



DEVERON CORP.

1702-141 Adelaide Street West
Toronto ON M5H 3L5

FOR IMMEDIATE RELEASE

TSX-V: FARM

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Deveron to Acquire Controlling Interest in A&L Canada Laboratories

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- *A&L is a leading Canadian soil health and plant tissue testing laboratory, serving over 20,000 customers annually.*
- *The Acquisition increases Deveron's revenue to \$35.3 million with EBITDA of \$8.3 million on a pro forma basis for 2021.*
- *Acquisition of A&L confirms Deveron as one of North America's fastest growing and most profitable agriculture data companies.*
- *The \$50.3 million acquisition for a 67% equity interest in A&L is expected to be financed through a marketed public equity offering led by TD Securities Inc. of approximately \$20 million in subscription receipts and a \$24 million credit facility.*

Toronto, Ontario - Deveron Corp. (TSX-V: FARM) ("**Deveron**" or the "**Company**"), a leading agriculture data company in North America, is pleased to announce that the Company has entered into a definitive agreement (the "**Purchase Agreement**") dated May 2, 2022 with certain vendor shareholders to acquire a 67% equity interest in A&L Canada Laboratories East, Inc. ("**A&L**"), with an option to purchase the remaining 33% following the three-year anniversary of closing. Total consideration payable to the vendor shareholders includes \$42.8 million in cash and \$7.5 million in the Company's common shares (the "**Acquisition**"). The \$7.5 million in the Company's common shares will be distributed to a company controlled by Greg Patterson, one of the vendor shareholders who, upon closing of the Acquisition, is expected to continue as President, CEO and director of A&L and be appointed to Deveron's Board of Directors (subject to regulatory approval).

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.¹ As at December 31, 2021, A&L had total unaudited assets of \$19,835,475 and total unaudited liabilities of \$6,747,983.

“This acquisition is transformational for Deveron. Combining Deveron and A&L establishes one of the only fully vertically integrated agriculture data companies in the market. This also aligns with our vision to be North America’s leader in lab and agronomist services,” stated David MacMillan, Deveron’s President, and CEO. “I’m thrilled to welcome A&L to the Deveron family. Greg Patterson, A&L’s Founder, President and CEO, will continue to lead A&L and will join Deveron’s Board of Directors to accelerate and guide the successful merger. Over the last few years, we have built Deveron from the ground up, creating digital, data-driven solutions to help our clients lower costs and improve crop yields. A&L’s complementary services and its successful track record provides the consolidated entity with a strong customer base into which to expand our product offering. The new consolidated company’s financial position will enable investments in organic growth, Research & Development, and capital to invest in new market opportunities.”

“A&L was founded under the principle that farmers want the best information so that they can make the best decisions on their farms,” stated A&L’s Founder, President and CEO, Greg Patterson. “Over the last 35 years, we have built an advice and analytical recommendation company that focuses on good agricultural practices, backed by unbiased data, that promotes sustainable and ecological farming. Combining our long-track record of success in Canada and our three-year partnership with Deveron into a more formal business combination will only continue to bring more value to our customers, while also opening the door to distributing our product offerings through Deveron’s growing US customer base. Soil testing was an *avant-garde* idea when A&L first opened its doors. We built world class recommendations for our customers through deep research and field data, which we believe will continue to accelerate as A&L and Deveron leverage their respective expertise to deliver the best information in the industry.”

Transaction Highlights

- Addition of 20,000 customers to Deveron's customer base across key Canadian agriculture markets and over 435,000 annual soil samples.

¹ 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).

- Enterprise value of approximately \$73 million represents an estimated pre-synergies multiple of approximately 6.3x A&L's 2021 EBITDA.
- Deveron to initially acquire 67% of A&L for \$42.8 million in cash and \$7.5 million in Deveron common shares.
- Deveron will have an option to purchase the remaining shares of A&L following the three-year anniversary of closing, and is subject to an obligation to purchase a portion of the remaining shares on the five year anniversary of closing.
- A&L's Founder, President and CEO, Greg Patterson, to continue to lead A&L as President and CEO with a 20% residual equity stake in A&L, and, on closing, is expected to join Deveron's Board of Directors (subject to regulatory approval).
- Closing of the Acquisition is subject to customary conditions for transactions of this nature, including the receipt of necessary third-party consents and regulatory approvals. Deveron currently expects the completion of the Acquisition to occur in Q2/2022.

Revenue and Cost Synergies

Management of the Company expects to realize numerous revenue and cost synergies, including approximately \$7.0 million in annualized revenue synergies within 24 months following the completion of the Acquisition from vertical integration opportunities and approximately \$1.0 million in annualized cost synergies within six months following the completion of the Acquisition resulting from reductions in software, engineering and other sales as well as general and administrative costs. There can be no assurance that such revenue and cost synergies will be achieved. Management of the Company expects to monetize approximately \$20 million in product R&D, although there can be no assurances that such R&D will be monetized. Furthermore, Deveron expects the Acquisition to provide additional scale, enabling the Company to vertically integrate a carbon service platform and provide immediate growth to Deveron's recently acquired companies through the vertical integration.

Public Offering of Subscription Receipts

In connection with the Acquisition, Deveron will file a preliminary prospectus supplement in connection with a marketed public offering (the "**Offering**") of subscription receipts ("**Subscription Receipts**") to be led by TD Securities Inc. (the "**Bookrunner**") for gross proceeds of approximately \$20 million. The Offering will be priced in the context of the market with the price and other final terms to be determined at the time of entering into the Underwriting Agreement (as defined below). It is expected that the Bookrunner and a syndicate of underwriters (collectively the "**Underwriters**") will enter into a definitive underwriting agreement (the "**Underwriting Agreement**") with the Company upon completion of marketing of the Offering. Each Subscription Receipt represents the right to receive one unit ("**Unit**") consisting of one common share (a "**Common Share**") and one-half of one common share purchase warrant of Deveron (each whole Common Share purchase warrant, a "**Warrant**"). Each

Warrant will have an exercise price to be determined in the context of the market and shall be exercisable for a period of 24 months from closing of the Offering.

In connection with the Offering, the Company will grant the Underwriters an option, exercisable for a period of 30 days from the date of the closing of the Offering, to purchase up to an additional number of Subscription Receipts equal to 15% of the number Subscription Receipts to be sold pursuant to the Offering at the offering price to cover over-allotments, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). If the Escrow Release Conditions (as defined below) have been satisfied prior to the exercise of the Over-Allotment Option, the Underwriters may elect to exercise the Over-Allotment Option by purchasing additional Units, Common Shares or Warrants or any combination thereof.

In consideration for their services, the Underwriters will receive: (i) a cash commission equal to 6.0% of the gross proceeds of the Offering (the "**Underwriters' Fee**"); and (ii) such number of broker warrants (each, a "**Broker Warrant**") as is equal to 6.0% of the number of Subscription Receipts issued by the Company on the closing date of the Offering. Each Broker Warrant shall be exercisable, upon the satisfaction or waiver of the Escrow Release Conditions, to acquire one Common Share at an exercise price equal to the offering price for a period of 24 months following the closing date of the Offering.

Closing of the Offering is subject to customary closing conditions and approvals of applicable securities regulatory authorities, including the TSX Venture Exchange.

The Subscription Receipts distributed pursuant to the Offering will be offered in all provinces of Canada, except Québec, pursuant to a prospectus supplement (the "**Prospectus Supplement**") to the short form base shelf prospectus of Deveron dated November 30, 2021 (the "**Base Shelf Prospectus**").

The proceeds from the Offering less 50% of the Underwriters' Fee payable on the closing date of the Offering will be held in escrow pending satisfaction of certain escrow release conditions, including, among other things, (i) completion of all conditions precedent to the Acquisition, (ii) no material amendments of the terms and conditions of the Purchase Agreement and (iii) delivery of an escrow notice from the Company and the Bookrunner to the subscription receipt agent (the "**Escrow Release Conditions**"). Upon satisfaction of the Escrow Release Conditions, the net proceeds will be released from escrow to the Company and the Subscription Receipts will be exchanged on a one-for-one basis for Units for no additional consideration or further action on the part of the holder thereof.

If certain Termination Events (as defined in the Prospectus Supplement) occur, the holders of the Subscription Receipts will receive a cash payment equal to the offering price of the Subscription Receipts plus their *pro rata* share of interest. Please refer to the Prospectus Supplement for further details on the Termination Events and payment.

Conditions to Completion of the Acquisition

The Acquisition and the Offering have been unanimously approved by the directors of Deveron entitled to vote thereon, and remain subject to customary closing conditions, including regulatory approvals (including the approval of the TSX Venture Exchange) and financing conditions.

Subject to the foregoing, closing of the Offering is expected to occur on or about May 12, 2022 and closing of the Acquisition is expected to occur during the second quarter of 2022.

New Credit Facility

In connection with the Acquisition, the Toronto-Dominion Bank has provided A&L with a commitment letter pursuant to which, among other things, it has agreed to provide A&L with: (a) a revolving credit facility in the principal amount of up to \$5 million available for working capital and general corporate purposes including up to \$1 million in letters of credit (the “**Revolving Credit Facility**”); and (b) a term loan in the principal amount of up to \$24 million (the “**Term Loan**” and together with the Revolving Credit Facility, the “**Credit Facilities**”). A&L expects to immediately loan the \$24 million under the Term Facility to Deveron and to ultimately use the proceeds available under the Term Facility to partially fund the cash consideration and fees relating to the completion of the Acquisition.

The Credit Facilities will be governed by a credit agreement to be entered into between the lenders, A&L, the material subsidiaries of A&L and the Toronto-Dominion Bank as administrative agent, lead arranger and sole bookrunner (the “**Credit Agreement**”). All current and future wholly-owned material subsidiaries (direct and indirect) of A&L shall provide an unlimited recourse guarantee of A&L’s obligations. Additionally, each shareholder of A&L, including the Company, shall provide a guarantee for A&L’s obligation with recourse limited under such guarantee to a pledge of the shares held by such shareholder in A&L. The Credit Agreement will be secured with first priority security interest granted by A&L, and a pledge of equity interest in the shares of A&L pledged by the limited recourse guarantors. The Credit Facilities will be secured against A&L.

Upon completion of the financing contemplated in the Credit Agreement, A&L shall provide a loan in the amount of up to \$24 million to Deveron, which is to be used by Deveron to partially fund the Acquisition.

Advisors

TD Securities Inc. is acting as financial advisor to Deveron on the Acquisition and TD Securities Inc. is acting as bookrunner on the Offering. Irwin Lowy LLP is acting as legal advisor to Deveron on the Acquisition, Miller Thomson LLP is acting as Deveron’s counsel on the Offering and the Credit Facility, and Bennett Jones LLP is acting as Underwriters’ counsel on the Offering.

Availability of Documents

Copies of related documents, such as the Base Shelf Prospectus, Prospectus Supplement, Purchase Agreement and the Underwriting Agreement will be available under the Company's profile on SEDAR (www.sedar.com) as part of the public filings of Deveron.

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 where 1 billion acres of farmland are actively farmed annually.²

For more information and to join our community, please visit www.deveron.com.

David MacMillan
President & CEO, Deveron Corp.
dmacmillan@deveron.com

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.

² Based on data collected through the United States Department of Agriculture, the National Agricultural Statistics Service and Statistics Canada

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).

Forward-Looking Statements

*This news release contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, capital structure, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.*

This forward-looking information in this news release includes, among other things, statements relating to: expectations regarding the completion of the Acquisition; the expected impact of the Acquisition on the Company’s operations, prospects, opportunities, financial condition, cash flow and overall strategy; completion of credit facilities; the strategic rationale for the Acquisition; strength, complementarity and compatibility of A&L with Deveron’s existing business and teams; anticipated sources of financing of the purchase price of the Acquisition; successful marketing of the Offering; the entering into of the Underwriting Agreement and timing thereof; the closing and terms of the Offering, the filing of the Prospectus Supplement qualifying the distribution of the Subscription Receipts, the listing of the Subscription Receipts and the underlying Common Shares

and Warrants; regulatory approval of the Acquisition and the Offering; Greg Patterson's appointment to Deveron's board and continued involvement with A&L following the Acquisition; the expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies; projected milestones and timelines, including the expected closing dates for the Offering and the Acquisition; the ability to satisfy the escrow release conditions of the Subscription Receipts; and the anticipated benefits and impacts of the Offering and the Acquisition.

This forward-looking information and other forward-looking information are based on management's opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our ability to expand the Company's network of partnerships in existing and new geographies and verticals and our ability to expand our customer base domestically and internationally; the viability and continuity of our existing commercial partnerships; our ability to build market share; our ability to develop and market additional products and to increase sales from our existing customers through sales of our more premium products; our ability to attract and retain key management and personnel; our anticipated growth prospects; the state of the agricultural industry and global economy; the expected impact and adoption of digital tools by farmers; the impact of the coronavirus disease (including any new strains and variants of concern); the continued confidence in our products and services; future foreign exchange and interest rates; the impact of competition; changes to trends in the agricultural industry, including verticals in the broader agricultural ecosystem or to global economic factors; changes to laws, rules, regulations and global standards; the satisfaction of all conditions of closing and the successful completion of the Acquisition and within the anticipated timeframe, including receipt of regulatory, stock exchange and other required approvals, including without limitation the approval of the TSX Venture Exchange, in regards to the Offering and the Acquisition; the estimated purchase price of the Acquisition; the receipt of required consent of third parties the successful and timely integration of A&L in the anticipated timeframe; the realization of the anticipated benefits, economies of scale, operating efficiencies, costs savings and synergies of the Acquisition in the timeframe anticipated, including impacts on growth and accretion in various financial metrics; and the absence of significant undisclosed costs or liabilities associated with the Acquisition are material factors made in preparing forward-looking information and management's expectations.

Forward-looking information is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors discussed or referred to in the Company's Management's Discussion and Analysis dated March 30, 2022 for the year ended December 31, 2021 and under the heading "Risk Factors" in the Base Shelf Prospectus (including in the documents incorporated by reference therein): completion and use of net proceeds of the

Offering; failure to list the Subscription Receipts and the underlying Common Shares and Warrants; failure to complete the Acquisition in all material respects in accordance with the purchase agreement; failure to obtain, in a timely manner or at all, regulatory, stock exchange and other required approvals, or to otherwise satisfy the conditions to the completion of, the Acquisition; necessary borrowings, such as the aforementioned credit facilities, may not be available to fund a portion of the purchase price for the Acquisition; increased indebtedness after completion of the Acquisition; failure to receive required consents of third parties; failure to realize the anticipated benefits, economies of scale, operating efficiencies, costs savings and synergies of the Acquisition in the timeframe anticipated, or at all; the materiality of post-closing adjustments; the A&L business being adversely impacted during the pendency of the Acquisition; potential unforeseen difficulties in integrating the A&L business into the Company's systems and operations; dependence on key employees and the loss of certain key A&L personnel; the discovery of significant undisclosed costs or liabilities associated with the Acquisition; reliance on information provided by A&L and the risk of inaccurate or incomplete information, historical and/or stand-alone financial information may not be representative of future performance, and uncertainty as to expected financial condition and economic performance following the completion of the Acquisition.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The pro forma information set forth in this news release should not be considered to be a prediction of what the actual financial position or other results of operations of Deveron would have necessarily been had the Acquisition or other recently completed or proposed acquisitions been completed as, at, or for the periods stated.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this news release represents our expectations as of the date of this news release and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

This forward-looking information is used to assist readers in obtaining a better understanding of Deveron's business, current objectives, strategic priorities, expectations and plans, including following the Acquisition, and may not be appropriate for other purposes. Such forward-looking



information that is not historical fact, including statements based on management's belief and assumptions cannot be considered as guarantees of future performance.

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.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), as amended, and may not be offered or sold in the United States, absent registration or an applicable exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities. The offering or sale of the securities shall not be made in any jurisdiction in which such offer, solicitation or sale would be unlawful.