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**FOR IMMEDIATE RELEASE**  
May 10, 2022

**TSX-V: FARM**

**Deveron Announces Amendment to Share Purchase Agreement,  
Private Placement of Convertible Debentures and Withdrawal of Public Offering  
of Subscription Receipts**

*THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES*

**Toronto, Ontario** - Deveron Corp. (TSX-V: FARM) (“**Deveron**” or the “**Company**”), announced today that, further to its press release on May 2, 2022 wherein it announced that it had entered into a share purchase agreement (the “**Purchase Agreement**”) with certain vendor shareholders to acquire (the “**Acquisition**”) a 67% equity interest in A&L Canada Laboratories East, Inc. (“**A&L**”), it has entered into an amendment to the Purchase Agreement (the “**Purchase Agreement Amendment**”) dated May 10, 2022. Pursuant to the amended terms in the Purchase Agreement Amendment, the aggregate consideration payable by the Company to the vendor shareholders for the 67% equity interest in A&L shall remain \$50.3 million but the cash consideration payable on the closing of the Acquisition shall be reduced by \$8 million and, instead, the Company shall issue \$8 million in promissory notes of the Company (the “**Promissory Notes**”) to certain vendors.

In light of the Purchase Agreement Amendment, the Company intends to complete a non-brokered private placement of a minimum of \$5 million and maximum of \$10 million in unsecured convertible debentures (each, a “**Debenture**”) at a price of \$1,000 per Debenture (the “**Offering**”), as further detailed below. The Company intends to use the net proceeds from the Offering to fund the Acquisition. Due to current market conditions, the Company has decided to withdraw its previously announced public offering of subscription receipts as set forth in the preliminary prospectus dated May 2, 2022.

Under the amended terms of the Acquisition, the aggregate consideration shall comprise of (a) \$34.8 million in cash; (b) \$8 million in Promissory Notes; and (c) \$7.5 million in the Company’s common shares. The cash component of the purchase price is expected to be financed through a \$28 million credit facility to be provided by Toronto-Dominion Bank and a combination of funds

raised through the Offering and up to \$5 million from the Company's treasury cash. The Promissory Notes shall be unsecured, bear an interest of seven percent (7%) (payable on maturity) and mature on the three (3) year anniversary of issuance. The Acquisition increases Deveron's 2021 pro forma revenue to \$35.3 million with EBITDA of \$8.3 million, confirming Deveron as one of North America's fastest growing and most profitable agriculture data companies. For additional details in respect of the Acquisition, please refer to the Company's press release dated May 2, 2022.

"Given the Company's treasury cash position and evolving market conditions, we believe the Offering provides the most accretive means to fund the acquisition of A&L for our current shareholders," stated Deveron's President and CEO, David MacMillan. "The Debenture offering coupled with our current balance sheet, allows us the flexibility to fulfill the funding requirements for the acquisition of A&L as well as execute on our growth plans. The demand for high quality soil data continues to increase as we see more growers look to manage their input costs, improve soil health, and participate in carbon sequestration initiatives. A&L is expected to be a transformational acquisition for Deveron that will be an integral piece in helping us achieve our goals."

The Debentures will mature three (3) years following the closing date of the Offering (the "**Maturity Date**") and will provide interest at a rate of seven percent (7%) per annum, payable annually in arrears in cash or in common shares of the Company ("**Common Shares**") at the option of the Company.

The holder of a Debenture will have the right, from time to time and at any time on or prior to the Maturity Date, to convert all or any portion of the outstanding principal amount (but not any accrued and unpaid interest thereon) into Common Shares, at a conversion price of \$0.50 per Common Share (the "**Conversion Price**"), subject to adjustment as herein provided. If, at any time following the second anniversary of the closing date of the Offering, the daily volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "**Exchange**") is greater than \$1.00 for any 20 consecutive trading days, the Company shall have the option, on not more than 60 days and not less than 30 days prior notice, to (a) convert all of the principal amount of the then-outstanding Debentures at the Conversion Price or (b) redeem the Debentures, in whole or in part, at a price equal to their principal amount thereof plus accrued and unpaid interest (the Company may elect neither option).

In connection with the Offering, the Company may pay finder's fees of up to 6.0% of the gross proceeds of the Offering and/or may issue up to such number of finder's warrants equal to 6.0% of the gross proceeds of the Offering divided by the \$0.50 Conversion Price, with each finder's

warrant being exercisable to acquire a Common Shares for a period of 24 months after the closing date of the Offering.

The Offering is anticipated to close on or about May 17, 2022 and is subject to customary closing conditions and approvals of applicable securities regulatory authorities, including the Exchange, and is conditional on the satisfaction of all material conditions precedent to the Acquisition (other than payment of the purchase price). It is expected that insiders of the Company will participate in the Offering. Additional details regarding such insider participation will be provided in subsequent press releases of the Company.

The Acquisition is anticipated to close on or about May 19, 2022 and is subject to customary closing conditions and approvals of applicable securities regulatory authorities, including the Exchange.

### **About A&L**

A&L is the one of the largest soil and tissue laboratories in Canada. Founded by Greg Patterson, and based in London, Ontario, A&L operates a 54,500 square foot laboratory with significant growth capacity and 106 employees, including a large R&D group that has produced patented, crop specific yield and disease solutions. A&L processes over 435,000 soil samples per year. Deveron and A&L have cooperated in Canadian soil testing and analysis since 2019 and jointly own and operate Wood's End Laboratory in the United States. During the 12 month period ended December 31, 2021, A&L had unaudited revenue of \$26.7 million and EBITDA of \$11.6 million.<sup>1</sup> As at December 31, 2021, A&L had total unaudited assets of \$19,835,475 and total unaudited liabilities of \$6,747,983.

### **About Deveron**

Deveron is an agriculture technology company that uses data and insights to help farmers and large agriculture enterprises increase yields, reduce costs and improve farm outcomes. The company employs a digital process that leverages data collected on farms across North America to drive unbiased interpretation of production decisions, ultimately recommending how to optimize input use. Our team of agronomists and data scientists build products that recommend ways to better manage fertilizer, seed, fungicide, and other farm inputs. Additionally, we have a national network of data technicians that are deployed to collect various types of farm data, from soil to drone, that build a basis of our best-in-class data layers. Our focus is the US and Canada

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<sup>1</sup> A&L figures for 12 months ended December 31, 2021 calculated by management by adding figures for six months ended December 31, 2021 (unaudited) to figures for year ended June 30, 2021 (audited) and subtracting figures for six months ended December 31, 2020 (unaudited).

where 1 billion acres of farmland are actively farmed annually.<sup>2</sup>

For more information and to join our community, please visit [www.deveron.com](http://www.deveron.com).

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### ***A&L Financial Statements and Information***

*All A&L financial statements have been prepared in accordance with Canadian GAAP principles applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Chartered Professional Accountants of Canada Handbook. The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are IFRS.*

*A&L's EBITDA, as used herein, is defined by A&L as net earnings (as per Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook – Accounting, as issued by the Accounting Standards Board in Canada) less interest expense, depreciation and amortization, and income taxes.*

### ***Presentation of Financial Information***

*The financial information of Deveron referred to in this news release is reported in Canadian dollars and have been prepared in accordance with IFRS. All financial information of A&L referred to in this news release is reported in Canadian dollars and has been derived from audited and unaudited historical financial statements of A&L that were prepared in accordance with Canadian accounting standards for private enterprises. The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are IFRS.*

*The financial information for A&L in this news release for the 12 months ended December 31, 2021 are unaudited and were calculated by management by adding figures for six months ended December 31, 2021 (unaudited) to figures for year ended June 30, 2021 (audited) and subtracting figures for six months ended December 31, 2020 (unaudited).*

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<sup>2</sup> Based on data collected through the United States Department of Agriculture, the National Agricultural Statistics Service and Statistics Canada.

## **Forward-Looking Statements**

*This news release includes certain “forward-looking statements” within the meaning of that phrase under Canadian securities laws. Without limitation, statements regarding future plans and objectives of the Company are forward looking statements that involve various degrees of risk. Forward-looking statements reflect management’s current views with respect to possible future events and conditions and, by their nature, are based on management’s beliefs and assumptions and subject to known and unknown risks and uncertainties, both general and specific to the Company. This forward-looking information in this news release includes, among other things, statements relating to: the use of net proceeds of the Offering; the closing and timing of the Offering, including the satisfaction and timing of the receipt of all required regulatory approvals, including the approval of the Exchange; satisfaction or waiver of other conditions to closing of the Offering; the closing and timing of the Acquisition on the announced terms, including the satisfaction and timing of the receipt of all required regulatory approvals, including the approval of the Exchange; and the ability to finance the Acquisition; the anticipated sources of financing of the Acquisition; whether the Offering will be the most accretive option to fund the Acquisition; and completion of the loan from Toronto-Dominion Bank; the Company’s ability to execute its growth plans and achieve its goals; the continued demand for soil data; the effect of Acquisition on the Company. Although the Company believes the expectations expressed in such forward-looking statements are reasonable, such statements are not guarantees of future performance and actual results or developments may differ materially from those in our forward-looking statements. The following are important factors that could cause the Company’s actual results to differ materially from those expressed or implied by such forward looking statements: changes in the worldwide price of agricultural commodities, general market conditions, risks inherent in agriculture, the uncertainty of future profitability and the uncertainty of access to additional capital. Additional information regarding the material factors and assumptions that were applied in making these forward looking statements as well as the various risks and uncertainties we face are described in greater detail in the “Risk Factors” section of our annual and interim Management’s Discussion and Analysis of our financial results and the “Risk Factors” section of the Base Shelf Prospectus and other continuous disclosure documents and financial statements filed by the Company with the Canadian securities regulatory authorities which are available at [www.sedar.com](http://www.sedar.com). The Company undertakes no obligation to update this forward-looking information except as required by applicable law. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements. The Company relies on litigation protection for forward looking statements.*

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***



This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act, as amended, or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.