DEVERON CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

(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 year ended December 31, 2021. 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 years ended December 31, 2021 and 2020, 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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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 March 30, 2022, 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.sedar.com**.

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 December 31, 2022. 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 December 31, 2022, 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	Changes in debt and equity markets; ongoing uncertainties relating to the COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in costs; and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

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 was incorporated under the laws of the Province of Ontario on March 28, 2011.

Deveron (TSX-V: FARM) is a leading agriculture data company based in Toronto, Ontario. The company provides a variety of analytical data and field services for the North American agricultural industry. Deveron acquires and operates local farm advisors and soil laboratories, who then leverage the Company's standardized data solutions and technology platforms to grow their businesses. Deveron is a leading provider of carbon sequestration data, serving many of the largest agriculture companies with field and analytical support for their carbon programs. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

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”.

Operational Highlights

Corporate

On January 15, 2021, the Company granted 1,225,000 stock options to certain officers, employees and advisors to the Company. The stock options, at a price of $0.43 per share, will expire in three years from the issue date.

On January 26, 2021, the Company announced that it has launched a fixed wing imagery pilot program for the 2021 season. The program is available in southwestern Ontario, an agriculture market of 8 million acres of farmland. The key focus of the pilot program is to provide growers with a cost effective means to make crop protection decisions and help increase yield.

On February 19, 2021, the Company acquired FD Agro Technologies LLC (“Farm Dog”), an award-winning agriculture data platform company that helps farmers, agronomists and agribusinesses record, organize and leverage on-farm information to make better decisions. Refer to “Acquisition of Farm Dog” section below for more details.

On February 22, 2021, the Company granted 325,000 stock options to an employee to the Company. The stock options, at a price of $0.64 per share, will expire in five years from the issue date.

On March 11, 2021, the Company appointed Mr. Hogan, CPA, CA as VP – Finance.

On March 12, 2021, the Company granted 175,000 stock options to an officer of the Company. The stock options, at a price of $0.75 per share, will expire in five years from the issue date.

On April 6, 2021, the Company formed a Joint Venture ("JV") with A&L Canada Laboratories Inc. ("A&L"), and together have acquired the assets of Woods End Laboratories ("Woods End"), a US based leader in agricultural soil health testing. Refer to “Acquisition of Woods End” section below for more details.

On April 27, 2021, the Company has appointed Mr. Joshi as VP – Engineering. The Company has granted Mr. Joshi 175,000 options to purchase common shares exercisable at a price of $0.74 per common share. The options expire on April 27, 2026, vested over 3 years.

On May 14, 2021, the Company entered into a definitive agreement (the “Definitive Agreement”) to acquire the assets of Tana Ag Solutions Group LLP (“Tana Ag”), an Oklahoma based digital agronomy company focused on soil health and yield improvement (the “Acquisition”). Refer to “Acquisition of Tana Ag” section below for more details.

On May 26, 2021, the Company entered into an agreement to acquire the assets of Stealth Ag, a leading agriculture digital services and insights provider with offices in Minnesota and Iowa. Refer to “Acquisition of Stealth Ag” section below for more details.

On June 24, 2021, the Company granted 300,000 stock options to an officer and two employees of the Company. The stock options, at a price of $0.80 per share, will expire in five years from the issue date and vested over 3 years.

On August 3, 2021, the Company announced a non-brokered private placement financing for gross proceeds of $3,500,000 through the issuance of 5,384,315 units in the capital of the Company at a price of $0.65 per unit. Each Unit is comprised of one common share in 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 $0.85 per Common Share for a period of two years from the date of issuance.

On August 17, 2021, the Company increased the size of its non-brokered private placement financing to gross proceeds of $8,210,957 through the issuance of 12,632,242 units in the capital of the Company at a price of $0.65 per unit. In addition, the Company had closed the first tranche of the private placement through the issuance of 11,397,430 units for gross proceeds of $7,408,329. In connection with the offering, the Company paid certain eligible persons a cash commission in total of $516,664, and issued a total of 794,813 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the private placement at a price of $0.65 per common share.

On August 24, 2021 the Company closed the final tranche of its $8,210,957 private placement, through the issuance of 1,229,620 units in the capital of the Company at a price of $0.65 per unit, for gross proceeds of $799,253. In connection with the offering, the Company paid certain eligible persons a cash commission in total of $33,606 and issued a total of 51,701 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the private placement at a price of $0.65 per common share.

On September 8, 2021, the Company entered into an agreement to acquire the assets of Agronomic Solutions, Inc. (“Agronomic Solutions”), a leading digital agronomy company that services Iowa, Nebraska, and the surrounding region. Refer to “Acquisition of Agronomic Solutions” section below for more details.

On October 14, 2021, the Company announced that it had signed a four year enterprise agreement to support the first phase of the United States Department of Agriculture ("USDA") $10 million Conservation Reserve Program, valued at $1,800,000. The Company has agreed to provide $930,000 in collection services as well as $870,000 in soil analytics across 600 sites throughout Wisconsin, Arkansas and Michigan. The soil analytics will be provided by Deveron's 51% owned Woods End Laboratories. The Contract, signed on September 29, 2021, provides USDA access to Deveron's new platform which provides a scalable and streamlined process for collecting, analayzing, and sharing in-field soil carbon data. The soil data will be used to support the USDA's Conservation Reserve Program that is being run in partnership wtih Michigan State University, University of Arkansas at Pine Bluff and the University of Wisconsin.

On October 19, 2021, the Company announced that it had signed a four-year enterprise agreement, with an initial two-year statement of work valued at $3.14 million, with a global leader in the agricultural industry. The agreement initially covers nine states in 2021 with an expansion to 17 states in 2022, with an annual value of $1.25 million and $1.89 million respectively.

On November 9, 2021, the Company announced that it had signed a $105,000 enterprise contract with a leader in the agricultural technology space. The agreement is in support of the client's carbon program that covers Ohio, Indiana and Illinois. The contract provides the client access to Deveron's new platform which provides a scalable and streamlined process for collecting, analyzing, and sharing in-field soil carbon data.

On March 30, 2021, 15,000 options were exercised at a price of $0.30 per unit for gross proceeds of $4,500. On September 22, 2021, 15,000 options were exercised at a price of $0.30 per unit for gross proceeds of $4,500. On September 23, 2021, 200,000 options were exercised at a price of $0.365 per unit for gross proceeds of $73,000. On December 20, 2021, 50,000 options were exercised at a price of $0.30 per unit for gross proceeds of $15,000.

During the year ended December 31, 2021, 2,928,999 warrants were exercised at a price of $0.20 per unit for gross proceeds of $585,800, 310,750 warrants were exercised at a price of $0.45 for gross proceeds of $139,836, 7,000 warrants at a price of $0.35 per unit were exercised for gross proceeds of $2,450, 4,166,751 warrants were exercised at a price of $0.20 for gross proceeds of $833,350 and 6,899 warrants were exercised at a price of $0.65 for gross proceeds of $4,484.

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:

- Data collection services via soil sampling, drones, 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.
- Agricultural laboratories and soil health testing services such as Solvita soil health tests

Deveron provides these services directly through:

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

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.

Acquisition of Farm Dog

On February 19, 2021, the Company acquired Farm Dog, an agriculture data platform company that helps farmers, agronomists and agribusinesses record, organize and leverage on-farm information to make better decisions. As consideration for the transaction, the Company will issue an aggregate of 294,118 common shares at a price of $0.64 per common share over a period of two years (98,039 issued on March 5, 2021), and a cash payment of USD $100,000. All securities issued pursuant to the transaction will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with the application securities law.

In connection with the transaction, the Company's wholly-owned subsidiary Deveron USA, LLC ("Deveron US") entered into an employment agreement with Liron Brish ("Brish"), whereby Brish would be retained as an employee of Deveron US. Based on the achievement of certain milestones, and pursuant to the Employment Agreement, the Company has agreed to pay USD $600,000 as follows:

1. USD $100,000 issuable in common shares in the event that Farm Dog adds 3,000,000 unique active acres within 3 years of the closing date ("Growth Earnout"); and
2. USD $250,000 issuable in common shares and USD $250,000 in cash in the event that Farm Dog generates an additional $5,000,000 in revenue by the end of 2022 ("Revenue Earnout").

The allocation of the purchase price is as follows:

	Amount ($)
Purchase price allocation	
Issuance of 98,039 common shares (i)	62,745
Cash payment	126,841
Additional 196,079 common shares to be issued (ii)	125,490
Contingent consideration (earnout) (iii)	556,954
Total consideration (iv)	**872,030**

	Amount ($)
Allocation of purchase price	
Goodwill	872,030
Farm Dog net assets acquired	**872,030**

i. For the purpose of determining the value of the purchase price consideration, the 98,039 common shares were valued at $0.64 per share based on Deveron's closing price as of February 19, 2021.
ii. For the purpose of determining the value of the purchase price consideration, the 196,079 common shares to be issued were valued at $0.64 per share based on Deveron's closing price as of February 19, 2021 and was recorded as an addition to shares to be issued.
iii. The fair value of the contingent consideration was determined by discounting the probability- weighted expected payment with a risk-adjusted annual discount rate of 15% to determine the present value of expected payments. The expected payment is determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The Growth Earnout has a fair value of $82,512 as of the date of acquisition and was recorded as "shares to be issued". The Revenue Earnout (equity-settled) has a fair value of $237,221 as of the date of acquisition and was recorded as "shares to be issued". The Revenue Earnout (cash-settled) has a fair value of $237,221 as of the date of acquisition and was recorded as "Deferred and contingent consideration".

Acquisition of Tana Ag

On May 17, 2021, the Company entered into an agreement (the “Agreement”) to acquire the assets of Tana Ag, an Oklahoma based digital agronomy company focused on soil health and yield improvement. Tana Ag currently services 120,000 acres and has unaudited 2020 revenue of USD $271,704 and EBITDA of $98,171. As consideration for the Acquisition, Deveron has agreed to:

1. pay Tana Ag an initial cash payment of USD $37,500 on each of the first two anniversaries of the signing of the Agreement; and
2. issue such number of common shares in the capital of the Company equal to USD $37,500 at a price of $0.82 per common share upon receipt of the approval of the TSXV and an additional number of common shares equal to USD $27,400 at a price of $0.82 per common share on each of the first two anniversaries of the signing of the Agreement.

Under the terms of the Acquisition if all milestones are met, Deveron has agreed to pay an additional USD $909,440. Based on the achievement of certain milestones, the remaining USD $909,440 would be payable as follows:

1. USD $125,000 in cash and issue such number of common shares equal to USD $132,880 in the event that during the 12 month period (the "first earn-out period"), following the execution of the agreement, Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.
2. USD $150,000 in cash and issue such number of common shares equal to USD $156,800 in the event that

during the 12 month period following the first earn-out period (the "second earn-out period"), Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.

3. USD $150,000 in cash and issue such number of common shares equal to USD $194,760 in the event that during the 12 month period following the second earn-out period, Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.

The allocation of the purchase price is as follows:

	Amount ($)
Purchase price allocation	
Issuance of 55,335 common shares (i)	45,375
Cash payment	45,915
Additional cash payment to be issued over the next two years	91,830
Additional 110,670 common shares to be issued (ii)	90,749
Contingent consideration (earnouts) (iii)	-
Total consideration (iii)	**273,869**

	Amount ($)
Allocation of purchase price	
Accounts receivable and other assets	26,504
Property, plant and equipment	58,742
Amounts payable and other liabilities	(19,931)
Goodwill	208,554
Tana Ag net assets acquired net of liabilities assumed	**273,869**

i. For the purpose of determining the value of the purchase price consideration, the 55,335 common shares were valued at $0.82 per share based on Deveron's closing price as of May 14, 2021.
ii. For the purpose of determining the value of the purchase price consideration, the 110,670 common shares to be issued over the next two years (55,335 per year) were valued at $0.82 per share based on Deveron's closing price as of May 14, 2021 and was recorded as an addition to shares to be issued.
iii. The fair value of the USD $909,409 contingent consideration was determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The most likely scenarios result in gross revenue below the USD $1,000,000 target in the first and second earnout period, and as such, the additional USD $909,409 contingent consideration was assigned a fair value of $nil in the determination of the purchase price allocation.

Acquisition of Stealth Ag

On May 26, 2021, the Company entered into an agreement to acquire the assets of Stealth Ag, a leading agriculture digital services and insights provider with offices in Minnesota and Iowa. As consideration for the acquisition, Deveron has agreed to:

1. pay Stealth Ag an initial cash payment of USD $800,000, and repaid Stealth Ag's lender (Southeast Bank) USD $106,526; an additional USD $150,000 in cash payments annually over the next two years on the anniversary date ("Anniversary Earnout"); and
2. issue such number of common shares in the capital of the Company equal to USD $175,000 at a price of $0.86 per common share and an additional 263,808 common shares equal to USD $187,500 at a price of $0.86 per common share on each of the first two anniversaries of the signing of the agreement.

Under the terms of the acquisition if all milestones are met, Deveron has agreed to pay an additional USD $270,000. Based on the achievement of certain milestones, the remaining USD $270,000 would be payable as follows:

1. USD $40,000 in cash and issue such number of common shares equal to USD $40,000 in the event that during the 12 month period following the execution of the agreement, Stealth Ag gross revenue equals or exceeds USD $1,000,000 ("2022 Revenue Earnout").
2. USD $50,000 in cash and issue such number of common shares equal to USD $50,000 in the event that during the 12 month period following the first earn-out period (the "second earn-out period"), Stealth Ag gross revenue equal or exceeds USD $1,250,000 ("2023 Revenue Earnout").
3. Issue such number of common shares equal to USD $90,000 in the event that during the two year period following the second earn-out period, Stealth Ag onboards 400,000 acres from the seller's customer base ("2023 Onboarding Earnout").

The allocation of the purchase price is as follows:

	Amount ($)
Purchase price allocation	
Base purchase price paid in cash on closing	967,707
Repayment of Stealth Ag lender	128,857
Additional cash payment to be issued over the next two years (iii)	294,977
246,221 common shares issued upon closing (i)	211,750
Additional 527,616 common shares to be issued over the next two years (ii)	368,833
Contingent consideration (earnouts) (iii)	258,011
Total consideration	**2,230,135**

	Amount ($)
Allocation of purchase price	
Accounts receivable and other assets	22,452
Property, plant and equipment	505,009
Amounts payable and other liabilities	(22,060)
Goodwill	740,875
Intangible assets	983,859
Stealth Ag net assets acquired net of liabilities assumed	**2,230,135**

i. For the purpose of determining the value of the purchase price consideration, the 246,221 common shares were valued at $0.86 per share based on Deveron's closing price as of May 26, 2021. These shares were issued on August 30, 2021.
ii. For the purpose of determining the value of the purchase price consideration, the 527,616 common shares to be issued over the next two years (263,808 per year) were valued at $0.86 per share based on Deveron's closing price as of May 26, 2021 and was recorded as an addition to shares to be issued.
iii. The fair value of the contingent consideration was determined by discounting the probability-weighted expected payment with a risk-adjusted annual discount rate of 15% to determine the present value of expected payments. The expected payment is determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The fair value of the 2022 and 2023 Revenue Earnouts (cash-settled) and Anniversary Earnout is $382,810 and was recorded as "Deferred and contingent consideration." The fair value of the 2022 and 2023 Revenue and On-Boarding Earnouts (equity-settled) has a fair value of $170,178.

Acquisition of Woods End

On April 6, 2021, the Company formed a Joint Venture ("JV") with A&L Canada Laboratories Inc. ("A&L"), and together have acquired the assets of Woods End Laboratories ("Woods End"), a US based leader in agricultural soil health testing. Woods End had 2020 unaudited revenue of USD $1.8M with EBITDA of USD $900,000. The Company and A&L have created a JV under the name Woods End which will own 100% of the assets of Woods End and was funded on a pro-rata basis with Deveron owning 51% and A&L owning 49%. The Company and A&L have agreed to purchase the assets of Woods End for USD $2,250,000 payable on closing, excluding customary holdback provisions, and working capital adjustments.

The allocation of the purchase price is as follows:

	Amount ($)
Purchase price allocation	
Cash paid to Woods End on closing - base purchase price	2,829,266
Working capital adjustment paid on closing	183,039
Total consideration (i)	**3,012,305**

Deveron 51% interest in Woods End (i)	1,536,275
A&L 49% interest in Woods End (i)	1,476,030
Total consideration (i)	**3,012,305**

	Amount ($)
Allocation of purchase price	
Accounts receivable and other assets	245,615
Property, plant and equipment	62,873
Amounts payable and other liabilities	(23,746)
Goodwill	1,253,695
Intangible assets	1,473,869
Non-controlling interest (i)	(1,476,030)
Woods End net assets acquired net of liabilities assumed (i)	**1,536,276**

i. Deveron accounted for its 51% controlling interest in this JV as a business combination, consolidating all of the net assets and income. The Company recorded non-controlling interest, representing A&L's 49% interest in the net assets at the date of acquisition.

Acquisition of Agronomic Solutions

On September 8, 2021, the Company entered into an agreement to acquire the assets of Agronomic Solutions, Inc. ("Agronomic Solutions"), a leading digital agronomy company that services Iowa, Nebraska, and the surrounding region. As consideration for the acquisition, Deveron has agreed to:

1. On closing, pay Agronomic Solutions an initial cash payment of USD $425,000, and an additional USD $425,000 in cash to be held in escrow ("Escrowed Funds").
2. On closing, the Company issued a promissory note (the "Note") to Agronomic Solutions with a principal amount of USD $425,000, bearing interest of 4% per year. The principal and interest are due in full on September 8, 2022. The Note is guaranteed by Deveron.
3. On closing, issue 262,345 common shares in the capital of the Company equal to USD $141,667 at a price of $0.68 per common share upon receipt of the approval of the TSXV. The Company has also agreed to issue an additional 524,692 common shares (262,346 per year) equal to USD $283,334 ($141,667 per year) at a price of

$0.68 per common share on each of the first two anniversaries of the signing of the Definitive Agreement.

Under the terms of the acquisition if all milestones are met, Deveron has agreed to pay an earnout ("EBITDA earnout"), as additional consideration. Based on the achievement of certain milestones, the remaining earnout would be payable as follows:

1. Agronomic Solutions will receive an amount equal to 100% of the earnings before interest, taxes, depreciation and amortization ("EBITDA") generated by the acquired business from September 8, 2021 to December 31, 2021 ("Earnout period"). The deadline to determine the EBITDA earnout is February 11, 2022. The earnout shall not be paid in the event EBITDA is less than or equal to Zero during the earnout period.
2. The EBITDA was estimated to be USD $600,000 for the Earnout period. The Company has recorded contingent consideration of $755,556 (USD $600,000).

The allocation of the purchase price is as follows:

	Amount ($)
Purchase price allocation	
Base purchase price paid in cash on closing to seller	541,663
Base purchase price paid in cash on closing and placed in escrow ("Escrowed Funds") (iv)	541,662
262,345 common shares issued on closing (i)	178,395
Promissory note	541,663
Additional 524,692 common shares to be issued over the next two years(ii)	356,791
Contingent consideration (earnouts) (iii)	755,556
Total consideration	**2,915,730**

	Amount ($)
Allocation of purchase price	
Property, plant and equipment	319,462
Goodwill	1,168,458
Intangible assets	1,427,810
Woods End net assets acquired net of liabilities assumed (i)	**2,915,730**

i. For the purpose of determining the value of the purchase price consideration, the 262,345 common shares were valued at $0.68 per share based on Deveron's closing price as of September 8, 2021. These shares were not yet issued as of September 30, 2021, and as such was recorded as an addition to shares to be issued.
ii. For the purpose of determining the value of the purchase price consideration, the 524,692 common shares to be issued over the next two years (262,346 per year) were valued at $0.68 per share based on Deveron's closing price as of September 8, 2021 and was recorded as an addition to shares to be issued.
iii. The EBITDA was estimated to be USD $600,000 for the period September 8, 2021 to December 31, 2021. The Company has recorded contingent consideration of $755,556 (USD $600,000). On February 28, 2022, the actual EBITDA was determined to be $821,041 (USD $646,591) and was paid in full to the seller.
iv. The Escrowed funds, together with any accrued but unpaid interest, will be delivered to the seller on September 8, 2023, on the second anniversary of the closing date.

Trends and Economic Conditions

Deveron's operations are focused within the agriculture marketplace. Soil health and tissue 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 agriculture costs, and 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 international operations, including military actions, protectionism and reactive countermeasures, economic or other sanctions or trade barriers, including in relation to the evolving Ukraine/Russia conflict.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on the severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines; purchasing power of the Canadian and US dollar; and ability to obtain funding.

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.

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.

Major Shareholder and Related Party Transactions

Major shareholder

At December 31, 2021, Greencastle owned and/or exercised control over 10,145,500 common shares (December 31, 2021 - 10,804,500 common shares) of Deveron, representing approximately 11.4% (December 31, 2021 - 15.8%) of the issued and outstanding common shares of the Company. The remaining 88.6% (December 31, 2021 - 84.2%) of the shares are widely held, which includes various holdings owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Greencastle, which owns or controls, directly or indirectly, approximately 11.4% (December 31, 2021 - 15.8%) of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Marrelli Group of Companies

During the year ended December 31, 2021, the Company incurred professional fees of $70,752 (year ended December 31, 2020 - $60,037) to a group of companies of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the Chief Financial Officer of Deveron. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2021, the group of companies was owed $6,004 (December 31, 2021 - $9,879) and this amount is included in amounts payable and other liabilities.

Related party transactions

During the year ended December 31, 2021, the Company also incurred legal fees of $124,647 (year ended December 31, 2020 - $33,174) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2021 amounts payable and other liabilities is $14,372 due to Irwin Lowy LLP (December 31, 2021 - $23,780).

During the year ended December 31, 2021, the Company incurred rent expense of $30,450 (year ended December 31, 2020 - $30,450) to Greencastle which is included in office and general in the consolidated financial statements of comprehensive loss. Included in the December 31, 2021 amounts payable and other liabilities is $7,500 due to Greencastle (December 31, 2020 - $nil).

During the year ended December 31, 2021, the Company incurred share-based payment expenses to officers, directors and key management personnel of $482,691 (year ended December 31, 2020 - $41,473).

Outlook

For the immediate future, the Company intends to develop the data acquisition and analytics business. 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 COVID-19 in “Events After The Reporting Period” 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”, “Trends and Economic Conditions” and COVID-19 Risks in “Risk Factors”.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company as at December 31, 2021, 2020 and 2019 and for the years then ended.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Total revenues	$ 8,598,475	$ 2,869,453	$ 2,055,437
Total loss	$ (5,020,276)	$ (1,761,554)	$ (1,937,398)
Net loss per share - basic	$ (0.07)	$ (0.04)	$ (0.05)
Net loss per share - diluted	$ (0.07)	$ (0.04)	$ (0.05)
	As at December 31, 2021	**As at December 31, 2020**	**As at December 31, 2019**
Total assets	$ 22,767,377	$ 9,373,572	$ 3,855,407
Total non-current financial liabilities	$ 2,388,583	$ 308,344	$ 215,575
Distribution of cash dividends	$ nil	$ nil	$ nil

- The net loss for the year ended December 31, 2021, consisted primarily of (i) share- based payments of $666,331; (ii) salaries and benefits of $5,741,240; (iii) shareholder relations of $116,383 (iv) business development of $102,870; (v) depreciation of $640,207; (vi) professional fees of $642,120; 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 $8,598,475 and (ii) interest income of $15,418.

- The net loss for the year ended December 31, 2020, consisted primarily of (i) share- based payments of $106,795; (ii) salaries and benefits of $2,198,560; (iii) shareholder relations of $85,137 (iv) business development of $54,250; (v) depreciation of $183,553; (vi) professional fees of $153,746; 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 $2,869,453 and (ii) interest income of $14,155.
- The net loss for the year ended December 31, 2019, consisted primarily of (i) share- based payments of $497,801; (ii) salaries and benefits of $1,640,130; (iii) shareholder relations of $78,524; (iv) business development of $53,306; (v) depreciation of $163,598; (vi) professional fees of $112,487; 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 $1,212,030 and (ii) interest income of $39,718.

Three Months Ended	Total Revenue ($)	Profit or(Loss)		Total Assets ($)
		Total ($)	Basic and Diluted Income (Loss) Per Share ($)	
December 31, 2021(1)	4,491,102	(1,388,777)	(0.02)	22,767,377
September 30, 2021(2)	1,607,569	(1,796,452)	(0.02)	22,267,470
June 30, 2021(3)	1,832,078	(855,579)	(0.01)	12,796,314
March 31, 2021(4)	667,726	(979,468)	(0.01)	9,031,471
December 31, 2020(5)	752,432	(697,192)	(0.01)	9,373,572
September 30, 2020(6)	709,734	(571,802)	(0.01)	4,337,150
June 30, 2020(7)	1,123,867	76,223	(0.00)	4,790,994
March 31, 2020(8)	283,420	(568,783)	(0.01)	3,418,102

Notes:

1) The Company’s net loss totaled $1,388,777 for the three months ended December 31, 2021, with basic and diluted loss per share of $0.02. Activities for the three months ended December 31, 2021, principally involved salaries and benefits of $2,576,352; business development of $19,098; shareholder relations of $29,420 pertaining to regulatory filing fees and consulting fees; professional fees of $191,114, representing costs incurred for general legal, accounting and audit services; travel of $125,620; depreciation of $428,195; amortization of intangible assets of $274,004; office and general of $792,954; bad debts of $73,599 and cost of services of $1,312,465 which was offset by data services revenues of $4,491,102; and interest income of $11,451.

2) The Company’s net loss totaled $1,796,452 for the three months ended September 30, 2021, with basic and diluted income per share of $0.02. Activities for the three months ended September 30, 2021, principally involved share-based payments of $78,736; salaries and benefits of $1,589,940; business development of $12,793; shareholder relations of $21,614 pertaining to regulatory filing fees and consulting fees; professional fees of $230,309, representing costs incurred for general legal, accounting and audit services; interest expenses of $41,831; travel of $90,203; depreciation of $86,085; office and general of $533,664; and cost of services of $600,055 which was offset by data services revenue of $1,607,569; and interest income of $3,205.

3) The Company's net loss totaled $855,579 for the three months ended June 30, 2021, with basic and diluted loss per share of $0.01. Activities for the three months ended June 30, 2021, principally involved share-based payments of $218,467; salaries and benefits of $954,361; business development of $26,172; shareholder relations of $27,562 pertaining to regulatory filing fees and consulting fees; professional fees of $117,428, representing costs incurred for general legal, accounting and audit services; interest expenses of $8,352; travel of $51,686; depreciation of $74,750; office and general of $509,792; and cost of services of $572,947 which was offset by data services revenue of $1,832,078 and interest income of $1,381.

4) The Company's net loss totaled $979,468 for the three months ended March 31, 2021, with basic and diluted loss per share of $0.01. Activities for the three months ended March 31, 2021, principally involved share-based payments of $320,807; salaries and benefits of $620,587; business development of $44,807; shareholder relations of $37,787 pertaining to regulatory filing fees and consulting fees; professional fees of $103,269, representing costs incurred for general legal, accounting and audit services; interest expenses of $16,110; travel of $12,485; depreciation of $51,177; office and general of $165,431; and cost of services of $284,058 which was offset by data services revenue of $667,726 and interest income of $2,586.

5) The Company's net loss totaled $697,192 for the three months ended December 31, 2020, with basic and diluted loss per share of $0.01. Activities for the three months ended December 31, 2020, principally involved salaries and benefits of $558,430; business development of $14,601; shareholder relations of $6,774 pertaining to regulatory filing fees and consulting fees; professional fees of $5,819, representing costs incurred for general legal, accounting and audit services; travel of $43,393; depreciation of $30,834; office and general of $728,210; bad debts of $77,108 and cost of services of $352,696 which was offset by data services revenues of $752,432; and interest income of $447.

6) The Company's net loss totaled $571,802 for the three months ended September 30, 2020, with basic and diluted income per share of $0.01. Activities for the three months ended September 30, 2020, principally involved share-based payments of $12,428; salaries and benefits of $475,481; business development of $17,094; shareholder relations of $39,544 pertaining to regulatory filing fees and consulting fees; professional fees of $46,357, representing costs incurred for general legal, accounting and audit services; interest expenses of $5,956; travel of $29,910; depreciation of $46,629; office and general of $342,198; equipment maintenance of $2,593 and cost of services of $268,397 which was offset by data services revenue of $709,734; and interest income of $5,051.

7) The Company's net income totaled $76,223 for the three months ended June 30, 2020, with basic and diluted loss per share of $0.00. Activities for the three months ended June 30, 2020, principally involved share-based payments of $12,293; salaries and benefits of $469,047; business development of $5,020; shareholder relations of $26,607 pertaining to regulatory filing fees and consulting fees; professional fees of $59,151, representing costs incurred for general legal, accounting and audit services; interest expenses of $2,533; travel of $25,047; depreciation of $55,622; office and general of $152,900; equipment maintenance of $1,166 and cost of services of $198,236 which was offset by data services revenue of $1,123,867 and interest income of $376.

8) The Company's net loss totaled $568,783 for the three months ended March 31, 2020, with basic and diluted loss per share of $0.01. Activities for the three months ended March 31, 2020, principally involved share-based payments of $69,646; salaries and benefits of $397,633; business development of $17,535; shareholder relations of $12,212 pertaining to regulatory filing fees and consulting fees; professional fees of $29,594, representing costs incurred for general legal, accounting and audit services; interest expenses of $12,691; travel of $14,769; depreciation of $50,468; office and general of $154,448; and cost of services of $103,208 which was offset by data services revenue of $283,420 and interest income of $8,281.

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

Discussion of operations

Three months ended December 31, 2021, compared with three months ended December 31, 2020

Deveron's net loss totaled $1,388,777 for three months ended December 31, 2021, with basic and diluted loss per share of $(0.02). This compares with a net loss of $697,192 with basic and diluted loss per share of $(0.01) for the three months ended December 31, 2020. The increase of $691,585 in net loss was principally due to the following:

- Data collection and data analytics revenues increased by $3,738,670 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increased is attributable to organic growth from data services as well as the acquisitions of Farm Dog, Tana Ag, Stealth Ag, Agronomic Solutions and Woods End

- Cost of services increased by $1,170,075 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increased is attributable to direct costs (such as salaries and benefits, travel fees, software, drone maintenance, drone equipment, drone data collection, processing fees, training, office and general and consulting fees) incurred to generate income. The increase is attributable to the new business of the Company and successful launch of its soil sampling service.

- Professional fees increased by $172,470 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to increased corporate activity requiring external professional support.

- Interest expense increased by $40,364 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to the lease liability recognition.

- Office and general increased by $402,238 for the three months ended December 31, 2021 compared to the three months ended December 31, 2020 and consisted of costs such as advertising and promotion, supplies, internet, rent, utilities and bank service charges.

- Salaries and benefits increased by $1,719,953 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to new acquisitions as well as an increase in headcount compared to the prior period.

- Shareholder relations increased by $22,646 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to higher shareholder relation services required by the Company during the current period.

- Travel expenses increased by $82,227 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to higher corporate and regional activity requiring travel by management and employees.

- Depreciation increased by $397,361 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to depreciation recorded on computer equipment, drones, vehicles and right-of-use assets acquired during the current and prior years.

- Intangible depreciation increased by $274,004 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to depreciation recorded on the intangible assets during the current period, from the acquisition of Stealth Ag, Agronmic Ag and Woods End.

- Business development increased by $372,751 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to less research done by the Company which required external business development support.
- Share-based payments increased by $35,893 for the three months ended December 31, 2021, compared to the three months ended December 31, 2020. The increased 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.
- All other expenses related to general working capital expenditures.

Year ended December 31, 2021, compared with year ended December 31, 2020

Deveron's net loss totaled $5,020,276 for year ended December 31, 2021, with basic and diluted loss per share of $0.07. This compares with a net loss of $1,761,554 with basic and diluted loss per share of $0.04 for the year ended December 31, 2020. The increase of $3,258,722 was principally due to the following:

- Data collection and data analytics revenues increased by $5,729,022 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increased is attributable to organic growth from data services as well as the acquisitions of Farm Dog, Tana Ag, Stealth Ag, Agronomic Solutions and Woods End
- Cost of services increased by $2,138,519 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to direct costs (such as salaries and benefits, travel fees, software, drone maintenance, drone equipment, drone data collection, processing fees, training, office and general and consulting fees) incurred to generate income. The increase is also attributable to the new acquisitions.
- Professional fees increased by $488,374 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to increased corporate activity requiring external professional support.
- Interest expense increased by $90,543 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to the lease liability recognition as well as on accretion on contingent consideration.
- Office and general increased by $992,554 for the year ended December 31, 2021 compared to the year ended December 31, 2020 and consisted of costs such as advertising and promotion, supplies, internet, rent, utilities, insurance and bank service charges.
- Salaries and benefits increased by $3,542,680 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to new acquisitions as well as an increase in headcount compared to the prior period.
- Shareholder relations increased by $31,246 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to higher shareholder relation services required by the Company during the current period.
- Travel expenses increased by $166,875 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to higher corporate and regional activity requiring travel by management and employees.

- Depreciation increased by $456,654 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to depreciation recorded on computer equipment, drones, vehicles and right-of-use assets acquired during the current and prior years.
- Intangible amortization increased by $274,004 for the year ended December 31, 2021, compared to the three months ended December 31, 2020. The increase is attributable to amortization recorded on the intangible assets during the current period, from the acquisitions of Stealth Ag, Agronomic Solutions and Woods End.
- Business development increased by $48,620 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increase is attributable to more research done by the Company which required external business development support.
- Share-based payments increased by $559,536 for the year ended December 31, 2021, compared to the year ended December 31, 2020. The increased 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.
- All other expenses related to general working capital expenditures.

Deveron's total assets at December 31, 2021 were $22,767,377 (December 31, 2020 - $9,373,572) against total liabilities of $6,456,309 (December 31, 2020 - $1,114,448). The increased in total assets of $13,393,805 resulted from cash received from private placements, goodwill and intangible assets from acquisitions, which was offset by the cash spent on operating costs. The Company does have sufficient current assets to pay its existing liabilities of $6,456,309 at December 31, 2021.

Cash Flow

At December 31, 2021, the Company had cash and cash equivalents of $6,867,130. The increase in cash of $650,084 from the December 31, 2020 cash balance of $6,217,046 was a result of cash outflow in operating activities of $4,215,197, cash inflow from investing activities of $4,402,082 and cash inflow from financing activities of $9,267,363. Operating activities were affected by depreciation of $640,207, amortization of intangibles of $274,004 share-based payments of $666,331, interest expense of $12,251, foreign exchange loss of $65,298, and net change in non-cash working capital balances of $853,012 because of a decrease in accounts receivable, prepaids and other receivables of $951,535, an increase in accounts payable, accrued and other current liabilities of $390,984, and lease payments of $292,461. Investing activities were affected by the cash payment of $3,888,921 for the acquisition of Farm Dog, Tana Ag, Woods End, Stealth Ag and Agronomic Solutions and the purchase of property and equipment of $513,161. Financing activities were affected issuance of common shares for private placements of $8,207,583 exercise of warrants and options totaling $1,565,922 and $97,000 respectively. Financing activities were offset by loan repayments of $13,779 and share issue costs of $589,363.

Liquidity and Financial Position

The Company expects to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. 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".

As at December 31, 2021, the Company had a working capital surplus of $5,609,401 (December 31, 2020 – working capital surplus of $6,233,699). The Company's continuing operations are dependent on its ability to secure equity and/or debt financing.

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 and deployment of the data acquisition network to provide on demand data services to the agricultural industry across Canada and select strategic regions in the United States;

b) Continue marketing campaign of service offering through current sales network;

c) Continue to work with current and future partners on data integration and feasibility studies; and

d) Build infrastructure for processing and storing data, leveraging our Farm Dog platforms.

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 107,099,663 common shares issued and outstanding. An additional 18,093,061 common shares are subject to issuance pursuant to the following: nil stock options and nil outstanding warrants. Each stock option will be exercisable to acquire one common share at a prices that range from $0.30 to $0.37 per common share with expiry dates ranging from March 24, 2022 to November 22, 2022. Each warrant will be exercisable to acquire one common share at prices that range from $0.20 to $0.45 per common share with expiry dates ranging from October 6, 2021 to December 23, 2022.

Capital Management

The Company includes equity, comprising issued share capital, reserves, accumulated other comprehensive income and deficit, in the definition of capital, which as at December 31, 2021, totaled an equity of $16,311,068 (December 31, 2020 - $8,259,124).

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 December 31, 2021 and 2020. 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 December 31, 2021. Management believes that the credit risk with respect to these amounts receivable is minimal. As at December 31, 2021, the provision for amounts receivable is $156,043 (December 31, 2020 - $83,976).

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 financing activities. As at December 31, 2021, the Company had cash and cash equivalents of $6,867,130 (December 31, 2020 - $6,217,046) to settle current liabilities of $4,067,726 (December 31, 2020 - $806,104). 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 market. Negative trend in the general equity market. If the Company cannot obtain the necessary financing to fund its operating and exploration 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 bank with which it keeps its bank accounts. As at December 31, 2021, 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 not exposed to interest rate risk.

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 December 31, 2021, 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 December 31, 2021 would have been approximately $258,318 higher/lower as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments. Similarly, as at December 31, 2021, shareholders' equity would have been approximately $258,318 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.

Deveron expects to incur research and development costs and devote resources to identifying and commercializing new services, which could significantly reduce its profitability and may never result in revenue to Deveron.

Deveron’s future growth depends on penetrating new markets, adapting existing services to new applications, and introducing new services that achieve market acceptance. Deveron plans to incur research and development costs as part of its efforts to develop and commercialize new services and enhance existing products. Deveron believes that there are significant investment opportunities in a number of business areas. Because Deveron accounts for research and development as an operating expense, these expenditures will adversely affect its earnings in the future. Further, Deveron’s research and development programs may not produce successful results, and its new services may not achieve market acceptance, create additional revenue or become profitable, which could materially harm its business, prospects, financial results and liquidity.

Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and development of Deveron's new business in the data acquisition and data analytics sector. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

The acquisitions and integration of new businesses create risks and may affect operating results. The Company's Mergers and acquisitions ("M&A") strategy involves a number of risks related to the realization of synergies and overall integration of acquired businesses into the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management. COVID-19 may affect the ability of the Company to find new attractive acquisition opportunities and/or could impact the Company's ability to execute on the integration of pending acquisition opportunities.

Liquidity Risk and Capital Management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical practices.

Market Risk

The geopolitical environment and pandemic have created significant volatility in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. These factors could result in a global inflationary or recessionary environment with continued market volatility, which may continue to impact our financial condition.

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

1. On January 18, 2022, the Company has signed a $750,000 enterprise contract with a carbon credit-focused investment company, Generic Carbon Credit Corp ("Generic'). The contract provides the client access to Deveron's new scalable and streamlined platform for collecting, analyzing, and sharing in-field soil carbon data. Additionally, Deveron will work with Generic to create, certify and invest in Canadian carbon credits.

2. On February 15, 2022, the Company announced that it has commenced an overnight marketed public offering of Units of the company seeking to raise aggregate gross proceeds of approximately $8 million. Each unit will be comprised of one common share of the Company ("Common Share") and one half of one Common share purchase warrant ("Warrant") and will be offered at a price per unit to be determined in the context of the Market. Each Warrant will have an exercise price and term to be determined in the context of the market. The offering will be conducted on a best efforts agency basis pursuant to the terms and conditions of an agency agreement to be entered into between the Company and raymond James Ltd. as sole agent and sole bookrunner. On February 25, 2022, the Company closed its previously announced overmarket offering, and issued an aggregate of 16,428,573 units in the capital of the company at a price of $0.70 per unit for total gross proceeds of $11,500,000.

3. On March 10, 2022, the Company entered into a definitive agreement to acquire the assets of Agri-Labs, Inc. ("Agri-Labs"), a leading soil lab and agronomy company that services Indiana, Michigan and Ohio. Agri-Lab's unaudited 2021 revenue was USD $664,000 and EBITDA was USD $240,000. As consideration for the acquisition, Deveron has agreed to:

   (i) pay Agri-Labs an initial cash payment of USD $420,000 upon signing of the definitive agreement and USD $210,000 on each of the first two anniversaries of the signing of the definitive agreement; and

   (ii) issue number of common shares in the capital of the Company equal to USD $180,000 at a price of $0.61 per common shares upon receipt of the approval of the TSX Venture Exchange and an additional number of common shares equal to USD $90,000 at a price of $0.61 per common share on each of the first two anniversaries of the signing of the definitive agreement.

4. On March 23, 2022, the Company announced the signing of a USD $750,000 enterprise contract with an agricultural carbon provider. The contract, focused on 85,000 acres in the Mississippi Delta, provides the client with access to Deveron’s platform for collecting, analyzing and sharing in-field soil carbon data.

Non-IFRS Financial Measures

Results of operations	For the three months ended			For the year ended		
	December 31, 2021	December 31, 2020	% Change	**December 31, 2021**	December 31, 2020	% Change
Total revenues	**$ 4,491,103**	$ 752,432	497 %	**$ 8,598,475**	$ 2,869,453	200 %
Gross Margin	**3,178,638**	610,042	421 %	**5,828,950**	2,238,447	160 %
Gross Margin %	**71 %**	81 %	(10)%	**68 %**	78 %	(10)%
Operating Expenses	**4,567,415**	1,307,235	249 %	**10,849,226**	4,000,001	171 %
Non-IFRS Adjusted EBITDA (loss)*	**(593,096)**	(649,135)	9 %	**(3,328,280)**	(1,450,296)	(129)%
Net loss	**(1,388,777)**	(697,193)	(100)%	**(5,020,276)**	(1,761,554)	(185)%
Basic and diluted net loss per common share	**(0.02)**	(0.01)		**(0.07)**	(0.04)	
Weighted Average Common Shares Outstanding	**87,351,976**	52,112,620		**76,992,311**	48,329,931	

**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 comprehensive loss less interest expense, depreciation and amortization expense, share-based payments, income tax expense, integration costs, and impairment of goodwill, property, plant, and equipment and right-of-use assets (ROU). The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.*

Adjusted EBITDA(Loss) Calculation	For the three months ended		For the year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
IFRS Net Loss	**$ (1,388,777)**	$ (697,193)	**$ (5,020,276)**	$ (1,761,554)
Less: Interest	**45,160**	4,796	**111,453**	20,910
Less: Depreciation & Amortization	**702,200**	30,834	**914,212**	183,553
Less: Share Based Payments	**48,321**	12,428	**666,331**	106,795
Less: Income Taxes	**-**	-	**-**	-
Non-IFRS Adjusted EBITDA (Loss)*	**$ (593,096)**	$ (649,135)	**$ (3,328,280)**	$ (1,450,296)

Additional Disclosure

Operating expenses	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and benefits	5,741,240	2,198,560
Office and general	2,117,799	1,125,245
Share-based payments	666,331	106,795
Professional fees	642,120	153,746
Depreciation	640,207	183,553
Travel	279,994	113,119
Amortization of intangible assets	274,004	nil
Bad debts	168,391	77,108
Shareholder relations	116,383	85,137
Interest expense	111,453	20,910
Business development	102,870	54,250
Foreign exchange loss (gain)	3,852	(104,267)
Interest income	(15,418)	(14,155)
Total	10,849,226	4,000,001

Additional Information

Additional information concerning the Company is available on Sedar at [www.sedar.com.](http://www.sedar.com)