

Verde Agritech Plc Secures 48% Gross Margin And Grows 344% In 2019

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BELO HORIZONTE, March 31, 2020 - [Verde Agritech Plc](#) (TSX: "NPK") (OTCQB: "AMHPF") ("Verde" or the "Company") announces financial results for the fourth quarter ("Q4 2019") and year ("FY 2019") ended December 31, 2019. All figures are in Canadian dollars, unless otherwise expressed.

The Company is pleased to announce that its revenues in 2019 were 13.8% greater than its most recently announced target for that year.

The Company's revenues in 2019 were \$6.029 million, against a previously stated target of \$5.3 million. The gross margin was 48% and the operating profit before non-cash events was \$0.025 million. In 2018 the Company's revenues were \$1.358 million, the gross margin was 21% and the operating loss before non-cash events was \$1.444 million.

"As we announced in September 2019, our sales target for 2020 is set at R\$32 million (C\$10.6 million). If successful, we will deliver a 76% growth year-on-year and expect to generate our maiden net profit. We are working hard to deliver this result and are confident that every lesson learned in 2019 is being deployed to achieve another year of significant growth," said Cristiano Veloso, Verde AgriTech's Founder, President and CEO.

During FY 2019 the Company sold 119,809 tonnes of its multinutrient potassium fertilizer, marketed and sold in Brazil under the K Forte® brand and internationally as Super Greensand® ("the Product"). In 2018, the Company sold 29,648 tonnes of the Product.

Q4 2019 FINANCIAL HIGHLIGHTS

- Revenue increased 115% with a total of \$1,491,000, compared to \$692,000 in Q4 2018.
- Gross profit was \$531,000 and the gross margin was 36%, compared to \$26,000 gross profit and 4% gross margin in Q4 2018.
- Production increased 65% at 33,811 tonnes, compared to 20,549 tonnes in Q4 2018.
- The Company sold 32,221 tonnes of Product, compared to 20,641 in 2018.
- Revenue per tonne was \$47 and production costs were \$30, compared to revenue per tonne of \$33 and production costs of \$32 in Q4 2018.
- The Company recorded an operating profit before share-based payments, depreciation and amortisation of \$38,000 and net profit of \$79,000 after taxes.

FY 2019 FINANCIAL HIGHLIGHTS

- Revenue increased 344% with a total of \$6,029,000, compared to \$1,358,000 in 2018.
- Gross profit was \$2,864,000 and the gross margin was 48%, compared to \$291,000 gross profit and 21% gross margin in 2018.
- Production increased 310% at 122,035 tonnes, compared to 29,764 tonnes in 2018.
- The Company sold 119,809 tonnes of Product, compared to 29,648 in 2018.
- Revenue per tonne was \$50 and production costs were \$26, compared to revenue per tonne of \$45 and production costs of \$36 in 2018.
- The Company recorded an operating profit before share-based payments, depreciation and amortisation of \$25,000 and net profit of \$1,107,000 after taxes.

In total, the Company is currently fully permitted to produce 199,800 tonnes per annum and has applications pending for an additional 283,000 tonnes per annum.

Verde's operating results for the Q4 2019 and FY 2019 are summarized as follows:

SELECTED ANNUAL FINANCIAL INFORMATION

All amounts in CAD \$'000	3 months ended December 31, 2019	3 months ended December 30, 2018	12 months ended December 31, 2019	12 months ended December 31, 2018
Tonnes sold '000	32	20	120	29
Revenue per tonne sold \$	47	33	50	45
Production cost per tonne sold \$	(30)	(32)	(26)	(36)
Gross Profit per tonne sold \$	17	1	24	10
Gross Margin	36%	4%	48%	21%
Revenue	1,491	692	6,029	1,358
Production costs	(960)	(666)	(3,165)	(1,067)
Gross Profit	531	26	2,864	291
Gross Margin	36%	4%	48%	21%
Distribution expenses	(146)	(59)	(371)	(59)
Sales and marketing expenses	(133)	(89)	(539)	(346)
Administrative expenses	(214)	(364)	(1,928)	(1,330)
Operating Profit/(Loss) before non-cash events	38	(486)	25	(1,444)
Share Based (Credit) Payments (Non-Cash Event) *	113	(48)	(787)	(181)
Depreciation and Amortisation non-cash	(2)	(2)	(22)	(14)
Operating Profit/(Loss) after non-cash events	149	(536)	(784)	(1,639)
Corporation tax	(41)	(45)	(186)	(45)
Interest Income/Expense	(29)	(55)	(137)	(64)
Net Profit / (Loss)	79	(636)	(1,107)	(1,748)

* - Included in administrative expenses in Financial statements.

CONFERENCE CALL DETAILS

The Company will hold a conference call on Wednesday April 8, 2020 at 11:30 am Eastern time (8:30 am Pacific time) to discuss these results and provide an update. Subscribe at the following link and receive the conference details by email.

Date: Wednesday, April 8, 2020

Time: 11:30 am Eastern Time (8:30 am Pacific time)

Subscription link: bit.ly/Q42019Results

The Company's audited annual consolidated annual financial statements and related notes for the year ended December 31, 2019 will be available to the public on SEDAR at www.sedar.com and will also be posted on the Company's website at <https://investor.verde.ag/> on March 31, 2020.

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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www.investor.verde.ag | www.supergreensand.com | www.verde.ag

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® 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, 2016. 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.

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