

ESE ENTERTAINMENT REPORTS FIRST QUARTER 2024 RESULTS

VANCOUVER, BC, April 3, 2024 – ESE Entertainment Inc. (“**ESE**” or the “**Company**”) (TSXV: ESE) (OTCQX: ENTEF), a gaming company that provides a range of services to leading video game developers and publishers, is pleased to announce that it has filed its unaudited condensed interim consolidated financial statements (the “**Financial Statements**”) and related management’s discussion and analysis (the “**MD&A**”) for the three months ended January 31, 2024 (“**Q1 2024**”) the highlights of which are presented in this news release. The Financial Statements and MD&A are available on www.sedar.com and on the Company’s website.

Q1 2024 Financial Highlights:

- Total combined Q1 2024 Revenue of \$11.93 million (including Gameaddik discontinued operations) comprised of ESE at \$3.89 million and Gameaddik at \$8.04 million
- Improvement in Loss Per Share to \$0.01, compared to \$0.03 in Q1 2023

“ESE has continued to build on its strong foundation, achieving significant financial and operational milestones. Our performance this quarter, highlighted by significant combined revenue underscores the operational efficiencies. With the successful execution of our core initiatives and the anticipation of the final holdback payment from the GameAddik sale later this year, we have a healthy financial position. We’ve made strides to cut expenses and concentrate on what we do best, ensuring that ESE is not only thriving today but is also well-prepared for the opportunities ahead. I am incredibly excited about what the future holds for ESE and our stakeholders.” stated **Konrad Wasiela, CEO of ESE**.

Q1 2024 Operational Highlights:

- In January 2024, ESE announced that Samsung became the title partner ESE Entertainment’s Gaming Tournament, Ultraliga.
- In January 2024, ESE announced that the TSX Venture Exchange accepted the Company’s notice to implement a normal course issuer bid (the “NCIB”) to purchase, for cancellation, up to 4,000,000 of its common shares (the “Shares”), representing approximately 4.9% of the Company’s 81,052,663 current issued and outstanding common shares and approximately 6.9% of the 57,980,125 common shares currently comprising the Company’s “Public Float”.
- In January 2024, ESE announced a strategic partnership with Metapro, a blockchain company. The partnership signifies a strengthened plan by ESE to provide its technology services to blockchain and crypto companies.
- In December 2023, ESE announced that shareholders approved all matters at the Annual General Meeting.

The financial and operating results discussed in this news release are based on the Financial Statements and MD&A, which were released on April 2, 2024. 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

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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 Company's ability to achieve increased profitability and high gross margins; the completion of the acquisition of Frenzy and Digital Motorsports and the consideration payable thereunder; the Company's plans to focus on its core intellectual property and technology offering, GameAddik; the Company establishing long term sustainability; and the Company delivering value to its shareholders. 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 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, impairment of assets, accretion, 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.

For further information about ESE, please contact:

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ESE ENTERTAINMENT INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Note	January 31, 2024 (unaudited)	October 31, 2023 (audited)
ASSETS			
Current assets			
Cash		\$ 1,339,730	\$ 2,125,251
Receivables	8	2,234,561	2,285,731
Prepaid expense and deposits		299,717	148,327
Inventory		27,611	27,915
		3,901,619	4,587,224
Property and equipment	9	521,895	431,465
Investment in GR Games	13	335,980	331,314
Investment in GameAddik	12	4,019,022	3,761,567
Total assets		\$ 8,778,516	\$ 9,111,570
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14, 21	\$ 2,682,000	\$ 2,195,733
Lease liabilities	15	83,308	110,062
Acquisition payment commitment	7	862,801	862,801

Loans and credit facilities	16	509,233	674,276
Convertible notes	17	2,570,746	2,517,507
Consideration payable	6	47,801	63,735
Deferred revenue	21	8,987	9,305
		6,764,876	6,433,419
EQUITY			
Share capital	18	52,919,810	52,288,061
Share subscriptions received		1,050	1,050
Commitment to issue shares	5, 7, 18	2,100,361	2,235,346
Contributed surplus		6,036,425	6,032,669
Accumulated other comprehensive loss		(3,054)	(11,432)
Deficit		(58,086,194)	(56,951,453)
Equity attributable to shareholders		2,968,398	3,594,241
Non-controlling interest		(954,758)	(916,090)
Total equity		2,013,640	2,678,151
		\$ 8,778,516	\$ 9,111,570

ESE ENTERTAINMENT INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Note	2024	2023
Revenue	21	\$ 3,885,894	\$ 5,382,425
Cost of sales	21	3,852,479	5,150,036
Gross profit		33,415	232,389
Expenses			
Share-based payments	18, 20	500,520	1,674,087
Wages, benefits and consulting	20	260,001	355,658
General and administration		68,902	446,260
Advertising and promotion		52,948	28,646
Professional fees	20	265,518	172,307
Commissions		38,323	57,946
Amortization	9	12,295	94,374
Filing fees, bad debts and other expense (recovery)		138,305	(2,770)
		1,336,812	2,826,508
Loss before other items		(1,303,397)	(2,594,119)
Other items:			
Interest expense	16, 17	(82,012)	(128,754)
Accretion expense	17	(53,239)	(101,753)
Gain on revaluation of consideration payable	6	15,934	220,209
Equity income from investment in GameAddik	12	257,455	-
Foreign exchange loss		(8,150)	(74,535)
		129,988	(84,833)
Net loss for the period before taxes		(1,173,409)	(2,678,952)
Income tax recovery		-	49,536
Net loss for the period from continuing operations		(1,173,409)	(2,629,416)
Net income for the period from discontinued operations, net of tax	23	-	558,498

Net loss for the period	(1,173,409)	(2,070,918)
Other comprehensive income		
Income on translation of foreign operations	8,378	67,319
Total comprehensive loss for the period	\$ (1,165,031)	\$ (2,003,599)
Net loss from continuing operations attributable to:		
Shareholders of the company	\$ (1,134,741)	\$ (2,506,146)
Non-controlling interest	(38,668)	(123,270)
Net loss for the period from continuing operations	\$ (1,173,409)	\$ (2,629,416)
Net income from discontinued operations attributable to:		
Shareholders of the company	\$ -	\$ 558,498
Non-controlling interest	-	-
Net income for the period from discontinued operations	\$ -	\$ 558,498
Net loss attributable to:		
Shareholders of the company	\$ (1,134,741)	\$ (1,947,648)
Non-controlling interest	(38,668)	(123,270)
Net loss for the period	\$ (1,173,409)	\$ (2,070,918)
Total comprehensive loss attributable to:		
Shareholders of the company	\$ (1,126,363)	\$ (1,880,329)
Non-controlling interest	(38,668)	(123,270)
Total comprehensive loss for the period	\$ (1,165,031)	\$ (2,003,599)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Basic and diluted loss per share – continuing operations	\$ (0.01)	\$ (0.04)
Basic and diluted income per common share – discontinued operations	\$ -	\$ 0.01
Basic and diluted loss per common share – continuing operations attributable to shareholders of the company	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	80,370,803	72,986,879