

NEWS RELEASE

## Danavation Technologies Provides Corporate Update Including Three New Contracts for Digital Smart Label™ Installations

- *Danavation afforded enhanced financial flexibility following closing of four tranches of unit financings raising gross proceeds of \$1,870,500, along with the equity conversion of a \$750,000 promissory note*
- *Continued acceleration of Digital Smart Label™ installations into new locations further contributes to Danavation's revenue while building momentum with retailers across Canada and the U.S.*
- *Sales pipeline comprised of multiple brands offering the potential for full banner roll-out across numerous locations*

Toronto, Ontario, October 18, 2022 – **Danavation Technologies Corp. (CSE:DVN, OTCQB: DVNCF)** ("**Danavation**" or the "**Company**"), the only North American-founded and headquartered technology company providing micro e-paper displays, is pleased to provide a corporate update, which includes a summary of the Company's financial position following recent financing activity along with details of additional new contracted installations of our innovative Digital Smart Labels™.

### Enhanced Financial Flexibility

On [October 7, 2022](#), Danavation announced that we have successfully raised aggregate gross proceeds of \$1,870,500 through a non-brokered private placement of units (the "Units") priced at \$0.25 per Unit, comprised of one Danavation common share and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.35 per Warrant for 24 months from the date of the closing of the Offering, which also represents a future form of potential financing.

Danavation also announced on [August 26, 2022](#) that the holder of a \$750,000 convertible promissory note has converted the full amount into equity of the Company, eliminating ongoing interest payments as well as the principal repayment obligation. As a result of this conversion along with the recent equity financings, Danavation has successfully bolstered our working capital while we continue to secure new revenue-generating contracts through ongoing Digital Smart Labels™ installations.

### Three New Installations Secured

Danavation has successfully secured the following new contracts for installations of our Digital Smart Labels™:

#### [Rabba Fine Foods \(Rabba\) market in the Greater Toronto Area \(GTA\) – First Installation](#)

With 35 local markets across the GTA and a track record of serving over 100,000 verified customers daily, Rabba Fine Foods offers everything you'd expect and more within their 24-hour locations including fresh produce, deli counters, hot & ready foods, dairy, bakery and other essential supplies for home or work. Danavation captured Rabba's attention as an ideal candidate to provide an automated and sustainable price label solution. Rabba is looking forward to a successful first installation by the end of 2022, which is designed to manage and streamline pricing for the store's wide variety of products and merchandising displays. "Following the install, Rabba will evaluate the benefits of Danavation's technology," says Bill Waddell spokesperson for Rabba Fine Foods. "We expect to see an improved deployment of staff resources, as well as a reduction in paper waste." If proven successful, Rabba will continue rolling out Danavation's solution across the chain.

### [Materiaux J.C. Brunet Inc., building materials retailer in Quebec: First of Two Installations](#)

Materiaux JC Brunet is a specialized retailer in Quebec, providing construction materials and services to commercial and residential construction contractors through two different locations. Since Materiaux JC Brunet offers more than 35,000 products<sup>1</sup>, contracting with Danavation to install our Digital Smart Labels™ helps position the store to benefit from automation and streamlined processes, and the second location is expected to be outfitted following completion of the first. For nearly 40 years, the Brunets have been part of a larger buying conglomerate that represents close to 300 home renovation centers and hardware stores in Quebec, Ontario and the Maritime Provinces, affording Danavation potential exposure to additional retailers within that conglomerate.

### [Eaton Industries Canada Company, division of a global power management company: Full Warehouse Installation](#)

Danavation has been contracted to install our Digital Smart Labels™ into a warehouse and logistics centre operated by Eaton Industries Canada Company (“Eaton”), the Canadian division of a global power management company made up of over 97,000 employees and doing business in more than 175 countries. Installation is expected to commence by the end of [October], 2022 with the warehouse expected to be fully operational shortly thereafter. Working with Danavation to digitize the warehouse helps Eaton to streamline processes while eliminating the use of paper labels for tracking and managing inventory. With a leading ESG commitment to have 100% of their manufacturing sites certified as zero waste-to-landfill by 2030, Eaton is capitalizing on the global growth trends of electrification and digitization, which contributed to their decision to deploy Danavation’s Digital Smart Labels™.

## **Accelerating Momentum Across North America**

Since September 19, 2022, we have announced installations of our Digital Smart Labels™ into four new retail brands across Canada and the U.S., including the first of **11** potential [My Market](#) locations, one of **three** potential [Gary & Leo’s Fresh Foods IGA](#) locations, the first of **six** total potential locations for [Pierre Naud Inc.](#), and an installation into [KBC](#) in Kemptville, Ontario.

Through an active marketing initiative by U.S.-based Circle the Wagons (CTW), a purchasing group for independent retailers with whom Danavation has a preferred vendor partnership agreement ([announced on April 29, 2022](#)), CTW will be profiling the installations at Gary and Leo’s and My Market. Through this unique awareness-raising initiative, CTW will be showcasing the benefits and potential return on investment that two of its member locations are realizing from the deployment of Danavation’s Digital Smart Labels™. Since CTW’s membership includes the Independent Grocers Alliance (“IGA”), which has approximately 1,300 locations, plus another 100 additional retailers who collectively operate approximately 1,000 further locations, this profile-building opportunity provides sizeable reach for Danavation.

Similar to the Materiaux JC Brunet installation described above, [Pierre Naud Inc.](#) and [KBC](#) are both independent retailers within the same large buying conglomerate, providing additional demonstrations to the buying group of the possible benefits afforded by Danavation’s Digital Smart Labels™.

## **About Danavation**

Danavation Technologies Corp. is the only North American-founded and headquartered technology company providing Digital Smart Labels™ and a software Platform-as-a-Service (PaaS) solution that enables companies across various sectors to automate labelling, price, product, and promotions in real-time. Danavation’s Digital Smart Labels™ enhance data accuracy and improve performance by removing high labour costs and low productivity typically associated with traditional labour-intensive workflows. 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](#). As well, follow us on [LinkedIn](#), [Instagram](#), [Twitter](#) and [YouTube](#) for more updates on how we are transforming the retail landscape.

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<sup>1</sup> <http://www.materiauxjcbrunet.ca/qui-sommes-nous/>

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