

Harvest Minerals Limited / Index: LSE / Epic: HMI / Sector: Mining

30 June 2023

**Harvest Minerals Limited**  
('Harvest' or the 'Company')

#### **Q2 & H1 2023 KP Fértile® Sales Update**

Harvest Minerals Limited, the AIM listed fertiliser producer, provides the following update on Q2 and H1 2023 sales of its organic, multi-nutrient, direct application fertiliser, KP Fértile®, from its 100% owned Arapuá Fertiliser Project in Brazil ('Arapuá').

#### **OVERVIEW**

- News sales orders invoiced and delivered total 27,000 tonnes in H1 2023 versus budget of 60,000 tonnes.
- Additional 33,000 tonnes invoiced in 2022 but not booked as revenue to be included in FY 2023 revenue.
- Fertilizer demand expected to improve, but given the uncertain market conditions, revised 2023 invoiced sales target from 200,000 tonnes to 120,000 tonnes.

**Brian McMaster, Chairman of Harvest, said:** "2023 is proving to be a somewhat complex year, with sales of KP Fértile® impacted by farmers reducing spending on fertilizer in anticipation of further price drops. While ultimately, we expect fertilizer demand to improve as the year progresses, given the level of uncertainty, we have reduced our invoiced sales target from 200,000 tonnes to 120,000 tonnes. When the market picks up as we envisage, we are positioned to continue building market share."

#### **REVIEW OF OPERATIONS**

##### **Sales at Arapuá Fertiliser Project**

In Q2 2023, Harvest received new sales orders for 10,245 tonnes of its KP Fértile® produced at its Arapuá Fertiliser Project in Brazil bringing the total for H1 2023 to 27,000 tonnes; this is lower than the budget of 60,000 tonnes. An additional 33,000 tonnes of advanced sales that had been invoiced in 2022 but did not meet the definition of revenue in the year under accounting standards will be included in FY 2023 revenue.

Following the record high global fertilizer prices seen in 2022 after sanctions on Russia and Belarus triggered a global supply shortage, stocks returned to normal levels in 2023 causing the price of fertilizers to drop. Simultaneously, the price of the soybean, the main crop planted in Brazil, also dropped, reaching levels below the expectations of the farmers and, in some cases, close to the cost of production. Accordingly, farmers have postponed the sale of grains in 2023 in anticipation of a price increase and postponed the purchase of fertilizers in anticipation of a price drop.

While the Company expects fertilizer demand will improve as the year progresses, given the uncertain market conditions, it has revised its 2023 invoiced sales target from 200,000 tonnes to 120,000 tonnes. Furthermore, although Harvest's operational costs have not been impacted by the higher energy prices as its solar plant supplies the vast majority of its power needs, the Company is reducing the price of its fertilizer to follow the market and trigger the farmers to start buying.

**\*\*ENDS\*\***

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