



PLAYGON

PLAYGON GAMES INC.
Condensed Interim Consolidate Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(Unaudited - expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

PLAYGON GAMES INC.**Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)**

	Note	March 31, 2026	December 31, 2025
		\$	\$
ASSETS			
Current assets			
Cash		31,969	101,756
Sales tax receivable		184,306	157,478
Prepays		585,535	381,719
		801,810	640,953
Other assets	3	74,007	74,086
		875,817	715,039
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4,8	9,536,367	9,146,984
Loans payable	5	17,869,973	16,225,167
Convertible debentures	6	15,491,000	15,491,000
		42,897,340	40,863,151
SHAREHOLDERS' DEFICIENCY			
Share capital	7	60,985,656	60,334,756
Reserves	7	6,146,908	6,146,848
Accumulated deficit		(109,164,251)	(106,646,970)
Accumulated other comprehensive income		10,164	17,254
		(42,021,523)	(40,148,112)
		875,817	715,039

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board of Directors on May 29, 2026:

/s/ Darcy Krogh
Darcy Krogh
Director

/s/ Mike Marrandino
Mike Marrandino
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2026 and 2025
(Unaudited - expressed in Canadian Dollars)**

	Note	2026	2025
		\$	\$
Revenue		-	12,518
Operating expenses			
Consulting fees		323,031	301,369
Data access fees		237,217	320,194
Depreciation and amortization		-	23,283
Interest and bank charges	5, 6, 8	868,193	915,809
Management and directors fees	8	171,651	170,432
Other general and administrative expenses		124,215	24,534
Professional fees		135,833	131,475
Regulatory and shareholder services		14,774	22,413
Rent and utilities		8,856	71
Sales commissions		-	2,670
Salaries and benefits	8	457,801	516,143
Share-based compensation	8	60	413
Travel		9,858	-
		2,351,489	2,428,806
Loss before other income (expenses)		(2,351,489)	(2,416,288)
Other income (expenses)			
Interest income		520	1,195
Foreign exchange loss		(166,312)	(52,110)
(Loss) gain on debt settlement	4,7	-	(861,531)
		(165,792)	(912,446)
Loss for the period		(2,517,281)	(3,328,734)
Items that may be reclassified to profit or loss in subsequent periods			
Foreign currency translation adjustment		(7,090)	(21,218)
Loss and comprehensive loss for the period		(2,524,371)	(3,349,952)
Basic and diluted loss per common share			
		(0.00)	(0.01)
Weighted average number of common shares outstanding			
Basic and diluted		517,292,707	378,429,688

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.**Condensed Interim Consolidated Statements of Cash Flows****For the Three Months Ended March 31, 2026****(Unaudited - expressed in Canadian Dollars)**

	Three Months ended	
	2026	March 31,
	2025	2025
	\$	\$
Cash flows provided by (used in) operating activities		
Loss for the period	(2,517,281)	(3,328,734)
Items not affecting cash:		
Interest expense	486,705	698,816
Accretion expense	-	212,616
Depreciation and amortization	-	23,283
Unrealized Foreign Exchange	123,969	-
Share-based compensation	60	413
Loss on settlement of interest payable		861,531
Changes in non-cash working capital:		
Amounts receivable	-	(14,073)
Sales tax receivable	(26,828)	5,407
Prepays	(203,816)	(55,323)
Accounts payable and accrued liabilities	553,578	230,845
	(1,583,613)	(1,365,219)
Cash flows provided by (used in) financing activities		
Loan proceeds	1,520,837	1,135,103
	1,520,837	1,135,103
Effect of foreign exchange on cash	(7,011)	(21,353)
Change in cash during the period	(69,787)	(251,469)
Cash, beginning of period	101,756	378,555
Cash, end of period	31,969	127,086
Supplemental cash flow information:		
Interest settled through share issuances	650,900	1,518,056

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Unaudited - expressed in Canadian Dollars)**

	Share Capital	Share Capital	Reserves	Accumulated Other Comprehensive (Loss)/income	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, December 31, 2024	332,250,528	57,769,001	6,160,115	26,806	(96,394,842)	(32,438,920)
Shares issued for debt	65,720,407	1,518,056	-	-	-	1,518,056
Share-based compensation	-	-	413	-	-	413
Foreign exchange on translation	-	-	-	(21,218)	-	(21,218)
Loss for the period	-	-	-	-	(3,328,734)	(3,328,734)
Balance, March 31, 2025	397,970,935	59,287,057	6,160,528	5,588	(99,723,576)	(34,270,403)
Shares issued for debt	86,364,997	905,074	-	-	-	905,074
Convertible Debt - share conversion	1,858,219	142,625	(14,043)	-	-	128,582
Share issue costs	-	-	-	-	-	(4,202)
Share-based compensation	-	-	363	-	-	363
Foreign exchange on translation	-	-	-	11,666	-	11,666
Loss for the period	-	-	-	-	(6,923,394)	(6,923,394)
Balance, December 31, 2025	486,194,151	60,334,756	6,146,848	17,254	(106,646,970)	(40,148,112)
Shares issued for debt	65,090,000	650,900	-	-	-	650,900
Share-based compensation	-	-	60	-	-	60
Foreign exchange on translation	-	-	-	(7,090)	-	(7,090)
Loss for the period	-	-	-	-	(2,517,281)	(2,517,281)
Balance, March 31, 2026	551,284,151	60,985,656	6,146,908	10,164	(109,164,251)	(42,021,523)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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Notes to Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2026, and 2025 (Unaudited - expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Playgon Games Inc. ("Playgon") was incorporated on December 2, 1985, under the laws of the Province of British Columbia. All references in this document to the "Company" refer to Playgon Games Inc. and its wholly owned subsidiaries. The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "DEAL". The Company's principal office is located at #1100 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, Canada.

The Company's principal business is the development and licensing of 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 and E-Table games ("Live Dealer Product"), through a seamless integration at the operator level, allows customer access without having to share or compromise any sensitive customer data.

On July 26, 2024, the Company announced that its subsidiary, Bitrate Productions, had received an order from the Nevada Gaming Control Board (the "NGCB") to halt operations at its Las Vegas Studio and the Company complied with the order. Prior to commencing operations at the Las Vegas studio, the Company initiated a legal review conducted by a specialist in Nevada gaming law. The legal opinion stated that Playgon's business model was in compliance with Nevada state laws, Playgon's business is exclusively outside the US and does not target any US operators or players. While the Company has complied with the order and halted operations at the Las Vegas Studio, the Company's e-table games, which are not hosted in Nevada, remain live and available for licensed operators to access. These e-table games are available exclusively outside the USA and do not target Nevada or any U.S. state operators or players.

This halt in operations has had a material adverse effects on, among other things, the Company, its business and revenues. Management and the board are conducting a review and assessment of alternative studio locations.

In addition, the Company's operations have been primarily funded from equity financings, loans and convertible notes, which are dependent upon many external factors and may be difficult to secure or raise when required on terms acceptable to the Company or at all. During the three months ended March 31, 2026, the Company incurred a loss of \$2,517,281 (March 31, 2025 - \$3,328,734). As at March 31, 2026, the Company had a working capital deficit balance of \$42,095,530 (December 31, 2025 - \$40,222,198) and an accumulated deficit of \$109,164,251 (December 31, 2025 - \$106,646,970). The Company recognizes that its objectives and scope of expenditure may change with ongoing results, and, as a result, it will need to seek additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

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Notes to Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2026, and 2025 (Unaudited - expressed in Canadian Dollars)

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year December 31, 2025.

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets and liabilities that are measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting period as follows:

	Incorporation	Percentage owned	
		2026	2025
Playgon Interactive Inc. ("Playgon Interactive")	Canada	100%	100%
Companies owned by Playgon Interactive			
Cleebo Games Inc.	Canada	100%	100%
Bitrate Productions ("Bitrate")	USA	100%	100%
Playgon Distribution Limited	Cyprus	100%	100%
Playgon Malta Holding Limited	Malta	100%	100%
Companies owned by Playgon Malta Holding Limited			
Playgon Malta Limited	Malta	100%	100%

All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

Critical accounting estimates and judgements

The Company uses the same critical accounting estimates and judgements as those that applied to the annual consolidated financial statements for the year ended December 31, 2025.

3. OTHER ASSETS

In October 2018 the Company's bank in Malta, Satabank, was directed by the Malta Financial Services Authority (MFSA) to refrain, cease and desist from taking further deposits into the accounts of its current customers. The MFSA also retained Ernst & Young LLP to take charge of the bank's assets for the purpose of safeguarding the interests of the depositors and to assume control of the bank's business. The Company has EUR €46,047 (CAD\$74,007) (December 31, 2025 - EUR €46,047 (CAD\$74,086)) in a bank account at Satabank and is in the process of transferring these funds to a new bank in Malta. As the funds are not currently available, the cash amount has been categorized as "Other assets" in the consolidated statement of financial position. Dialogue with Satabank's appointed receiver is ongoing and the Company has submitted a request for receipt of the funds.

On December 14, 2020, Devkey Consulting Limited ("Devkey"), a company controlled by the former CFO of Playgon, Paul Dever, initiated a civil claim against the Company in the Supreme Court of British Columbia (the "Court") for failure to pay monthly fees and invoiced expenses from July 2018 to August 2020 and an unpaid severance amount upon termination of his consulting contract. The claim was for EUR €231,569 (CAD - \$373,878) and on December 16, 2020, the Court ordered the full amount claimed be garnished from the Company and paid into court until a judgement on the claim is reached. The Company has retained

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legal counsel regarding this matter and strongly believes the garnishment order will be lifted. As at March 31, 2026, the Company has written off the balance of the garnishment but will continue to pursue the recovery of the funds. An amount owing to Devkey of EUR €186,569 (CAD - \$299,854) is recorded in accounts payable and accrued liabilities.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026	December 31, 2025
	\$	\$
Accounts payable	5,395,612	5,124,435
Accrued liabilities	653,601	747,983
Payroll taxes payable	118,812	129,483
Accrued interest payable (Note 5, 6)	3,368,342	3,145,083
	9,536,367	9,146,984

5. LOANS PAYABLE

	Promissory Notes	Secured Loans	Loans Payable	CEBA	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2024	9,118,601	1,573,456	548,568	60,000	11,300,625
Additions	-	5,077,394	-	-	5,077,394
Accretion	-	41,243	-	-	41,243
Foreign exchange adjustment	-	(174,401)	(19,694)	-	(194,095)
Balance, December 31, 2025	9,118,601	6,517,692	528,874	60,000	16,225,167
Additions	-	1,520,837	-	-	1,520,837
Accretion	-	-	-	-	-
Foreign exchange adjustment	-	117,250	6,719	-	123,969
Balance, March 31, 2026	9,118,601	8,155,779	535,593	60,000	17,869,973

Interest Payable

	Promissory Notes	Secured Loans	Loans Payable	CEBA	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2024	868,156	16,120	124,440	1,967	1,010,683
Additions	1,058,064	407,012	26,835	2,066	1,493,977
Foreign exchange adjustment	-	(5,806)	(4,857)	-	(10,663)
Balance, December 31, 2025	1,926,220	417,326	146,418	4,033	2,493,997
Additions	277,737	191,674	6,531	510	476,452
Foreign exchange adjustment	-	8,687	1,931	-	10,618
Balance, March 31, 2026	2,203,957	617,687	154,880	4,543	2,981,067

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Notes to Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2026, and 2025 (Unaudited - expressed in Canadian Dollars)

Promissory Notes

During the year ended December 31, 2024, the Company received \$7,948,601 in promissory notes from related parties, which are due on demand and accrue interest at 10% per annum.

As at March 31, 2026, the Company owes \$9,118,601 (December 31, 2025 - \$9,118,601) in short-term promissory notes. The promissory notes are unsecured and as at March 31, 2026, the amount outstanding is due on demand and incurs interest of 10% to 12% per annum. During the three months ended March 31, 2026, the Company recorded interest expense of \$277,737 (March 31, 2025 - \$251,094) on the promissory notes. As at March 31, 2026, interest of \$2,203,957 (December 31, 2025 - \$1,926,220) remains outstanding and is included in accounts payable and accrued liabilities.

Secured Loans

During the three months ended March 31, 2026, the Company entered into a secured promissory note (the "Secured Note") with Pure Live Interactive Inc. (the "Noteholder"), a related party of Playgon, pursuant to which the Noteholder has agreed, for a period of 6 months to make available to Playgon, in the Noteholder's sole discretion, one or more advances of immediately available funds over the Term, which advances would carry an annual interest rate equal to 10% per annum accruing as of the date of the relevant advance until the Note is repaid. The maximum facility available was \$5,000,000. All advances are guaranteed by a guarantee granted by Playgon Interactive, Playgon Malta Limited and Playgon Malta Holdings Limited, in favour of the Noteholder and secured by a grant of security interest in all of Playgon's and Playgon Interactive's (including its subsidiaries) present and after acquired personal property, a pledge of the shares held by Playgon in Playgon Malta Limited and Holdings. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under the Note shall be due and payable as at the expiry of the Term. Playgon may, at its discretion, prepay the Loan, in whole or in part at any time and from time to time by paying the principal amount to be prepaid, together with accrued interest thereon to date of prepayment. Playgon is also subject to various covenants and obligations under the Note customary for transactions of this nature. The Noteholder is a company owned by Ms. Kathleen Crook, a current "control person" of Playgon.

During the three months ended March 31, 2026, the Company received USD \$1,110,000 (CAD \$1,520,837) in promissory notes from related parties, which are due on demand and accrue interest at 10% per annum.

As at March 31, 2026, the Company owes \$8,155,779 (December 31, 2025 - \$6,517,692) in secured loans. During the three months ended March 31, 2026, the Company recorded interest expense of \$191,674 (March 31, 2025 - \$50,137) on the secured loans. As at March 31, 2026, interest of \$617,687 (December 31, 2025 - \$417,326) remains outstanding and is included in accounts payable and accrued liabilities.

On March 27, 2026 the maximum of the Secured Note was increased to \$14,000,000 with the maturity date extended to September 30, 2026. As at March 31, 2026, the Company had received \$8,155,779 in secured loans.

Loans Payable

As at March 31, 2026, the Company had \$133,660 and US\$288,351 (CAD \$401,932) owing to various third-party lenders. The loans are unsecured and bear interest at 5% per annum. The loans became due on demand upon the Company completing a financing greater than \$5,000,000. Playgon Interactive is the obligor under the loans and as of March 31, 2026, they remain owing and unpaid. During the three months ended March 31, 2026, the Company recorded interest expense of \$6,531 (March 31, 2025 - \$6,751) on the loans payable. As at March 31, 2026, interest of \$154,880 (December 31, 2025 - \$146,418) remains outstanding and is included in accounts payable and accrued liabilities.

On April 10, 2024, a third-party lender initiated a claim against Playgon Interactive for USD\$25,974 (CAD \$36,205) and \$133,660 of principal outstanding and USD \$7,511 (CAD \$10,470) and \$27,811 of interest outstanding at the date of the claim. The Company has filed a response to the application.

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Notes to Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2026, and 2025 (Unaudited - expressed in Canadian Dollars)

Canada Emergency Business Account

As at March 31, 2026, the Company owed the Government of Canada \$60,000 (December 31, 2025 - \$60,000) in relation to two loans received under the Canada Emergency Business Account ("CEBA") program. As the Company did not repay any amount of the CEBA program loans by January 18, 2024, the expiry date of the loan was extended for a two-year term and accrues interest at 5% per annum. During the three months ended March 31, 2026, the Company recorded interest expense of \$510 (December 31, 2025 - \$2,066) on the CEBA loans. As at March 31, 2026, interest of \$4,543 (December 31, 2025 - \$4,033) remains outstanding and is included in accounts payable and accrued liabilities.

6. CONVERTIBLE DEBENTURES

	Principal	Interest	Total
			\$
Balance, December 31, 2024	15,370,379	656,525	16,026,904
Accretion expense	245,621	-	245,621
Conversion to shares	(125,000)		
Interest expense	-	1,559,743	1,559,743
Interest settled by shares	-	(1,565,182)	(1,565,182)
Balance, December 31, 2025	15,491,000	651,086	16,142,086
Accretion expense	-	-	-
Conversion to shares	-	-	-
Interest expense	-	387,089	387,089
Interest settled by shares	-	(650,900)	(650,900)
Balance, March 31, 2026	15,491,000	387,275	15,878,275

On January 19, 2023, and March 24, 2023, the Company raised gross proceeds of \$2,095,000 through the issuance of 2,095 convertible note units at a price of \$1,000 per unit. Each unit consists of \$1,000 in principal amount of an unsecured convertible note of the Company. The convertible note units were to mature on January 19, 2025, and March 24, 2025, respectively, and bear interest at a simple rate of 10% per annum. Interest is payable semi-annually on June 30 and December 31. The entire principal amount of the convertible note may be converted at the election of the holder into common shares of the Company at a conversion price of \$0.10 per share at any time prior to the maturity date. The accrued interest is payable in cash or, at the option of the Company, may also be converted into common shares at a conversion price equal to the 25-day volume weighted average price ("VWAP") of the Company's common shares on the TSXV immediately preceding the date the interest is due.

In connection with the offering, the Company paid cash finders' fees of \$30,000 and incurred \$22,599 in other transaction costs.

The fair value of the liability component of the convertible notes on inception was estimated at \$1,847,252 based on an estimated 18% market discount rate less \$46,375, the pro-rata portion of the \$52,599 transaction costs. The remaining value of \$247,748 and \$6,224 of transaction costs was allocated to the equity component.

On May 3, 2023, the Company raised gross proceeds of \$2,550,000 through the issuance of unsecured convertible debentures through a brokered private placement. The debentures were to mature on May 3, 2025, and bear interest at 10% per annum. Interest is payable semi-annually on June 30 and December 31. The entire principal of the convertible note may be converted at the election of the holder into common shares of the Company at a conversion price of \$0.10 per share at any time prior to the maturity date., subject to standard adjustments and a forced conversion right granted to the Company. The accrued interest is payable in cash or, at the option of the Company may also be converted into common shares at

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a conversion price equal to the 25-day VWAP of the Company's common shares on the TSXV immediately preceding the date the interest is due.

In connection with the offering, the Company paid cash finders' fees of \$153,000, incurred \$103,305 in cash transaction costs and issued 1,530,000 agent warrants at a value of \$76,888 with each agent warrant being exercisable for a 24-month period at an exercise price of \$0.10.

The fair value of the liability component of the convertible debentures on inception was estimated at \$2,248,938 based on an estimated 18% market discount rate less \$293,855, the pro-rata portion of the \$333,193 transaction costs. The remaining value of \$301,061 and \$39,338 of transaction costs was allocated to the equity component.

On May 3, 2023, the Company raised gross proceeds of \$6,000,000 through the issuance of unsecured convertible debentures to a related party ("Anchor Financing"). The debentures were to mature on May 3, 2025, and bear interest at 10% per annum. Interest is payable semi-annually on June 30 and December 31. The entire principal of the convertible note may be converted at the election of the holder into common shares of the Company at a conversion price of \$0.10 per share at any time prior to the maturity date, subject to standard adjustments and a forced conversion right granted to the Company. The accrued interest is payable in cash or, at the option of the Company may also be converted into common shares at a conversion price equal to the 25-day VWAP of the Company's common shares on the TSXV immediately preceding the date the interest is due.

In connection with the offering, the Company incurred \$30,000 in cash transaction costs.

The fair value of the liability component of the convertible debentures on inception was estimated at \$5,291,622 based on an estimated 18% market discount rate less \$26,458, the pro-rata portion of the \$30,000 transaction costs. The remaining value of \$708,378 and \$3,542 of transaction costs was allocated to the equity component.

On December 29, 2023, the Company raised gross proceeds of \$4,971,000 through the issuance of unsecured convertible debentures through a non-brokered private placement. The debentures were to mature on December 29, 2024, and bear interest at 10% per annum. Interest is payable quarterly on March 31, June 30, September 30 and December 31. The entire principal of the convertible note may be converted at the election of the holder into common shares of the Company at a conversion price of \$0.05 per share at any time prior to the maturity date., subject to standard adjustments and a forced conversion right granted to the Company. The accrued interest is payable in cash or, at the option of the Company may also be converted into common shares at a conversion price equal to the 25-day volume weighted average price of the Company's common shares on the TSX.V immediately preceding the date the interest is due.

In connection with the offering, the Company incurred \$64,005 in cash transaction costs.

The fair value of the liability component of the convertible debentures on inception was estimated at \$4,520,961 based on an estimated 21.75% market discount rate less \$58,211, the pro-rata portion of the \$64,005 transaction costs. The remaining value of \$450,039 and \$5,795 of transaction costs was allocated to the equity component.

During the three months ended March 31, 2026, \$nil (March 31, 2025 - \$182,640) of accretion and \$387,089 (March 31, 2025 - \$390,400) of interest expense was recorded on the convertible debentures. Accretion expense is recorded in interest and bank charges on the consolidated statements of loss and comprehensive loss.

As at March 31, 2026, \$387,275 (December 31, 2025 - \$651,086) of accrued interest is recorded in accounts payable and accrued liabilities (Note 4).

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Notes to Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2026, and 2025 (Unaudited - expressed in Canadian Dollars)

During the year ended December 31, 2025, a debenture holder converted \$125,000 in convertible debentures and \$3,582 in interest into common shares of the Company. The Company issued 1,858,219 common shares and transferred \$14,043 from reserves to equity.

On April 23, 2026, the maturity date for all of the outstanding convertible debentures was extended to September 30, 2026.

7. SHARE CAPITAL AND RESERVES

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued share capital

During the three months ended March 31, 2026:

- The Company issued 65,090,000 common shares to settle \$650,900 of interest owed on the convertible debentures.

During the year ended December 31, 2025:

- The Company issued 152,085,404 common shares to settle \$2,423,130 of interest owed on the convertible debentures. The Company recorded a loss on debt settlement of \$861,531 based on the share price on the date of issuance.
- The Company issued 1,858,219 common shares to settle \$125,000 of convertible debentures and \$3,582 of interest.

Share options

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. The vesting provisions are determined by the Board of Directors and, unless otherwise stated, fully vest when granted.

During the three months ended March 31, 2026, the Company recorded \$60 in share-based compensation (March 31, 2025 - \$413).

Share option transactions are summarized as follows:

	Number of Share Options	Weighted Average Exercise Price \$
Balance, December 31, 2024	13,250,000	0.28
Expired	(9,150,000)	0.29
Balance, December 31, 2025	4,100,000	0.26
Unvested	(16,667)	0.06
Expired	(550,000)	0.37
Exercisable, March 31, 2026	3,533,333	0.26

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A summary of the share options outstanding and exercisable at March 31, 2026 is as follows:

Number of Share Options Outstanding	Number of Share Options Exercisable	Exercise Price	Expiry Date
		\$	
1,000,000	1,000,000	0.37	January 1, 2027
50,000	50,000	0.38	June 30, 2026
100,000	100,000	0.28	August 25, 2026
100,000	100,000	0.30	September 1, 2026
50,000	50,000	0.32	January 6, 2027
1,550,000	1,550,000	0.21	February 24, 2027
50,000	50,000	0.07	May 2, 2027
100,000	100,000	0.07	May 9, 2027
500,000	500,000	0.10	February 27, 2028
50,000	33,333	0.06	August 10, 2028
3,550,000	3,533,333		

The weighted average life of share options outstanding at March 31, 2026, was 0.99 years.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2024	1,530,000	0.10
Expired	(1,530,000)	0.10
Balance, December 31, 2025 and March 31, 2026	-	-

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8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain of the members of the Board of Director. Additionally, individuals who have significant influence on the Company are also considered related parties. Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Summary of key management personnel compensation:

	For the three months ended March 31,	
	2026	2025
	\$	\$
Management and directors' fees	171,651	202,370
Salaries and benefits	95,000	95,000
Professional fees	37,500	37,500
Share-based compensation	-	66
	304,151	334,936

Accounts payable and accrued liabilities at March 31, 2026, includes \$3,634,659 (December 31, 2025 - \$3,358,408) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements.

During the three months ended March 31, 2026, the Company received \$1,520,837 (March 31, 2025 - \$1,135,102.98) in secured loans from a related party and recorded interest expense of \$191,674 (March 31, 2025 - \$50,548) during the three months ended March 31, 2026. As at March 31, 2026, the Company owed interest of \$617,687 (March 31, 2025 - \$417,325) pursuant to the secured loans to related parties.

As at March 31, 2026, \$7,948,601 (December 31, 2025 - \$7,948,601) in promissory notes was due to related parties and during the three months ended March 31, 2026, the Company recorded interest expense of \$234,987 (March 31, 2025 - \$212,614). As at March 31, 2026, the Company owed interest of \$1,694,537 (December 31, 2025 - \$1,459,550) on promissory notes due to related parties, included in accounts payable and accrued liabilities.

On May 3, 2023, the Company raised gross proceeds of \$6,000,000 through the issuance of unsecured convertible debentures to a related party (Note 5). On December 29, 2023, the Company raised gross proceeds of \$4,846,000 through the issuance of unsecured convertible debentures to related parties (Note 6).

During the three months ended March 31, 2026, \$nil (March 31, 2025 - \$93,554) of accretion and \$268,053 (March 31, 2025 - \$268,650) of interest expense was recorded on the convertible debentures due to related parties.

As at March 31, 2026, the principal amount of \$10,846,000 of convertible debentures (December 31, 2025 - \$10,846,000) is due to related parties. As at March 31, 2026, the Company owed interest of \$273,649 (December 31, 2025 - \$421,150) on convertible debentures due to related parties, included in accounts payable and accrued liabilities.

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9. FINANCIAL INSTRUMENTS

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); amortized cost; and fair value through other comprehensive income. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2026	December 31, 2025
		\$	\$
Cash	Amortized cost	31,969	101,756
Other assets	Amortized cost	74,007	74,086
Accounts payable and accrued liabilities	Amortized cost	(9,536,367)	(9,146,984)
Loans payable	Amortized cost	(17,869,973)	(16,225,167)
Convertible debentures	Amortized cost	(15,491,000)	(15,491,000)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of input described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices at Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, amounts receivable, accounts payable and accrued liabilities and loans payable approximate their fair value due to their short-term nature. The Company’s fair value of cash and other assets under the fair value hierarchy is measured using Level 1 inputs.

Risk exposure

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

a) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company’s operations are carried out in Canada, the United States, Cyprus and Malta. As at March 31, 2026, the Company had assets totaling US\$2,849 and liabilities totalling US\$885,076. Additionally, the Company had assets totalling EUR\$46,829 and liabilities totalling EUR\$445,897. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. A 10% change in the exchange rate with the USD would change other comprehensive income/loss by approximately CAD\$122,974 while a 10% change in the exchange rate with the Euro would change other comprehensive income/loss by approximately CAD\$64,138. At this time, the Company currently does not have plans to enter into foreign-currency future contracts to mitigate this risk, however it may do so in the future.

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b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable, and other assets is remote.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at March 31, 2026, the Company had a cash balance of \$31,969 to settle current liabilities of \$42,897,340.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

e) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The loans included in loans payable and convertible debentures bear interest at rates ranging from 5% to 12% per annum with maturity dates occurring within the next twelve months. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

f) Regulatory risk

The Company is exposed to risk due to the regulatory uncertainty of the online gaming industry. The Company is unable to predict whether regulations will be introduced in the future and if so, whether they could negatively impact the operations of the Company. On July 26, 2024, the Company received an order from the Nevada Gaming Control Board ("NGCB") to halt operations at its Las Vegas Studio.

Capital Management

The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital to mean working capital and shareholders' equity, as determined at each reporting date.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

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10. SEGMENT INFORMATION

The Company has one operating segment being the development and licensing of digital content for the iGaming market. The Company's assets and liabilities are primarily located in North America and revenue is generated through the Company's European subsidiaries.

11. CLAIM

On June 14, 2024, a former employee of the Company's wholly owned subsidiary, Bitrate Productions, filed a claim for wrongful termination against the Company. As of March 31, 2026, the Company disengaged legal counsel on this matter and expects no further action to be taken.

12. SUBSEQUENT EVENT

- The Company executed a definitive agreement with Digital Nation Entertainment Ltd. ("DNE") to co-develop and commercialize the Company's next-generation AI Dealer Platform.
- The Company received additional secured loans of USD \$720,000.

On May 29, 2026, the Company announced it will hold its next Annual and Special Meeting (the "Meeting") on June 29, 2026 for purposes of approving a proposed share consolidation, name change, settlement of outstanding debt and up to \$10 million private placement. The Company has approved a share consolidation on the basis of 100 pre-consolidation common shares for every 1 post consolidation common share. In accordance with the Company's articles the share consolidation will require shareholder approval pursuant to an ordinary resolution passed at the Company's upcoming Meeting. Following all necessary approvals the share consolidation is expected to become effective shortly following the Meeting (the "Effective Date").

The Company has also approved a name change from Playgon Games Inc. to Dealone Interactive Inc. The name change is expected to take effect concurrently with the share consolidation on the Effective date, or shortly thereafter.

The Company is also proposing to enter into a subscription and set-off agreements pursuant to which certain creditors of the Company will agree to settle indebtedness owing to them through the issuance of common shares by the Company at a price of \$0.01 on a pre-consolidation basis. In the event that all creditors approached execute the subscription and set-off agreements it is anticipated that up to 31,986,474 common shares, on a post consolidation basis will be issued in full and final satisfaction of approximately \$31,968,473 of aggregate indebtedness.

The Company also announced it will be seeking to complete a non-brokered private placement financing of units at a price of \$1 per unit for gross proceeds of \$10,000,000 on a post consolidation basis. Each unit will consist of one common share and one share purchase warrant, with each warrant enabling the holder to acquire one common share at a price of \$1.50 per common share for a period of two years from the closing date. The units are intended to be offered pursuant to the "listed issuer financing exemption".