

ESE Signs Letter of Intent to Acquire Global Esports Infrastructure Company

VANCOUVER, BC, Dec. 2, 2020 /CNW/ - **ESE Entertainment Inc.** ("**we**", "**ESE**", or the "**Company**") (TSXV: ESE) (OTC PINK: ENTEF) is pleased to announce that it has signed a Letter of Intent ("**LOI**") to acquire (the "**Acquisition**") the assets of World Phoning Group Inc. and Encore Telecom Inc. (together, "**WPG**"), which are Canadian companies with combined revenue of over \$12.5 million in the last twelve months. WPG operates in Europe and works with some of the world's most recognized brands. It provides infrastructure and support with bespoke solutions for fan engagement of sporting organizations, esports companies and telecom providers across the globe (the "**Business**").

Under the terms of the LOI, the Business will be reorganized into a newly incorporated company ("**SubCo**"), in which ESE will hold a 51% interest, and WPG will hold a 49% interest. SubCo will continue to operate the Business following the completion of the Acquisition. ESE will have the right to acquire the remaining 49% interest in SubCo pursuant to a call option, exercisable for three years following closing.

The purchase price will be paid with a portion in cash on closing, and the balance in common shares of ESE, vested over a period of three years. The founder and CEO of WPG and staff of WPG will continue to operate the Business following closing.

WPG is an award-winning organization and one of the first service providers to engage the fans of sports and esports with robust out-sourced B2B, B2C and ecommerce support. Existing clients include the largest organization in motorsports, with 500 million fans world-wide, and the world's largest esports company. WPG's telecom customer base includes many tier-1 PTTs and over 150 tier-2 carriers. In the past year, WPG generated double-digit year-over-year growth.

The proposed Acquisition will enhance ESE's position and bring it one step closer to becoming one of the biggest gaming and esports infrastructure companies in the world.

Konrad Wasiela, CEO of ESE, commented, "From day one, our vision has been to become the global leader for infrastructure and data in the gaming and esports industries. The Acquisition will position us one step closer to achieving that goal. Further, we are excited to work closely with WPG to build on their existing business, focusing on increasing revenue and profit margins. Wayne and his team at the WPG group have been able to secure long-term contracts with tier 1 customers across the globe, and they are just getting started."

Wayne Silver, CEO of WPG, commented, "We are thrilled to be joining with Konrad and his team at ESE. The synergies are clear; we are each proudly Canadian and both operate our respective businesses in Europe. Combined, we will have a team of nearly 100 in Canada, Germany, Romania, Poland, and more. We have common visions on how to grow the company and our combined resources and network will help us further extend our leadership working with the world's leading sports and esports brands."

The Acquisition remains subject to, among other things, satisfactory completion of ESE's due diligence, the parties entering into a definitive agreement and TSX Venture Exchange approval.

About ESE Entertainment Inc.

ESE Entertainment is a Europe based entertainment and technology company focused on gaming, particularly on esports. ESE consists of multiple assets and world-class operators in the gaming and esports industries. Capabilities include but are not limited to: physical infrastructure, broadcasting, global distribution for gaming and esports-related content, advertising, sponsorship support, and a growing esports team franchise. ESE is focused on bridging Europe, Asia and North America.

Forward-Looking Statements

This news release contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that ESE anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to the proposed synergies between ESE and WPG or other benefits from the Acquisition, and the strategies, expectations, planned operations and future actions of ESE, WPG and Subco. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the foregoing) be taken, occur, be achieved, or come to pass. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this news release, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of ESE to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to ESE, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this press release is expressly qualified by this cautionary statement. Trading in the securities of ESE should be considered highly speculative.

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 release.

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CNW 08:00e 02-DEC-20