

Q2 2020 Update

DISCLAIMER

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 Plc's (the Company's) strategy, the commercial production of Super Greensand®, K Forte®, Silício Forte®, TK47 and Alpha ("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 December 22, 2017. 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 Plc.

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HIGHLIGHTS

Cash	<p>Ability to generate significant free cash flow in the long term.</p> <p>Credit facilities totaling R\$ 21.8 million approved by financial institutions in Brazil.</p> <p>Average interest rate: 1% per month.</p> <p>In July 2020, the Company secured a bank loan of R\$ 5.3 million (\$1.473 million), for CAPEX investment and working capital.</p>
Profitability	<p>Revenue increased by 87% compared to Q2 2019.</p> <p>Production increased by 139% compared to Q2 2019.</p> <p>Sales increased by 202% compared to Q2 2019.</p> <p>The Company generated a net profit of \$444k, compared to a net loss of \$223k in Q2 2019.</p> <p>Gross margin increased by 12%, with a total of 62% in Q2 2020 compared to 50% in Q2 2019.</p>
Operations	<p>ISO 9001 and 14001 implementation underway; certification audit expected for H1 2021.</p> <p>Focused on improving safety for workforce.</p> <p>The Company bought a new mill. It replaced 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.</p>

SUMMARY

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

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.

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 in advanced stage of development. Verde AgriTech is looking to revolutionize the sustainable production of food.

* All figures are in Canadian dollars, unless otherwise expressed.

Exchange rate Q2 2020: 1.00 CAD = 3.60 BRL

Exchange rate Q2 2019: 1.00 CAD = 2.88 BRL

Q2 2020 FINANCIAL STATEMENTS
(Unaudited)

All amounts in CAD \$'000, except percentages	Q2-2019	Q2 2020	YoY	2019 YTD	2020 YTD	YoY
Revenue	1,329	2,492	88%	1,483	3,001	102%
Production costs	(660)	(955)	(45%)	(709)	(1,286)	(81%)
Gross Profit	669	1,537	130%	774	1,715	122%
Sales and General Administrative expenses	(710)	(952)	(34%)	(1,271)	(1,795)	(41%)
Operating Profit/(Loss) before non-cash events	(41)	585	N/A	(497)	(80)	N/A
Share Based Payments (Non-Cash Event)	(71)	(28)	N/A	(455)	(67)	N/A
Depreciation and Amortisation	(5)	(3)	34%	(17)	(15)	14%
Operating Profit/(Loss) after non-cash events	(117)	554	N/A	(969)	(162)	N/A
Corporation tax	(41)	(98)	(138%)	(49)	(116)	(138%)
Interest Income/Expense	(65)	(12)	82%	(78)	(70)	10%
Net Profit / (Loss)	(223)	444	N/A	(1,096)	(348)	N/A

OPERATIONAL SUMMARY
(Unaudited)

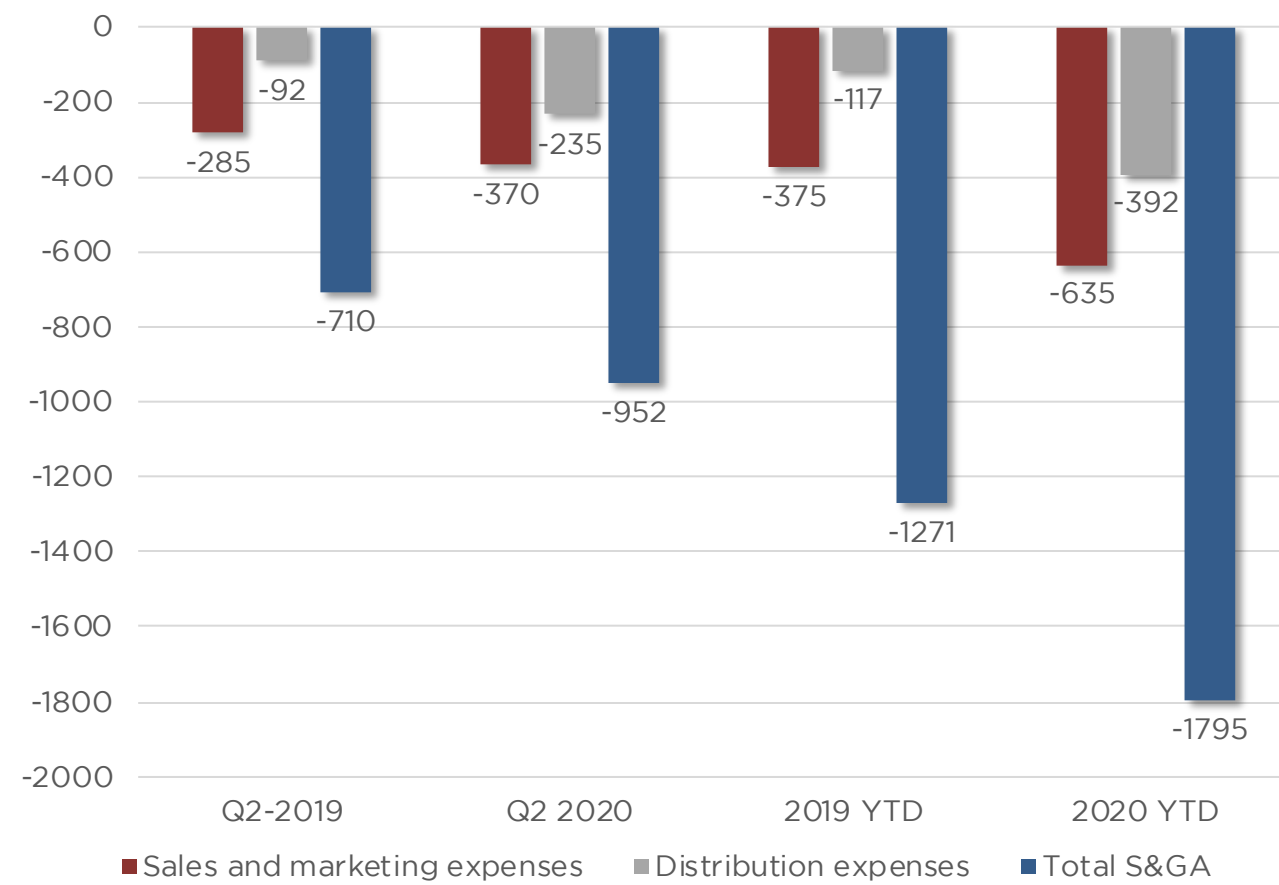
All amounts in CAD \$'000, except percentages and tonnes	Q2-2019	Q2 2020	YoY	2019 YTD	2020 YTD	YoY
Tonnes sold	23,600	71,183	202%	24,645	81,353	230%
Revenue per tonne sold	56	35	(38%)	60	37	(39%)
Production cost per tonne sold	(28)	(13)	54%	(29)	(16)	45%
Gross Profit per tonne sold	28	22	(21%)	31	21	(33%)
Gross Margin	50%	62%	24%	52%	57%	9%
Revenue	1,329	2,492	88%	1,483	3,001	102%
Production costs	(660)	(955)	(45%)	(709)	(1,286)	(81%)
Gross Profit	669	1,537	130%	774	1,715	122%

SALES & GENERAL ADMINISTRATIVE EXPENSES
(Unaudited)

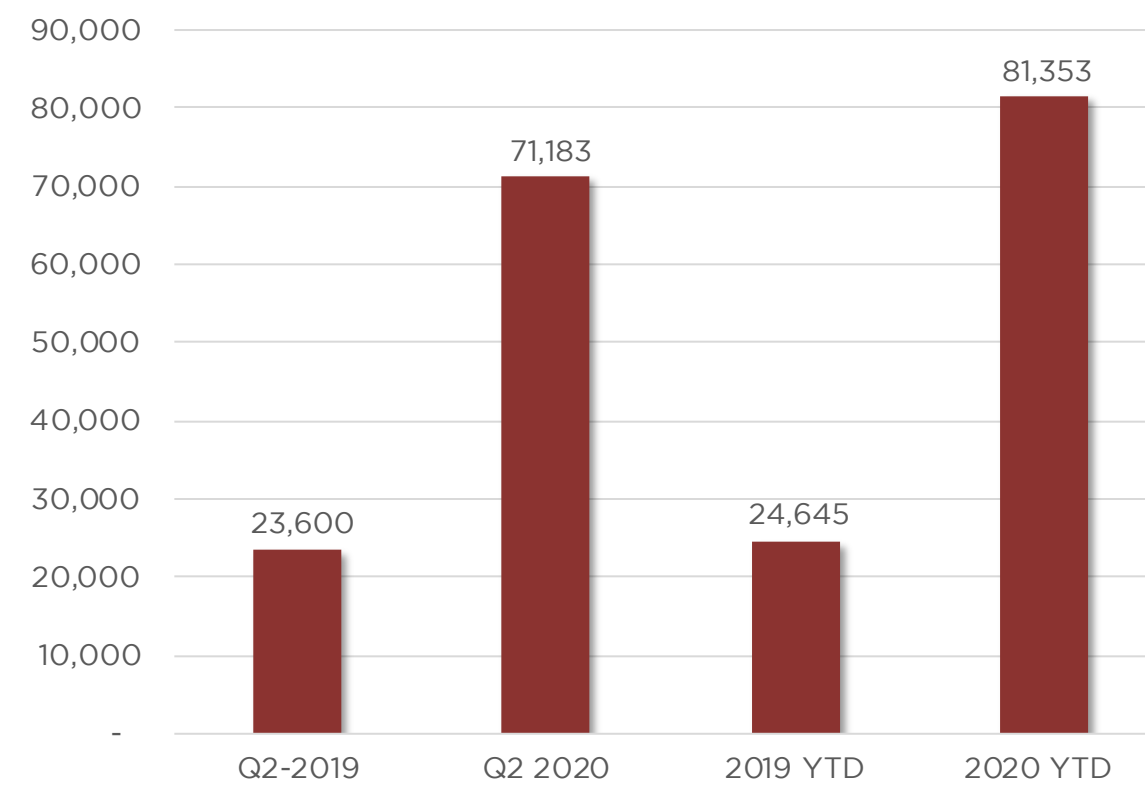
S&GA Expenses All amounts in CAD \$'000, except percentages	Q2-2019	Q2 2020	YoY	2019 YTD	2020 YTD	YoY
Sales and marketing expenses	(285)	(370)	(30%)	(375)	(635)	(70%)
General administrative expenses	(162)	(196)	(21%)	(429)	(416)	3%
Distribution expenses	(92)	(235)	(155%)	(117)	(392)	(234%)
Legal, professional, consultancy and audit costs	(143)	(121)	15%	(304)	(284)	7%
IT/Software expenses	(19)	(27)	(42%)	(23)	(49)	(110%)
Taxes and licenses fees	(9)	(4)	56%	(23)	(19)	17%
Total S&GA	(710)	(952)	(34%)	(1,271)	(1,795)	(41%)

OTHER HIGHLIGHTS

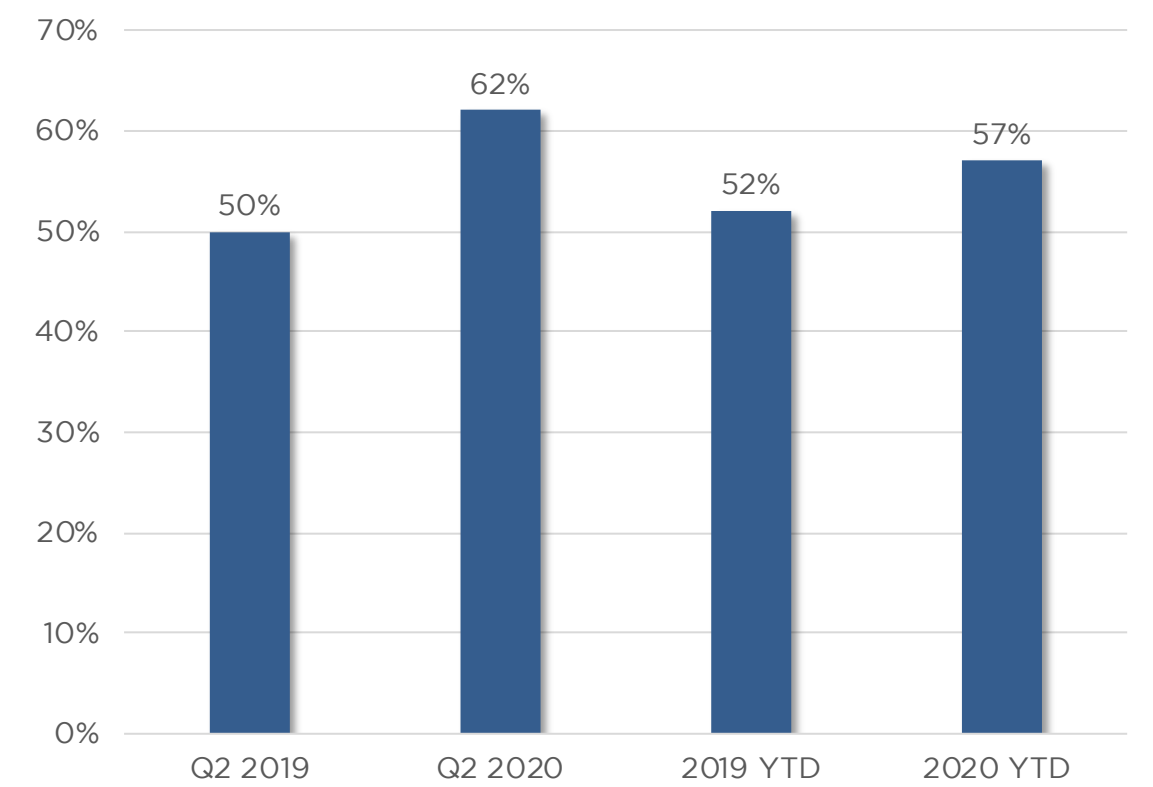
S&GA Expenses (C\$'000)



Tonnes Sold



Gross Margin



H1 2019 - H1 2020 Compound Annual Growth Rate (CAGR): 229%

	Q2 YoY
Total S&GA	(34%)
Sales and marketing expenses	(30%)
Distribution expenses	(155%)

SUMMARY OF INTEREST-BEARING LOANS AND BORROWINGS

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Value (R\$'000)	Repayable by	Total interest payable
Bradesco	Jul, 2020	CAPEX and Working Capital	06	60	5,000	Jul, 2025	10,95%
Santander	Jul, 2020	Equipment	06	18	359	Jul, 2022	10,00%
Santander	Jan, 2020	Equipment	06	36	364	Apr, 2023	13.14%
Bradesco	Jan, 2020	Equipment	00	48	450	Feb, 2024	10.00%
Bradesco	Oct, 2019	Working capital	03	15	450	Dec, 2020	14.02%
Santander	Apr, 2019	Equipment	01	36	223	Oct, 2022	13.24%
Santander	May, 2018	Equipment	12	60	1,040	May, 2023	9.57%

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FINANCIAL SUMMARY

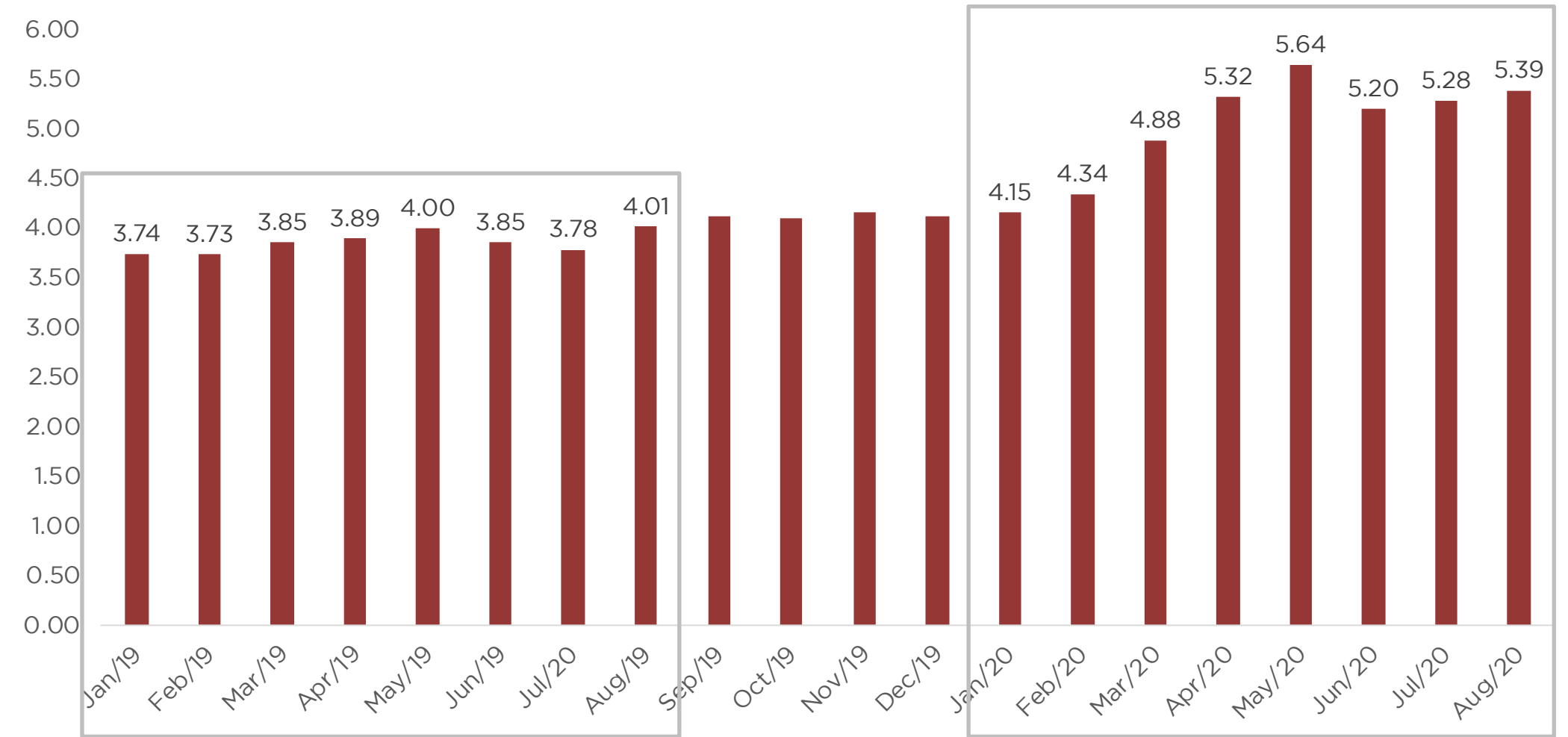
Revenue	<p>The Company recognised revenue of \$2,5M, an increase of 87% compared to \$1,3M in Q2 2019. Average revenue per tonne was lower than Q2 2019. The Product price is based on the current Potassium Chloride price. Therefore, the reduction of the average revenue per tonne was mainly due to the 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).</p>
S&GA Expenses	<p>Sales and marketing expenses increased by 30% due to additional 25 sales and marketing professionals being hired in Brazil during 2020 as full time staff, in order to achieve the Company's 2020 goals. Distribution Expenses increased in 2020 by 155%, as the Company started to sell CIF (Cost Insurance and Freight).</p>
Profitability	<p>Sales increased by 202% with a total of 71,183 tonnes, compared to 23,600 in Q2 2019. Operating profit increased by 670K and the total Gross Profit increased by \$867K, mainly due to sales volume. Gross margin increased by 12%, with a total of 62% in Q2 2020 compared to 50% in Q2 2019.</p>
Cash	<p>Net cash generated from operating activities improvement of \$0,6M This is mainly due to the increase in operating profit of \$0,7M. Investing activities decrease of \$0,3M compared to the same period in 2019. This mainly relates to the investment in the factory expansion last year. The Company had \$0,6M cash and \$1,7M in receivables in the quarter end. The forecast shows a closing cash position at the end of June 2021 of \$2,841,000 (BRL \$8,796,000).</p>

CHARTS

BRAZILIAN ECONOMIC SCENARIO

Brazilian Real Devaluation

From January to August 2020, the Brazilian Real devalued by 30% in relation to US Dollar¹ compared with the same period of 2019.

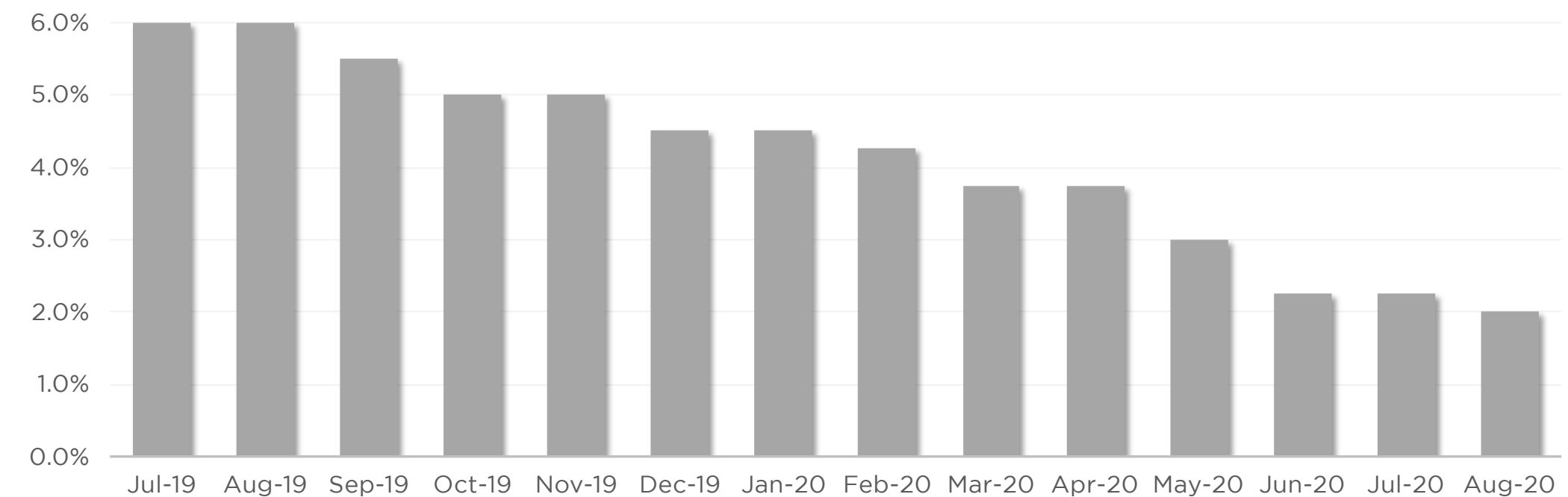


USD/BRL Exchange Rate

Federal Interest Rate

Brazilian Federal Interest Rate (SELIC Rate) decreased from 6,0% to 2,0%² from July 2019 to August 2020, its lowest value ever.

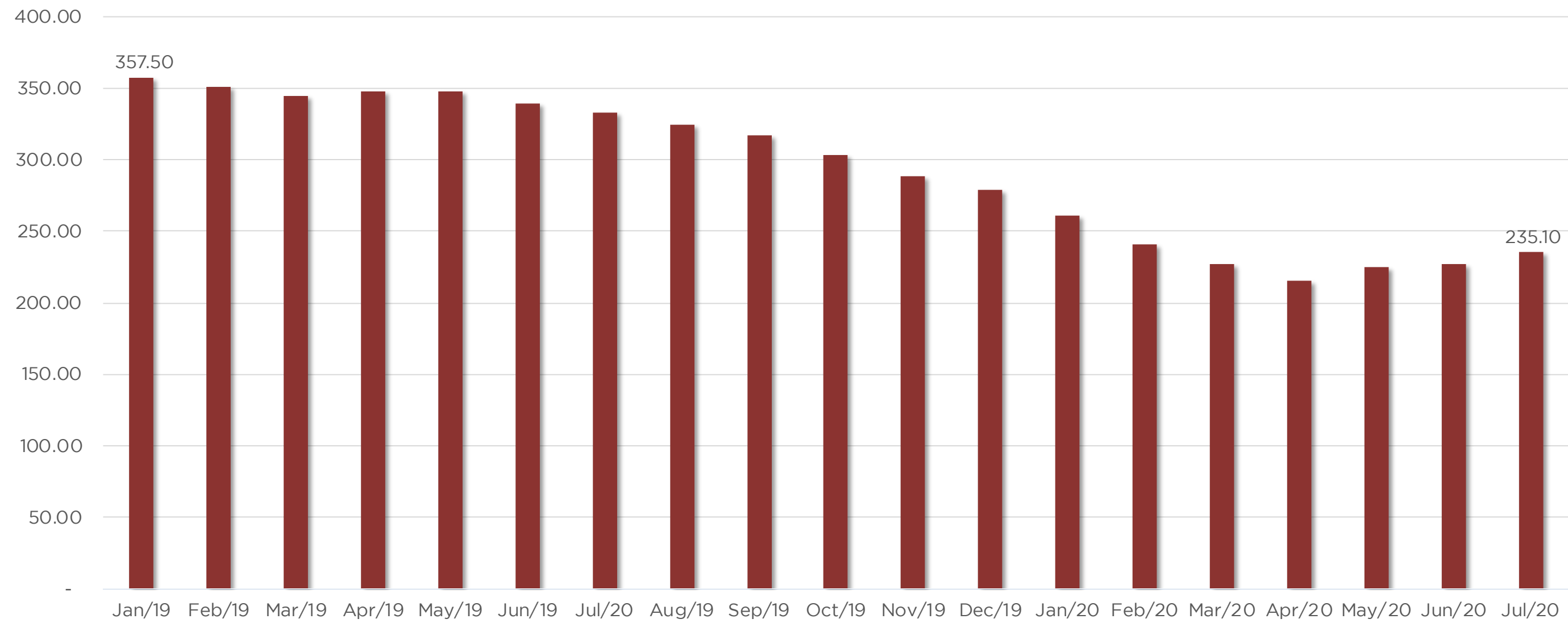
Interest rate reduction is an opportunity for lower interest rate loans, to support the Company's cash flow operation.



SELIC Rate (%)

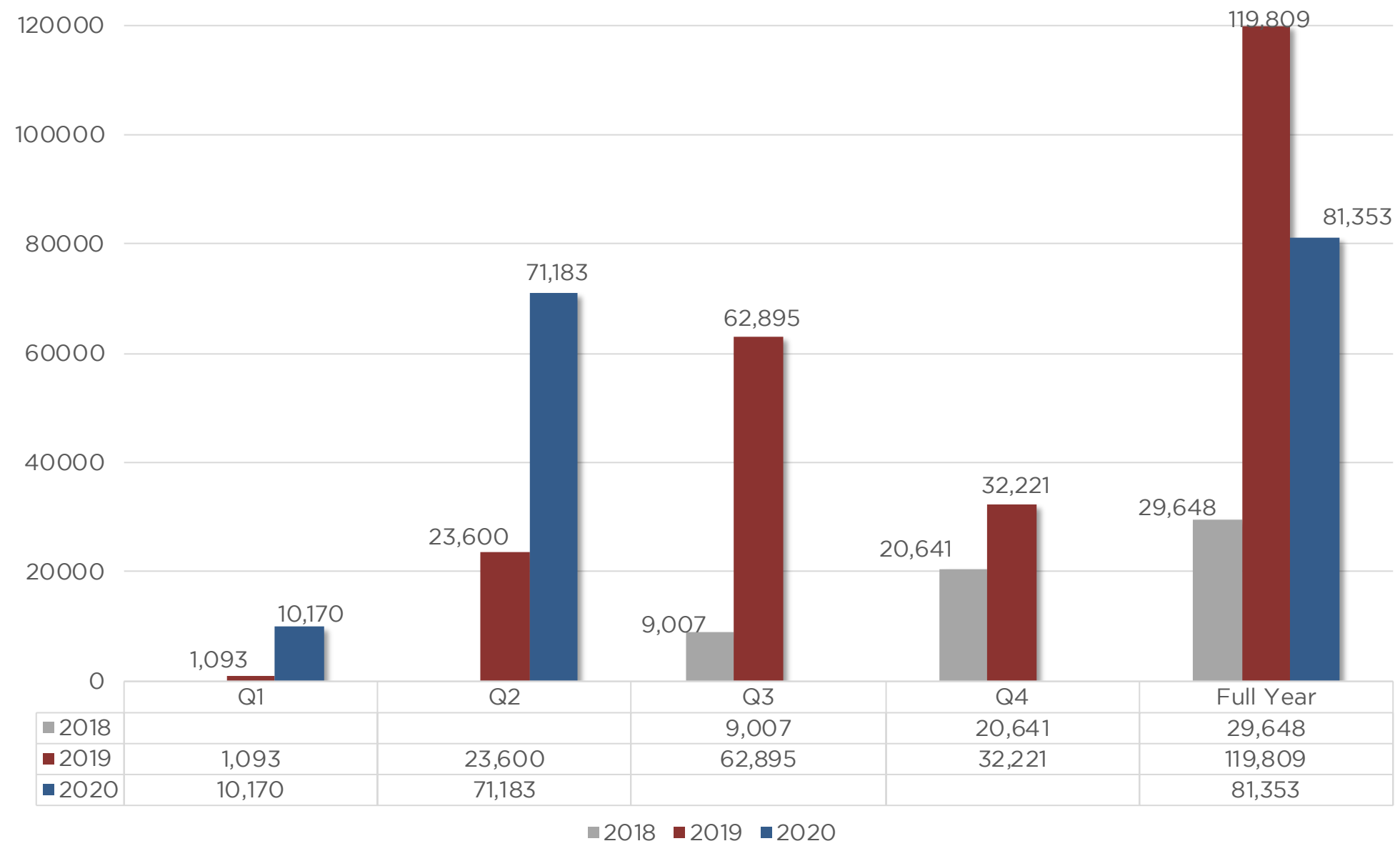
Potassium Chloride Price CFR Brazil (USD)

Decrease of 34% from January 2019 to July 2020

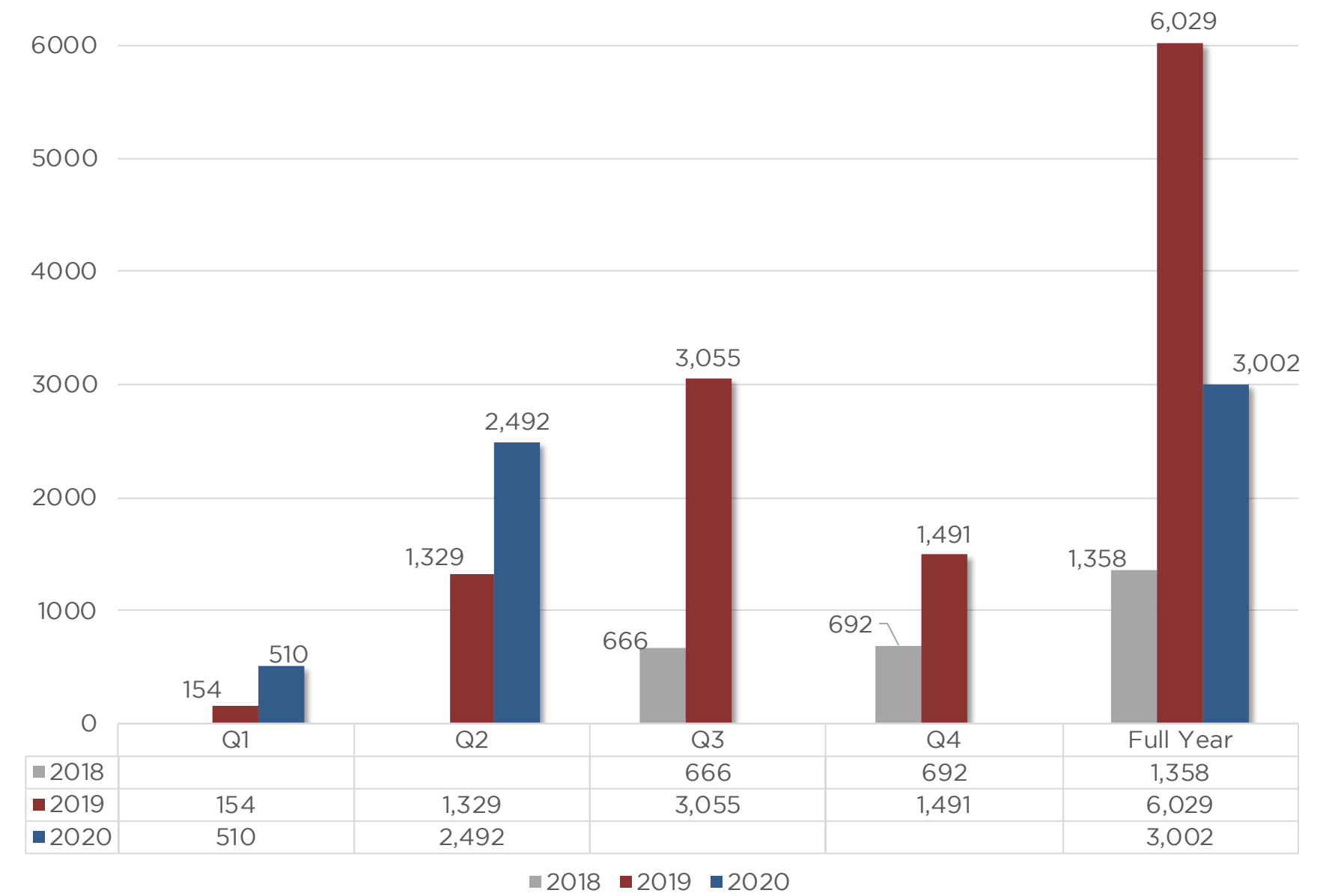


KEY METRICS QUARTERLY
(Unaudited)

Volume Sold (Tonnes)



Revenue ('000 CAD)



SALES VOLUME YEAR-ON-YEAR GROWTH (TONNES)

Increasing Sales Profile

Most sales expected to take place from June to September, due to climatic driven agricultural cycle.

Quarter	2018	2019	YoY Growth	2020	YoY Growth
Q1	-	1,093	-	10,170	830%
Q2	-	23,600	-	71,183	202%
Q3	9,007	62,895	598%	To be announced	-
Q4	20,641	32,221	56%	To be announced	-
Total	29,648	119,809	304%	81,353	-

2020 GUIDANCE

	2020 Targets	Expected YoY Growth
Sales Volume	222,000 tonnes	85%
Revenue	R\$ 32,000,000	76%

Market cap as of August 24, 2020	Outstanding Shares	Funds raised since the IPO
34,727,287	46,928,766	C\$65M

DEVELOPMENT AND EXPLORATION

PERMITS STATUS - LAST 12 MONTHS

Mine Pit	Date	Category	Status	Event
1	August 19, 2020	Environment	Granted	233,000 tpy Operating License
2	March 30, 2020	Environment	Applied	2,500,000 tpy Preliminary and Installation License
2	March 26, 2020	Mining	Approved	25,000,000 tpy Feasibility Study
3	March 25, 2020	Mining	Applied	2,500,000 tpy Mining Concession Application
2	December 23, 2019	Mining	Granted	100,000 tpy Mining Permit
1	September 19, 2019	Environment	Applied	233,000 tpy Operating License
1	July 19, 2019	Mining	Granted	233,000 tpy Mining Concession
3	July 16, 2019	Mining	Granted	49,800 tpy Mining Permit

PERMITS SUMMARY

Verde is fully permitted to mine 432,800 tpy (i.e. Verde holds both a mining Concession/Permit and Environmental Licenses) and has submitted applications for an additional 2,500,000 tpy still pending approval.

Mine Pit	Fully Permitted to Produce (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	233,000	233,000	0	233,000	0
2	150,000	150,000	25,000,000	200,000	2,500,000
3	49,800	49,800	2,500,000	49,800	0
Total	432,800	432,800	27,500,000	482,800	2,500,000

APPENDIX

STATEMENTS OF OPERATIONS
(Unaudited)

Continuing operations (\$'000)	Q2 2020	Q2 2019	YTD 2020	YTD 2020
Revenue	2,492	1,329	3,001	1,483
Production costs	(955)	(660)	(1,286)	(709)
Gross Profit	1,537	669	1,715	774
S&GA (Includes Non Cash Events)	(983)	(786)	(1,877)	(1,743)
Operating Profit / (Loss)	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)
Exchange differences on translating foreign operations	(1,403)	(82)	(4,132)	(486)
Loss per share (\$)				
Basic and diluted profit / (loss) per share	0.009	(0.005)	(0.007)	(0.025)

BALANCE SHEET
(Unaudited)

Assets	30 Jun 2020	Restated 31 Dec 2019
	(\$'000)	(\$'000)
Property, plant and equipment	2,192	2,113
Mineral properties	20,234	24,455
Intangible assets	-	-
Total non-current assets	22,426	26,568
Inventory	243	293
Trade and other receivables	1,676	1,638
Cash and cash equivalents	607	666
Total current assets	2,526	2,597
Total assets	24,952	29,165
Equity attributable to the equity holders of the parent		
Issued capital	19,105	18,752
Share premium	47,136	47,128
Warrant reserve	431	431
Merger reserve	(4,557)	(4,557)
Translation reserve	(15,789)	(11,657)
Accumulated losses	(26,466)	(26,185)
Total equity	19,860	23,912
Liabilities		
Interest-bearing loans and borrowings	310	286
Provisions	2,725	3,450
Total non-current liabilities	3,035	3,736
Trade and other payables	1,787	1,207
Interest-bearing loans and borrowings	270	310
Total current liabilities	2,057	1,517
Total liabilities	5,092	5,253
Total equity and liabilities	24,952	29,165

STATEMENT OF CASHFLOW
(Unaudited)

Cash flows from operating activities (\$'000)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Operating profit / (loss)	553	(117)	(163)	(969)
Depreciation	65	29	108	46
Foreign exchange differences	(115)	21	(26)	263
Share-based payments	28	71	68	455
Decrease / (Increase) in inventories	(29)	(272)	50	(402)
Decrease / (Increase) in receivables	(701)	(641)	(38)	(661)
Increase in payables	139	205	669	221
Cash (utilised) / generated in operations	(60)	(704)	668	(1,047)
Interest paid	(21)	(70)	(45)	(83)
Taxation paid	(86)	(48)	(84)	(48)
Net cash generated / (utilised) in operating activities	(167)	(822)	539	(1,178)
Cash flows from investing activities				
Interest received	29	5	41	5
Acquisition of mineral property assets	(12)	(132)	(65)	(162)
Acquisition of property, plant and equipment	(28)	(164)	(705)	(296)
Net cash utilised in investing activities	(11)	(291)	(729)	(453)
Cash flows from financing activities				
Bank loan received	-	-	222	-
Proceeds from issue of shares	-	-	-	1,828
Net cash from financing activities	-	-	222	1,828
Net increase in cash and cash equivalents	(178)	(1,113)	32	197
Cash and cash equivalents at beginning of period	806	2,135	666	836
Effect of exchange rate fluctuations on cash held	(21)	-	(91)	(11)
Cash and cash equivalents at end of period	607	1,022	607	1,022



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