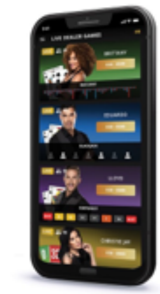
PLAYGON

TSX-V: DEAL

Playgon Games Inc.
#1100 - 1199 West Hastings Street
Vancouver, BC, Canada V6E 3T5

play games online



FOR IMMEDIATE RELEASE

Playgon Announces Proposed Shares for Debt Settlement and Provides Update on Previously Announced Recapitalization Transactions

VANCOUVER, British Columbia, July 27, 2026 – Playgon Games Inc. (TSX-V: DEAL / OTCQB: PLGNF / Frankfurt: 7CR) (“**Playgon**” or the “**Company**”), a proprietary SaaS technology company delivering mobile AI-dealer technology to online gaming operators globally, announces that it proposes to settle accrued interest on its outstanding convertible unsecured debentures as at June 30, 2026, and provides an update on the timing of the previously announced transactions (see previous press releases of the Company dated May 29 and June 30, 2026).

Proposed Shares for Debt

The Company announces that it intends to settle accrued interest owing to the holders of its previously issued convertible unsecured debentures (the “**Debentures**”) as at June 30, 2026 via the proposed issuance of common shares of the Company (“**Common Shares**”). As previously disclosed, the Debentures were issued by Playgon on January 19, 2023, March 24, 2023, May 3, 2023 and December 29, 2023 pursuant to a debenture indenture dated January 19, 2023 (as supplemented from time to time) (collectively, 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. Key terms of the proposed shares for debt transaction are as follows: (i) aggregate interest to be settled: approximately $650,900; (ii) number of Common Shares to be issued: approximately 65,090,000 Common Shares; (iii) deemed issuance price: $0.01 per Common Share (calculated based on the applicable VWAP as contemplated under the applicable supplement to the Indenture); and (iv) insider participation: an aggregate issuance of approximately 41,865,000 Common Shares (reflecting the settlement of approximately $418,650 in interest payment debt) to insiders of Playgon, representing approximately 64% of the aggregate interest being settled, reflective of such insiders’ pro rata participation in the Debenture financings. The proposed shares for debt transaction is subject to the terms and conditions set forth in the policies of the TSX Venture Exchange (“**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.

The portion of Common Shares to be issued to insiders of Playgon will be deemed a “related party transaction” in accordance with TSXV Policy 5.9 and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Playgon intends to rely on an available exemption pursuant to MI 61-101 from the minority shareholder approval and valuation requirements as 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 interested parties, exceeds 25% of the issuer's market capitalization.

Update on Previously Announced RecapitalizationTransactions

While the Company has continued to make progress toward closing the previously announced transactions since receiving the approval of its shareholders at the meeting of its shareholders held on June 29, 2026 (the "**Meeting**"), the Company advises that completion of these transactions has been delayed beyond the timeline previously communicated. The delay is primarily attributable to the following factors: (i) slower business activity during the summer period, which has affected the pace at which remaining creditors have executed subscription and set-off agreements and the availability of counterparties to finalize documentation; (ii) the practical challenges of coordinating and completing multi-party transactions involving numerous creditors and potential investors during the summer months; (iii) the time required to complete the remaining TSXV documentation and review process in connection with the proposed transactions; and (iv) ongoing efforts to finalize subscription arrangements with investors for the private placement financing. The Company has continued to advance these matters throughout this period, and has to date obtained the signed consent of the majority of its creditors, and remains committed to completing the proposed transactions as expeditiously as practicable. Based on the current status of these matters, the Company now expects to be in a position to complete the transactions by the end of Q3, or shortly thereafter. The Company will continue to provide updates as they materialize.

As initially contemplated and disclosed, all debt owing (inclusive of accrued interest) was calculated based on an anticipated June 30, 2026 closing date. Given the delay mentioned above, and because interest on, most notably, the Debentures has continued to accrue and is owing as at June 30, 2026, the Company has determined that it will settle such accrued interest via the proposed shares for debt transaction described above, consistent with the Company's established practice and as permitted under the terms of the Indenture. As a result of settling the June 30, 2026 Debenture interest separately and in advance of the previously announced and broader debt settlement, the aggregate amount of outstanding debt that will be carried into and settled pursuant to the broader debt settlement will be correspondingly reduced from the amounts previously communicated, since this interest tranche will have already been satisfied through the separate issuance of Common Shares described herein. For any additional interest that will continue to accrue from July 1, 2026 until the actual closing date, as it relates to the Debentures or other outstanding debt, such additional accrued interest will be accounted for by the Company and will be converted into Common Shares on the same terms as previously disclosed in connection with the proposed broader debt settlement (being $0.01 per Common Share on a pre-consolidation basis, equivalent to $1.00 per post-consolidation Common Share), up to the maximum aggregate amount of outstanding debt previously approved by the disinterested Shareholders at the Meeting (being the approved aggregate of approximately CAD$31,968,473 of Outstanding Debt convertible into up to approximately 31,968,474 post-consolidation Common Shares). In the event that accrued interest, together with the other components of the outstanding debt, exceeds the maximum aggregate amount approved by the disinterested Shareholders at the meeting, any such excess amount will be settled by the Company either: (a) in cash paid by the Company to the applicable debtholders; or (b) by way of a separate shares-for-debt transaction, in either case subject to obtaining any additional approvals as may be required for such additional settlement at such time. The Company believes that proceeding in this manner, as a result of the transaction delay, will be in the best interest of its debtholders and creditors that are subject to the debt settlement, and will keep such debtholders and creditors current and whole for purposes of settling amounts owing to them.

Darcy Krogh, President and CEO of Playgon, stated the following : "The gaming industry is undergoing a fundamental structural shift. We believe AI has moved beyond the experimental stage and is rapidly becoming core industry infrastructure. It is transforming how players are acquired and retained, how content is created and personalized, how markets are priced, and how compliance and risk are managed. Most gaming companies recognize the importance of this shift. Far fewer have access to a partner that combines advanced AI capabilities with a deep understanding of the gaming industry, its commercial realities, and the regulatory environment in which the technology must operate. We believe Playgon is uniquely positioned to bridge that gap and establish a meaningful first-mover advantage in AI-driven gaming content. By moving early, building on our proven live gaming technology, and combining industry expertise with advanced AI capabilities, we have the opportunity to set a new standard for player engagement, operational efficiency, and scalable content delivery. Our product development program with our joint venture partner continues to progress as planned and remains on track for an initial release in the third quarter of 2026. We believe this milestone will represent an important step toward the commercialization of our AI-driven gaming strategy."

About Playgon Games Inc.

Playgon is a SaaS technology company focused on developing and licensing advanced AI-driven 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 AI Dealer Casino and E-Table games 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.

For further information, contact:
Darcy Krogh, CEO
Tel: (604) 657-7273
Email: investor@playgon.com

Forward-Looking Statements

This release contains forward-looking statements, including with respect to the Company's intention or ability to complete the proposed shares for debt settlement of Debenture interest accrued as at June 30, 2026 and the receipt of TSXV and other approvals therefor; the anticipated reduction in the aggregate outstanding debt owing to Debenture holders that will be carried into the debt settlement; the Company's continued pursuit of and expected timing to close the previously announced transactions; the treatment, accounting and conversion of additional interest accruing on the debt; the possible cash settlement or separate future shares-for-debt submission in respect of any excess interest and the need for additional approvals in connection therewith; and other forward-looking statements included in the Company's press releases dated May 29, 2026 and June 30, 2026 and they relate to the proposed transactions and the matters discussed herein. 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 the Company, 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, 2025 and Management Discussion and Analysis for the year ended December 31, 2025 and other filings with Canadian securities regulators (www.sedarplus.ca). Readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this press release represents the Company’s current expectations. The Company disclaims any intention and assumes no obligation to update or revise any forward-looking information, except if required by applicable securities laws. There are no assurances any of the transactions referenced herein, including the completion of the proposed transactions, will be completed on the terms and conditions referenced herein, or at all.