ESE ENTERTAINMENT ANNOUNCES 2022 AUDITED FINANCIAL RESULTS WITH RECORD REVENUE AND GROSS PROFIT

- **Record annual revenue of $58.82 million in fiscal 2022, year-over-year increase of 417%**
- **Record quarterly revenue of $19.86 million in fiscal Q4 2022, year-over-year increase of 218%**
- **Record gross profit of $7.70 million, year-over-year increase of 569%**

VANCOUVER, BC, March 1, 2023 – ESE Entertainment Inc. ("**ESE**" or the "**Company**") (TSXV: ESE) (OTCQX: ENTEF), a gaming and esports company that provides a range of services to leading video game developers and publishers, is pleased to announce that is has filed its audited annual consolidated financial statements (the "**Financial Statements**") and related Management Discussion and Analysis (the "**MD&A**") for the 12 months ended October 31, 2022 ("**Fiscal 2022**"), the highlights of which are presented in this news release. The Financial Statements and MD&A are available under the Company's profile on www.sedar.com and on the Company's website.

Financial Highlights:

- Revenue of $19.86 million for the three months ended October 31, 2022, representing a 218% increase from revenue for the three months ended October 31, 2021 of $6.24 million.
- Annual consolidated revenue in Fiscal 2022 of $58.82 million, representing a 417% increase from annual consolidated revenue for the 12 months ended October 31, 2021 ("**Fiscal 2021**") of $11.38 million.
- Annual gross profit in Fiscal 2022 of $7.70 million, representing a 569% increase from annual gross profit in Fiscal 2021 of $1.15 million.
- Adjusted EBITDA[1] loss of $0.18 million in Fiscal 2022, compared to adjusted EBITDA loss of $3.50 million in Fiscal 2021.
- Total assets as at October 31, 2022 of $21.45 million, representing a 38% increase from total assets as at October 31, 2021 of $15.50 million.

"We are thrilled to announce our 2022 audited financial results, which showcase our strongest performance to date with record-breaking revenue, gross profit, and improvement in adjusted EBITDA." said **Konrad Wasiela, CEO of ESE.**

"We set out many corporate goals in 2022, and I am proud to say we accomplished every single one of them. This is a testament to the relentless dedication and hard work from our world class team. Further, our financial discipline, technology, strategic investments and intellectual property will help us to further hone our operations and set the foundation for strong, sustainable organic growth going forward.

We are also excited to share that we have successfully completed the final payments under the terms of ESE's acquisition of GameAddik, which puts us in an even better position to generate cash flows and create additional value for shareholders. With our strong balance sheet and growing portfolio of assets, we believe that ESE Entertainment is well-positioned for continued success in 2023 and beyond."

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[1] Adjusted EBITDA is a non-IFRS measure. Refer to "Non-IFRS Measures" at the end of this press release.

“After a period of significant acquisition growth, I am very excited that ESE is now well positioned to focus all efforts on organic growth opportunities. With the successful integration of our portfolio assets, we have set a fundamental base for the company. Our core focus is on profitability and delivering shareholder value, and I look forward to leading ESE's financial strategy to ensure that we are financially sound and positioned for sustained success.” said **Andrea Lieuwen, ESE’s Chief Financial Officer**.

Q4 2022 Operational Highlights:

- On August 15, 2022, ESE announced that its media production division would produce two live in-person esports events, the finals of the League of Legends Ultraliga and Teamfight Tactics competitions.
- On September 12, 2022, ESE appointed Andrea Lieuwen as the Company’s Chief Financial Officer. Most recently, Ms. Lieuwen was responsible for the leadership and operations of Great Canadian Gaming Corporation’s (GCGC) gaming properties across the Province of British Columbia, with almost 3,000 employees, and contributing to GCGC’s growth from a small private entity to over $3 billion in market capitalization and operating 25 properties across Canada. GCGC was recently acquired by Apollo Global Management, Inc. (NYSE: APO) through a go-private transaction in September 2021.
- On October 6, 2022, ESE announced that it had entered a USD$5 million contract to deliver its technology and user acquisition services to a European video game developer and publisher.
- On October 26, 2022, ESE announced that its gaming technology division became a certified Google Partner.

Subsequent Events:

- On January 16, 2023, ESE closed a private placement offering of secured convertible debenture units of the Company for the gross proceeds of $1,250,000.
- On January 20, 2023, the Company completed the final cash payment under the terms of its acquisition of GameAddik in the amount of $2.1 million.
- In January 2023, ESE completed a non-brokered private placement financing of units, for aggregate gross proceeds of $2,000,000 across three tranches.

The following table presents a reconciliation of net income (loss) to adjusted EBITDA for the periods referenced therein:

	Twelve months ended October 31, 2022	Twelve months ended October 31, 2021
(In Canadian dollars)	**$**	**$**
Net loss for the period	(29,837,831)	(18,663,912)
Provision for income taxes	444,476	614
Depreciation	828,742	38,974
Commissions	191,927	54,861
Finder's fees and stamp duty for acquisitions	1,539,563	1,669,923
Share-based payments	13,235,121	9,630,008
Interest	366,270	11,459
Accretion	178,773	-
Impairment of K1CK Assets	-	207,500
Impairment of Assets	13,042,447	3,548,313
Loss on derivative liability	56,001	-

Loss exchange (gain) loss	(222,881)	2,142
Adjusted EBITDA[1]	**(177,392)**	**(3,500,118)**

[1] Adjusted EBITDA is a non-IFRS measure. Refer to "Non-IFRS Measures" at the end of this press release.

The financial and operating results included in this news release are based on the audited results which were released on February 28, 2023. It is only in the context of the fulsome information and disclosures contained in the Financial Statements and MD&A that an investor can properly analyze this information. The Financial Statements and MD&A will be published under the Company's profile on SEDAR at www.sedar.com.

All amounts are in Canadian dollars.

ESE Entertainment Inc.

Konrad Wasiela
Chief Executive Officer and Director

About ESE Entertainment Inc.
ESE is a global technology company focused on gaming and esports. The Company provides a range of services to leading video game developers, publishers, and brands by providing technology, infrastructure, and fan engagement services internationally. ESE also operates its own ecommerce channels, esports teams, and gaming leagues. | www.esegaming.com

CAUTIONARY NOTE REGARDING 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, statements with respect to (i) the Company's ability to achieve strong, sustainable organic growth in the future; (ii) the Company's ability to generate cash flows and create additional value for shareholders; (iii) anticipated revenue growth and financial results, and (iv) the Company's ability to achieve profitability. 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 forgoing) 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about ESE's prospective results of operations, revenues and margins and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about ESE's future business operations. ESE disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

NON-IFRS MEASURES

This press release includes references to adjusted EBITDA. Adjusted EBITDA is a non-IFRS financial measure and is defined by the Company as net income or loss before income taxes, depreciation, commissions, finder's fees and stamp duty for acquisitions, share-based payments, interest, accretion, impairment of assets, loss on derivative liability, and foreign exchange gain or loss. We believe that adjusted EBITDA is a useful measure of financial performance because it provides an indication of the Company's ability to capitalize on growth opportunities in a cost-effective manner, finance its ongoing operations and service its financial obligations.

This non-IFRS financial measure is not an earnings or cash flow measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Our method of calculating such a financial measure may differ from the methods used by other issuers and, accordingly, our definition of this non-IFRS financial measure may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

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.

SOURCE ESE Entertainment Inc.

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ESE ENTERTAINMENT INC.
Consolidated Statements of Financial Position
As at October 31, 2022 and 2021
(Expressed in Canadian Dollars)

	Note	2022	2021
ASSETS			
Current assets			
Cash		$ 812,220	$ 4,825,072
Receivables	**8**	9,571,707	844,148
Term deposits		301,799	-
Prepaid expense and deposits		305,393	448,616
Inventory		797,018	406,549
		11,788,137	6,524,385
Property and equipment	**9**	2,500,218	346,995
Deposit and investment	**12**	287,841	311,219
Intangible assets	**5, 7, 10**	3,713,342	711,000
Goodwill	**5, 6, 7, 11**	3,160,975	7,608,827
Total assets		$ 21,450,513	$ 15,502,426
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**13, 20**	$ 6,977,112	$ 1,000,785
Lease liabilities	**14**	301,874	71,574
Acquisition payment commitment	**6, 7**	2,992,195	-
Income taxes payable		730,423	-
Loans and credit facilities	**15**	2,033,719	-
Consideration payable	**6**	632,928	-
Deferred revenue	**21**	268,519	234,390
		13,936,770	1,306,749
Consideration payable	**6**	257,859	-
Loans payable	**15**	358,090	-
Convertible notes	**16**	2,806,965	-
Deferred income tax liability		915,852	75,878
Lease liabilities	**14**	941,082	126,551
		19,216,618	1,509,178
EQUITY			
Share capital	**17**	44,305,370	28,569,784
Share subscriptions received		8,700	1,050
Commitment to issue shares	**5, 6, 17**	3,937,227	4,375,304
Contributed surplus		5,193,753	2,388,107
Accumulated other comprehensive loss		(139,456)	(107,129)
Deficit		(50,598,482)	(21,202,268)
Equity attributable to shareholders		2,707,112	14,024,848
Non-controlling interest		(473,217)	(31,600)
Total equity		2,233,895	13,993,248
		$ 21,450,513	$ 15,502,426

ESE ENTERTAINMENT INC.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended October 31, 2022 and 2021
(Expressed in Canadian Dollars)

	Note		2022		2021
Revenue	**21**	$	58,818,585	$	11,384,731
Cost of sales	**21**		51,120,106		10,234,688
Gross Profit			7,698,479		1,150,043
Expenses					
Share-based payments	**17, 20**		13,235,121		9,630,008
Wages, benefits and consulting			3,664,781		2,337,699
General and administration			1,794,739		309,613
Advertising and promotion			877,570		1,101,358
Professional fees	**20**		1,222,311		737,218
Finder’s fees and stamp duty for acquisitions and commissions	**4, 5, 6, 7**		1,731,490		1,724,784
Amortization	**9, 10**		828,742		38,974
Filing fees, bad debts and other			316,470		193,835
			23,671,224		16,073,489
Loss before other items			(15,972,745)		(14,923,446)
Other items:					
Interest (expense) income			(366,270)		18,103
Accretion expense	**16**		(178,773)		-
Impairment of assets	**4, 6, 22**		(13,042,447)		(3,755,813)
Loss on revaluation of consideration payable	**6**		(56,001)		-
Foreign exchange gain (loss)			222,881		(2,142)
			(13,420,610)		(3,739,852)
Net loss for the year before taxes			(29,393,355)		(18,663,298)
Provision for income taxes	**24**		(444,476)		(614)
Net loss for the year			(29,837,831)		(18,663,912)
Other comprehensive loss					
Gain (loss) on translation of foreign operations			(32,327)		(113,112)
Total comprehensive loss for the year		$	(29,870,158)	$	(18,777,024)
Net loss attributable to:					
Shareholders of the company		$	(29,396,214)	$	(17,216,234)
Non-controlling interest			(441,617)		(1,447,678)
Net loss for the year		$	(29,837,831)	$	(18,663,912)
Total comprehensive loss attributable to:					
Shareholders of the company		$	(29,428,541)	$	(17,329,346)
Non-controlling interest			(441,617)		(1,447,678)
Total comprehensive loss for the year		$	(29,870,158)	$	(18,777,024)
Basic and diluted loss per common share		$	(0.46)	$	(0.38)
Weighted average number of common shares outstanding			64,182,300		45,500,947

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