DEVERON

A New Level of Farming

DEVERON CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Deveron Corp. ("Deveron" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended June 30, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the periods ended June 30, 2024 and June 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of February 14, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Deveron common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR+) website at **www.sedarplus.ca**.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Growth of Deveron's business in the data acquisition and data analytics sector will be significant and profitable.	Financing will be available for the continued growth of data acquisition and data analytics sector	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and changes in environmental and other local legislation and regulation; changes in economic conditions
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2025. The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital or have adequate profits (defined as revenues less expenses), it may cease to be a reporting issuer	The operating activities of the Company for the twelve-month period ending June 30, 2025, and the costs associated therewith, will be consistent with Deveron's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Deveron	

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Deveron's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Deveron's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

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 testing and analysis processes 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 third party and in-house data technicians that are deployed to collect various types of farm data, from soil to drone, that forms the best-in-class data layers. Our focus is the US and Canada where 1 billion acres of farmland are actively farmed annually.

Deveron was incorporated under the laws of the Province of Ontario on March 28, 2011. On August 31, 2020, the Company changed its corporate name from Deveron UAS Corp. to Deveron Corp. On September 21, 2020, the Company was accepted for listing on the TSX Venture Exchange (the “TSXV”) as a Tier 2 issuer, and its common shares commenced trading on the TSXV under the symbol “FARM”. The primary office is located at 141 Adelaide Street West, Suite 1702, Toronto, ON M5H 3L5.

Operational Highlights

Corporate

On September 11, 2023, the Company announced the appointment of Akshay Shirodker as Chief Financial Officer ("CFO") of Deveron Corp, effective immediately; in addition, the Company announced that Carmelo Marrelli had resigned.

On September 25, 2023, the Company announced a non-brokered private placement of $2 million in unsecured convertible debentures ("Debenture") at a price of $1,000 per Debenture ("Offering"). The Company intends to use the net proceeds from the Offering for general working capital.

On October 5, 2023, the Company announced that it had closed the first tranche of a non-brokered private placement through the issuance of 1,750 unsecured Debentures, at a price of $1,000 per Debenture for gross proceeds of $1,750,000. In connection with the Offering, the Company paid certain eligible finders a cash commission in the aggregate of $91,000 and issued 216,666 finder’s warrants (each, a "Finder Warrant"). Each Finder Warrant entitles the holder thereof acquire one Common Share at a price of $0.42 per Common Share until the date that is twelve (12) months from the date of issuance.

On November 1, 2023, the Company announced that A&L Canada Laboratories, Inc., a subsidiary of Deveron Corp., has launched a new testing service analyzing pre-and polyfluoroalkyl substances ("PFAS") in soil, water, compost and other matrices. PFAS are group of synthetic chemicals that have gained significant attention due to their widespread use and potential environmental and health concerns.

On December 6, 2023, the Company announced that it has implemented another phase of its cost optimization program. In a continued effort to prioritize profitable fertility related field services execution and focus, the Company has implemented $1.5 million in cost savings mainly through the reduction of field staff and ancillary support costs within the Company's carbon business unit.

On December 29, 2023, the Company granted an aggregate of 2,500,000 stock options to purchase common shares of the Company exercisable at a price of $0.185 per common share and expiring on December 23, 2028, to 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.

On February 7, 2024, the Company announced the onboarding of a new enterprise contract with a prominent player in Per- and Polyfluoroalkyl Substances ("PFAS") remediation in water PFAS are synthetic chemicals that have garnered significant attention due to their widespread use and potential environmental and health concerns.

On April 25, 2024, the Company announced that it had closed a 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 debenture will mature three (3) years following the date of issuance and will bear interest at an interest rate of nine percent (12%) per annum, payable in arrears in cash or the equivalent value in common shares based on a price per common share equal to the greater of (A) the 20 trading day volume weighted average trading price of the common shares on the TSXV ending five trading days preceding the investment due date and (B) the Market Price of the common shares at the time the interest becomes payable. The holder of a debenture will have the right, from time to time and at any time after first year anniversary of the date of issuance, to the maturity date, to convert all or any portion of the outstanding principal amount into common shares, at a conversion price of $0.20 per common share.

On May 27, 2024, the Company announced that it has received a letter from two unsecured creditors demanding repayment of the unsecured loans evidenced by promissory notes dated May 20, 2022, issued by Deveron in connection with the acquisition of a 67% interest in A&L Laboratories Canada East, Inc. ("A&L"). The loans have aggregate principal amounts of $4,726,600 with accrued interest at maturity amounting to $400,949.

On June 21, 2024, the Company announced that it has settled an aggregate of $701,055 of indebtedness owed to the holders of the 7% unsecured convertible debentures, representing the accrued interest for the second year of the debentures. In connection with the debt settlement, the Company issued an aggregate of 6,146,341 common shares in the capital of the Company at a price of $0.11406 per common share.

Company Update

There are almost 1 billion acres of farmland in North America, and it is estimated that, currently, data and technology are applied in making input decisions (such as seeding, fertilizer use etc.) on only 30% of this total area under cultivation.

Science and technology can have a significant role to play in improving farm outcomes; including yields, profitability and climate impact.

Deveron is a growing company focused on the North American agriculture market that provides:

- Agricultural laboratories and soil and plant health testing services
- Educational services focused on soil and plant health
- Data collection services via soil sampling, and other methods
- Data insights to better manage inputs like fertilizer, seed, water and other crop protection that is based on highly localized data and farm variability
- Carbon sequestration data services, serving many of the largest agriculture companies with field and analytical support for their carbon programs
- Standardized data solutions and technology platforms that helps farmers, agronomists and agri-businesses record, organize and leverage on-farm information to make better decisions

Deveron provides these services directly through:

- Our network of laboratories across Canada and the USA
- Our growing network of local agronomists and partner channels
- Our digital affiliations with multi-national input companies
- Our online presence at www.deveron.com

Deveron is focused on removing the subjective decision making of farming and making it easy for any grower, using any brand of input or equipment, to use data to make more money on the farm.

Trends and Economic Conditions

Deveron's operations are focused within the agriculture marketplace. Soil testing, plant tissue analysis, imagery and other data solutions will have a significant effect on this market by allowing farmers to reduce costs, strengthen yields and improve profitability. Other trend factors impacting agriculture are changes to applicable laws and regulations, weather conditions, rising fertilizer and other agricultural costs, the availability of qualified people, and obtaining necessary services in jurisdictions where Deveron operates. The current trends relating to these factors could change at any time and negatively affect Deveron's operations and business.

Deveron is managing its business during uncertain market, political and economic conditions, including among others, geopolitical and other risks associated with our operations, including military actions, protectionism and reactive countermeasures, economic or other sanctions or trade barriers.

Apart from these factors and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Related Party Transactions

Shareholder

As of June 30, 2024, the Company has a short term loan due from a related party in the amount of $547,684 (June 30, 2024 - $584,158) owed to them from a shareholder of the Company. This loan is non-interest bearing and is due on demand.

Marrelli Group of Companies

During the year ended June 30, 2024, the Company incurred professional fees of $14,804 (six months ended June 30, 2023 - $125,161) to a group of companies of which Carmelo Marrelli is Managing Director. As of March 31, 2024, Mr. Marrelli was the former Chief Financial Officer of Deveron. He had resigned as of September 11, 2023. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2024, the group of companies was owed $31,678 (June 30, 2023 - $10,721) and this amount is included in accounts payable and accrued and other liabilities.

Related party transactions

During the year ended June 30, 2024, the Company also incurred legal fees of $86,120 (six months ended June 30, 2023 - $62,915) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a former director of Deveron. Included in the June 30, 2024 accounts payable and accrued and other liabilities is $170,050 due to Irwin Lowy LLP (June 30, 2023 - $49,661).

Remuneration of directors and key management personnel of the Company was as follows:

	Twelve Months Ended June 30, 2024	Six Months Ended June 30, 2023
Salaries and benefits	**$ 671,783**	$ 505,965
Directors fees	**53,750**	62,189
Professional fees	**100,924**	188,076
	$ 826,457	$ 756,230

Outlook

For the immediate future, the Company intends to continue to focus on testing and analytic services. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. See "Cautionary Note Regarding Forward-Looking Statements", "Trends and Economic Conditions" and "Risk Factors".

The Company may need to secure additional financing to meet its ongoing obligations; however, there is no assurance that the Company will be able to do so. See "Cautionary Note Regarding Forward-Looking Statements" and "Trends and Economic Conditions" in "Risk Factors".

Selected Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company as at June 30, 2024, June 30, 2023 and December 31, 2022 and for the periods then ended.

	Year ended June 30, 2024	Six months ended June 30, 2023	Year ended December 31, 2022
Total revenues	$ 35,316,939	$ 14,265,009	$ 28,923,133
Total loss	$ (56,358,446)	$ (13,701,606)	$ (8,573,905)
Net loss per share - basic	$ (0.37)	$ (0.10)	$ (0.07)
Net loss per share - diluted	$ (0.37)	$ (0.10)	$ (0.07)
	As at June 30, 2024	**As at June 30, 2023**	**As at June 30, 2022**
Total assets	$ 56,858,833	$ 109,228,245	$ 116,727,088
Total non-current financial liabilities	$ 32,306,755	$ 59,208,988	$ 57,498,353
Distribution of cash dividends	$ nil	$ nil	$ nil

- The net loss for the year ended June 30, 2024, consisted primarily of (i) share-based payments of $1,064,118; (ii) salaries and benefits of $12,150,397; (iii) change in NCI put obligation of $839,664; (iv) depreciation of $4,487,087; (v) professional fees of $976,601; (vi) amortization of intangible assets of $3,454,438 and (vii) impairment expense of $43,132,423 and (viii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net agronomic services of $35,316,939 and (ii) interest income of $933.

- The net loss for the six months ended June 30, 2023, consisted primarily of (i) share-based payments of $900,841; (ii) salaries and benefits of $7,443,947; (iii) change in NCI put obligation of $3,296,586; (iv) depreciation of $1,798,538; (v) professional fees of $815,870; (vi) amortization of intangible assets of $1,789,662 and (vii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net drone and agronomic services of $14,265,009 and (ii) interest income of $20,673.

- The net loss for the year ended December 31, 2022, consisted primarily of (i) share-based payments of $1,147,082; (ii) salaries and benefits of $11,396,425; (iii) change in NCI put obligation of $3,048,977; (iv) depreciation of $2,574,996; (v) professional fees of $2,338,257; (vi) amortization of intangible assets of $2,255,488 and (vii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net drone and agronomic services of $28,923,133 and (ii) interest income of $58,568.

Three Months Ended	Total Revenue ($)	Profit or(Loss)		Total Assets ($)
		Total ($)	Basic and Diluted Income (Loss) Per Share ($)	
June 30, 2024(1)	6,836,912	(4,284,276)	(0.03)	56,858,833
March 31, 2024(2)	5,453,028	(4,277,906)	(0.03)	102,451,765
December 31, 2023(3)	15,308,397	(41,262,319)	(0.26)	106,894,375
September 30, 2023(4)	7,718,603	(5,975,946)	(0.04)	106,030,197
June 30, 2023(5)	8,906,469	(7,567,227)	(0.05)	109,228,245
March 31, 2023(6)	5,358,540	(6,134,379)	(0.04)	109,213,655
December 31, 2022(7)	15,143,300	3,975,837	0.03	116,727,088
September 30, 2022(8)	7,189,494	(4,785,772)	(0.04)	111,178,367

Notes:

1) The Company’s net loss totaled $4,284,276 for the three months ended June 30, 2024, with basic and diluted loss per share of $0.02. Activities for the three months ended June 30, 2024, principally involved salaries and benefits of $2,408,819; change in NCI put obligation of $1,040,498; professional fees of $424,831, representing costs incurred for general legal, accounting and audit services; depreciation of $1,654,596; amortization of intangible assets of $712,382; office and general of $2,241,554; impairment expense of $433,577 and cost of services of $2,936,446 which was offset by data services revenues of $6,836,912; and interest income of $43,878.

2) The Company’s net loss totaled $4,277,906 for the three months ended March 31, 2024, with basic and diluted income per share of $0.03. Activities for the three months ended March 31, 2024, principally involved share-based payments of $236,906; salaries and benefits of $2,711,801; professional fees of $221,022, representing costs incurred for general legal, accounting and audit services; interest expenses of $1,008,774; depreciation of $979,605; amortization of intangible assets of $916,488, office and general of $1,897,925; and cost of services of $2,093,380 which was offset by data services revenue of $5,453,028; and interest income of $32.

3) The Company’s net loss totaled $41,262,319 for the three months ended December 31, 2023, with basic and diluted loss per share of $0.20. Activities for the three months ended December 31, 2023, principally involved share-based payments of $316,479; change in NCI put obligation of $426,839; professional fees of $30,563, representing costs incurred for general legal, accounting and audit services; depreciation of $951,862; amortization of intangible assets of $918,614; office and general of $2,201,617; impairment expenses of $42,298,846 and cost of services of $3,974,051 which was offset by data services revenues of $15,308,397; and interest income of $1,768.

4) The Company's net loss totaled $5,975,946 for the three months ended September 30, 2023, with basic and diluted loss per share of $0.04. Activities for the three months ended September 30, 2023, principally involved share-based payments of $291,936; salaries and benefits of $3,496,088; professional fees of $300,185, representing costs incurred for general legal, accounting and audit services; interest expenses of $891,300; depreciation of $901,025; amortization of intangible assets of $906,954, office and general of $2,447,943; and cost of services of $2,704,068 which was offset by data services revenue of $7,718,603 and interest income of $43,010.

5) The Company's net loss totaled $7,567,227 for the three months ended June 30, 2023, with basic and diluted loss per share of $0.05. Activities for the three months ended June 30, 2023,principally involved salaries and benefits of $3,952,747; change in NCI put obligation of $4,056,258; professional fees of $430,073, representing costs incurred for general legal, accounting and audit services; interest expenses of $348,461; depreciation of $896,516; amortization of intangible assets of $899,502; office and general of $2,085,424; and cost of services of $2,408,125 which was offset by data services revenues of $8,906,469; and interest income of $7,378.

6) The Company's net loss totaled $6,134,379 for the three months ended March 31, 2023, with basic and diluted income per share of $0.04. Activities for the three months ended March 31, 2023, principally involved share based payments of $563,786; salaries and benefits of $3,491,200; professional fees of $385,797, representing costs incurred for general legal, accounting and audit services; interest expenses of $1,138,884; depreciation of $902,022; amortization of intangible assets of $890,160, office and general of $2,419,278; and cost of services of $2,464,855 which was offset by data services revenue of $5,358,540; and interest income of $13,295.

7) The Company's net income totaled $3,975,837 for the three months ended December 31, 2022, with basic and diluted loss per share of $0.03. Activities for the three months ended December 31, 2022, principally involved share-based payments of $241,148; change in NCI put obligation of $3,048,977; professional fees of $392,509, representing costs incurred for general legal, accounting and audit services; depreciation of $1,054,790; amortization of intangible assets of $578,484; office and general of $2,338,319; and cost of services of $3,417,717 which was offset by data services revenues of $15,143,300 and interest income of $13,672.

8) The Company's net loss totaled $4,785,772 for the three months ended September 30, 2022, with basic and diluted loss per share of $0.04. Activities for the three months ended September 30, 2022, principally involved share-based payments of $293,255; salaries and benefits of $2,552,974; professional fees of $309,092, representing costs incurred for general legal, accounting and audit services; interest expenses of $1,130,931; depreciation of $735,699; amortization of intangible assets of $1,423,030, office and general of $2,865,629; and cost of services of $2,869,087 which was offset by data services revenue of $7,189,494 and interest income of $3,205.

9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Key Performance Indicators

The Company monitors a number of key performance indicators to evaluate performance. Some of the key performance indicators used by management are recognized under IFRS Accounting Standards, whereas others are non-IFRS measures and are not recognized under IFRS Accounting Standards. These non-IFRS measures are provided as additional information to complement the IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. We believe that non-IFRS financial measures are useful to investors and others in assessing our performance; however, these measures should not be considered as a substitute for reported IFRS Accounting Standards measures nor should they be considered in isolation. As these measures are not recognized measures under IFRS Accounting Standards, they do not have a standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies. For a reconciliation of the non-IFRS measures to the most directly comparable measure calculated in accordance with IFRS Accounting Standards, see section entitled "Non-IFRS Measures" below.

IFRS Accounting Standards Measures

Revenue

The Company generates revenue by providing data collection, testing and analytics services to the agricultural industry in Canada and the United States. Contracts for the Company's services, including carbon services, soil sampling, drone data etc., is based on the collection of on-farm data through the Company's network of third party and in-house data technicians. The Company's products and services are also sold through dealers, affiliates and other companies that partner with the Company in certain regions.

Cost of Services

Cost of services includes agronomic services and laboratory fees, salaries and benefits, software and processing fees, employee-related expenses, subcontractor costs, and vehicle and travel-related expenses that are directly related to the product and services that the Company provides.

Gross Margin

Gross margin reflects our revenue less cost of services.

Operating expenses

Operating expenses consist primarily of salaries and benefits, office and general, share-based payments, depreciation and amortization among others. Salaries and benefits include employee related expenses for our sales and operations, general and administrative, and finance teams.

Office and general expenses consist primarily of travel, short-term rent, corporate and public relations, software subscriptions, bank charges, bad debts and insurance-related expenses among others.

Non-IFRS Measures

Adjusted EBITDA

Adjusted EBITDA is a supplemental measure used by management and other users of Deveron's audited consolidated financial statements, including Deveron's lenders and investors, to assess the financial performance of the Company's business without regard to financing methods or capital structure. Adjusted EBITDA is also a key metric that management uses prior to execution of any strategic investing or financing opportunity. For example, management uses Adjusted EBITDA as a measure in determining the value of acquisitions, expansion opportunities, and dispositions. In addition, Adjusted EBITDA is utilized by financial institutions to measure borrowing capacity. The Company believes that Adjusted EBITDA is useful to management, lenders, and investors in assessing the underlying performance of its ongoing operations and its ability to generate cash flows to fund its cash requirements.

The Company defines Adjusted EBITDA as IFRS net loss excluding interest expense, depreciation and amortization expense, share-based payments, income tax expense, acquisition and integration costs, and impairment of goodwill and intangible assets, property, plant, and equipment and right-of-use assets ("ROU"), and change in Non-Controlling Interest ("NCI") put obligation.

The following table reconciles Adjusted EBITDA to Net loss for the periods indicated:

	For the three months ended	For the three months ended	**For the year ended**	For the six months ended
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
IFRS Net (Loss) Income	**$ (4,842,276)**	$ (7,567,227)	**$ (56,358,446)**	$ (13,701,606)
Interest	**629,996**	1,466,431	**3,495,841**	2,600,091
Depreciation & Amortization	**2,366,978**	1,796,018	**7,941,525**	3,588,200
Share-based payments	**218,797**	337,055	**1,064,118**	900,841
Income Taxes	**1,035,480**	98,872	**1,761,362**	120,041
Change in NCI put obligation	**(1,040,498)**	4,056,258	**839,664**	3,296,586
Impairment Charges	**433,577**	-	**43,132,423**	-
Adjusted EBITDA (Loss)	**$ (1,197,946)**	$ 187,407	**$ 1,876,487**	$ (3,195,847)

Selected Financial Information

Certain selected financial information is set out below:

	For the three months ended	For the three months ended	For the year ended	For the six months ended
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Total revenues	**$ 6,836,912**	$ 8,906,469	**$ 35,316,939**	$ 14,265,009
Gross margin	**4,002,349**	6,498,290	**23,608,995**	9,392,029
Gross margin %	**58.5 %**	73.0 %	**66.8 %**	65.8 %
Operating expenses	**7,809,143**	13,966,645	**78,206,079**	22,973,594
Adjusted EBITDA (loss)	**(1,197,946)**	187,407	**1,876,487**	(3,195,847)
Net loss	**$ (4,842,276)**	$ (7,567,227)	**$ (56,358,446)**	$ (13,701,606)
Basic and diluted net loss per common share	**$ (0.03)**	$ (0.04)	**$ (0.37)**	$ (0.10)
Weighted average common shares outstanding	**156,547,370**	142,087,346	**156,786,972**	142,087,346

Consolidated results of operations:

	For the three months ended	For the three months ended	For the year ended	For the six months ended
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Data collection	**$ 1,138,370**	$ 2,213,869	**$ 7,121,590**	$ 3,109,729
Data analytics	**5,698,542**	6,692,600	**28,195,349**	11,155,280
Total Revenue	**6,836,912**	8,906,469	**35,316,939**	14,265,009
Cost of services	**(2,834,563)**	(2,408,179)	**(11,707,944)**	(4,872,980)
Gross Margin	**4,002,304**	6,498,290	**23,608,995**	9,392,029
Expenses				
Salaries and benefits	**2,510,701**	3,952,747	**12,150,397**	7,443,947
Office and general	**2,139,673**	2,085,369	**8,789,039**	4,504,702
Share-based payments	**218,797**	337,055	**1,064,118**	900,841
Depreciation	**1,654,596**	896,516	**4,487,087**	1,798,538
Professional fees	**424,831**	430,073	**976,601**	815,870
Amortization of intangibles	**712,382**	899,502	**3,454,438**	1,789,662
Interest expense	**629,996**	1,466,431	**3,495,841**	2,600,091
Foreign exchange (gain)/loss	**2,581**	(65,913)	**(50,650)**	(75,453)
Interest income	**(875)**	(12,601)	**(933)**	(20,673)
Gain on disposition of PP&E	**-**	(78,792)	**-**	(80,517)
Gain on disposition of ROU	**21,500**	-	**(131,946)**	-
Impairment of goodwill	**433,577**	-	**43,132,423**	-
Change in NCI put obligation	**(1,040,498)**	4,056,258	**839,664**	3,296,586
Operating Expenses	**7,707,261**	13,966,645	**78,206,079**	22,973,594
Income tax expense	**$ 1,035,480**	$ 98,872	**$ 1,761,362**	$ 120,041
Net loss for the period	**$ (4,842,276)**	$ (7,567,227)	**$ (56,358,446)**	$ (13,701,606)

Discussion of operations

Three months ended June 30, 2024, compared with three months ended June 30, 2023

Deveron's net loss totaled $4,842,276 for three months ended June 30, 2024, with basic and diluted loss per share of $0.03. This compares with a net loss of $7,567,227 with basic and diluted loss per share of $0.04 for the three months ended June 30, 2023. The decrease of $2,742,951 in net loss was principally due to the following:

- Total revenues decreased by $2,069,557 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. Data collections revenue decreased by $1,075,499 and Data analytics revenue decreased by $994,058. Decline is attributable to discontinuance of servicing carbon programs.
- Cost of services increased by $426,384 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The increase in cost of services is due to reallocation of services to the cost of services line that previously was reported in salaries and benefits, to enhance our measurement of servicing revenue.
- Professional fees decreased by $5,242 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The decrease is attributable to a reduction in related expenses.
- Office and general increased by $54,304 for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The increase is attributable to the corporation's restructuring efforts enacted in December 2023.
- Salaries and benefits decreased by $1,442,046 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The decrease is attributable to cost saving restructuring done during the prior quarters.
- Depreciation increased by $758,080 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The increase is attributable to depreciation recorded on equipment, land and building, drones, vehicles and right-of-use assets acquired during the current and prior years.
- Intangible amortization decreased by $(187,120) for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The increase primarily relates to the acquisitions of Agri-Labs, A&L, and Frontier Labs in the prior year.
- Share-based payments decreased by $118,258 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Change in the NCI put/call obligation decreased by $5,096,756 for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The decrease is due to the timing of revaluation of the acquired lab asset, and the change in EBITDA at A&L Labs. The company revalued the expense using an independent valuation expert to arrive at the fair market value of the obligation as at June 30, 2024.
- All other expenses related to general working capital expenditures.

Year ended June 30, 2024, compared with six months ended June 30, 2023

Deveron's net loss totaled $56,358,446 for year ended June 30, 2024, with basic and diluted loss per share of $0.37. This compares with a net loss of $13,701,606 with basic and diluted loss per share of $0.10 for the six months ended June 30, 2023. The increase of $42,656,840 was principally due to the following:

- Total revenues increased by $21,051,930 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. Data collections revenue decreased by $4,011,861. Data analytics revenue increased by $17,040,069. The decrease in data collections revenue is due to Deveron discontinuing servicing of carbon programs. The increase in Data Analytics revenue is due to the comparative period covering the complete year including the primary testing season, compared to prior year comparatives.

- Cost of services increased by $6,834,964 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The increase in cost of services is due to reallocation of services to the cost of services line that previously was reported in salaries and benefits, to enhance our measurement of servicing revenue.

- Salaries and benefits increased by $4,706,450 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The increase is attributable to the comparative period including an additional 6 months, but monthly salaries and benefits are lower due to cost restructuring enacted in the period.

- Office and general increased by $4,284,337 for the year ended June 30, 2024 compared to the six months ended June 30, 2023. The increase to the comparative period including an additional 6 months, but monthly expenses have declined as a result of the company's restructuring efforts.

- Depreciation increased by $2,688,549 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The increase is attributable to depreciation recorded on equipment, land and building, drones, vehicles and right-of-use assets over a 12-month period vs a 6-month period.

- Professional fees increased by $160,731 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The increase is attributable to the timing of professional fees and expenses incurred in relation to obtaining a shareholder settlement.

- Intangible amortization increased by $1,664,776 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The increase is due to the timing of reporting for the period.

- Interest expense increased by $895,750 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The year over year increase is attributable to the inclusion of 6 months of additional interest per the reporting periods.

- Impairment expense increased by $43,132,423 for the year ended June 30, 2024, compared to the six months ended June 30, 2023. The year over year increase is attributable to the work performed as part of the annual impairment testing. The impairment expense represents a write down of the goodwill and intangible assets related to our acquired assets.

Deveron's total assets at June 30, 2024 were $56,858,833 (June 30, 2023 - $109,228,245) against total liabilities of $74,702,099 (June 30, 2023 - $72,610,537). The decrease in total assets of $52,369,412 resulted primarily from the right down of goodwill and intangible assets, as part of our annual impairment testing. The Company's current liabilities of $42,395,344 exceeds current assets of $5,364,381 at June 30, 2024.

Cash Flow

At June 30, 2024, the Company had cash and cash equivalents of $1,193,894. The decrease in cash of $1,770,826 from the June 30, 2023 cash balance of $2,964,720 was a result of cash inflow in operating activities of $4,496,104, cash outflow from investing activities of $1,484,141 and cash outflow from financing activities of $4,782,789. Operating activities were affected by depreciation of $4,487,087, amortization of intangibles of $3,454,438, share-based payments of $1,064,118, interest expense of $3,495,841, gain on disposition of property, plant and equipment of $131,946, change in NCI put obligation of $839,664, foreign exchange and other of $939,569 and net change in non-cash working capital balances of $3,691,132 because of a decrease in accounts receivable, prepaids and other receivables of $1,483,716, an increase in accounts payable, accrued and other current liabilities of $2,107,101 and income tax paid of $100,315. Investing activities were affected by the cash payment of $91,647 for the contingent consideration from previous acquisitions, $1,456,441 for the purchase of property, plant and equipment, $1,456,441 for the purchase of right-of-use assets and offset by $63,947 for the proceeds on the disposition of right-of-use assets. Financing activities were affected by proceeds of convertible debentures net of fees of $2,234,000, and proceeds from related party of $36,474, and offset by loan repayments of $200,000, share issue costs of $13,000, lease payments of $2,404,281 as well as credit facility principal and interest payments of $2,664,776.

Liquidity and Financial Position

As at June 30, 2024, the Company had a working capital deficit of $37,030,963 (June 30, 2023 – working capital deficit of $4,782,626). The Company’s continuing operations have previously been dependent on its ability to secure equity and/or debt financing.

The Company expects financing through the completion of equity transactions such as equity and debt offerings. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See “Cautionary Note Regarding Forward-Looking Statements”, “Trends and Economic Conditions” and “Risk Factors”.

In the following 12-month period, the business objective of Deveron is to grow its customer base through market awareness of its service offering to growers in Canada and the United States and through acquisitions. Deveron intends to focus on the following business objectives:

a) Continue development of the lab network to provide on demand data services to the agricultural industry across Canada and select strategic regions in the United States;

b) Continue marketing service offering through current sales network; and

c) Continue to work with current and future partners on data integration, testing, and analytics

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Share Capital

As at the date of this MD&A, the Company had a total of 213,444,888 common shares issued and outstanding.

Capital Management

The Company includes equity, comprising issued share capital, reserves, accumulated other comprehensive income and deficit, equity component of the convertible debentures, and non-controlling interest in in the definition of capital, which as at June 30, 2024, totaled $17,843,266 (June 30, 2023 - $36,617,708).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its acquisition strategy, technology development, and research and development costs devoted to identifying and commercializing new services. To secure the additional capital necessary to continue with its activities, the Company may attempt to raise additional funds through the issuance of debt or equity.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board on an ongoing basis.

There were no changes in the Company's objective, process, policies and approach to capital management during the year ended June 30, 2024 and the six months ended June 30, 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

Financial Instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada and trades receivable. Sales tax receivable are in good standing as of June 30, 2024. Management believes that the credit risk with respect to these amounts receivable is minimal. As at June 30, 2024, the provision for amounts receivable is $38,747 (June 30, 2023 - $223,616).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its operating and financing activities. As at June 30, 2024, the Company had cash and cash equivalents of $1,193,894 (June 30, 2023 - $2,964,720) to settle current liabilities of $42,395,344 (June 30, 2023 - $13,401,549). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company obtained its financing through the equity and debt market. If the Company cannot obtain the necessary financing to fund its operating activities, the Company might not be able to continue as a going concern entity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity price.

Interest rate risk

The Company has cash balances. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered banks and US banks with which it keeps its bank accounts. As at June 30, 2024, the Company did not have any surplus cash in high yield savings accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company is exposed to interest rate risk through its loans payable, borrowings under credit facility, promissory notes and convertible debentures.

Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar. Certain of the Company's revenues and expenses are incurred in USD and are therefore subject to gains and losses due to fluctuations against the functional currency.

Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company’s loss due to movements in individual equity prices or general movements in the level of stock market.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and amounts receivable and amounts payable and other liabilities that are denominated in USD. As at June 30, 2024, had the USD weakened/strengthened by 10% against the CAD with all other variables held constant, the Company’s consolidated statements of comprehensive loss for the year ended June 30, 2024 would have been approximately $788,631 higher/lower as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments. Similarly, as at June 30, 2024, shareholders' equity would have been approximately $381,157 higher/lower had the USD weakened/strengthened by 10% against the CAD as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments.

Risk Factors

Deveron operates in evolving markets, which makes it difficult to evaluate its business and future prospects.

Deveron cannot accurately predict the extent to which demand for its services will increase, if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact Deveron’s ability to do the following:

- generate sufficient revenue to maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in its operations;

- develop and renew contracts;
- attract and retain other highly-qualified personnel;
- successfully develop and commercially market new services;
- adapt to new or changing policies; and
- access additional capital when required and on reasonable terms.

If Deveron fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company.

Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. However, as time goes on, it will likely have an impact on how the Company conducts its business.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer’s generally accepted accounting principles (IFRS). The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Events After The Reporting Period

a) On May 14, 2024, the Company received $200,000 and a further $250,000 on June 19, 2024, for a total of $450,000 as a non-interest bearing, bridge loan from a shareholder to fund ongoing operations. This amount was to be settled as part of the private placement settled as per the terms outlined.

b) On August 15, 2024, the Company announced that it had reached a settlement agreement ("Settlement Agreement") with the principal of 27436130 Ontario Inc., Greg Patterson. Pursuant to the Settlement Agreement, the Company intends to complete a non-brokered private placement offer for units of the Company at an offering price of $0.07 per unit for net proceeds of up to $3,000,000. Each unit shall be comprised of one common share in the capital of the Company and one half of one common share purchase warrants excisable for 18 months at an exercise price of at least $0.10. As part of the Settlement Agreement:

  - Greg Patterson agrees to withdraw the Requisition and, along with the Settlement Parties, agrees to customary standstill covenants related to, among other things, the solicitation of proxies and the voting of securities of the Company, until the later of the day after the 2025 annual meeting of shareholders of the Company or the repayment of the Promissory Notes.

  - The repayment of the Promissory Notes will be extended 30 months and the relevant Settlement Parties agree to work towards development of a reasonable repayment plan.

  - Greg Patterson will have the right to have one nominee (the “Initial Nominee”) serve on the board of directors of the Company (the “Board”) until the later of the 2025 annual meeting of shareholders of the Company or the repayment of the amounts outstanding under the Promissory Notes (the “Outside Date”).

  - The Board will be fixed at five persons and Ron Patterson, as the initial nominee of Greg Patterson, will be appointed to the Board along with Albert Contardi. Upon the occurrence of certain specified events, Greg Patterson shall be entitled to replace Albert Contardi with an additional nominee to the Board.

  - To facilitate the transition to the new Board, Bill Linton, Chris Irwin, Joelle Faulkner and Tim Close agree to resign as directors of the Company such that the new Board will be comprised of Greg Patterson, Ron Patterson (who shall serve as Chair of the Board), Roger Dent, David MacMillan and Albert Contardi.

- The Settlement Parties agree to ensure that the Company does not take certain actions relating to, among other things, certain financings and acquisitions and dispositions, changes to the management of the Company or its subsidiaries or material changes in the business of the Company or its subsidiaries, without the approval of at least four directors.

c) On September 4, 2024, the Company announced that it had closed the first tranche of a non-brokered private placement through the issuance of 22,805,991 units in the capital of the Company at a price of $0.07 per unit for gross proceeds of $1,596,419. Each unit is comprised of one common share in the capital of the Company and one half of one whole Common Share Purchase warrant. Each warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 per Common Share until the date that is eighteen (18) months from the date of issuance. In connection with the Offering, the Company paid StephenAvenue Securities Inc., an aggregate of $35,749.99 and issued an aggregate of 510,713 broker warrants. Each Broker warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 per Common Share for a period of 18 months from the date of issuance.

d) On September 16, 2024, the Company announced that it had closed the final tranche of a non-brokered private placement through the issuance of 21,991,300 units in the capital of the Company at a price of $0.07 per unit for gross proceeds of $1,539,391. Each unit is comprised of one common share in the capital of the Company and one half of one whole Common Share Purchase warrant. Each warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 per Common Share until the date that is eighteen (18) months from the date of issuance. In connection with the Offering, the Company paid Canaccord Genuity Corp., an aggregate of $100,060 and issued an aggregate of 1,429,430 broker warrants. Each Broker warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 per Common Share for a period of 18 months from the date of issuance.

e) On September 19, 2024, the Company announced that it has satisfied the conditions precedent to the settlement agreement (August 14, 2024), between the Company and certain parties. In accordance to the Settlement Agreement, each of Bill Linton, Chris Irwin, Joelle Faulkner and Tim Close have resigned as directors of the Company. Ron Patterson and Albert Contardi have been appointed as directors of the Company, which has been fixed at five directors. Ron Patterson has been appointed the Chair of the board of directors of the Company.

f) On October 4, 2024, the Company announced that it has settled an outstanding promissory note in the amount of $400,000 through the issuance of 5,714,285 Units, with each Unit being comprised of one common share and one-half of one whole common share purchase warrant. Each warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 per Common Share until the date that is eighteen (18) months from the date of issuance.

g) On October 18, 2024, the Company announced that the Ontario Securities Commission has denied the Company's application for a voluntary management cease trade order ("MCTO") under National Policy 12-203 as the Company did not meet the criteria for an MCTO.

Additional Information

Additional information concerning the Company is available on Sedar+ at **www.sedarplus.ca.**