



# DE VERON

2023 INVESTOR PRESENTATION

DEVERON.COM | TSX-V: FARM

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**We help local agriculture achieve  
excellence by making impartial data  
accessible and useful.**

TSX-V: FARM



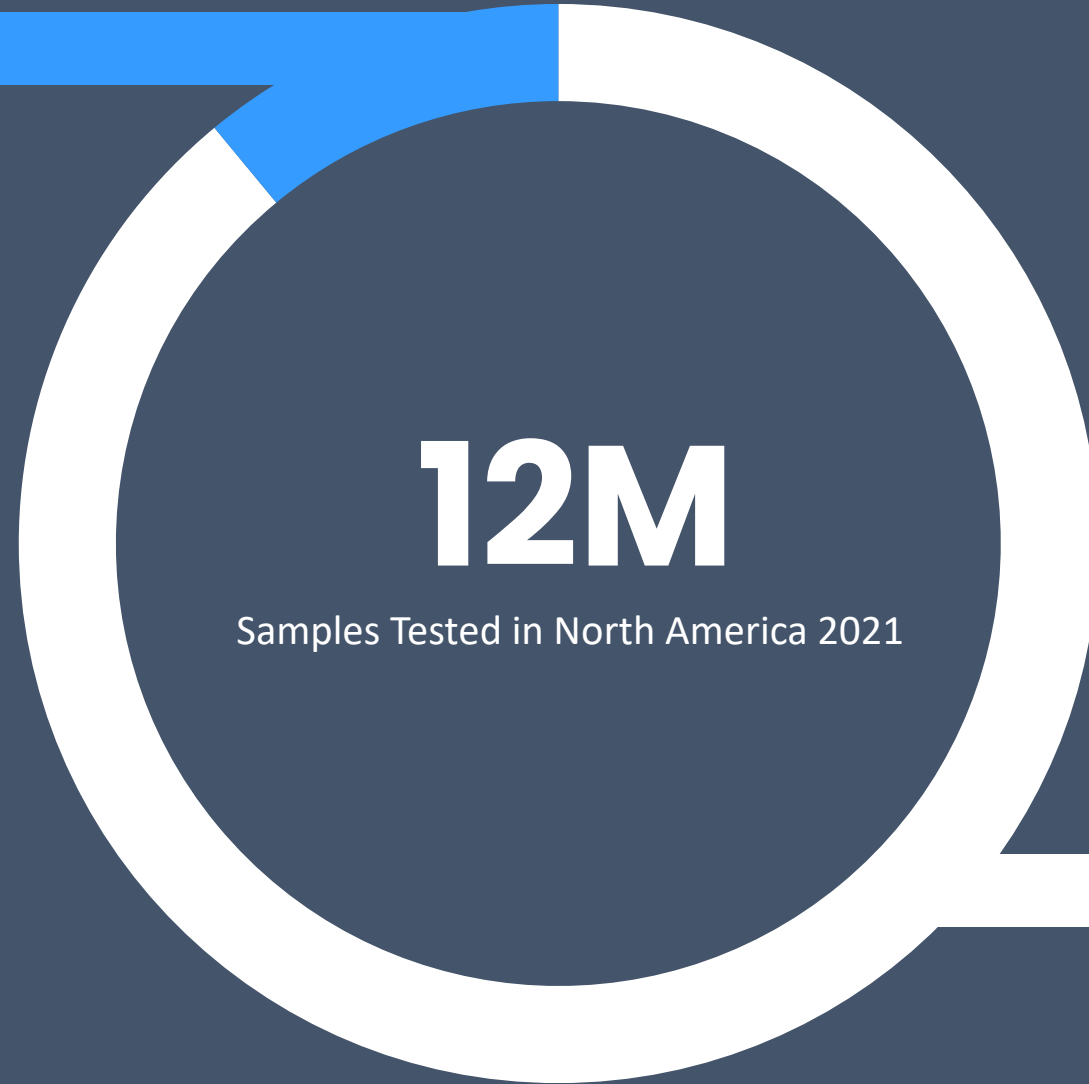
# The Annual Agronomy Cycle





# The Current Agricultural Testing Market

**11%**  
Tested by a Deveron Lab



**15%**  
Precision Ag CAGR

# Industry Tailwinds

12M

Samples tested  
in 2021

Annual sample growth  
has tripled since 2005

~\$500M

Field work and lab  
testing market in  
2021

Strong EBITDA  
margin business.  
15% EBITDA margin  
in field work and  
35% EBITDA margin  
in testing

83M

Samples in TAM if  
following best practices

Trends continue to  
drive growers to  
utilize 2.5 acre grid  
sampling as best  
practice rotating  
fields every 3 years

~\$3.25B

Field work and testing market as  
the market adoption increase

Customers that  
currently operate  
ahead of the curve  
are moving toward 1  
acre grid sampling  
annually for best  
results



# What Deveron Does



## Field Services

Soil sampling is important for any farm operation as it allows the grower to maintain and monitor their soil fertility. Deveron offers the following services:

- Soil Sampling
- Tissue Sampling
- Weather Station Installation
- Drone Imagery



## Analysis & Testing

With over 40 years of experience in soil analysis, our lab network helps clients understand their soil. Deveron can provide fertility and carbon analysis along with many other tests to understand yield, variability and help in making recommendations. These services include



## Agronomic Insights

Deveron's team of data scientists and agronomists use science and technology to help our clients make unbiased decisions to lower their costs and improve their yields. The services our Data Insight team provides include:

- Planning
- Data Fundamentals
- Soil Insights
- Script Insights

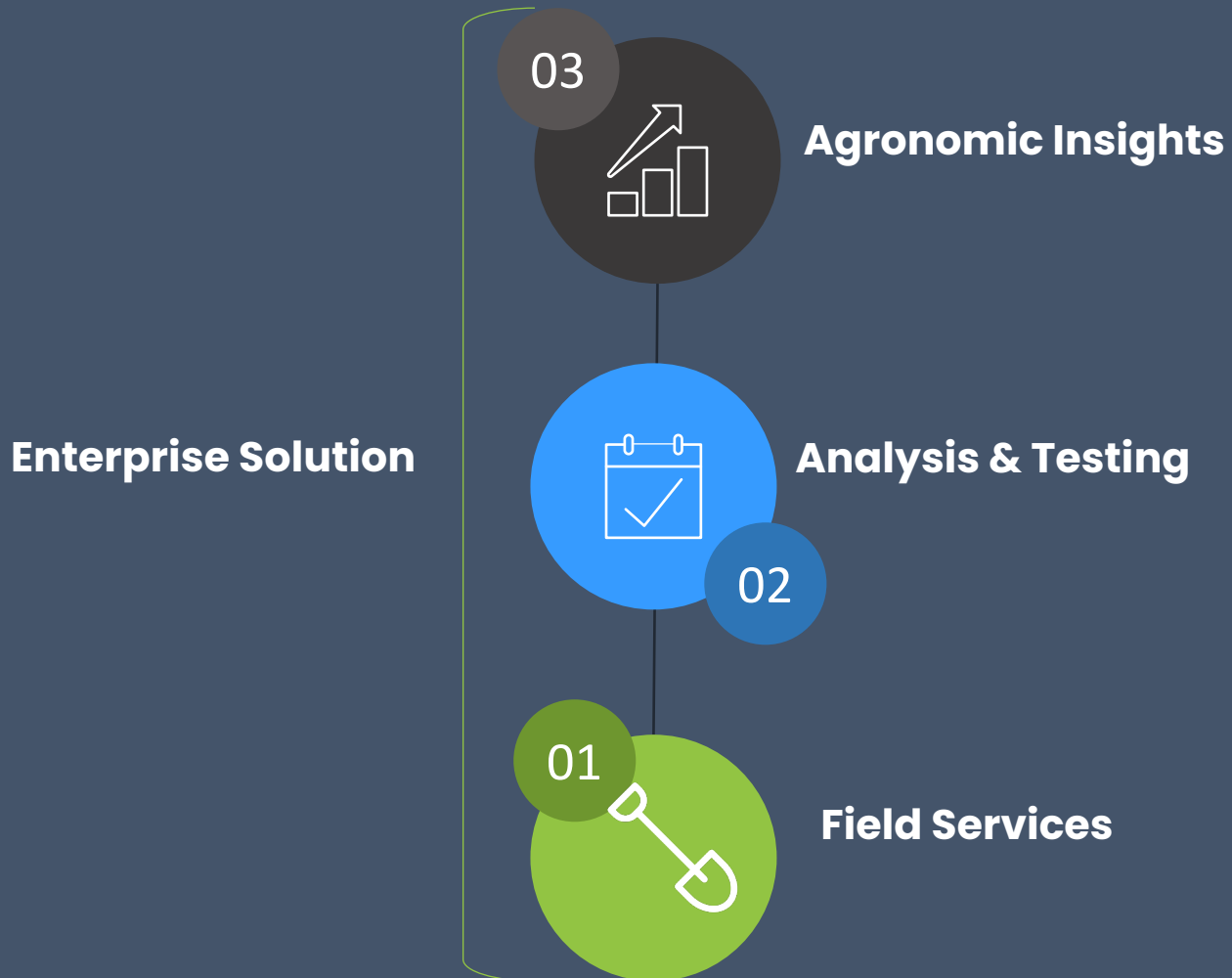


## Enterprise Solutions

Deveron's end-to-end ecosystem provides enterprise with a single chain of custody for standardized data nation wide, allowing them to help drive better decision making for their initiatives.



# The Value of Deveron's Vertical



## Driving Value For the Grower

The foundation of Deveron's vertical ecosystem is the regional agronomist. By utilizing Deveron's standardized lab science and collection protocols, our regional leaders can provide a better recommendation, utilizing their experience and consistent data set, helping growers lower costs and increase yields.

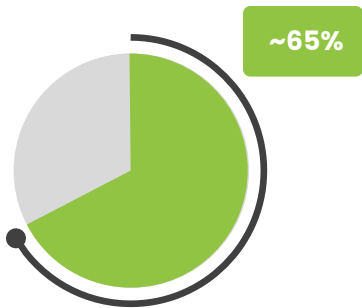
## Operational Leverage

Deveron's soil labs act as profit centers for the company, with on average **30%+ EBITDA margin**. These businesses are run off fixed costs for labor and assets which drive the incremental margin leverage. By controlling throughput capacity to the lab, Deveron can maximize the incremental margin per sample as we strive to operate at peak capacity.

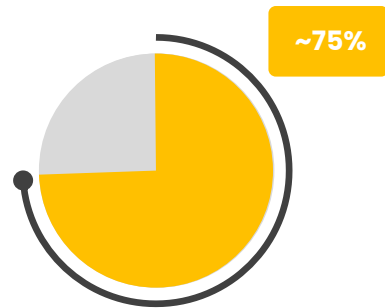
## One-Stop Shop For Enterprise

Deveron's vertically integrated ecosystem offers a standardized process and output, allowing for large enterprise to utilize agricultural data more effectively.

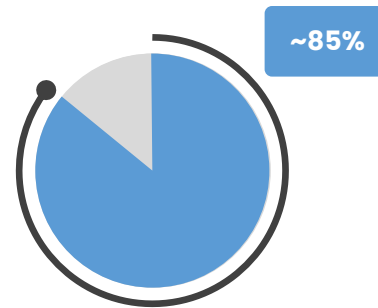
# Our High Gross Margin, and Integrated, Product Offering



Field Services



Testing & Insights



Enterprise Solutions





# The Consolidation & Network Opportunity



## Data Aggregation & Scale



The agricultural services market is very fragmented with **15,000** crop consultants and **140** independent soil laboratories representing \$5B in market value across the continental US. With most being "Mom & Pop" shops, these companies don't have the opportunity to aggregate and distribute data as many have not invested in technology stack or scaling their operation.

## Vertically Integrated Network



Deveron's standardized vertical ecosystem provides our agronomists with consistent standardized data source to drive better recommendations. The vertical drives additional margin opportunity through operational leverage.

## Human Capital & Relationships



These businesses are rural, and they rely on their connection with the community, with many agronomists having decade long relationships with their clients. By folding them into Deveron's network we gain access into markets that would otherwise take years to infiltrate.



# Our Growth Model

## Regional Execution

Agriculture is a regionally driven industry, built on long standing relationship with the community. Deveron's regionally focused sales strategy relies on our relationships with the community and regional execution, to drive sales growth at the local level.



Deveron's regional network is vertically stacked to support clients, collection, analysis and insight needs. Providing opportunities for operational leverage, cross selling and increased efficiency to help drive the bottom line



On average, Deveron has experience 23% topline growth from its acquired business, following the first full year of integration.

**23%**



# Our Growth Model

## Enterprise Solutions

01

### Regional Execution

Drives customer retention at the farm gate, and builds the relationship with a community of growers, ag-retail and agri-business. Standardized collection protocols and analysis drive better decision making at the farm gate and higher margins for Deveron.

Single Chain Of Custody

Standardize Data

### Enterprise Solutions

Large agricultural enterprise currently do not have a one-stop-shop for their agricultural data needs. This leads to incomparable data sets due to difference in output, chemistry and collection protocol. In 2020, 7 enterprise ag retailers represented 69% of total market (*CropLife*).

02



# Our Growth Model

## Consolidating a Fragmented Market

### The Model

**2-5X**

**Low Multiples**

Targeting rural service businesses, Deveron has been able to acquire these businesses for 2-5X EBITDA pre-synergies.

**23%**

**Growth Opportunity**

Post acquisition Deveron has been able to achieve strong organic growth through its rural execution strategies. .

**Non-dilutive Acquisition Strategy**

Deveron has begun to remodel it's. M&A strategy to minimize dilution to the shareholder base.

**3 Year**

**Payout Period**

Cash is paid out over a 3-year period based on forecast to maintain involvement in the company and ease cashflow.

### Acquisition Pipeline

	# of Deals	Annual Revenue – update to CAD
<b>Near Term</b>	4	~\$16M
<b>Medium Term</b>	10	~\$35M



# Track-Record of Accretive M&A

	Better Harvest	Woods End	Farm Dog	Tana Ag	Stealth Ag	Agronomic Solutions	Agri-Labs	A&L	Frontier Labs
Completed To Date	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pre-Acquisition Gross Revenue	\$656,231	\$2,263,500	\$235,000	\$330,718	\$888,153	\$1,946,150	\$849,737	\$26,000,000	2,100,000
EBITDA	\$132,145	\$1,021,155	-	\$119,494	\$205,385	\$545,869	\$306,672	\$11,600,000	450,000
Acquisition Price	\$368,615	\$3,012,305	\$250,000	\$273,869	\$2,230,135	\$2,915,730	\$1,533,360	\$75,000,000	2,920,000
Multiple Of Rev	0.56X	1.33X	0.95X	0.83X	2.51X	1.50X	1.80X	2.9X	1.4X
Multiple of EBITDA	2.79X	2.95X	-	2.29X	10.86X	5.34X	5.00X	6.35X	6X

# Our Growth Model

## Derivative Data Blue Sky

Due to the fragmentation of the soil data market, there are many barriers standing in the way of additional data users engaging in this market.

Small changes in chemistry, sampling protocols and data output make data incomparable and difficult to draw valuable market insights from for derivative data users such as; banks, insurance companies, government bodies and other industry stakeholders.

Standardized  
Customer Experience



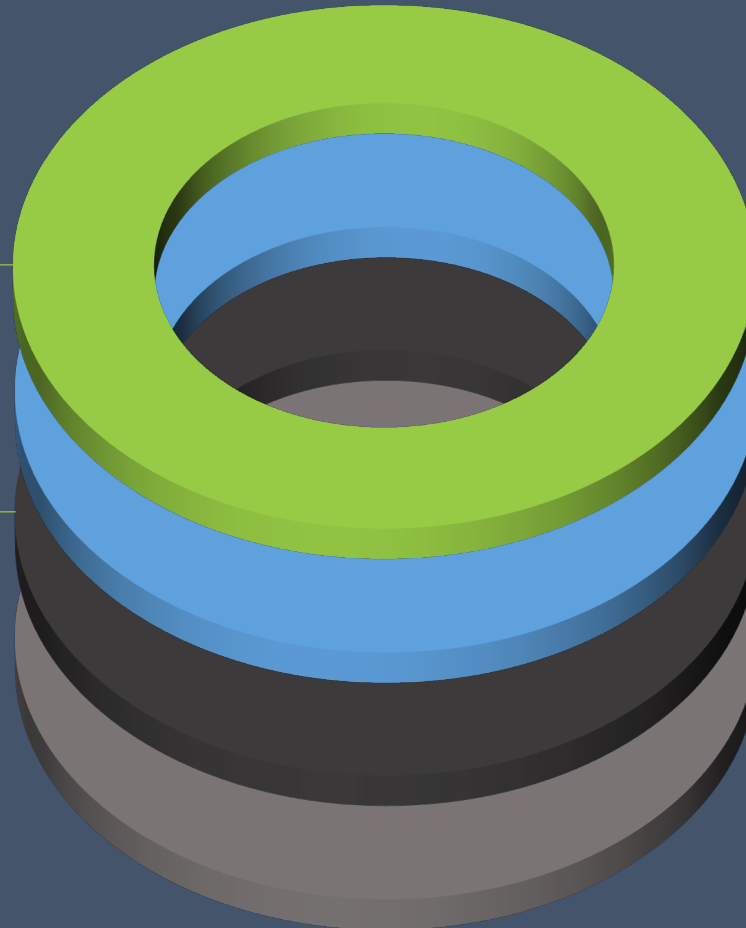
Value Add Analysis



Standardized  
Reporting



Standardized  
Chemistry



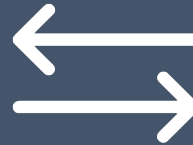
# Our Growth Strategy is Working

Deveron continues to create new opportunities to scale our businesses, increase revenue per acre, and capitalize on our operational leverage, increasing margin.



## Carbon & Derivatives

Leveraging Deveron's network of soil technicians Deveron provide single chain of custody from the farm to our platform, Deveron has been able to supply the market with an enterprise solution to agricultural data.



## Regional Growth

To date Deveron has achieved strong organic and regional growth. At aggregate Deveron has been able to achieve 23% growth within the first year of acquisition.

## Enterprise Wins

To date Deveron has signed 24+M in enterprise level transactions, selling the full enterprise solution, capitalizing on the operational leverage within our lab facilities.

## M&A

Deveron has been able to complete 9 transactions since beginning to execute on its consolidation strategy in 2021. To date the company has built a 50+M pipeline to continue to execute on over the next 24 months.

# Our Team



David MacMillan  
*President & CEO*



Craig Hogan  
*VP Finance*



Pranay Joshi  
*VP Engineering*



Shalan Garrett  
*VP Operations*



Ryan Rasmussen  
*VP Global Operations*



Scott Jackman  
*VP Enterprise Sales*



Brent Hjelmend  
*VP Business Development*



Phil Linton  
*VP Corporate Development*



Karla Jackson  
*VP Customer Success*



Jordan Sinclair  
*VP Data Insights*



Greg Patterson  
*President of A&L*



# Our Board



**Bill Linton**  
*Chairman of the Board*

Mr. Linton is an experienced director and private investor. He currently serves on the boards of the TMXGroup (TSX: X), Empire Company (TSX: EMP.A), and CSL Group. Prior experience includes CFO of Rogers Communications Inc. (TSX: RCI.B) and CEO of Call Net Enterprises. As an investor, advisor and/or board member Mr. Linton also has experience with UXP systems, acquired by AmDocs (NYSE: DOCS), In The Chat, acquired by Pegasystems (NASDAQ: PEGA) and Softchoice Corp. (TSX: SFTC).



**Tim Close**  
*Director*

Mr. Close is the former President, and CEO of AGI (TSE: AFN), a leading provider of equipment and technology solutions for the world's food infrastructure including seed, fertilizer, grain, feed, and food processing systems. Mr. Close oversaw the strategic direction and operations of the business globally. Under his leadership, the Company evolved from a regional equipment supplier to a technology enabled, global agricultural and food processing solutions provider with \$1B+ in sales.



**Joelle Faulkner**  
*Director*

Ms. Faulkner is the founder and CEO of Area One Farms, one of Canada's largest agricultural focused investment partnerships with \$750M assets under management. Area One, supports Canadian farmers expanding their operations in a stable and committed partnership. At Area One Farms, she sets and executes the business and ESG strategy and oversees all teams, including finance, operations, investor relations, and administration. Ms. Faulkner is a Rhodes Scholar and Fulbright Scholar, and holds degrees in chemical engineering, business, and law.



**Greg Patterson**  
*Director*

Mr. Patterson has been working in agriculture and an advocate for best agriculture practices and sustainability for over 35 years. He has strong ties in the Canadian agriculture community as the founder of A&L Canada Laboratories, the largest full-service agriculture, environmental, cannabis and plant disease laboratory in Canada



**Roger Dent**  
*Director*

Mr. Dent serves as the CEO of Quinsam Capital Corporation and as a director of multiple corporations, Mr. Dent brings a wealth of corporate finance, debt syndication, and equity market experience to the board. Part of his experience includes research and funds management with CIBC, Yorkton, and Matrix Asset Management Inc. He holds an MBA from the Harvard Business School.



**Chris Irwin**  
*Director*

Mr. Irwin is an officer and/or director of several public companies and serves or has served on the audit committee of several public companies. He is a graduate of Bishop's University, the University of New Brunswick and Osgoode Hall Law School. He was called to the Bar of Ontario in 1996.

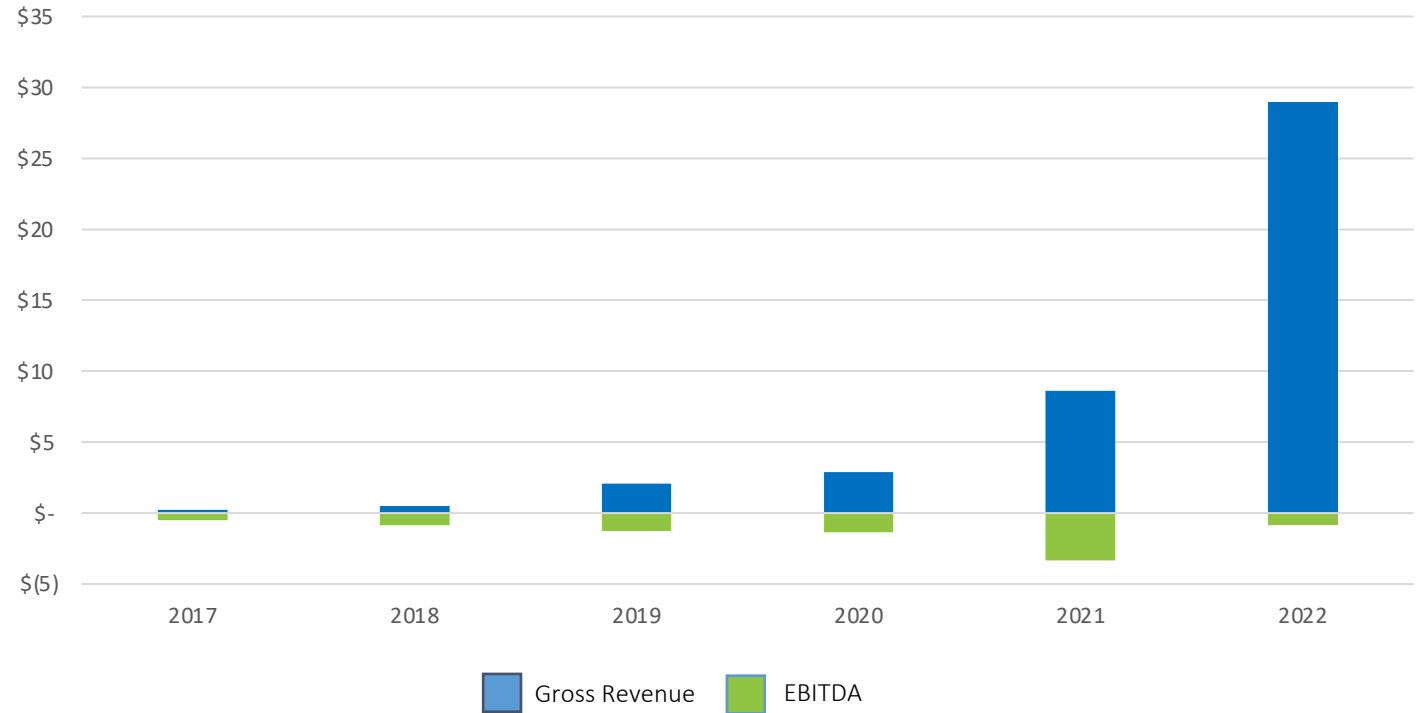
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# Financial Info

## Farm Clients

25,000

## Revenue YoY in Millions



## Revenue Growth YoY

**126%**

5-year CAGR

**200%**

2021 Revenue Growth

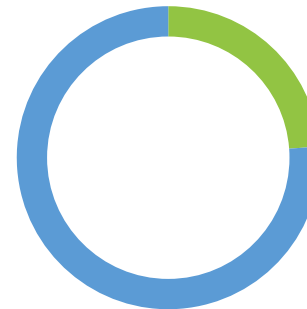
**236%**

2022 Revenue Growth

**40%**

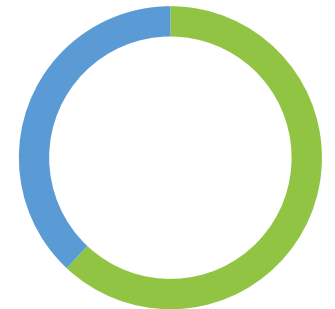
2020 Revenue Growth

## Revenue Split\*



■ Data Collection ■ Data Insights

## Revenue By Country\*



■ Canada ■ United States

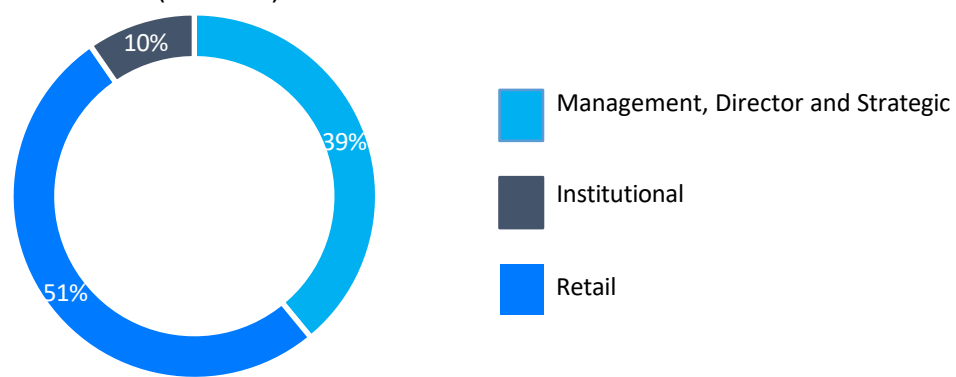
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# Capital Structure

## CURRENT SHARE STRUCTURE

Common Shares Outstanding		155.93M
	Options	10.64M
	Warrants	18.37M
	Convertible Debenture	<u>20M</u>
Total Options & Warrants		<u>49.01M</u>
<b>Total Fully Diluted</b>		<b>204.94M</b>
<i>Cash Value of Warrants &amp; Options When Exercised</i>		<i>\$21.02M</i>

## Share Breakdown (Undiluted)



## Options

Number of Options	Exercise Price	Expiry Date
1,225,000	\$0.43	January 15, 2024
325,000	\$0.64	February 22, 2026
175,000	\$0.75	March 12, 2026
175,000	\$0.74	April 27, 2026
300,000	\$0.80	June 24, 2026
105,000	\$0.63	March 31, 2027
388,637	\$0.55	June 29, 2027
300,000	\$0.48	November 23, 2027
2,900,000	\$0.46	December 23, 2027
1,600,000	\$0.75	January 18, 2028
2,000,000	\$0.56	August 26, 2028
350,000	\$0.33	May 5 <sup>th</sup> , 2029
795,833	\$0.30	June 30, 2028

## Warrants

Number of Warrants	Exercise Price	Expiry Date
5,698,715	\$0.85	August 16, 2023
787,914	\$0.65	August 16, 2023
614,810	\$0.85	August 24, 2023
51,701	\$0.65	August 24, 2023
8,214,287	\$0.90	February 25, 2024
1,150,000	\$0.90	February 25, 2024
428,572	\$0.90	March 9, 2024
818,012	\$0.50	May 18, 2024
154,000	\$0.50	October 4, 2024
451,613	\$0.31	November 5, 2024



# Key Themes



Old World Industry with Multiple Opportunities to Disrupt the Value Chain



\$5B Consolidation Opportunity of Highly Fragmented EBITDA Positive Businesses



Huge Growth Opportunity Through Operational Leverage at the Labs by Controlling Throughput

## Get In Touch



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