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FOR IMMEDIATE RELEASE

TSX-V:FARM

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Deveron Reports Fiscal Q2/2024 Financial Results

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- and six- months ended December 31st, 2023. Full financial results are available at www.sedarplus.ca.

Second Quarter 2024 Financial Highlights

As previously announced, the Company significantly reduced operating costs as a result of its decision to deprioritize the collection services within its carbon business unit, based on client volume experienced and future demand expectations. While this decision impacted revenue growth in the quarter, Deveron was able to post a strong increase in Adjusted EBITDA.

Fiscal Q2/2024 Non-IFRS Adjusted EBITDA grew 17% to \$5,629,992 in Q2/2024 from \$4,815,798 in the same period in the prior year. Revenue for Fiscal Q2/2024 grew 1% to \$15,308,396 from \$15,143,300 in the same period in the prior year. Fiscal H1/2024 Non-IFRS Adjusted EBITDA grew 20% to \$4,568,886 from \$3,801,188 in the same period in the prior year. Revenue for Fiscal H1/2024 grew 3% to \$23,026,999 from \$22,332,794 in the same period in the prior year.

Fertility testing increased in the quarter, offsetting the decline in carbon related collection services. Gross profit margin declined slightly from 77% to 74% due to higher prices for laboratory supplies and the change in the Company’s revenue mix. Operating expenses increased 23% to \$9.3M driven by a \$3.5M year-over-year change in the non-controlling interest, put obligation. Excluding this non-cash item, expenses declined by 16% as a result of the previously announced reduction in head count in the data products group and US operations. Adjusted EBITDA rose 17% to \$5.6M in the quarter, reflecting the emphasis on profitable fertility testing business and the right sizing of the US operations.

- Revenue grew 1% to \$15,308,396 in the quarter, the busiest quarter for fertility sampling.
- Non-IFRS Adjusted EBITDA improved to \$5,629,992, or 36.8% of revenue, representing an increase of 17% over the prior year.
- The company's Non-IFRS adjusted EBITDA margin percentage improved by 5% year-over-year to 36.8% from 31.8% in the similar period in F2023.
- Deveron repaid \$535,000 of its acquisition loan, which now stands at \$23,104,801 as of December 31, 2023.

"Deveron achieved strong results in FY Q2/2024 as we focus more on profitability and our core fertility business unit," said David MacMillan, President, and CEO of Deveron Corp. "Following our decision to deprioritize the unprofitable carbon collection service, the Company saw a great improvement in EBITDA margin year-over-year. As we look to the new year, we will continue to focus our efforts on the fertility business, doubling down on our most profitable business line. We see a great opportunity to optimize our channel partner strategy, targeting ag retail, with a three-pronged approach: Onboarding new brands, onboarding new locations of existing clients, and upselling current clients to higher-fidelity sampling, complete tests and soil health products. With a more streamlined cost structure, a new approach to our sales process, and a significant opportunity within the ag-retail space, we couldn't be more excited for the upcoming year."

Summary of Financial Results

Result of operations	For the three months ended			For the six months ended		
	December 31 st , 2023	December 31 st , 2022	% Change	December 31 st , 2023	December 31 st , 2022	% Change
Total Revenue	\$15,308,396	\$15,143,300	1%	\$23,026,999	\$22,332,794	3%
Gross Profit	11,334,347	11,725,583	-3%	16,348,880	16,045,991	2%
Gross Profit Margin %	74%	77%	-3%	71%	72%	-1%
Operating Expenses	9,328,672	7,557,701	23%	20,167,489	16,495,633	22%
Net Income (Loss)	1,436,526	3,975,835	-64%	(4,539,420)	(809,938)	-460%
Add Taxes	569,148	172,047	231%	720,811	360,297	100%
Add: Interest	1,010,523	1,842,469	-45%	1,901,823	2,973,400	-36%
Add: Acquisition and integration costs	-	-			1,050,506	-
Add: Non-cash Expense [^]	2,613,794	(1,174,555)	-	6,485,672	1,277,429	408%
Non-IFRS adjusted EBITDA (loss)*	5,629,992	4,815,798	17%	4,568,886	3,801,188	20%
Weight Average Common Shares Outstanding	156,413,687	116,387,677		156,294,819	116,387,677	
Per Share:						
Net Loss	0.01	-		(0.04)	(0.01)	

**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*

^Non-Cash Expenses Calculation

	For the three months ended		For the six months ended	
	December 31st, 2023	December 31st, 2022	December 31st, 2023	December 31st, 2022
Depreciation & Amortization	1,870,476	1,633,274	3,678,455	3,792,003
Share Based Payments	316,479	241,148	608,415	534,403
Change in NCI put obligation	426,839	(3,048,977)	2,198,802	(3,048,977)
Non-Cash Expenses [^]	\$2,613,794	(\$1,174,555)	\$6,485,672	\$1,277,429

Second Quarter 2023 Operational Highlights

Deveron Announces Closing of Private Placement of Convertible Debentures

On October 5th, the Company announced that further to its press release of September 25th, 2023, the Company had closed the first tranche of a non-brokered private placement through the issuance of 1,750 unsecured convertible debentures at a price of \$1,000 per Debenture for gross proceeds of \$1,750,000. The Company intends to use the net proceeds from the Offering to refinance the Company's outstanding promissory note and for general working capital.

Deveron Corp Announces the Launch of PFAS Testing Service

On November 1st, the Company announced the launch of a new testing service analyzing Per- and Polyfluoroalkyl Substances ("**PFAS**") in soil, water, compost and other matrices. PFAS are a group of synthetic chemicals that have gained significant attention due to their widespread use and potential environmental and health concerns. The Company announced the launch of a new testing service analyzing PFAS in soil, water, compost and other matrices.

Deveron Announces Implementation of Cost Optimization Program

On December 6th, the Company announced that the Company has implemented another phase of its cost optimization program. In a continued effort to prioritize profitable fertility-related field services execution and focus, Deveron has implemented \$1.5 M in cost savings mainly through the reduction of field staff and ancillary support costs within the Company's carbon business unit. The Company expects to achieve annual run rate savings totaling approximately \$2,400,000 when combined with the previous \$900,000 of cost synergies announced on November 21, 2023.

Deveron Announces Option Grant

On December 29th, the Company announced it has granted an aggregate of 2,500,000 stock options (the "**Options**") to purchase common shares (the "**Common Shares**") of the Company exercisable at a price of \$0.185 per Common Share and expiring on December 23, 2028, to certain employees of the Company. The common shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

Subsequent to Quarter End

On February 7th, the Company announced the onboarding of a new enterprise contract with a prominent player in PFAS remediation in water. PFAS are synthetic chemicals that have garnered significant attention due to their widespread use and potential environmental and health concerns.

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.sedarplus.ca. This news release is not in any way a substitute for reading those financial statements, including the notes to the financial 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.



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 drones, 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.sedarplus.ca. 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.