

August 17, 2020

VERDE SALES GROW 202% WITH GROSS MARGIN OVER 60% IN THE SECOND QUARTER OF 2020

(All figures are in Canadian dollars, unless otherwise expressed. Exchange rate in Q2 2020: 1.00 CAD = 3.598 BRL)

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: "NPK") (OTCQB: "AMHPF") ("**Verde**" or the "**Company**") is pleased to announce its financial results for the second quarter, ended June 30, 2020 ("**Q2 2020**").

Q2 2020 FINANCIAL HIGHLIGHTS

- The Company recognised revenue of \$2,492,586, an increase of 87% compared to \$1,329,127 in the second quarter of 2019 ("**Q2 2019**").
- Production increased by 139% with a total of 80,490 tonnes mined, compared to 33,671 tonnes in Q2 2019.
- Sales increased by 202% with a total of 71,183 tonnes sold, compared to 23,600 tonnes in Q2 2019.
- The Company generated a net profit of \$443,525, compared to a net loss of \$222,657 in Q2 2019.
- Gross margin increased by 12%, with a total of 62% in Q2 2020 compared to 50% in Q2 2019.

SUBSEQUENT EVENTS

- In July 2020, the Company secured a bank loan of R\$ 5.3 million (\$1.473 million), for CAPEX investment and working capital.
- In July 2020, the new mill purchased by the Company was delivered. It will replace the first mill bought in 2018, thereby increasing Plant 1 name plate production capacity by 14% to 2,880 tonnes per day, with expected operational capacity of 2,000 tonnes per day.

"Far more important than our net profit is the consistent growth that Verde AgriTech is delivering as it introduces new sustainable technologies to support global food production. We expect this growth to accelerate in the coming years as we launch a new generation of technologies currently under advanced development. Verde AgriTech is looking to revolutionize sustainable production of food", commented Cristiano Veloso, Verde's founder, President and CEO.

"The Company continues to show improved year-on-year sales and operational improvement and continued progress toward the stated target of R\$32 million revenue for the year, representing 76% growth", concluded Mr. Veloso.



In Q2 2020 the Company sold 71,183 tonnes of its multinutrient potassium fertilizer, marketed and sold in Brazil under the K Forte® brand and internationally as Super Greensand® (the “Product”), an increase of 202% in comparison to 23,600 tonnes for Q2 2019.

The revenue for Q2 2020 increased by 87% with a total of \$2,492,586, compared to \$1,329,127 in Q2 2019. The gross margin for Q2 2020 was 62% and the operating profit before non-cash events was \$584,500.

The Company generated a net profit of \$443,525 for Q2 2020. The profit per share in Q2 2020 was \$0.009, against a loss per share of \$0.004 in Q2 2019.

Most of the Product sales in Brazil are expected to take place between June and September, due to the climatic seasonality in the agricultural cycle. Thus, the Company’s operations are set for improved production, sales and consequently improved financial results for the third quarter.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below summarizes Q2 2020 financial results compared to Q2 2019 and provides information about 2020 and 2019 year-to-date (“YTD”).

All amounts in CAD \$'000	Q2 2020	Q2 2019	2020 YTD	2019 YTD
Tonnes sold	71,183	23,600	81,353	24,693
Revenue per tonne sold \$	35	56	37	60
Production cost per tonne sold \$	(13)	(28)	(16)	(29)
Gross Profit per tonne sold \$	22	28	21	31
Gross Margin	62%	50%	57%	52%

Revenue	2,492	1,329	3,001	1,483
Production costs	(955)	(660)	(1,286)	(709)
Gross Profit	1,537	669	1,715	774
Gross Margin	62%	50%	57%	52%
Selling and General Administrative expenses	(952)	(710)	(1,795)	(1,271)
Operating Profit/(Loss) before non-cash events	585	(41)	(80)	(497)
Share Based Payments (Non-Cash Event) *	(28)	(71)	(67)	(455)
Depreciation and Amortisation *	(3)	(5)	(15)	(17)
Operating Profit/(Loss) after non-cash events	554	(117)	(162)	(969)
Corporation tax	(98)	(41)	(116)	(49)
Interest Income/Expense	(12)	(65)	(70)	(78)
Net Profit / (Loss)	444	(223)	(348)	(1,096)

* - Included in S&GA expenses in Financial Statements.

Revenue

Revenue from sales for Q2 2020 was \$2,491,585, from sale of 71,183 tonnes (\$35.00 per tonne sold). Average revenue per tonne was lower than Q2 2019 (\$56.32 per tonne). The Product price is based on the current Potassium Chloride price. Therefore, the reduction of the average revenue per tonne was mainly due to the decline of the Potassium Chloride CFR (Brazil) price, from \$335 per tonne in Q2 2019 to \$230 per tonne in Q2 2020 (Acerto Limited Report). In addition, the

Company has been selling further afield from its plant in Brazil, which equally reduces the realized FOB price (please refer to the Pre-Feasibility Study, chapter 19.5).

S&GA - SELLING & GENERAL ADMINISTRATIVE EXPENSES

S&GA Expenses (Selling and General Administrative expenses) * CAD \$'000	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Sales and marketing expenses	(370)	(285)	(635)	(375)
General administrative expenses	(196)	(162)	(416)	(429)
Distribution expenses	(235)	(92)	(392)	(117)
Legal, professional, consultancy and audit costs	(121)	(143)	(284)	(304)
IT/Software expenses	(27)	(19)	(49)	(23)
Taxes and licenses fees	(4)	(9)	(19)	(23)
Total S&GA	(952)	(710)	(1,795)	(1,271)

* - Please refer to Q2 2020 Management's Discussion and Analysis for detailed information about S&GA Expenses.

CONFERENCE CALL DETAILS

The Company will host a conference call on Wednesday, August 26, 2020 at 11:30 am Eastern Time (4:30 pm Greenwich Time), to discuss Q2 2020 results and provide an update. Subscribe at the following link and receive the conference details by email.

Date:	Wednesday, August 26, 2020
Time:	11:30 am Eastern Time (4:30 pm Greenwich Time)
Subscription link:	https://bit.ly/VerdeAgriTech-Q2-2020

The Company's second quarter financial statements and related notes for the period ended 30 June, 2020 are available to the public on SEDAR at www.sedar.com and the Company's website at www.investor.verde.ag/.

INVESTORS NEWSLETTER

Verde has a newsletter for investors, with monthly updates about the Company. The last edition can be accessed at <https://bit.ly/InvestorsNL-July2020>.

Subscription link: <http://cloud.marketing.verde.ag/InvestorsSubscription>

About Verde AgriTech

Verde AgriTech promotes sustainable and profitable agriculture through the development of its Cerrado Verde Project. Cerrado Verde, located in the heart of Brazil's largest agricultural market, is the source of a potassium-rich deposit from which the Company intends to produce solutions for crop nutrition, crop protection, soil improvement and increased sustainability.

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 PFS representing a viable development option for the Project;
- (iii) 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;
- (iv) the estimated amount of future production, both produced and sold; and,
- (v) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

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:

- (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 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, 2019. 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.