

# Playgon Announces Intention to Complete a Private Placement of Unsecured Convertible Debentures and Shares for Debt Transaction

Vancouver, British Columbia--(Newsfile Corp. - December 9, 2022) - **Playgon Games Inc. (TSXV: DEAL) (OTC Pink: PLGNF) (FSE: 7CR)** ("**Playgon**" or the "**Company**"), a proprietary SaaS technology company delivering mobile live dealer technology to online gaming operators globally, is pleased to announce its intention to complete a non-brokered unsecured convertible debenture private placement (the "**Debentures**") for gross proceeds of up to CAD\$5,000,000 (the "**Offering**").

The Debentures will mature 24 months following the closing of the Offering (the "**Maturity Date**") and each \$1,000 Debenture will bear simple interest (the "**Interest**") at 10% per annum, calculated and paid semi-annually in arrears on the last day of June and December in each applicable calendar year. The Company may, at its sole discretion, subject to the approval of the TSX Venture Exchange (the "**TSXV**"), elect to pay the accrued interest in cash or in common shares of the Company ("**Common Shares**") at a price per share equal to the 5-day VWAP of the Common Shares on the TSXV (or such other stock exchange where the majority of trading volume occurs) immediately preceding the date interest is due, subject to such deemed issuance price being no less than the maximum allowable discount permitted by the TSXV.

Holders of the Debentures will be entitled to convert the principal amount of the Debentures at any time on or prior to the Maturity Date into Common Shares at a conversion price of CAD\$0.10 (the "**Conversion Price**"), subject to standard adjustments. If, at any time after the initial statutory hold period of four months plus one day following the closing of the Offering, the Common Shares trade or close at a price equal to CAD\$0.25 or more for 10 consecutive trading days on the TSXV (or such other stock exchange where the majority of trading volume occurs), the Company will have the right, in its sole discretion to force the conversion of the principal amount of the Debentures into Common Shares at the Conversion Price by giving notice via news release of its exercise of such right and thereafter the Debentures will be deemed satisfied and represent the right, on the tender thereof to the Company, to receive the Common Shares. Such conversion shall not occur earlier than the first anniversary of the closing of the Offering. The Company shall also have the right, in its sole discretion, after the first anniversary of the closing of the Offering, to issue 30 days written notice to the holders of the Debentures notifying them of the Company's intention to redeem the Debentures for cash. The holders of the Debentures can, in such case, continue to exercise their right to convert the Debentures into Common Shares within the notice period. Should the Company elect to redeem the Debentures early as previously stated, the Company intends to pay each holder an additional cash bonus or, at the Company's sole discretion and with the approval of the TSXV, may issue Common Shares in lieu of cash at a price per share equal to the 5-day VWAP of the Common Shares on the TSXV (or such other stock exchange where the majority of trading volume occurs) immediately preceding the date interest is due, subject to such deemed issuance price being no less than the maximum allowable discount permitted by the TSXV.

The net proceeds of the Offering are intended to be used to fund ongoing sales and marketing efforts in core European jurisdictions, to enter new markets including Latin America and North America, ongoing development costs, launch new proprietary table game content, as well as for general working capital and corporate purposes.

The Debentures (including the underlying Common Shares) will be subject to a statutory hold period of four months plus one day following the closing date of the Offering.

The Company also anticipates that certain insiders of the Company may participate in the Offering. Such participation of insiders will be considered "related party" transactions and will be subject Multilateral

Instrument 61-101 ("**MI 61-101**") and the policies of the TSXV. The Company intends to rely on applicable exemptions from the formal valuation and minority shareholder approval requirements in respect of any such insider participation.

In connection with the Offering, the Company may also pay certain finder's fees on subscriptions introduced to the Company, subject to compliance with applicable securities laws and the rules and regulations of the TSXV.

Closing of the Offering is expected to occur as soon as reasonably practicable and remains subject to the approval of the TSXV and the satisfaction of customary closing conditions for transactions of this nature.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of those laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the 1933 Act).

### **Proposed Shares for Debt Transaction**

Playgon is also announcing its intention to complete a "shares for debt" transaction pursuant to Policy 4.3 of the TSXV Corporate Finance Manual. Pursuant to the proposed shares for debt transaction, the Company intends to settle an aggregate amount of CAD\$2,238,044.22 of debt through the issuance of Common Shares at a price per share equal to CAD\$0.10. The aggregate amount of debt stated above consists of (a) an aggregate of CAD\$1,340,741.37 which was previously advanced to the Company by way of short term unsecured promissory notes by non-related parties of the Company; (b) an aggregate of CAD\$562,690.85 which was previously advanced to the Company by way of short term unsecured promissory notes by certain related parties of the Company (as part of an aggregate of CAD\$3,648,000 of debt previously advanced by related parties of the Company by way of short term unsecured promissory notes); and (c) an aggregate of CAD\$334,612 consisting of trade payables such as management fees, board fees and certain other compensation owed, but unpaid, to certain insiders and other non related parties of the Company for services rendered to the Company in fiscal 2022.

The issuance of the promissory notes by related parties of the Company, as well as the proposed shares for debt transaction, constitutes "related party" transactions. The Company has, and intends to, rely on available exemptions from the formal valuation and minority shareholder approval requirements as provided for under MI 61-101.

The proposed shares for debt transaction remains subject to the approval of the TSXV. The proposed terms of the Debentures, as well as the Offering itself, also remain subject to the approval of the TSXV and the terms of both transactions remain subject to change.

### **About Playgon Games Inc.**

Playgon is a SaaS technology company focused on developing and licensing digital content for the growing iGaming market. The Company provides a multi-tenant gateway that allows online operators the ability to offer their customers innovative iGaming software solutions. Its current software platform includes Live Dealer Casino, E-Table games and Daily Fantasy Sports, which, through a seamless integration at the operator level, allows customer access without having to share or compromise any sensitive customer data. As a true business-to-business digital content provider, the Company's products are ideal turn-key solutions for online casinos, sportsbook operators, land-based operators, media groups, and big database companies. For further information, please visit the Company's website at [www.playgon.com](http://www.playgon.com).

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## **Forward-Looking Statements**

This release contains forward-looking statements, including with respect to the Company's intention or ability to complete the Offering, the timing of closing the Offering, the intended use of proceeds from the Offering, the Company's intention or ability to complete the shares for debt transaction and timing related thereto, as well as the terms of the Offering and the proposed shares for debt transaction. Forward-looking statements, without limitation, may contain the words believes, expects, anticipates, estimates, intends, plans, or similar expressions. Forward-looking statements are not guaranteeing of future performance. They involve risks, uncertainties and assumptions and actual results could differ materially from those anticipated. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are 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 statements. Except for historical facts, the statements in this news release, as well as oral statements or other written statements made or to be made by Playgon, are forward-looking and involve risks and uncertainties. In the context of any forward-looking information please refer to risk factors detailed in, as well as other information contained in the Company's audited financial statements for the year ended December 31, 2021 and Management Discussion and Analysis for the year ended December 31, 2021 and other filings with Canadian securities regulators ([www.sedar.com](http://www.sedar.com)). Readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this press release represents Playgon's current expectations. Playgon disclaims any intention and assumes no obligation to update or revise any forward-looking information, except if required by applicable securities laws.

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# **PLAYGON**

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