



Symbols: JJ - TSX Venture Exchange
JJ.WT.A - TSX Venture Exchange
JJ.WT.B - TSX Venture Exchange
JJ.WT.C - TSX Venture Exchange
JPOTF - OTCQB
LVH3 - Frankfurt & Berlin Stock Exchanges

JACKPOT ANNOUNCES PROPOSED SPIN-OUT AND ENTRY INTO ONLINE CASINO AND SPORTS BETTING

Vancouver, British Columbia – February 19, 2021 – Jackpot Digital Inc. (the “Company” or “Jackpot”) (TSX-V: JJ) (TSX-V: JJ.WT.A) (TSX-V: JJ.WT.B) (TSX-V: JJ.WT.C) (US OTCQB: JPOTF) (Frankfurt & Berlin Exchanges: LVH3). Jackpot Digital, <https://www.jackpotdigital.com>, announces that it is reviewing and intending to spin-out its online gaming software assets to a newly incorporated company (“Spinco”). As consideration for the assets, Spinco will issue shares (the “Spinco Shares”) which shall be distributed to Jackpot’s shareholders.

The purpose of the spin-out shall be to leverage and monetize the Company’s online digital assets and commercial relationships in the gaming sector. Furthermore, the spin-out will allow a more streamlined regulatory process by separating the Company’s respective business operations and also allow the Company to attract specialized management to run the online operations.

President & CEO Mr. Jake Kalpakian states, “This move is a natural progression for us. In addition to the casino owner/operators’ interest in our Blitz ETGs, and the fact that they often ask us for online/mobile app options, we are now intending to fulfill that demand from the regulated casino owner/operator market.”

Mr. Kalpakian continues, “We already build software and have our own content and access to more. Furthermore, we already go through a stringent regulatory process as a gaming supplier to the land-based casino industry for our cutting edge and market leading Jackpot Blitz™ electronic gaming tables (ETGs). We plan on offering a full-scale casino and sportsbook software platform, including software Jackpot already owns, as well as additional software assets we will seek to acquire through strategic partnerships who will benefit from the relationships created by our ETG business.”

Mr. Kalpakian further states, “Our primary target is the regulated gaming market, in particular, the North American market. We have a unique blend of products/software to compete in this space. We have always looked at adding sports betting to our ETGs and product line up as sports and poker are very complementary. It is well known that poker players have a high propensity to wager on sports. With twenty U.S. States having already legalized sports wagering and more U.S. States

to follow, and with the likely passing of single event sports betting in Canada, the timing has never been better.”

Management intends to finalize the structure terms of the spin-out transaction in due course, including the exchange ratio to be used to determine the number of Spinco Shares that will be distributed to the Company’s shareholders. The spin-out transaction will be subject to shareholder and court approval, and acceptance of the TSX Venture Exchange. The Company will issue additional news releases in the future in regards to the proposed spin-out.

About Jackpot Digital Inc.

Jackpot Digital Inc. is a leading electronic table games manufacturer and mobile gaming provider for the cruise ship industry and regulated casino industry. The Company specializes in multiplayer gaming products, including poker and casino games, which are complemented by a robust suite of backend tools for operators to efficiently control and optimize their gaming business.

For more information on the Company, please contact Jake H. Kalpakian, President and CEO, at (604) 681-0204 ext 6105, or visit the Company’s website at <https://www.jackpotdigital.com>.

On behalf of the Board of
Jackpot Digital Inc.

"Jake H. Kalpakian"

Jake H. Kalpakian
President & CEO

Trading in the securities of the Company should be considered speculative.

The TSX Venture Exchange has neither approved nor disapproved the contents of this news release.

Neither the 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 news release.

Certain statements contained herein are “forward-looking”. Forward-looking statements may include, among others, statements regarding future plans, costs, objectives, economic or technical performance, or the assumptions underlying any of the foregoing. In this News Release, words such as “may”, “would”, “could”, “will”, “likely”, “enable”, “feel”, “seek”, “project”, “predict”, “potential”, “should”, “might”, “objective”, “believe”, “expect”, “propose”, “anticipate”, “intend”, “plan”, “estimate”, and similar words are used to identify forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, projections and estimations, there can be no assurance that these assumptions, projections or estimations are accurate. Readers, shareholders and investors are therefore cautioned not to place reliance on any forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. Furthermore, there can be no assurance that the proposed spin-out transaction will be completed.

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