

Playgon Announces Closing of Non-Brokered Private Placement of Unsecured Convertible Debentures

Vancouver, British Columbia--(Newsfile Corp. - December 29, 2023) - **Playgon Games Inc. (TSXV: DEAL) (OTC Pink: PLGNF) (FSE: 7CR) ("Playgon" or the "Company")**, a propriety SaaS technology company delivering mobile live dealer technology to online gaming operators globally, is pleased to announce that, further to its press release on November 30, 2023, it has completed a non-brokered private placement of unsecured convertible debentures (the "**Debentures**") for aggregate gross proceeds to the Company of CAD\$4,971,000 (the "**Non-Brokered Offering**"). The Debentures will mature on December 29, 2024 and each \$1,000 principal amount of Debenture will bear simple interest at 10% per annum, calculated and paid quarterly in arrears. 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 25-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 Debentures will also 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 price of \$0.05 per Common Share, subject to standard adjustments. The Debentures will not include any forced acceleration or early redemption rights by the Company. Any net proceeds raised from the Non-Brokered Offering is intended to be used by the Company 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.

A portion of the Non-Brokered Offering representing \$4,746,000 or 95.5% of the total offering pursuant to the closing constitutes a "related party transaction" and is subject to Multilateral Instrument 61-101 ("**MI 61-101**") and TSXV Policy 5.9, notably as a result of an additional investment by a significant shareholder and "control person" of the Company, Ms. Kathleen Crook, as well as by certain directors of the Company. Each participation by insiders of the Company in the Non-Brokered Offering is exempt from the formal valuation and minority shareholder approval requirements pursuant to MI 61-101 as, at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves an interested party of the Company, exceeds 25% of the Company's market capitalization.

The Debentures (including the underlying Common Shares) will be subject to a statutory hold period of four months plus one day following closing of the Non-Brokered Offering and the Non-Brokered Offering remains subject to the final approval of the TSXV.

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

Playgon also announces that it intends to settle an aggregate of \$532,250 of debt, representing interest payments owed to the holders of previously issued convertible unsecured debentures (the "**Previous Debentures**"), via the issuance of 9,645,000 Common Shares at a deemed issuance price of \$0.05

per Common Share (calculated based on the applicable VWAP as contemplated under the Indenture (as defined below)). As previously disclosed, the Previous Debentures were issued by Playgon on January 19, 2023, March 24, 2023 and May 3, 2023 pursuant to a debenture indenture dated January 19, 2023 (as supplemented on May 3, 2023) (the "**Indenture**") among Playgon and Odyssey Trust Company, as trustee (the "**Trustee**"). Pursuant to the terms of the Indenture, Playgon is authorized, at its discretion, to satisfy any portion of interest payments owed by way of the issuance of Common Shares by providing notice to the Trustee. The proposed shares for debt transaction is subject to the terms and conditions set forth in the policies of the TSXV and the completion of the shares for debt transaction, as well as the issuance of the Common Shares, remains subject to the review and approval of the TSXV.

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.

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Forward-Looking Statements

This release contains forward-looking statements, including with respect to the Company's intended use of proceeds from the Non-Brokered Offering, the final approval of the TSXV 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, 2022 and Management Discussion and Analysis for the year ended December 31, 2022 and other filings with Canadian securities regulators (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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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