



DATA DEPOSIT BOX

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DATA DEPOSIT BOX ANNOUNCES FIRST CLOSING OF PRIVATE PLACEMENT OF PROCEEDS OF \$375,000

December 31, 2015

Toronto, CANADA, Data Deposit Box Inc. (the “**Company**”) (CSE: **DDB**, OTCQB: **DDBXF**, Frankfurt: **2DD**), a global provider of cloud backup and recovery technology, is pleased to announce that, further to its press release dated December 29, 2015, the Company has completed the first tranche (“**First Tranche**”) of a private placement (the “**Offering**”) for gross proceeds of \$375,000 through the issuance of 1,875,000 Units, of which 125,000 Units have been subscribed for by Mr. Troy Cheeseman, a director, President and Chief Operating Officer of the Company. Each Unit consists of one common share in the capital of the Company (each, a “**Common Share**”) and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one Common Share at a price of CDN\$0.30 per Common Share for a period of twelve (12) months from the date of issuance (the “**Warrant Term**”), provided, however, that should the closing price at which the Common Shares trade on the Canadian Securities Exchange (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceed \$0.35 for 10 consecutive trading days at any time following the date that is four months and one day after the date of issuance, the Company may accelerate the Warrant Term (“**Reduced Warrant Term**”) such that the Warrants shall expire on the date which is 30 calendar days following the date a press release is issued by the Company announcing the Reduced Warrant Term. Gross proceeds raised from the Offering will be used for marketing, product development and general operating expenses.

The securities issued upon closing of the First Tranche are subject to a hold period until May 1, 2016, pursuant to applicable securities laws.

The participation by Mr. Cheeseman in the First Tranche constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Such related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the related party nor the consideration being paid by the related party will exceed 25% of the Company's

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market capitalization. The participants in the First Tranche and the extent of such participation were not finalized until shortly prior to the completion of the First Tranche. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the First Tranche pursuant to a material change report at least 21 days prior to the completion date.

About Data Deposit Box

Data Deposit Box, a pioneer of cloud backup and recovery technology, has set a new industry standard by providing the SMB market with the same level of security and protection that is available to large enterprises. Data Deposit Box patented backup technology, known for its Exabyte scalability, advanced data reduction capabilities and ease-of-use, has won prestigious industry awards and has been featured in many key industry publications.

Data Deposit Box technologies and solutions are currently used daily by over 200,000 customers, 1,000 resellers, 25 MSPs and private label partners for online backup and recovery, archiving, disaster readiness, secure file sharing and remote access.

Visit the Company's website at: www.datadepositbox.com

Investor Inquiries

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This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.

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