

ESE Entertainment CEO Shares Insights on LOI for Sale of Digital Motorsports and Frenzy for Consideration Valued at \$41M CAD

VANCOUVER, British Columbia, March 30, 2023 -- **ESE Entertainment Inc.** (TSXV: ESE) (OTCQX: ENTEF) ("**ESE**" or the "**Company**"), a leading gaming technology company, is pleased to provide an update regarding the previously announced Letter of Intent ("**LOI**") for the sale of its wholly owned subsidiaries, Digital Motorsports ("**DMS**") and Frenzy, for consideration valued at CAD\$41 million (the "**Transaction**"). ESE's management team and Board of Directors have been working diligently to unlock the true value of the Company's assets and believe that the Transaction will be a significant step towards that goal.

Konrad Wasiela, CEO of ESE, commented, "The Frenzy and DMS businesses collectively represent approximately 17% of ESE's total business by sales.¹ While these businesses have contributed to the overall growth of the Company, management and the Board of Directors believe that they have not been adequately valued. By carving out these assets, ESE is taking the first step to better highlight the value of its core intellectual property and technology, GameAddik. Our business has been growing rapidly, and we are strategically shifting towards focus on our technology and data-driven business."

The sale of DMS and Frenzy is expected to increase the book value of ESE, enhance cash reserves and liquidity, and improve the Company's balance sheet. As ESE focuses on its core technology and data operations, the divestiture will enable the company to improve margins and work towards profitability, ultimately benefiting ESE shareholders."

The LOI contemplates that the Transaction will be completed by way of an amalgamation, merger, or other business combination among the purchaser, DMS, and Frenzy. The issuer resulting from the Transaction (the "**Resulting Issuer**") is expected to trade on the NASDAQ and continue the operation of DMS and Frenzy's existing businesses. The consideration for the acquisition of DMS and Frenzy is anticipated to be paid in common shares of the Resulting Issuer, valued at CAD\$41 million. ESE would further be entitled to additional common shares of the Resulting Issuer upon the Resulting Issuer achieving certain milestones related to the Resulting Issuer's share performance on the NASDAQ.

The Closing of the Transaction remains subject to various conditions, including satisfactory due diligence, approval of the board of directors of each party, entry into a binding agreement, and receipt of all necessary regulatory approvals. ESE will provide further updates and particulars of the Transaction upon entering into a binding agreement for the Transaction.

For further information regarding the LOI and the Transaction, please see the Company's press release dated March 29, 2023.

ESE Entertainment Inc.

Konrad Wasiela
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¹ For the financial year ended October 31, 2022.

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: the completion of the Transaction and the anticipated terms thereof; the business of the Resulting Issuer and its listing on the NASDAQ; the consideration paid under the Transaction; the conditions of closing the Transaction; the benefit of the Transaction to ESE and its shareholders; the impact of the Transaction on ESE's share value, cash reserves, liquidity, and balance sheet; and ESE's focus on higher-margin businesses. 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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