



Playgon Games Inc.  
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## FOR IMMEDIATE RELEASE

### **Playgon Announces Closing of Second Tranche of Non-Brokered Private Placement of Unsecured Convertible Debentures, Proposed Additional Brokered Financing and Additional Financing by Anchor Investor Total Aggregated Potential Financings of Up To Approximately \$10 Million**

**VANCOUVER, British Columbia, March 27, 2023** – Playgon Games Inc. (TSX-V: DEAL / OTCQB: PLGNF / Frankfurt: 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 it has completed a second tranche closing of its previously announced non-brokered private placement of unsecured convertible debentures (the “**Debentures**”) for additional aggregate gross proceeds to the Company of CAD\$275,000 (the “**Non-Brokered Offering**”). This announcement is made further to the previously announced closing on January 19, 2023 of the first tranche closing of the Non-Brokered Offering for aggregate gross proceeds to the Company of CAD\$1,820,000. In total, the Company received aggregate gross proceeds of CAD\$2,095,000 following the closing of both tranches of the Non-Brokered Offering. All terms governing the Debentures issued as part of the Non-Brokered Offering were previously disclosed in the Company’s previous press releases.

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 Non-Brokered Offering.

The Non-Brokered Offering remains subject to the final approval of the TSXV.

#### **Proposed Brokered Financing**

The Company is also pleased to announce that it has entered into an agreement with Pollitt & Company Inc. (the “**Lead Agent**”) to act as lead agent, on its own behalf and, if applicable, on behalf of a syndicate of agents (together with the Lead Agent, the “**Agents**”), on a commercially reasonable efforts basis, in connection with a new proposed private placement offering (the “**Brokered Offering**”) of unsecured convertible debentures (the “**New Debentures**”) for aggregate gross proceeds of up to \$2,000,000, or such other amount as the Company and Lead Agent may mutually agree. The terms governing the New Debentures will be substantially identical to those governing the Debentures previously issued in connection with the Non-Brokered Offering, which are summarized below.

The New Debentures will mature 24 months following issuance (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 volume-weighted average price (“**VWAP**”) of the Common Shares on the



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TSXV 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 New Debentures will be entitled to convert the principal amount of the New 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 Brokered 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, the Company will have the right, in its sole discretion, to force the conversion of the principal amount of the New Debentures into Common Shares at the Conversion Price by giving notice via news release of its exercise of such right and thereafter the New Debentures will be deemed satisfied and represent the right, on the tender thereof to the Company, to receive the Common Shares. Such conversion right shall not occur prior to the first anniversary of the closing of the Brokered Offering. The Company shall also have the right, in its sole discretion, after the first anniversary of the closing of the Brokered Offering, to issue at least 30 days’ written notice to the holders of the New Debentures notifying them of the Company’s intention to redeem the New Debentures for cash. The holders of the New Debentures can, in such case, continue to exercise their right to convert the New Debentures into Common Shares within the notice period. Should the Company elect to redeem the New Debentures early as previously stated, the Company intends to pay each holder an additional 6% 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 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 Non-Brokered Offering and the Brokered 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, new tables with native language speaking dealers as well as for general working capital and corporate purposes.

In connection with the Brokered Offering, the Company has agreed to pay the Agents a cash commission equal to 6.0% of the gross proceeds of the Brokered Offering, as well as issue to the Agents share purchase warrants (“**Broker Warrants**”) of the Company as is equal to 6.0% of the gross proceeds of the Brokered Offering divided by \$0.10, being the conversion price of the New Debentures, for a period of 24 months following closing. The Company has also granted the Agents an option to sell up to an additional \$500,000 of New Debentures under the Brokered Offering, exercisable in whole or in part up until 48 hours prior to the Closing Date

The New Debentures and Broker Warrants (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 Brokered Offering. Subject to customary closing conditions, including applicable TSXV approvals, the Brokered Offering is expected close on or about April 21, 2023, or such other date as the Company and the Lead Agent may agree.



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The securities issued or issuable under the Non-Brokered Offering and Brokered Offering, respectively, 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 Additional Financing by Anchor Investor**

The Company is also pleased to announce that Ms. Kathleen Crook, a current shareholder of the Company, is intending to invest up to an additional CAD\$6,000,000 in the Company by way of the purchase of additional unsecured convertible debentures, with such debentures to be issued upon substantially the same terms and conditions as those governing the existing Debentures and the New Debentures issued as part of the Non-Brokered Offering and the Brokered Offering, respectively (the “**Anchor Financing**”). The total amount of the investment is not yet final and subject to change.

Ms. Crook currently holds or controls 31,333,333 Common Shares and 1,666,667 warrants to acquire Common Shares, representing approximately 12.4% of the total issued and outstanding Common Shares on an undiluted basis (approximately 12.9% on a partially diluted basis) and is therefore considered an insider and related party of the Company in accordance with applicable Canadian securities laws and TSXV policies. Ms. Crook, along with each of her Associates and Affiliates (as such terms are defined in Policy 1.1 of the TSXV Corporate Finance Manual), taken together, currently hold or control an aggregate of 33,883,858 Common Shares and an aggregate of 4,491,929 warrants and other convertible securities of the Company to acquire Common Shares, representing approximately 13.4% of the total issued and outstanding Common Shares on an undiluted basis (approximately 14.9% on a partially diluted basis) (collectively, the “**Interested Securities**”). Upon the issuance of the full amount of the debentures (assuming the full CAD\$6,000,000 investment), and assuming the full conversion of the debentures into Common Shares in accordance with the terms of the debentures, Ms. Crook would own 91,333,333 Common Shares representing approximately 29.2% of the total issued and outstanding Common Shares on an undiluted basis (approximately 29.5% on a partially diluted basis) and would therefore be considered a new “Control Person” (as such term is defined in Policy 1.1 of the TSXV Corporate Finance Manual) of the Company and, pursuant to the policies of the TSXV, requires the approval of the shareholders. As also further permitted under the policies of the TSXV, the Company intends to satisfy this requirement by obtaining the written consent of its shareholders holding more than 50% of the total issued and outstanding Common Shares, excluding, for calculation purposes, any votes attached to the Interested Securities.

The Anchor Financing would also constitute a “Related Party Transaction” and the Company intends to rely on available exemptions.



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Any net proceeds realized from the completion of the Anchor Financing would be used for the same purposes as set forth above, as well as the repayment of certain outstanding debt.

The Anchor Financing remains subject to the approval of the TSXV and the receipt of the requisite shareholder consent, if applicable. Further updates regarding the Anchor Financing will be provided in due course.

### **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 intended use of proceeds from the Non-Brokered Offering, the Brokered Offering and the Anchor Financing (including the amount of the Anchor Financing and timing for completion, if at all) and all statements made relating to the Brokered Financing (including the amount of the Brokered Financing and timing for completion, if at all). 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



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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](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.

*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.*