



DEVERON CORP.
1702-141 Adelaide Street West
Toronto ON M5H 3L5

FOR IMMEDIATE RELEASE
May 28, 2024

TSX-V:FARM

Deveron Reports Fiscal Q3/2024 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 nine months ended March 31st, 2024. Full financial results are available at www.sedarplus.ca.

Third Quarter 2024 Financial Highlights

- Non-IFRS EBITDA for the quarter improved 57% year-over-year to a loss of \$1,449,703 from a loss of \$3,378,030. Non-IFRS Adjusted EBITDA grew 674% year-over-year for the nine-month period ended March 31, 2024, to \$3,273,198 from \$423,158.
- Gross revenue for the quarter grew 2% year-over-year to \$5,453,028 from \$5,358,540. Gross revenue grew 3% for the nine-month period ended March 31, 2024, to \$28,480,027 from \$27,691,334.
- Fiscal Q3/24 operating expenses decreased 15% year-over-year to \$4,277,906 from \$6,134,379 as the Company realized results from the cost optimizations previously announced.

While FY Q3/2024 is typically seasonally weak, revenue grew 2% for the quarter. This was due to warmer conditions in March allowing for an early spring testing window before growers planted their seeds for the season.

The Company’s gross profit margin and adjusted EBITDA margin profiles made substantial improvements year-over-year due to the realization of previously announced cost optimization programs, which are expected to yield cost savings of \$2.4 million on an annual basis. The Company significantly reduced operating costs at the end of 2023, due to its decision to deprioritize collection services within its carbon business unit, based on actual and expected client volumes.

"Deveron made substantial strides to improving profitability in FY Q3/2024. This quarter, we began to see the benefits of our recent cost changes as we focus more on profitability and our

core fertility business unit," said David MacMillan, President and CEO of Deveron Corp. "Due to the nature of our business, FY Q3/2024 is the slowest season for the company. With positive improvements to EBITDA, operating expenses, and profit margin, we feel we have found our footing from a cost perspective. The company has seen some great success, recently closing two enterprise contracts with large US agribusinesses, with expected new sales of \$2.5M USD in calendar 2024. These contracts demonstrate the strong demand for Deveron's soil analysis solutions, which help farmers optimize their inputs, increase yields, and reduce environmental impact. The company expects revenue to be high margin, as all the service revenue is tied to testing, with 60% in the fertility segment and 40% related to total organic carbon testing. Based on sales success to date and the company's high customer retention rates and low churn, total US sales for 2024 are expected to demonstrate meaningful growth compared to 2023 sales."

Summary of Financial Results

Result of operations	For the three months ended			For the nine months ended		
	March 31 st , 2024	March 31 st , 2023	% Change	March 31 st , 2024	March 31 st , 2023	% Change
Total Revenue	\$5,453,028	\$5,358,540	2%	\$28,480,027	\$27,691,334	3%
Gross Profit	3,359,648	2,893,685	16%	19,708,528	18,939,676	4%
Gross Profit Margin %	62%	54%	8%	69%	61%	8%
Operating Expenses	7,632,484	9,006,895	-15%	27,799,973	25,502,527	9%
Net Income (Loss)	(4,277,906)	(6,134,379)	30%	(8,817,326)	(6,944,317)	27%
Add Taxes	5,071	21,169	-6%	725,881	381,466	90%
Add Interest	1,008,774	1,138,884	-11%	2,901,597	4,112,284	-27%
Add Non-cash Expense [^]	1,814,359	\$1,596,296	14%	8,300,031	2,873,725	189%
Non-IFRS adjusted EBITDA (loss)*	(1,449,703)	(3,378,030)	57%	3,273,198	423,158	674%
Weight Average Common Shares Outstanding	156,547,370	136,482,817		156,786,9729	136,482,817	
Net Loss Per Share	(0.03)	(0.04)		(0.07)	(0.05)	

**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 nine months ended	
	March 31st, 2024	March 31st, 2023	March 31st, 2024	March 31st, 2023
Depreciation & Amortization	1,896,093	1,792,182	5,574,548	5,584,185
Share Based Payments	236,906	563,786	845,321	1,098,189
Change in NCI put obligation	(318,640)	(759,672)	1,880,162	(3,808,649)
Non-Cash Expenses [^]	\$1,814,359	\$1,596,296	\$8,300,031	\$2,873,725

Third Quarter 2023 Operational Highlights

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.

Subsequent to Quarter End

On [April 25th](#), the Company announced the closing of an insider led, non-brokered private placement through the issuance of 575 unsecured convertible debentures at a price of \$1,000 per Debenture for gross proceeds of \$575,000. The Company intends to use the net proceeds from the Offering for general working capital.

On May 27th, the Company announced that it has received a letter (the “Demand Letter”) from two unsecured creditors demanding repayment of the unsecured loans evidenced by promissory

notes dated May 20, 2022 (collectively, the “Loans”) issued by Deveron in connection with the acquisition of a 67% interest in A&L Laboratories Canada East, Inc. (“A&L”).

Further to its press releases of May 10th, 2022, and May 18th, 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 second year through the proposed issuance of 6,146,373 common shares (each, a “Common Share”) in the capital of the Company at a price of \$0.11406 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.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).

Philip Linton
VP Corporate Development
plinton@deveron.com
Tel: 647-622-0076

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.