

# Deveron UAS Corp.

(CSE:DVR)

## Fertilizing the AgTech Revolution Through Commercial Drones

### Company Description

Deveron UAS Corp. (“Deveron”) is a drone data services company providing farmers with the opportunity to increase yields and reduce costs using sophisticated unmanned aerial systems (UAS or drones), sensors, software and analytics. The Company’s service offerings target farmers, agricultural retailers and independent agronomists using drones and sensors. The Company provides a strong value proposition to farmers through reduced costs and increased yield output by optimizing input costs such as water, fertilizer and pesticides.

### Investment Highlights

- **Deveron has a massive market opportunity.** In a 2016 report, PwC estimated the addressable market of drone-powered solutions in agriculture industry at \$32.4 billion. The emerging use of commercial drones has the potential to add significant value in the agriculture vertical, specifically in the analysis of soil, drainage and crop health. As the first company to focus on a large service network to provide data collection for enterprises with assets in multiple geographic regions, Deveron has already completed over 2,500 flights across Canada and has relationships with companies that have over 200 million acres under management. With experts forecasting 70% growth in yield output by 2050, Deveron’s solutions position the Company to ride the macro tailwinds in this nascent sector.
- **In 2017, the Company completed significant milestones and heads into a catalyst-rich 2018.** In Q2/2017, Deveron received Canada-wide Special Flight Operations Certificate (SFOC) from Transport Canada and completed Beta flights across 7 states in the U.S. Management plans to increase the number of drones and pilots in its network and launch U.S. coverage with data partners in the second half of 2018.
- **Strategic partnerships have been made with major institutions to develop the pipeline of customers.** Current partnerships include The Climate Corporation, a Monsanto subsidiary (NYSE: MON), that incorporates a multi-year revenue share agreement and allows 100,000 farmers to directly order Deveron drone data across North America. Another significant alliance was struck with Bonduelle North America Long Life (“Bonduelle”), a global leader in the ready-to-use vegetable space, which selected Deveron as their Preferred Partner for drone data collection. Both these deals emphasize the importance large agricultural players place on Deveron’s first mover advantage, building its growing network of pilots and drones.

### Financial Analysis

- **In June 2017, Deveron completed a \$2.0 million financing at \$0.35/unit.** Each unit included one common share and one half 18-month warrant with a strike price of \$0.50. The proceeds were earmarked for ongoing operations and general working capital purposes, and should help Deveron expand their data service network in North America.

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### Price Performance



### Market Data (CSE:DVR)

Price (February 12, 2018)	\$0.34
52 Week Range	\$0.20 - \$0.56
Market Cap (M)	\$7.44
Current Shares Outstanding (basic, M)	24.8
Current Shares Outstanding (fully diluted, M)	35.1
Free Float	64%
Average Daily Volume (3 months)	69,656
Last Reported Cash (M)*	\$0.7
Total Assets (M)	\$2.4
Total Debt (M)	\$0.5

**Headquarters** Toronto, ON, Canada

**Top Shareholders**  
Management & Insiders 36%

**Management**  
David MacMillan, CFA President & CEO  
Carmelo Marrelli, CPA CFO & Director  
Christopher O. Irwin Director  
Michael E. Power Director  
Roger Dent, MBA Director

\*As of quarter ended September 30, 2017

All figures in CAD unless otherwise stated.  
Source: Company Reports, Thomson Reuters

Figure 1: Deveron UAS On-Demand Drone



Source: Company Presentation



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