

Danavation Technologies Announces Brokered Private Placement of Convertible Debentures

TORONTO, July 29, 2021 /CNW/ - **Danavation Technologies Corp.** (CSE: DVN) ("**Danavation**" or the "**Company**"), a Canadian-based Internet of Things (IoT) technology company and provider of micro e-paper displays, is pleased to announce that it has entered into an engagement agreement with iA Private Wealth Inc. (the "**Agent**") with respect to the best efforts offering (the "**Offering**") of up to CAD\$3,000,000 aggregate principal amount, 8.0% unsecured convertible debentures of the Company (the "**Debentures**"). The Agent has the option to increase the size of the Offering by \$500,000 under the same terms. The Debentures will be placed on a brokered private placement basis at a price of CAD\$1,000 per CAD\$1,000 of principal.

"With the additional funds, we have sufficient capital to execute on all aspects of our current business plan, including further expanding our market reach and business development efforts," noted Danavation's Founder & CEO, John Ricci.

The Debentures are set to mature 36 months following the Closing (as defined below) (the "**Maturity Date**") and will bear interest at a rate of 8.0% per annum, from the date of issue, payable in cash quarterly. The Debentures, including the common shares of the Company (the "**Common Shares**") issuable upon conversion, will be subject to a four-month hold period from the date of Closing and subject to all necessary regulatory approvals, including the approval of the Canadian Securities Exchange.

The Debentures will be convertible at the holder's option into fully-paid Common Shares at any time prior to the Maturity Date and the business day immediately preceding the date fixed for redemption (as described below) at a conversion price equal to CAD\$0.45 per Common Share (the "**Conversion Price**"). Upon conversion, the holder will receive in cash accrued and unpaid interest on the principal amount that is the subject of the conversion for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion. The Conversion Price shall be subject to standard anti-dilutive provisions. The Company will have the right to force conversion at the Conversion Price if the Common Shares trade at a volume weighted average price of CAD\$0.75 or greater for 20 consecutive trading days. Further, beginning 12 months after the Closing (as defined below) the Company shall have the right to pre-pay the Debentures, in whole or in part, at par plus accrued and unpaid interest, subject to a prepayment penalty equal to 5% of the principal amount if redeemed between 12 months and 24 months after Closing and equal to 2% of the principal amount if redeemed later than 24 months after Closing and before the Maturity Date.

The closing of the Offering is expected to occur on or about August 13, 2021 (the "**Closing**") and is subject to the satisfaction of customary closing conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Canadian Securities Exchange.

The Company intends to use the net proceeds of the Offering for general working capital purposes.

About Danavation

Danavation Technologies Corp. is a Canadian-based, Internet of Things (IoT) technology company, providing micro e-paper displays to organizations across North America. The Company's Digital Smart Labels™, powered by IoT automation technology and software Platform-as-a-Service (PaaS), enables companies across various sectors to automate labelling, price, product, and promotions in real-time, enhancing data accuracy and improving performance by removing high

labour costs and low productivity associated with traditional labour-intensive workflows. By empowering the adoption of smart retail, smart cities and industry 4.0, our goal is to create a sustainable and profitable business for shareholders while advancing sound environmental, social and governance practices, including by significantly reducing paper usage. Danavation has introduced its solution to retailers across North America, including big box and boutique grocers, while also targeting new markets including healthcare providers, manufacturing, and logistics companies. Learn more about the background of Danavation and our vision for the future on our website at www.danavation.com.

Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to whether the Offering closes and the timing of the Closing, the use of proceeds, the receipt of all necessary approvals including approval of the Canadian Securities Exchange, the capital required to execute the Company's business plan, industry outlook and potential and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE CANADIAN SECURITIES EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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