



Symbols:

JPOTF - OTCQB

JJ - TSX Venture Exchange

JJ.WT.A - TSX Venture Exchange

JJ.WT.B - TSX Venture Exchange

JJ.WT.C - TSX Venture Exchange

LVH3 - Frankfurt & Berlin Stock Exchanges

JACKPOT RECEIVES TSXV CONDITIONAL APPROVAL AND INTERIM COURT ORDER FOR YO ELEVEN SPINOUT

Vancouver, British Columbia – August 12, 2021– **Jackpot Digital Inc.** (the "**Company**" or "**Jackpot**") (TSXV: JJ) (TSX-V: JJ.WT.A) (TSX-V: JJ.WT.B) (TSX-V: JJ.WT.C)(US OTCQB: JPOTF) (Frankfurt & Berlin Exchanges: LVH3). Further to the Company's news releases dated June 16, 2021 and July 27, 2021, Jackpot is pleased to provide an update on its proposed strategic reorganization of its business by way of a transfer of its online gaming software assets (the "**Spinout**") to its wholly-owned subsidiary Yo Eleven Gaming Inc. ("**Yo Eleven**") through a plan of arrangement under the *Business Corporations Act* (British Columbia). In consideration of the transfer of Jackpot's online gaming assets, Yo Eleven will issue common shares (the "**Yo Eleven Shares**") which will be distributed to Jackpot's non-dissenting shareholders upon satisfaction of all closing conditions. Each registered non-dissenting shareholder of Jackpot will receive one Yo Eleven Share for every five common shares of Jackpot held. The Company and Yo Eleven have signed a formal Arrangement Agreement which governs the terms and conditions of the Spinout and which is available on SEDAR at www.sedar.com.

Non-dissenting Jackpot shareholders are eligible to receive Yo Eleven Shares as long as they are shareholders of Jackpot as of the record date which will be determined after Jackpot shareholders have voted on and approved the Spinout at the Company's scheduled Annual General and Special Meeting on September 16, 2021 (the "**Meeting**").

On August 6, 2021, the Company obtained an Interim Order from the Supreme Court of British Columbia containing declarations and directions related to the Spinout and the holding of the Meeting. On August 9, 2021 the Company received conditional approval of the Spinout from the TSX Venture Exchange (the "**Exchange**").

Closing of the Spinout is still subject to receipt of Jackpot's shareholders' approval, which must be approved by not less than two-thirds of the votes cast by the shareholders at the Meeting, final Court Approval, and final Exchange approval.

Detailed information relating to the proposed Spinout, the online gaming software assets and information concerning Yo Eleven post-Spinout will be contained in a management information circular prepared for Jackpot's shareholders in connection with the Meeting. Jackpot elected to use

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the “notice and access” provisions under National Instrument 54-101 for the Meeting and has decided to deliver the Meeting materials to Shareholders by posting the Meeting materials on its website (www.jackpotdigital.com) on August 16, 2021 or earlier. The Meeting materials will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com on August 16, 2021 or earlier.

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 www.jackpotdigital.com.

On behalf of the Board of
Jackpot Digital Inc.,

"Jake H. Kalpakian"

Jake H. Kalpakian,
President & CEO

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Spinout, any information released or received with respect to the Spinout may not be accurate or complete and should not be relied upon. 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” such as the Company’s proposed spin-out of its online gaming software assets to Yo Eleven. 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, expectations, 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 Company’s proposed spin-out transaction will receive shareholder, and final court approval, and the acceptance of the TSX Venture Exchange.

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