
**DEVERON CORP.
CONSOLIDATED
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)**

DEVERON CORP.

Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at December 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,824,811	\$ 6,867,130
Accounts receivable (note 7)	6,494,639	2,517,658
Prepays and other assets	1,552,159	292,339
Total current assets	13,871,609	9,677,127
Non-current assets		
Property, plant and equipment (note 8)	17,778,398	1,507,688
Right-of-use assets (note 9)	4,804,632	1,782,564
Goodwill (note 10)	54,016,601	6,221,210
Intangible assets (note 11)	25,650,484	3,578,788
Due from related parties	605,264	-
Investment in associates (notes 6(b) and 12)	100	-
Total non-current assets	102,855,479	13,090,250
Total assets	\$ 116,727,088	\$ 22,767,377
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (note 13)	\$ 2,224,349	\$ 925,971
Accrued and other current liabilities	2,744,877	986,784
Current portion of loans payable	251,910	-
Lease liabilities (note 15)	380,000	539,788
Current portion of borrowings under credit facility (note 18)	2,730,000	-
Deferred and contingent consideration (note 16)	1,968,841	1,633,620
Promissory notes (note 6)	4,926,600	-
Total current liabilities	15,226,577	4,086,163
Non-current liabilities		
Lease liabilities (note 15)	4,088,916	1,193,360
Loans payable (note 14)	562,100	216,176
Deferred and contingent consideration (note 16)	1,136,155	960,610
Deferred income taxes	5,760,176	-
Non-controlling interest ("NCI") put obligation (note 6 (b))	9,917,750	-
Convertible debentures (note 17)	8,525,067	-
Borrowings under credit facility (note 18)	27,508,189	-
Total non-current liabilities	57,498,353	2,370,146
Total liabilities	72,724,930	6,456,309
Shareholders' Equity		
Share capital (note 19)	41,007,368	18,249,101
Reserves (notes 20, 21 and 22)	7,512,087	6,094,679
Equity component of convertible debenture (note 17)	1,740,090	-
Deficit	(18,487,544)	(9,767,264)
Accumulated other comprehensive income ("Accumulated OCI")	480,847	101,616
Equity Reserves (note 6 (b))	(12,966,726)	-
Shareholders' equity attributable to shareholders	19,286,122	14,678,132
Non-controlling interest (notes 6(b)(g))	24,716,036	1,632,936
Total shareholders' equity	44,002,158	16,311,068
Total liabilities and shareholders' equity	\$ 116,727,088	\$ 22,767,377

The accompanying notes are an integral part of these consolidated financial statements.

Nature of operations and going concern (note 1)

Events after the reporting period (note 28)

DEVERON CORP.**Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)**

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenues		
Data collection	\$ 6,888,215	\$ 4,731,566
Data analytics	22,034,918	3,866,909
	28,923,133	8,598,475
Cost of services		
Cost of services (note 24)	(8,971,292)	(2,769,525)
Gross margins	19,951,841	5,828,950
Operating Expenses (income)		
Salaries and benefits (note 26)	11,396,425	5,741,240
Office and general	8,583,834	2,785,437
Share-based payments (note 20)	1,147,082	666,331
Depreciation (notes 8 and 9)	2,574,996	640,207
Professional fees (note 26)	2,338,257	642,120
Amortization of intangible assets (note 11)	2,255,488	274,004
Interest expense (notes 15, 16 and 17)	3,368,346	111,453
Change in NCI put obligation (note 6 (b))	(3,048,977)	-
Foreign exchange (gain) loss	(249,007)	3,852
Interest income	(58,568)	(15,418)
Gain on disposition of property, plant and equipment (note 8)	(181,326)	-
Total operating expenses	28,126,550	10,849,226
Net loss before income taxes	(8,174,709)	(5,020,276)
Income tax expense (note 25)	399,196	-
Net loss for the year	(8,573,905)	(5,020,276)
Other comprehensive loss:		
Foreign operations - foreign currency translation	379,231	101,616
Comprehensive loss for the year	\$ (8,194,674)	\$ (4,918,660)
Net loss for the period attributable to:		
Shareholders of the Company	\$ (9,086,201)	\$ (5,177,183)
Non-controlling interest	512,296	156,907
Net loss for the year	\$ (8,573,905)	\$ (5,020,276)
Net comprehensive loss for the period attributable to:		
Shareholders of the Company	\$ (8,706,970)	\$ (5,075,567)
Non-controlling interest	512,296	156,907
Net loss for the year	\$ (8,194,674)	\$ (4,918,660)
Basic and diluted net loss per common share (note 23) - basic and diluted	\$ (0.07)	\$ (0.07)
Weighted average number of common shares outstanding - basic and diluted	116,387,677	76,992,311

The accompanying notes are an integral part of these consolidated financial statements.

DEVERON CORP.**Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)**

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating activities		
Net loss for the year	\$ (8,573,905)	\$ (5,020,276)
Depreciation (notes 8 and 9)	2,574,996	640,207
Amortization of intangibles assets (note 11)	2,255,488	274,004
Share-based payments (note 20)	1,147,082	666,331
Interest expense (notes 15 and 16)	3,368,346	12,251
Income tax expense	399,196	-
Gain on disposition of property, plant and equipment (note 8)	(181,326)	-
Change in NCI put obligation	(3,048,977)	-
Foreign exchange and other	(452,489)	65,298
Changes in non-cash working capital items:		
Accounts receivable, prepaids and other receivables	(3,137,771)	(951,535)
Accounts payable, accrued and other current liabilities	(3,145,169)	390,984
Income tax paid	(1,203,576)	-
Net cash used in operating activities	(9,998,105)	(3,922,736)
Investing activities		
Cash payment for the acquisition of Farm Dog (note 6(d))	-	(126,841)
Cash payment for the acquisition of Tana Ag (note 6(e))	-	(45,915)
Cash payment for the acquisition of Stealth Ag (note 6(f))	-	(1,096,564)
Cash payment for the acquisition of Woods End (note 6(g))	-	(1,536,275)
Cash payment for the acquisition of Agronomic Solutions (note 6(h))	-	(1,083,325)
Cash payment for the acquisition of Agri-Labs (note 6(a))	(546,483)	-
Cash payment for the acquisition of A&L, net (note 6(b))	(34,796,783)	-
Cash payment for the acquisition of Frontier (note 6(c))	(1,128,967)	-
Cash payment for contingent consideration (note 16)	(1,698,746)	-
Purchase of property, plant and equipment	(5,491,738)	(513,161)
Proceeds from sale of property, plant and equipment	212,163	-
Net cash used in investing activities	(43,450,554)	(4,402,081)
Financing activities		
Loan repayment for acquisition of A&L (note 6(b))	(3,334,276)	-
Proceeds from issuance of convertible debenture (net of fees)	9,604,237	-
Cash acquired by credit facility	31,603,189	-
Non-current credit facility repayment	-	(13,779)
Proceeds from issue of common shares for public offering (note 19)	11,500,000	-
Proceeds from issue of common shares for private placements (note 19)	3,300,000	8,207,583
Share issue costs paid	(955,648)	(589,363)
Proceeds from exercise of warrants	2,537,715	1,565,922
Proceeds from exercise of options	683,250	97,000
Lease payments (note 15)	(790,574)	(292,461)
Interest paid	(1,741,553)	-
Net cash provided by financing activities	52,406,340	8,974,902
Net change in cash and cash equivalents	(1,042,319)	650,085
Cash and cash equivalents, beginning of year	6,867,130	6,217,046
Cash and cash equivalents, end of year	\$ 5,824,811	\$ 6,867,131

DEVERON CORP.

Consolidated Statements of Changes in Equity (Expressed in Canadian Dollars)

	Share Capital	Warrants	Reserves Share-based Payments and shares to be issued	Equity Reserves	Deficit	Equity component of Convertible Debenture	Accumulated OCI	Non- Controlling Interest	Total
Balance, December 31, 2021	\$ 18,249,101	\$ 3,493,540	\$ 2,601,139	\$ -	\$ (9,767,264)	\$ -	101,616	\$ 1,632,936	\$ 16,311,068
Transactions with shareholders:									
Issuance of shares in public offering (note 19(b)(v))	11,500,000	-	-	-	-	-	-	-	11,500,000
Issuance of shares in private placement (note 19(b)(vi))	3,300,000	-	-	-	-	-	-	-	3,300,000
Warrants issued (note 19(b)(v)(vi))	(2,121,266)	2,121,266	373,375	-	-	-	-	-	373,375
Common shares issued pursuant to acquisitions (note 6)	5,711,676	-	457,500	-	-	-	-	-	6,169,176
Common shares issued pursuant to earnout (note 22)	1,059,035	-	(1,106,826)	-	-	-	-	-	(47,791)
Equity component of convertible debenture (note 17)	-	-	-	-	-	1,740,090	-	-	1,740,090
Share issue costs (note 19(b)(v))	(1,814,677)	859,029	-	-	-	-	-	-	(955,648)
Exercise of warrants (note 19(b)(viii))	3,606,153	(1,068,438)	-	-	-	-	-	-	2,537,715
Exercise of options (note 19(b)(x))	1,517,346	-	(834,096)	-	-	-	-	-	683,250
Expiry of stock options	-	-	(12,605)	-	12,605	-	-	-	-
Expiry of warrants	-	(518,879)	-	-	518,879	-	-	-	-
Share-based payments (note 20)	-	-	1,147,082	-	-	-	-	-	1,147,082
Transactions with shareholders	\$ 22,758,267	\$ 1,392,978	\$ 24,430	\$ -	\$ 531,484	\$ 1,740,090	\$ -	\$ -	\$ 26,447,249
Equity reserve	-	-	-	(12,966,726)	-	-	-	-	(12,966,726)
Non-controlling interest - pursuant to acquisition (note 6)	-	-	-	-	-	-	-	23,905,362	23,905,362
Non-controlling interest - pursuant to acquisition	-	-	-	-	-	-	-	(1,646,827)	(1,646,827)
Non-controlling interest	-	-	-	-	(677,859)	-	-	824,565	146,706
Comprehensive loss for the year	-	-	-	-	(8,573,905)	-	379,231	-	(8,194,674)
Balance, December 31, 2022	\$ 41,007,368	\$ 4,886,518	\$ 2,625,569	\$ (12,966,726)	\$ (18,487,544)	\$ 1,740,090	\$ 480,847	\$ 24,716,036	\$ 44,002,158

The accompanying notes are an integral part of these consolidated financial statements.

DEVERON CORP.**Notes to Consolidated Financial Statements****For the Years Ended December 31, 2022****(Expressed in Canadian Dollars)**

20. Stock options (continued)

(x) On November 23, 2022, the Company granted 300,000 stock options to certain officers, directors and employees of the Company. The stock options, at a price of \$0.475 per share, will expire in five years from the issue date. A fair value of \$104,565 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.48; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 95%; risk-free interest rate - 3.22%; and an expected life - 5 year. The options vested one third immediately, one third on the second and third anniversary. During the year ended December 31, 2022, \$37,879 (year ended December 31, 2021 - \$nil) was expensed to share-based payments.

(xi) The portion of the estimated fair value of options granted in the prior years and vested during the year ended December 31, 2022, amounted to \$1,147,082 (year ended December 31, 2021 - \$666,331).

Details of the stock options outstanding as at December 31, 2022 are as follows:

Fair value (\$)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price (\$)	Expiry date
336,387	1.04	306,250	1,225,000	0.43	January 15, 2024
143,711	3.15	108,333	325,000	0.64	February 22, 2026
89,883	3.20	58,333	175,000	0.75	March 12, 2026
82,005	3.32	116,667	175,000	0.74	April 27, 2026
149,051	3.48	200,000	300,000	0.80	June 24, 2026
28,055	4.25	35,000	105,000	0.63	March 31, 2027
72,796	4.50	129,546	388,637	0.55	June 29, 2027
37,879	4.90	100,000	300,000	0.48	November 23, 2027
597,132	5.05	533,333	1,600,000	0.75	January 18, 2028
244,366	5.66	300,000	2,000,000	0.56	August 26, 2028
1,781,265	4.18	1,887,462	6,593,637	0.60	

21. Warrants

The following table reflects the continuity of warrants for the year ended December 31, 2022 and 2021:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2020	16,167,025	0.33
Issued for private placements (note 19(b)(i)(ii))	7,160,039	0.83
Exercised (note 19(b)(iii))	(7,420,399)	0.21
Expired	(175,000)	0.49
Balance, December 31, 2021	15,731,665	0.57

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For the Years Ended December 31, 2022
(Expressed in Canadian Dollars)**

21. Warrants (continued)

Balance, December 31, 2021	15,801,665	0.62
Issued for public offering (note 19(b)(v))	8,642,859	0.88
Issued for private placements (note 19(b)(vi))	1,304,000	0.79
Issued pursuant to the convertible debenture (Note 17)	818,012	0.50
Exercised (note 19(b)(viii))	(5,793,733)	0.44
Expired	(2,854,792)	0.45
Balance, December 31, 2022	17,918,011	0.84

The following table reflects the warrants issued and outstanding as of December 31, 2022:

Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Expiry date
5,698,715	1,481,532	0.85	August 16, 2023
787,914	240,078	0.65	August 16, 2023
614,810	168,089	0.85	August 24, 2023
51,701	16,522	0.65	August 24, 2023
8,214,287	2,042,288	0.90	February 25, 2024
1,150,000	337,657	0.90	February 25, 2024
428,572	78,979	0.90	March 9, 2024
818,012	488,508	0.50	May 18, 2024
154,000	32,865	0.50	October 4, 2024
17,918,011	4,886,518		

22. Shares to be issued

The allocation of the shares to be issued is as follows

Balance, December 31, 2021	\$ 1,120,257
Shares issued - Farm Dog	(62,745)
Shares issued - Tana Ag	(45,375)
Shares issued - Stealth Ag	(226,875)
Shares issued - Agronomic Solutions	(356,791)
Acquisition - Agri-Labs (note 6(a))	499,960
Shares issued - Agri-Labs (note 6(a))	(457,500)
Acquisition - Frontier (note 6(a))	373,375
Balance, December 31, 2022	\$ 844,306

Balance, December 31, 2020	\$ -
Acquisition - Farm Dog	125,490
Acquisition - Tana Ag	90,749
Acquisition - Stealth Ag	368,833
Acquisition - Agronomic Solutions	535,185
Balance, December 31, 2021	\$ 1,120,257

DEVERON CORP.

Notes to Consolidated Financial Statements For the Years Ended December 31, 2022 (Expressed in Canadian Dollars)

22. Shares to be issued (continued)

- i. On January 21, 2022, Farm Dog was issued 98,039 common shares at a price of \$0.64 on the 1 year anniversary of the acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- ii. On March 21, 2022, Agronomic Solutions was issued 262,345 common shares at \$0.68 in conjunction with the Sept 8, 2021 acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- iii. On June 1, 2022, Tana Ag was issued 55,335 common shares at a price of \$0.82 on the 1 year anniversary of the acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- iv. On June 1, 2022, Stealth Ag was issued 263,808 common shares at a price of \$0.86 on the 1 year anniversary of the acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- v. On July 27, 2022, Agri-Labs was issued 375,000 common shares at a price of \$0.61 relating to the closing of the March 10, 2022 acquisition, drawing down on the shares to be issued recognized as part of the acquisition. Per the agreement, 375,000 shares were issued and placed in escrow, and will be provided to Agri-Labs on the first and second anniversary of the acquisition date. A total of 750,000 shares were issued.
- vi. On July 29, 2022, Stealth Ag was issued 330,909 common shares at a price of \$0.55 in conjunction with reaching certain milestones related to the acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- vii. On September 8, 2022, Agronomic Solutions was issued 262,346 common shares at a price of \$0.68 on the 1 year anniversary of the acquisition, drawing down on the shares to be issued recognized as part of the acquisition.
- viii. On November 1, 2022, Frontier was issued 746,570 common shares at a price of \$0.50 relating to the closing of the November 1, 2022 acquisition, drawing down on the shares to be issued recognized as part of the acquisition. Per the agreement, 746,570 shares were issued and placed in escrow, and will be provided to Frontier on the first and second anniversary of the acquisition date. A total of 1,493,500 shares were issued.

23. Net loss per common share

	Year Ended December 31,	
	2022	2021
Loss available to common shareholders	(9,086,201)	(5,177,183)
Weighted average number of shares, basic and diluted	116,387,677	76,992,311
Basic and diluted loss per share	(0.07)	(0.07)

Diluted loss per share for the year ended December 31, 2022, presented did not include the effect of 17,918,011 warrants (year ended December 31, 2021 - 15,731,665 warrants) and 6,593,637 stock options (year ended December 31, 2021 - 5,705,000 stock options) as they are anti-dilutive.

24. Cost of services

	Year ended December 31,	
	2022	2021
Agronomic services and laboratory fees	\$ 2,208,054	\$ 2,365,713
Salaries and benefits	3,907,888	-
Supplies, courier and shipping	2,222,975	-
Software and processing fees	461,093	316,620
Travel, training and other costs	171,282	87,192
Cost of services	\$ 8,971,292	\$ 2,769,525

DEVERON CORP.

Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022
(Expressed in Canadian Dollars)

25. Income tax

Income Tax Expense

Income tax expense for the year is comprised of the following:

	2022	2021
Current tax expense	\$ 1,075,539	\$ -
Deferred tax (recovery)	(676,343)	-
Income tax expense	399,196	-

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	2022	2021
Loss before income tax	\$ (8,174,709)	\$ (5,020,276)
Combined statutory tax rate	26.50%	26.50%
Expected income tax recovery	(2,166,298)	(1,330,373)
Differences in depreciation and capital cost allowance	-	-
Share issue costs recorded in equity	(253,247)	(550,270)
Non-deductible share based payment expense	303,977	176,578
Permanent differences and other	(1,008,291)	414,145
Change in deferred income tax asset not recognized	3,523,055	1,289,920
Income tax expense (recovery)	\$ 399,196	\$ -

Deferred Income Taxes

The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	December 31,	
Deductible (taxable) temporary differences	2022	2021
Deferred tax assets:		
Tax loss carry-forwards	\$ 6,957,204	\$ 3,682,251
Non-current assets	(157,166)	(181,658)
Share issue costs and other	458,109	225,143
Deferred tax assets	\$ 7,258,147	\$ 3,725,736
Tax benefit not recognized	(7,258,147)	(3,725,736)
Deferred Tax Asset (Liabilities)	\$ -	\$ -
Deferred tax liabilities:		
Fixed assets	\$ (661,121)	\$ -
Intangibles	(5,099,055)	-
Deferred tax liabilities	\$ (5,760,176)	\$ -
Total Deferred Tax Asset (Liabilities)	\$ (5,760,176)	\$ -

Deferred income tax liabilities have not been recognized for the withholding tax and other taxes that would be payable in connection with unremitted earnings of subsidiaries, as Deveron Corp. is able to control the timing of the reversal of the differences and it is probable the differences will not reverse in the foreseeable future.

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

DEVERON CORP.**Notes to Consolidated Financial Statements****For the Years Ended December 31, 2022****(Expressed in Canadian Dollars)**

25. Income tax (continued)

As at December 31, 2022, the Company has the unclaimed non-capital losses that expire as follows:

Expires	2031	\$	162,141
	2032		179,063
	2033		323,351
	2034		458,013
	2035		414,332
	2036		664,386
	2037		934,636
	2038		1,556,389
	2039		1,681,966
	2040		1,766,595
	2041		4,581,556
	2042		<u>6,504,002</u>
			<u>\$ 19,226,430</u>

As at December 31, 2022, the Company has unclaimed foreign federal losses of \$7,384,893 and state net operating losses of \$5,512,796. The Federal net operating losses will carryforward indefinitely and state net operating losses begin to expire in 2039.

26. Major shareholder and related party transactions**Major shareholder**

At December 31, 2022, 2736130 Ontario Inc. owned and/or exercised control over 13,688,182 common shares (December 31, 2021 - nil common shares) of Deveron, representing approximately 10.0% (December 31, 2021 - nil%) of the issued and outstanding common shares of the Company. The remaining 90.0% (December 31, 2021 - 100.0%) of the shares are widely held, which includes various holdings owned by directors of Deveron. These holdings can change at any time at the discretion of the owner. Please refer to Note 6.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than 2736130 Ontario Inc., which owns or controls, directly or indirectly, approximately 10.0% (December 31, 2021 - nil%) of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Marrelli Group of Companies

During the year ended December 31, 2022, the Company incurred professional fees of \$95,442 (year ended December 31, 2021 - \$70,752) to a group of companies of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the Chief Financial Officer of Deveron. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2022, the group of companies was owed \$5,217 (December 31, 2021 - \$6,004) and this amount is included in accounts payable and accrued and other liabilities.

DEVERON CORP.**Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022
(Expressed in Canadian Dollars)**

26. Major shareholder and related party transactions (continued)**Related party transactions**

During the year ended December 31, 2022, the Company also incurred legal fees of \$129,513 (year ended December 31, 2021 - \$124,647) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2022 accounts payable, accrued and other liabilities is \$38,256 due to Irwin Lowy LLP (December 31, 2021 - \$14,372).

During the year ended December 31, 2022, the Company incurred share-based payment expenses to officers, directors and key management personnel of \$350,817 (year ended December 31, 2021 - \$482,691).

27. Segmented information

As at December 31, 2022, the Company's operations comprise one reporting operating segment: data acquisition services and data analytics sector in Canada and in the USA. Segmented information on a geographic basis is as follows:

Geographical segment	USA	Canada	Total
As at December 31, 2022			
Current assets	\$ 4,868,513	\$ 9,003,096	\$ 13,871,609
Non-current assets	18,519,816	84,335,663	102,855,479
Revenues	11,685,074	17,238,059	28,923,133
Cost of services	4,128,647	4,842,645	8,971,292
Operating expenses	11,907,109	16,219,441	28,126,550

Geographical segment	USA	Canada	Total
As at December 31, 2021			
Current assets	\$ 3,445,744	\$ 6,231,383	\$ 9,677,127
Non-current assets	10,330,236	2,760,014	13,090,250
Revenues	6,317,411	2,281,064	8,598,475
Cost of services	1,330,070	1,439,455	2,769,525
Operating expenses	5,117,281	5,731,945	10,849,226

Disaggregation of revenue from contracts with customers

The following table disaggregates the Company's revenue based on the geographical distribution for the year ended December 31, 2022:

United States	\$ 11,685,074
Canada	<u>17,238,059</u>
Total	\$ 28,923,133

Various economic factors affect revenue and cash flows. In substantially all revenue transactions, cash collections on earned from successful transactions are realized immediately after the transaction is consummated.

DEVERON CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2022

(Expressed in Canadian Dollars)

28. Events after the reporting period

1. On March 14, 2023, the Company announced that it has signed two new enterprise contracts, totaling \$9.5 million. Focusing on tissue sampling and pesticide analysis, the first contract has a total value of \$4 million spread over 2 years, via Deveron's subsidiary A&L Canada Laboratories.
2. On March 16, 2023, the Company announced that it had agreed to settle an aggregate of \$103,265 of indebtedness owed to an arm's length creditor of the Company through the issuance of 295,043 common shares of the Company at a deemed price of \$0.35 per common share. The debt settlement remains subject to receipt of all necessary corporate and regulatory approvals, including the approval of TSXV. All securities issued in connection with the debt settlement will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.
3. On April 14, 2023, the Company announced a non-brokered private placement of up to 4,838,710 common shares (each, a "Common Share") in the capital of the Company at a price of \$0.31 per Common Share for gross proceeds of \$1,500,000 (the "Offering"). \$1,000,000 of the proceeds are from insiders of the Company, including the newest board member, Tim Close, the former Chief Executive Officer of Ag Growth International. Gross proceeds of the Offering will be to fund Deveron's M&A strategy, consolidating the fragmented soil lab and crop consultant market in North America. The Company intends to enter into subscription agreements with each subscriber and have the distribution of the Common Shares qualified pursuant to a shelf prospectus supplement (a "Prospectus Supplement") to the Company's short form base shelf prospectus for each of the provinces of Canada, except Quebec, dated November 30, 2021 (the "Base Shelf Prospectus").
4. On April 25, 2023, the Company announced that further to its press release of April 14, 2023, the previously announced non-brokered private placement common shares (each, a "Common Share") in the capital of the Company at a price of \$0.31 per Common Share for has been increased to 16,774,194 Common Shares for aggregate gross proceeds of \$5,200,000 (the "Offering"). Gross proceeds of the Offering will be to fund Deveron's M&A strategy, consolidating the fragmented soil lab and crop consultant market in North America. The Company intends to enter into subscription agreements with each subscriber and have the distribution of the Common Shares will be qualified pursuant to a shelf prospectus supplement (a "Prospectus Supplement") to the Company's short form base shelf prospectus for each of the provinces of Canada, except Quebec, dated November 30, 2021 (the "Base Shelf Prospectus"). There is no agent or underwriter involved with the issuance of the Common Shares, however, the Company may pay certain eligible finders a commission or finder's fee in connection with the Offering. The completion of the Offering is expected to close on or about April 27, 2023, and remains subject to all regulatory and other approvals, including the approval of the TSX Venture Exchange. The prospectus was filed on SEDAR on April 26, 2023.

29. Comparative figures

Certain comparative figures have been reclassified in order to conform to the current period presentation.