $	44	55	44	47
Gross Margin	73%	72%	73%	70%
Revenue	4,800	6,480	7,652	11,548
Production costs[1]	(1,316)	(1,815)	(2,073)	(3,486)
Gross Profit	**3,484**	**4,665**	**5,579**	**8,062**
Gross Margin	**73%**	**72%**	**73%**	**70%**
Sales and marketing expenses	(891)	(979)	(1,742)	(1,949)
Product delivery freight expenses	(1,733)	(2,541)	(2,848)	(4,137)
General and administrative expenses	(1,048)	(1,058)	(2,098)	(2,414)
Allowance for expected credit losses	6	(87)	(507)	(232)
EBITDA [2]	**(182)**	**-**	**(1,616)**	**(670)**
Share Based and Bonus Payments (Non-Cash Event)[3]	(72)	(265)	(233)	(2,042)
Depreciation, Amortisation and P/L on disposal of plant and equipment [3]	(772)	(802)	(1,546)	(1,721)
Operating Profit after non-cash events	**(1,026)**	**(1,067)**	**(3,395)**	**(4,433)**
Interest Income/Expense [4]	(1,394)	(1,564)	(2,802)	(2,941)
Net Profit before tax	**(2,420)**	**(2,631)**	**(6,197)**	**(7,374)**
Income tax [5]	(6)	(8)	(10)	(17)
Net Profit	**(2,426)**	**(2,639)**	**(6,207)**	**(7,391)**

(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

Sales Performance

In Q2 2025, revenue from sales declined by 6%, accompanied by a 21% decrease in the average revenue per ton compared to Q2 2024. Excluding freight expenses (FOB price), the average revenue per ton fell by 17%, primarily driven by the devaluation of the Brazilian Real by 9.2% and a reduction in sales of specialty products, which decreased from 18% to 9% of the sales mix. The shift reflects farmers' increasing preference for lower value-added products, as many continue to face restricted cash flows.

Verde maintains a rigorous credit approval process for customers purchasing specialty fertilizers, due to the inclusion of third-party raw materials in these products. This more stringent evaluation helps safeguard operational continuity and mitigates risks associated with the fulfillment of purchase agreements.

The Company reported a net loss of -$2.4 million in Q2 2025, compared to a net loss of -$2.6 million in Q2 2024. The result was primarily impacted by interest expenses of -$1.4 million and depreciation of -$0.8 million. The year-over-year improvement of $0.2 million was mainly due to a reduction in non-cash expenses related to stock options granted by the Company, when compared to the same period in the previous year.

Basic loss per share was -$0.04 for Q2 2025, compared to a basic loss per share of -$0.05 for Q2 2024.

Production Costs[14]

The average cost per ton decreased by 24% in Q2 2025, primarily due to renegotiated supplier contracts, a reduction in operational headcount, and an 9.2% devaluation of the Brazilian Real, alongside a lower proportion of specialty product orders compared to regular products.

Production costs include all direct costs from mining, processing, and the addition of other nutrients to the Product, such as sulphur and boron. It also includes the logistics costs from the mine to the plant and related salaries.

Verde's continued focus on cost reduction has allowed the company to maintain existing gross margins despite inflationary pressures, customer credit restrictions, and commodity price fluctuations.

[14] Verde's production costs and sales price are based on the following assumptions:

1. Micronutrients added to the product increase its production cost, rendering K Forte® less expensive to produce.
2. Production costs vary based on packaging type, with bulk being less expensive than Jumbo Bags.
3. Plant 1 produces K Forte® Jumbo Bags and Low-Carbon Specialty Fertilizer Products, while Plant 2 exclusively produces K Forte® Bulk. Therefore, Plant 2's production costs are lower than Plant 1's costs.

Loan Renegotiation

Verde's debt restructuring — renegotiated with over 97.5% of its creditors — has significantly reduced its short-term obligations. Among total debt, 92.2% were classified as debt owed to adherent creditors and 5.3% as debt owed to non-adherent creditors.

Although debt owed to non-adherent creditors only comprised a small portion of total debt, the Company experienced a *significant reduction in the principal owed to this group (75%), equating to approximately R$7.0 million*. The interest rate on this category of debt was also significantly reduced to the Taxa Referencial (TR)[15], currently around 1.36% per year. The grace period and repayment term for debt associated with non-adherent creditors are 19 months on both principal and interest (starting from the court-approved debt renegotiation date of April 2025) and 108 months following the grace period, respectively.

The terms applied to the majority (92.2%) of total debt, owed to adherent creditors, are as follows:

1. **Grace Period**: 18 months on both principal and interest, starting from October 2024;[16]
2. **Repayment Term**: Debt to be amortized over 108 months; and
3. **Principal Repayment Schedule**:
    - 10% repaid between months 19 and 54;
    - 30% between months 55 and 90; and
    - 60% between months 91 and 126.

Interest accrues at *Certificado de Depósito Interbancário* ("**CDI**") + 1.25% for three years and increases to CDI + 2.5% thereafter.

The current split of short-term and long-term loans are as follows:

Loans CAD $'000	Before renegotiation	After renegotiation
Short-term loans	37,953	227
Long-term loans	9,371	45,195
Total	**47,324**	**45,472**

[15] Referance rate.
[16] With the exception of a symbolic monthly payment of R$100,000 from May 2025 onwards.

The Company is now well positioned to weather ongoing macroeconomic volatility while preparing for a potential rebound in sector activity in H2 2025.[13]

Financial Position

As of June 30, 2025, Verde held cash of $2.4 million, compared to $2.7 million at the end of Q2 2024. Short-term receivables recorded during the quarter were $8.2 million. The total cash and short-term receivables were $10.6 million in Q2 2025.

OUTLOOK

During H2 2025, the Company will focus on:

- Product portfolio expansion via the development of new, customer-driven fertilizer formulations, which have been designed to address evolving agronomic needs while enhancing crop productivity and sustainability. By broadening our suite of multi-nutrient solutions, we aim to deepen relationships with existing growers and distributors and, importantly, attract a wider base of new customers.

- Strengthening our commercial reach — leveraging the recently expanded sales team, targeted marketing initiatives, and data-driven agronomic support — to accelerate market penetration in core regions near our production hub.

- Advancing research on the Company's carbon project (Enhanced Rock Weathering), reinforcing our long-term vision of delivering agronomic performance alongside measurable environmental benefits.

Q2 RESULTS CONFERENCE CALL

The Company will host a conference call to discuss Q2 2025 results and provide an update. Subscribe using the link below and receive the conference details by email.

Date:	Monday, August 11, 2025
Time:	09:00 am Eastern Time
Subscription link:	**https://bit.ly/Q2_2025_Results_Presentation**

The Company's financial statements and related notes for the period ended June 30, 2025 are available to the public on SEDAR+ at www.sedarplus.ca and the Company's website at www.investor.verde.ag/.

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.

For more information on how we are leading the way towards sustainable agriculture and climate change mitigation in Brazil, visit our website at https://verde.ag/en/home/.

For additional information please contact:

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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;

(ii) the estimated amount of CO_2 removal potential per ton 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;

(viii) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

(ix) the expected terms of the debt restructuring;

(x) the expected financial impact of the debt restructuring to the Company;

(xi) the timeline for court approval of the debt restructuring; and

(xii) 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 estimation of CO_2 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 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 workforce; 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.sedarplus.com) for the year ended December 31, 2024. 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.