



STATEMENT OF EXECUTIVE COMPENSATION

Playgon Games Inc.
(formerly Global Daily Fantasy Sports Inc.)

The following information dated June 30, 2021 is presented in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* and Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, and sets forth compensation for each NEO (as defined below) and each director of Playgon Games Inc. (the “**Corporation**”) during the financial year ended December 31, 2020.

For the purposes of this Statement of Executive Compensation, a “Named Executive Officer” or “NEO” of the Corporation means each of the following individuals:

- (a) the Corporation’s chief executive officer (the “**CEO**”), including an individual performing functions similar to a CEO;
- (b) the Corporation’s chief financial officer (the “**CFO**”), including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51–102F6V *Statement of Executive Compensation — Venture Issuers*, for that financial year; and
- (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation and was not acting in a similar capacity, at the end of that financial year.

During the Corporation’s fiscal year ended December 31, 2020, the following individuals were the Named Executive Officers of the Corporation:

- Darcy Krogh, President and CEO; and
- Paul Dever, Former CFO and Corporate Secretary. Mr. Dever resigned as CFO and Corporate Secretary of the Corporation on June 30, 2020.
- Harry Nijjar, CFO

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the fiscal years ended December 31, 2020 and 2019:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Total Compensation (\$)
DARCY KROGH ⁽¹⁾ <i>President, CEO and Director</i>	2020	120,000	50,000	170,000
	2019	120,000	Nil	120,000
PAUL DEVER ⁽²⁾ <i>Former CFO and Corporate Secretary</i>	2020	78,319	Nil	78,319
	2019	196,296	Nil	196,296 ⁽²⁾
HARRY NIJJAR ⁽³⁾ <i>Chief Financial Officer</i>	2020	23,000	Nil	23,000
	2019	Nil	Nil	Nil
STEVE BAKER <i>Chief Operating Officer</i>	2020	20,000	Nil	20,000
	2019	Nil	Nil	Nil
GUIDO GANSCHOW <i>President, Playgon Interactive Inc. and Director</i>	2020	64,091	40,000	104,901
	2019	Nil	Nil	Nil
JAMES PENTURN ⁽⁴⁾ <i>Chairman and Director</i>	2020	60,000	159,244	219,244
	2019	60,000	Nil	60,000
MICHELE (MIKE) MARRANDINO ⁽⁵⁾ <i>Director</i>	2020	22,000	Nil	22,000
	2019	14,400	Nil	14,400
WILLIAM SCOTT <i>Director</i>	2020	22,000	Nil	22,000
	2019	14,400	Nil	14,400
JASON MERETSKY ⁽⁶⁾ <i>Director</i>	2020	22,000	Nil	22,000
	2019	12,000	Nil	12,000

Notes:

- (1) Of this amount, Mr. Krogh received \$120,000 in his capacity as President and CEO of the Corporation and no compensation in his capacity as a director, which amounts were paid or are owing to Qwest Capital Inc. (“**Qwest**”), a management company owned by Mr. Krogh. See “
- (2)
- (3)
- (4) Employment, Consulting and Management Agreements”.
- (5) Mr. Dever resigned as CFO and Corporate Secretary on June 30, 2020. These amounts were paid or are owing to Devkey Consulting Limited (“**Devkey**”), a consulting company owned by Mr. Dever. See “
- (6)
- (7)
- (8) Employment, Consulting and Management Agreements”.
- (9) These amounts were paid or are owing to Malaspina Consultants Inc. (“**Malaspina**”), a consulting company with which Mr. Nijjar is a managing director.

(10) These amounts were paid or are owing to Penturn & Company Ltd. (“**Penturn & Company**”), a consulting company controlled by Mr. Penturn. See “

(11)

(12)

(13) Employment, Consulting and Management Agreements”.

(14) These amounts were paid or are owing to Pacific West Mercantile Corp. (“**Pacific West**”), a company controlled by Mike Marrandino.

(15) These amounts were paid or are owing to Magnolia Diversified Inc. (“**Magnolia**”) a company controlled by Jason Meretsky.

Stock Options and Other Compensation Securities

Below is a table of compensation securities granted by the Corporation to the NEOs and directors of the Corporation for the financial year ended December 31, 2020.

Name and Position	Type of compensation security	Number of compensation securities	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
DARCY KROGH <i>President and CEO and Director</i>	Stock Options	1,900,000	June 30, 2020	\$0.28	\$0.28	\$0.50	June 30, 2025
HARRY NIJJAR⁽¹⁾ <i>Chief Financial Officer</i>	Stock Options	100,000	August 12, 2020	\$0.385	\$0.385	\$0.50	August 12, 2025
STEVE BAKER <i>Chief Operating Officer</i>	Stock Options	2,000,000	September 15, 2020	\$0.365	\$0.365	\$0.50	September 15, 2025
GUIDO GANSCHOW <i>President, Playgon Interactive Inc. and Director</i>	Stock Options	3,000,000	June 30, 2020	\$0.28	\$0.28	\$0.50	June 30, 2025
JAMES PENTURN <i>Chairman and Director</i>	Stock Options	1,900,000	June 30, 2020	\$0.28	\$0.28	\$0.50	June 30, 2025
MICHELE (MIKE) MARRANDINO <i>Director</i>	Stock Options	650,000	June 30, 2020	\$0.28	\$0.28	\$0.50	June 30, 2025
JASON MERETSKY <i>Director</i>	Stock Options	350,000	June 30, 2020	\$0.28	\$0.28	\$0.50	June 30, 2025

Note:

(1) These options were granted to Malaspina as part of a consulting agreement between Malaspina and the Corporation.

As at December 31, 2020, the outstanding stock options held by each director and Named Executive Officer were as follows. Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one Common Share.

- (1) Mr. Krogh held 2,300,000 stock options of the Corporation, of which 1,666,668 are vested and exercisable, entitling him to acquire, upon exercise 2,300,000 Common Shares.
- (2) Mr. Dever held 200,000 stock options of the Corporation entitling him to acquire, upon exercise 200,000 Common Shares. Mr. Dever resigned as CFO and Corporate Secretary of the Corporation on June 30, 2020, and his stock options expired 90 days following his resignation.
- (3) Mr. Nijjar held 100,000 stock options of the Corporation, all of which are currently unvested, entitling him to acquire, upon exercise 100,000 Common Shares.
- (4) Mr. Baker held 2,000,000 stock options of the Corporation, all of which are currently unvested, entitling him to acquire, upon exercise 2,000,000 Common Shares.
- (5) Mr. Ganschow held 3,000,000 stock options of the Corporation, of which 2,000,000 are vested and exercisable, entitling him to acquire, upon exercise 3,000,000 Common Shares.
- (6) Mr. Penturn held 2,300,000 stock options of the Corporation, of which 1,666,668 are vested and exercisable, entitling him to acquire, upon exercise 2,300,000 Common Shares.
- (7) Mr. Marrandino held 800,000 stock options of the Corporation, of which 583,333 are vested and exercisable, entitling him to acquire, upon exercise 800,000 Common Shares.
- (8) Mr. Scott held 200,000 stock options of the Corporation, all fully vested, entitling him to acquire, upon exercise 200,000 Common Shares.
- (9) Mr. Meretsky held 350,000 stock options of the Corporation, of which 233,334 are vested and exercisable, entitling him to acquire, upon exercise 116,667 Common Shares.

No compensation securities were exercised by the directors or Named Executive Officer during the fiscal year ended December 31, 2020.

Stock Option Plan

In July 2004, the Corporation established a 10% rolling stock option plan (the “**Option Plan**”) whereby the maximum number of Common Shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued shares of the Corporation at the time of the stock option grant. In 2014, the Option Plan was amended and reinstated to bring it current with the policies of the TSX Venture Exchange (the “**TSXV**”). The purpose of the Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and other service providers, in order to reward directors, officers, employees and other service providers for their contribution toward the long-term goals of the Corporation and to enable and encourage such individuals to acquire shares of the Corporation as long-term investments. The following information is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan. Capitalized terms used but not defined in this brief description are defined in the Option Plan.

1. To be eligible for the issuance of a stock option under the Option Plan an optionee must either be a director, employee (including an officer) or consultant of the Corporation or any subsidiary of the Corporation or a company owned by an employee, director or consultant at the time the option is granted. Options may be granted only to an individual or to a company that is owned by individuals eligible for an option grant.
2. The options granted pursuant to the Option Plan will be exercisable at a price which is not lower than the market value of the Corporation’s Shares at the time the option is granted less any applicable discounts permitted by the applicable regulatory authorities. “Market Value” will be the closing trading price of the Corporation’s Shares on the TSXV or such other principal stock exchange upon which the common shares are listed on the trading day immediately preceding the date of the grant of the option.

3. Options granted under the Option Plan will be granted for a term not to exceed ten years from the date of their grant. All options will terminate on the earlier of the expiry of their term and the date of termination of an option holder's employment, engagement or position with the Corporation if terminated for just cause or on such other bases as set out in the Option Plan, otherwise 90 days following termination of employment or cessation of the option holder's position with the Corporation.
4. The Corporation's Board may, at their discretion, impose vesting provisions on Options granted under the Option Plan. Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Corporation or a Subsidiary is terminated for any reason whatsoever. In such case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer. Consistent with prior practices of the Board, upon (a) an Option Holder ceasing to be a director of the Corporation to make room for a new incoming director, all of the Option Holder's unvested Options will automatically vest as of the Option Holder's resignation date. However, if the Option Holder ceases to be on the Board as a result of compliance reasons that prohibit the Corporation from securing a gaming licence in any jurisdiction a licence is applied for, all of the Option Holder's unvested Options will not vest.
5. Options will also be non-assignable and non-transferable; provided that they will be exercisable by an option holder's legal heirs or personal representatives, subject to the expiry date of such option, for up to 12 months following the death or termination of an option holder due to disability, and up to 12 months following the death of an option holder terminated for disability within the previous 12 months.
6. The number of common shares of the Corporation reserved for issuance to any one person on a yearly basis cannot exceed 5% of the number of issued and outstanding common shares of the Corporation at the time of the grant of options, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV. The aggregate number of options granted to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding issue in any 12-month period and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period.
7. In the event that the expiration date of Options granted under the Option Plan falls in a period during which the Corporation has imposed a restriction on its directors, officers, employees and consultants from trading in securities of the Corporation, the expiry date of such Options will be extended for a period of time ending on the tenth business day after the expiry of the Black-Out to provide such Option Holders with an extension to the right to exercise such Options, so long as the expiry date does not exceed ten years from the date of grant of such Options.
8. If a material alteration in the capital structure of the Corporation occurs as a result of a consolidation, subdivision, conversion, exchange, reclassification or otherwise, the Board shall make adjustments to the Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practicable or feasible to do so, in which event the options granted under the Option Plan will terminate as set forth above.
9. The Board may amend the terms of the Option Plan or the terms and conditions of any option thereafter to be granted, subject to approval of any stock exchange on which the Corporation is listed, provided that where such amendment relates to an existing option and it would materially decrease the rights or benefits accruing to an option holder or materially increase the obligations of an option holder, then, unless otherwise excepted out by a provision of the Option Plan, the Board must also obtain the written consent of the option holder in question to such amendment. If at the time the exercise price of an option is reduced the option holder is an insider of the Corporation, the insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Corporation.

The Option Plan was last ratified, confirmed and approved by the shareholders at the Corporation's annual general meeting held on September 10, 2020. Pursuant to TSXV Policy 4.4—*Incentive Stock Options*, the Corporation must obtain shareholder approval for the Option Plan at the Corporation's next annual meeting.

A copy of the Option Plan is available upon request from the Corporation at the Corporation's head office at Suite 1500, 675 West Hastings Street, Vancouver, British Columbia

Employment, Consulting and Management Agreements

The Krogh Agreement

Effective April 1, 2016, the Corporation, Qwest. and Darcy Krogh entered into an agreement (the "**Krogh Agreement**") pursuant to which the Corporation engaged Qwest to provide the services of its principal, Darcy Krogh, to act as the President and CEO of the Corporation. The Corporation agreed to pay Qwest a consulting fee of \$10,000 per month plus applicable taxes and to reimburse Qwest for reasonable expenses incurred in connection with the provision of services under the Krogh Agreement. During the financial year ended December 31, 2020, the Corporation paid \$170,000 (fiscal 2019—\$120,000) to Qwest. For greater certainty, Mr. Krogh's bonus of \$50,000 accrued in fiscal 2020 and will be paid by the Corporation to Qwest in fiscal 2021. See "Table of Compensation Excluding Compensation Securities".

The Dever Agreement

On September 1, 2017, the Corporation entered into an agreement with Paul Dever and Devkey Consulting Limited (the "**Dever Agreement**") pursuant to which Paul Dever agreed to act as the Chief Financial Officer of the Corporation. The Corporation paid Devkey Consulting Limited a consulting fee of 7,500 euros per month. During the financial year ended December 31, 2020, the Corporation paid \$78,319 (fiscal 2019—\$196,296) to Devkey Consulting Limited. See "Table of Compensation Excluding Compensation Securities". Mr. Dever resigned as Chief Financial Officer of the Corporation on June 30, 2020, and the Dever Agreement was terminated.

The Penturn Agreement

On March 1, 2017, the Corporation entered into an agreement with Penturn & Company pursuant to which Penturn & Company will provide the services of the Chairman of the Board. The Corporation is currently paying Penturn & Company a fee of \$5,000 per month. During the financial year ended December 31, 2020 the Corporation paid \$60,000 (fiscal 2019—\$60,000) to Penturn & Company. For greater certainty, Mr. Penturn's bonus of \$159,244 accrued in fiscal 2020 and will be paid by the Corporation to Penturn & Company in fiscal 2021. See "Table of Compensation Excluding Compensation Securities". Mr. Penturn's position changed during the financial year ended December 31, 2020 and he currently serves as Executive Chairman of the Board.

The Ganschow Agreement

On June 18, 2020 Playgon Interactive Inc. entered into an agreement with Guido Ganschow pursuant to which Mr. Ganschow agreed to act as the President and Chief Operating Officer of Playgon Interactive Inc.

If Mr. Ganschow's employment is terminated for cause at any time, he will only be entitled to the amount of his base salary and vacation pay earned up to the effective date of termination.

If Mr. Ganschow's employment is terminated without cause, he is entitled to written notice of three (3) months plus one (1) month for each full year of service, to a maximum of six (6) months' written notice, which may, at the sole option of Playgon Interactive Inc., be provided in a lump sum payment of base salary in lieu of notice. Payment of any amount greater than employment standards minimums are conditional to Mr. Ganschow executing a release in a form satisfactory to Playgon Interactive Inc. Mr. Ganschow is also entitled to base salary earned but not yet paid, less all applicable statutory deductions and reimbursement of travel and other expenses incurred prior to the date of termination and health benefits continuation, to the extent permitted by carriers, for the period of notice.

During the year ended December 31, 2020, the Corporation paid \$104,901 to Mr. Ganschow. For greater certainty, Mr. Ganschow's bonus of \$40,000 accrued in fiscal 2020 and will be paid by the Corporation to Mr. Ganschow in fiscal 2021. See "Table of Compensation Excluding Compensation Securities".

The Malaspina Agreement

On August 1, 2020, the Corporation entered into an agreement with Malaspina pursuant to which Harry Nijjar, a managing director with Malaspina, agreed to act as the Chief Financial Officer of the Corporation. During the year ended December 31, 2020, the Corporation paid \$23,000 to Malaspina. See "Table of Compensation Excluding Compensation Securities".

The Baker Agreement

On September 10, 2020, the Corporation entered into an agreement with Steve Baker (the "**Baker Agreement**") pursuant to which Mr. Baker agreed to act as the Chief Operating Officer of the Corporation.

If Mr. Baker's employment is terminated for cause at any time, he will only be entitled to the amount of his base salary and vacation pay earned up to the effective date of termination.

If Mr. Baker's employment is terminated without cause, he is entitled to written notice of six (6) months from the Corporation, which may, at the sole option of the Corporation, be provided in a lump sum payment of base salary in lieu of notice. Such payment will also include accrued and unpaid bonuses, which are conditional to Mr. Baker executing a release in a form satisfactory to the Corporation. Mr. Baker is also entitled to base salary earned but not yet paid, less all applicable statutory deductions and reimbursement of travel and other expenses incurred prior to the date of termination.

If Mr. Baker's employment is terminated within six (6) months following a change of control, he will be entitled to written notice of one year, which may, at the sole option of the Corporation, be provided in a lump sum payment of base salary in lieu of notice. Such payment will also include accrued and unpaid bonuses, which are conditional to Mr. Baker executing a release in a form satisfactory to the Corporation.

During the year ended December 31, 2020, the Corporation paid \$20,000 to Mr. Baker. See "Table of Compensation Excluding Compensation Securities".

The Pacific West Agreement

On January 1, 2020, the Corporation entered into an agreement with Pacific West pursuant to which Mike Marrantino, the President and sole director of Pacific West, agreed to act as a director of the Corporation. During the year ended December 31, 2020, the Corporation accrued \$22,000 plus HST (fiscal 2019—\$14,400) to Pacific West. See "Table of Compensation Excluding Compensation Securities". For greater certainty, the amount of \$22,000, exclusive of HST, will be paid by the Corporation to Pacific West in fiscal 2021.

The Magnolia Agreement

On March 12, 2019, the Corporation entered into an arrangement with Magnolia pursuant to which Jason Meretsky, its President and sole director, agreed to act as a director of the Corporation. During the year ended December 31, 2020, the Corporation accrued \$22,000 plus HST (fiscal 2019—\$12,000) to Magnolia. See "Table of Compensation Excluding Compensation Securities". For greater certainty, the amount of \$22,000, exclusive of HST, will be paid by the Corporation to Magnolia in fiscal 2021.

Other than as disclosed above, there are no arrangements for compensation with respect to the termination of Named Executive Officers, included in the event of a change of control, other than pursuant to the terms of the Option Plan, any stock options that are the subject of vesting provisions will, in the event of a Triggering Event (as defined in the Option Plan), which includes a change of control, immediately become exercisable.

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officer Compensation

Compensation, Philosophy and Objectives

The CEO and the Board, as necessary, meets with the Compensation Committee to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Corporation's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is a start-up technology company with a limited history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers is fair and reasonable. The Board as a whole recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

The Corporation considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Corporation to reward each NEO's efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan. A description of the significant terms of the Option Plan is found under the heading "Stock Option Plan".

The Corporation does not determine executive compensation based on the share price performance. Overall, the salaries or consulting fees payable to the NEOs, in particular to the CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

Option-based Awards

The Corporation has no long-term incentive plans other than the Option Plan. The Corporation's directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Corporation's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the TSXV from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;

- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

For the Corporation's financial year ended December 31, 2020, the significant elements of compensation paid and awarded to each Named Executive Officer were management fees paid by the Corporation indirectly to Messrs. Krogh, Dever, and Nijjar. See "Table of Compensation Excluding Compensation Securities" and "

Employment, Consulting and Management Agreements".

See "Stock Option Plan" for a discussion on incentive stock options that may be awarded to Named Executive Officers.

Director Compensation

The Board, in consultation with the Compensation Committee, determines director compensation from time to time. Directors who are not also officers of the Corporation are currently paid \$2,500 per month for serving on the Board. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Corporation may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Corporation. See "Stock Option Plan" for a discussion on incentive stock options that may be awarded to the directors of the Corporation. No stock options were granted to any directors during the fiscal year ended December 31, 2019. There are no arrangements for compensation with respect to the termination of directors in the event of a change or control of the Corporation, other than pursuant to the terms of the Option Plan, any stock options that are the subject of vesting provisions will, in the event of a Triggering Event (as defined in the Option Plan), which includes a change of control, immediately become exercisable.

Recent Significant Changes to the Corporation's Compensation Policies

There have been no significant changes to the Corporation's compensation policies during the financial year ended December 31, 2020 that could or will have an effect on Named Executive Officer or director compensation.

Pension Benefits

The Corporation does not provide retirement benefits for directors or Named Executive Officers.