

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

ESE Announces \$7.5 Million Bought Deal Financing

Vancouver, British Columbia, May 26, 2021 – **ESE Entertainment Inc.** (TSX-V: ESE) (OTCQB: ENTEF) ("**ESE**" or the "**Company**") is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp., as sole bookrunner and lead underwriter (the "**Lead Underwriter**") pursuant to which the Lead Underwriter has agreed, on behalf of a syndicate of underwriters (together with the Lead Underwriter, the "**Underwriters**"), to purchase, on a "bought deal" basis pursuant to the filing of a short form prospectus, an aggregate of 5,360,000 units of the Company (each, a "**Unit**") at a price of \$1.40 per Unit (the "**Issue Price**") for aggregate gross proceeds to the Company of \$7,504,000 (the "**Offering**").

Each Unit shall consist of one common share of the Company (each, a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one Common Share at an exercise price of \$1.95 per Common Share for a period of twenty-four (24) months from the Closing Date (as defined herein). The expiry date of the Warrants may be accelerated by the Company if the volume weighted average price of the Common Shares on the TSX Venture Exchange is greater than \$2.925 for the preceding ten (10) consecutive trading days, at which time the Company may accelerate the expiry date of the Warrants to a date that is at least thirty (30) trading days following the date of such written notice.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 804,000 Units (the "**Over-Allotment Units**") at the Issue Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable at any time, in whole or in part, for a period of thirty (30) days after and including the Closing Date (as defined herein), which, if exercised in full, would result in additional gross proceeds of \$1,125,600 to the Company.

As consideration for their services to be provided in connection with the Offering, the Underwriters will receive a cash commission equal to 7.0% of the aggregate gross proceeds of the Offering payable in cash or Units, or any combination of cash or Units at the option of the Lead Underwriter, and such number of broker warrants of the Company (the "**Underwriters' Warrants**") as is equal to 7.0% of the aggregate number of Units sold pursuant to the Offering. Each Underwriters' Warrant shall entitle the holder thereof to acquire one Unit at the Issue Price for a period of twenty-four (24) months from the Closing Date (as defined herein). Additionally, the Company shall pay the Lead Underwriter a corporate finance fee equal to that number of Units which is equal to 2.5% of the aggregate number of Units issued pursuant to the Offering.

The Units (including the Over-Allotment Units issuable upon exercise of the Over-Allotment Option) will be offered by way of a short form prospectus to be filed in all Provinces of Canada, except Quebec, pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*. The Offering is expected to close on or about June 15, 2021 (the "**Closing Date**"), and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange and the applicable regulatory authorities.

The net proceeds of the Offering will be used for business development, general working capital, and other general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

FOR MORE INFORMATION ABOUT ESE, PLEASE CONTACT:

Daniel Mogil, Investor Relations
investors@esegaming.com
647-492-1535

About ESE Entertainment Inc.

ESE 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, K1CK Esports. ESE is focused on bridging Europe, Asia and North America. | www.esegaming.com

Forward-Looking Information

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: (i) the Offering and the expected closing date of the Offering; (ii) the Underwriters' exercise of the Over-Allotment Option; and (iii) the intended use of proceeds from the Offering. 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.