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FOR IMMEDIATE RELEASE

TSX-V:FARM

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Deveron Reports \$5.36 Million in Revenue in Q1/2023 up 281% Year-Over-Year

Toronto, Ontario - Deveron Corp. (TSX-V: FARM) (“Deveron” or the “Company”), a leading agriculture services and data company in North America, is pleased to report results for the three months ended March 31, 2023. Revenue grew to \$5,358,540 in Q1/2023 from \$1,406,961 in Q1/2022, driven by 473% growth in data insight services in line with the Company’s strategy to focus on lab analysis services. Full financial results are available at www.sedar.com.

First Quarter 2023 Financial Highlights

The Company achieved triple digit revenue growth year-over-year, driven by strong growth in the Company’s data insight service due to the acquisition and integration of three soil testing labs in 2022. The first quarter experienced lower volumes of data collection due to a very successful Q4/2022 which brought forward some revenue. The Company’s saw a contraction in gross margin in the seasonally slower first quarter, due to the recurring costs associated with Deveron’s data collection and testing network. The company expects margins to improve as the year progresses.

- The Company’s data insights product sales increased 473% year-over-year to \$4,462,680 from \$779,489 in Q1/2022, related to acquired laboratory assets.
- The Company’s gross profit grew 292% year-over-year to \$2,893,685 from \$737,674 in Q1 2022.
- The company anticipated gross profit margin contraction in Q1, as the Company prepares for the busier spring and fall seasons, but despite the expected contraction, the Company was able to achieve 2% growth in gross profit margin year-over-year.
- SG&A expenses increased 110% to \$9,006,895 in Q1 2023 from \$4,287,552 in Q1 2022 improving on the previous year’s SG&A as a percentage of sales which moved to 168% from 305%. The Company must maintain SG&A spending in Q1 as Deveron prepares for the busier seasons later in the year.

“Deveron achieved a triple digit increase in revenue in the first quarter, as a result of revenue from our acquisition of three soil laboratories during 2022,” said David MacMillan, President, and CEO, of Deveron Corp. “As we expected, the Q1 has slower data collection activity which was also

impacted by strong activity in Q4 leading to minimal backlog moving into Q1. We also experienced a slowdown in our higher margin tissue sampling business, due to seasonal delays, however we expect this revenue to catch up to expectation as we move into Q2 and the remainder of the year. We remain on track for our outlook for the overall year. At the beginning of 2022 Deveron had very limited testing capacity. We were focused heavily on soil collection and providing an analytical service to increase yields and lower costs. Today, our network represents approximately 11% of the annual soil testing market in North America (The Fertilizer Institute, 2021). The agricultural market continues to experience macro-economic conditions that drive growers to utilize higher fidelity sampling and analysis practices to improve profitability and yields. Deveron's vertically integrated network continues to add value in the market winning new clients across all of our customer segments. As we continue to grow through acquisition, regional organic growth and our enterprise sales initiatives, Deveron is better positioned than ever to execute on our opportunities and leverage our synergies to make 2023 a successful year of sales and earnings growth."

First Quarter 2023 Operational Highlights

Deveron Signs New Enterprise Contracts Totaling \$9.5 Million

On [March 14th, 2023](#), Deveron announced that the Company 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. The second contract is for 3-years totaling \$5.5 million in revenue, of which \$2.7 million is expected to be recognized in 2023. This project utilizes Deveron's vertically integrated soil ecosystem of data collectors and soil labs to measure agricultural carbon in soil.

Deveron Provides Corporate Update

On [February 15th, 2023](#), Deveron announced an update on recent corporate developments. In connection with the common share purchase warrants issued in connection with a non-brokered financing on December 23, 2020, through various exercises Deveron received proceeds of \$2,385,128 from the exercise of 5,359,839 warrants with an exercise price of \$0.45 and proceeds of \$245,575 from the exercise of 701,644 broker warrants with an exercise price of \$0.35. Secondly, Deveron provided an update on the continued growth of the Company's bundled offering of field collection services and lab analysis services. The Company has seen the successful onboarding of four additional regional Ag-retailers. The scope of the work focuses on soil fertility sampling and analysis in Saskatchewan, Minnesota, and South Dakota. Deveron continues to see strong macro tailwinds pushing growers and enterprises to collect and use more data to optimize their operations. In addition, Deveron announced that A&L Biologicals, a subsidiary of Deveron's recently acquired A&L Laboratories Canada, has been granted a registration from the Pesticide Management Regulatory Agency (for A&L's most recent biological product, Cuc-GUARD. Cuc-Guard acts as a vaccine for target crops to prevent the infection and spread of the green mottle mosaic virus, which can be prevalent in the production of greenhouse cucumbers

Subsequent to Quarter End

Deveron Announces Private Placement and Debt Restructure.

On [April 14th, 2023](#), Deveron announced a non-brokered private placement of up to 4,838,710 common shares in the capital of the Company at a price of \$0.31 per Common Share for gross proceeds of \$1.5 million. \$1 million of the proceeds are from insiders of the Company. Additionally, the Company announced it has conditionally agreed with Toronto-Dominion Bank to partially restructure its \$28.3 million credit facility, to issue a new 25-year mortgage for \$6.8M on the properties associated with A&L Canada Laboratories East, Inc. TD has valued the properties at \$9.1M. The \$6.8 million mortgage will be used to reduce the 10-year, \$28.3 million credit facility used to acquire A&L

Deveron Announces Upsize To Private Placement

On April 25th, 2023, Deveron announced that further to its press release of April 14, 2023, the previously announced non-brokered private placement common shares 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.

Deveron Announces Closing of First Tranche of Offering

On May 5th, 2023, Deveron announced that the Company had completed the first tranche of its previously announced prospectus offering through the issuance of 16,224,194 common shares in the capital of the Company at a price of \$0.31 per Common Share for gross proceeds of \$5,029,500.14. The distribution of the Common Shares is qualified by the Company's shelf prospectus supplement dated April 26, 2023, to the Company's short form base shelf prospectus for each of the provinces of Canada, except Quebec, dated November 30, 2021.

Deveron Announces Closing of Final Tranche of Offering

On May 17th, 2023, Deveron announced that the Company had completed the second and final tranche of its previously announced prospectus offering through the issuance of 550,000 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 \$170,500. The distribution of the Common Shares is qualified by the Company's shelf prospectus supplement dated April 26, 2023, to the Company's short form base shelf prospectus for each of the provinces of Canada, except Quebec, dated November 30, 2021.

Summary of Financial Results

Results of Operations	For the three months ended		
	March 30, 2023	March 30, 2022	% Change

Data Collection	\$895,860	\$627,472	43%
Data Insights	\$4,462,680	\$779,489	473%
Total Revenue	5,358,540	1,406,961	281%
Gross Profit	2,893,685	737,674	292%
Gross Profit Margin %	54%	52%	2%
Operating Expenses	9,006,895	4,287,552	110%
Adjusted EBITDA (Loss)*	(3,378,030)	(2,626,398)	-29%
Net Loss	(6,134,379)	(3,549,878)	-73%
Weighted Average Common Shares Outstanding	136,482,817	95,768,400	
Per Share:			
Net Loss	(0.04)	(0.04)	

**Non-IFRS measure. Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) should not be construed as alternatives to comprehensive loss or income determined in accordance with IFRS. Adjusted EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines Adjusted EBITDA as IFRS net loss excluding interest expense, depreciation and amortization expense, share-based payments, income tax expense, integration costs, one time acquisition costs, and impairment of goodwill, property, plant, and equipment and right-of-use assets (ROU). The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives*

Adjusted EBITDA(Loss) Calculation

	<i>For the three months ended</i>	
	<i>Mar 31, 2023</i>	<i>Mar 31, 2022</i>

IFRS Net Income (Loss)	(6,134,379)	\$(3,549,878)
Less: Interest	1,138,884	46,485
Less: Depreciation & Amortization	1,792,182	429,689
Less: Share Based Payments	563,786	447,306
Less: Income Taxes	21,169	-
Change in NCI put obligation	(759,672)	-
Non-IFRS Adjusted EBITDA (loss)*	(3,378,030)	\$(2,626,398)

In addition, further to its press releases of May 10, 2022 and May 18, 2022, whereby the Company issued 7.0% unsecured convertible debentures (each, a “**Debenture**”) for aggregate gross proceeds of \$10 million. Pursuant to the Debentures, the Company has elected to pay the accrued interest for the first year through the proposed issuance of 1,894,730 Common Shares at a price of \$0.37 per Common Share.

Furthermore, in connection with its previously announced acquisition of the assets of Agri-Labs Inc. (“**Agri-Labs**”), as set out in its press releases of March 11, 2022, June 29, 2022 and July 6, 2022, Agri-Labs has exceeded the gross earnings before interest, taxes, depreciation and amortization to the twelve (12) month prior period, the Company must pay the vendor a price equal to twenty-five percent (25%) of the excess amount. As a result of achieving this milestone, the Company will be making a one-time payment of US\$36,173, satisfied through the issuance of an aggregate of 128,157 common shares (“**Common Shares**”) in the capital of the Company at a deemed price of \$0.38 per Common Share.

The issuance of the Common Shares remains subject to receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange. All Common Shares issued are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The Management’s Discussion and Analysis for the period and the accompanying financial statements and notes are available under the Company’s profile on SEDAR at www.sedar.com. This news release is not in any way a substitute for reading those financial statements, including the notes to the financial statements.

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.**

For more information and to join our community, please visit www.deveron.com/investors or reach us on Twitter [@Deveron](https://twitter.com/Deveron).

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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. 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 world-wide 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 other continuous disclosure documents and financial statements we file with the Canadian securities regulatory authorities which are available at www.sedar.com. The Company undertakes no obligation to update this forward-looking information except as required by applicable law. The Company relies on litigation protection for forward looking statements.