



DEVERON CORP.

"INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS"
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED
DECEMBER 31, 2024

(EXPRESSED IN CANADIAN DOLLARS)

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

Introduction

The following Interim Management Discussion & Analysis ("Interim MD&A") of Deveron Corp. ("Deveron" or the "Company") for the three and six months ended December 31, 2024 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2024. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the year ended June 30, 2024, and six months ended June 30, 2023, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and six months ended December 31, 2024, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim 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. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of September 22, 2025, unless otherwise indicated.

For the purposes of preparing this Interim 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.

The commentary within this MD&A, aligns with the results in the revised and amended financial statements for the quarter ending December 31, 2024. The results presented for the quarter ending December 31, 2023, align with the previously released set of financial statements.

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 Interim 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 Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim 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.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

Forward-looking statements	Assumptions	Risk factors
Growth of Deveron's business in the data acquisition and data analytics sector will strive to achieve profitability.	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, 2025. The Company expects to incur further losses in the development of its business. Should the Company not raise sufficient capital during the remainder of the fiscal year, 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, 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 Interim 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 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 CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

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 82 Richmond Street East Toronto, ON M5C 1P1.

Operational Highlights

Corporate

On August 15, 2024, the Company announced that it has reached an agreement with the principal of 2736130 Ontario Inc., Greg Patterson. Pursuant to the settlement, the Company intends to complete a non-brokered private placement offering for units of the Company at an offering price of at least \$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 warrant exercisable for 18 months at an exercise price of at least \$0.10.

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 Stephen Avenue 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.

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.

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.

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.

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.

On November 4, 2024, the Company announced that the Ontario Securities Commission has issued a failure to file cease trade order against the Company in respect of the Company's securities under Multilateral Instrument 11-103 Failure to File Cease Trade Orders in Multiple Jurisdictions.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

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.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

Related Party Transactions**Shareholder**

As of December 31, 2024, the Company has a short term loan due from a related party in the amount of \$162,156 (June 30, 2024 - \$547,684) 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 three and six months ended December 31, 2024, the Company incurred professional fees of \$18,706 and \$40,959, respectively (three and six months ended December 31, 2023 - \$41,802 and \$52,568, respectively) to a group of companies of which Carmelo Marrelli is Managing Director. As of December 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 December 31, 2024, the group of companies was owed \$4,955 (June 30, 2024 - \$31,678) and this amount is included in accounts payable and accrued and other liabilities.

Related party transactions

During the three and six months ended December 31, 2024, the Company also incurred legal fees of \$nil and \$27,363, respectively (three and six months ended December 31, 2023 - \$14,578 and \$73,837, respectively) 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, 2024 accounts payable and accrued and other liabilities is \$165,595 due to Irwin Lowy LLP (June 30, 2024 - \$170,050).

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".

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, whereas others are non-IFRS measures and are not recognized under IFRS. These non-IFRS measures are provided as additional information to complement the IFRS 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 measures nor should they be considered in isolation. As these measures are not recognized measures under IFRS, they do not have a standardized meaning prescribed by IFRS 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, see section entitled "Non-IFRS Measures" below.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

IFRS 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 unaudited condensed interim 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, property, plant, and equipment and right-of-use assets ("ROU"), and change in Non-Controlling Interest ("NCI") put obligation.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

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

	For the three months ended		For the six months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS Net (Loss) Income	\$ 221,218	\$ 1,436,526	\$ (1,064,808)	\$ (4,539,420)
Interest	524,546	1,010,523	1,021,614	1,901,823
Depreciation & Amortization	1,802,504	1,870,476	3,607,336	3,678,455
Share-based payments	179,285	316,479	378,878	608,415
Income Taxes	614,725	569,148	895,178	720,811
Acquisition and integration costs	-	154,015	-	154,015
Change in NCI put obligation	-	426,839	(1,844,000)	2,198,802
Adjusted EBITDA (Loss)	\$ 3,342,278	\$ 5,784,006	\$ 2,994,198	\$ 4,722,901

Selected Financial Information

Certain selected financial information is set out below:

	For the three months ended		For the six months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Total revenues	\$ 11,901,189	\$ 15,308,397	\$ 19,137,646	\$ 23,026,999
Gross margin	8,076,754	11,334,346	12,892,760	16,348,880
Gross margin %	67.9 %	74.0 %	67.4 %	71.0 %
Operating expenses	7,240,811	9,328,672	13,062,390	20,167,489
Adjusted EBITDA (loss)	3,342,278	5,629,991	2,994,198	4,568,886
Net loss	\$ 221,218	\$ 1,436,526	\$ (1,064,808)	\$ (4,539,420)
Basic and diluted net loss per common share	\$ 0.00	\$ 0.01	\$ (0.01)	\$ (0.30)
Weighted average common shares outstanding	210,501,166	156,413,687	193,374,315	156,294,819

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

Consolidated results of operations:

	For the three months ended		For the six months ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
Data collection	\$ 1,919,385	\$ 3,861,886	\$ 2,768,334	\$ 4,982,411
Data analytics	9,981,804	11,446,511	16,369,312	18,044,588
Total Revenue	11,901,189	15,308,397	19,137,646	23,026,999
Cost of services	(3,824,435)	(3,974,051)	(6,244,886)	(6,678,119)
Gross Margin	8,076,754	11,334,346	12,892,760	16,348,880
Expenses				
Salaries and benefits	2,368,973	3,533,689	4,716,258	7,029,777
Office and general	2,180,970	2,201,617	4,355,895	4,649,560
Share-based payments	179,285	316,479	378,878	608,415
Depreciation	962,453	951,862	1,842,078	1,852,887
Professional fees	24,436	30,563	687,379	330,748
Amortization of intangibles	840,051	918,614	1,765,258	1,825,568
Interest expense	524,546	1,010,523	1,021,614	1,901,823
Foreign exchange (gain)/loss	188,293	44,495	178,121	(45,609)
Interest income	-	(1,768)	159	(44,778)
Gain on disposition of ROU	(28,196)	(104,241)	(39,250)	(139,704)
Change in NCI put obligation	-	426,839	(1,844,000)	2,198,802
Operating Expenses	7,240,811	9,328,672	13,062,390	20,167,489
Income tax expense	\$ 614,725	\$ 569,148	\$ 895,178	\$ 720,811
Net loss for the period	\$ 221,218	\$ 1,436,526	\$ (1,064,808)	\$ (4,539,420)

Discussion of operationsThree months ended December 31, 2024, compared with three months ended December 31, 2023

Deveron's net income totaled \$221,218 for three months ended December 31, 2024, with basic and diluted earnings per share of \$0.00. This compares with a net income of \$1,436,526 with basic and diluted loss per share of \$0.02 for the three months ended December 31, 2023. The increase of \$1,215,308 in net loss was principally due to the following:

Total revenues decreased by \$3,407,208 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. Data collections revenue decreased by \$1,942,501 and Data analytics revenue decreased by \$1,464,707. Decline is attributable to discontinuance of servicing carbon programs. The decrease in Data Analytics revenue is due to the discontinuance of carbon testing programs associated previously driven by data collections.

Cost of services decreased by \$149,616 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The decrease in cost of services is due to the reduction in staff related to the discontinuance of servicing the carbon business in the data collections business unit.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

- Professional fees decreased by \$6,127 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The decrease is attributable to the lack of necessity for the use of professional services firms in the quarter.
- Office and general decreased by \$20,647 for the three months ended December 31, 2024 compared to the three months ended December 31, 2023. The decrease is attributable to the corporation's restructuring efforts enacted in December 2023, resulting in lower costs associated with the ongoing operations of the business.
- Salaries and benefits decreased by \$1,164,716 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The decrease is attributable to a reduction in our headcount as a part of our cost restructuring done in the prior fiscal year; most notably related to our carbon operations.
- Depreciation increased by \$10,591 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The increase is attributable to one-time depreciation recorded related to an adjustment to our right-of-use assets at our Canadian lab operations. The increase has been partially offset by the continued reduction in capital assets as part of our restructuring efforts.
- Intangible amortization decreased by \$78,563 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The decrease relates to the writedown of intangible assets in the prior fiscal year, resulting in reduced amortization charges.
- Share-based payments decreased by \$137,194 for the three months ended December 31, 2024, compared to the three months ended December 31, 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.
- All other expenses related to general working capital expenditures.

Six months ended December 31, 2024, compared with six months ended December 31, 2023

Deveron's net loss totaled \$1,064,808 for six months ended December 31, 2024, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$4,539,420 with basic and diluted loss per share of \$0.30 for the six months ended December 31, 2023. The decrease of \$3,474,612 was principally due to the following:

- Total revenues decreased by \$3,889,353 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. Data collections revenue decreased by \$2,214,077. Data analytics revenue decreased by \$1,675,276. The decrease in data collections revenue is attributable to non-renewal of carbon testing programs by customers
- Cost of services decreased by \$433,233 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. The decrease in cost of services is due to the reduction in staff related to the discontinuance of servicing the carbon business in the data collections business unit.
- Salaries and benefits decreased by \$2,313,519 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. The decrease is attributable to a reduction in our headcount as a part of our cost restructuring done in the prior fiscal year; most notably related to our carbon operations.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

- Office and general decreased by \$293,665 for the six months ended December 31, 2024 compared to the six months ended December 31, 2023. The decrease is attributable to the corporation's restructuring efforts enacted in December 2023, resulting in lower salaries associated with management overhead.
- Depreciation decreased by \$10,809 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. The decrease is attributable to the continued reduction in capital assets as part of our restructuring efforts.
- Professional fees increased by \$356,631 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. The increase is attributable to the one-time legal costs incurred related to the shareholder settlement in the first quarter of the year.
- Interest expense decreased by \$880,209 for the six months ended December 31, 2024, compared to the six months ended December 31, 2023. The year over year decrease is attributable to a combination of one time interest adjustments that occurred in December 2023, resulting in an increase in interest expenses in the prior year.

Deveron's total assets at December 31, 2024 were \$55,141,452 (June 30, 2024 - \$56,858,833) against total liabilities of \$69,797,225 (June 30, 2024 - \$74,702,099). The decrease in net assets of \$3,187,493 resulted from the disposal of leased equipment. The Company's current liabilities of \$44,325,786 exceeds current assets of at December 31, 2024.

Cash Flow

At December 31, 2024, the Company had cash and cash equivalents of \$2,174,002. The increase in cash of \$980,108 from the June 30, 2024 cash balance of \$1,193,894 was a result of the private placement completed in September. Operating activities were affected by depreciation of \$1,842,078, amortization of intangibles of \$1,765,258, share-based payments of \$378,878, interest expense of \$1,021,614, gain on disposition of property, plant and equipment of \$39,250, change in NCI put obligation of \$1,844,000, foreign exchange and other of \$227,695 and net change in non-cash working capital balances of \$2,342,104 because of an increase in accounts receivable, prepaids and other receivables of \$582,105, an increase in accounts payable, accrued and other current liabilities of \$1,762,931 and income tax paid of \$2,932. Investing activities were affected by the cash payment of \$253,642 for the purchase of property, plant and equipment, and \$253,642 for the purchase of right-of-use assets. Financing activities were affected by loan repayments of \$100,000, share issue costs of \$135,810, lease payments of \$1,010,256 as well as credit facility principal and interest payments of \$1,325,176.

Liquidity and Financial Position

As at December 31, 2024, the Company had a working capital deficit of \$37,399,192 (June 30, 2024 - \$46,318,890). The Company's continuing operations have previously been dependent on its ability to secure equity and/or debt financing.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

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. This may result in further restructuring or liquidation of operations, if future equity capital cannot be secured within the remainder of the fiscal year. 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 marketing service offering through current sales network; and
- b) Continue to work with current and future partners on data integration, testing, and analytics

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.

DEVERON CORP.**Interim Management's Discussion and Analysis - Quarterly Highlights****Period Ended December 31, 2024****Dated: September 22, 2025**

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 April 25, 2025, the Company entered into a forbearance agreement with Toronto Dominion Bank (the "Lender"), in connection with the repayment of a loan advanced by the Lender, which currently has a principal amount outstanding of approximately \$26 Million in term debt and drawn on an operating line of Credit pursuant to the terms of a secured credit agreement dated May 15, 2023, as amended, among the Company, its subsidiary A&L Canada Laboratories, and the Lender. The maturity date of the outstanding debt is now September 30, 2025.

DEVERON CORP.

Interim Management's Discussion and Analysis - Quarterly Highlights

Period Ended December 31, 2024

Dated: September 22, 2025

- b) On May 21, 2025, the Company finalized extensions for the May 2022 convertible debentures from May 18, 2025 to August 16, 2025. All other provisions of the Debentures will remain unchanged and fully in effect during the extension period.
- c) On August 16, 2025, the Company finalized extensions for the May 2022 convertible debentures from August 16, 2025 to October 31, 2025. All other provisions of the Debentures will remain unchanged and fully in effect during the extension period.

Additional Information

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