

KEPLER ACQUISITION CORP
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the three months ended September 30, 2019 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

KEPLER ACQUISITION CORP.

Condensed Interim Statements of Financial Position

As at September 30, 2019 and June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	September 30, 2019	June 30, 2019
ASSETS		
Current assets		
Cash	\$ 167,263	\$ 182,627
GST receivable	3,175	2,598
Total assets	\$ 170,438	\$ 185,225
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,600	\$ 12,938
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	235,200	235,200
Reserves	40,500	40,500
Deficit	(114,862)	(103,413)
Total shareholder's equity	160,838	172,287
Total liabilities and shareholders equity	\$ 170,438	\$ 185,225

Nature and continuance of operations – Note 1

Subsequent events – Note 7

The financial statements were authorized for issue by the Board of Directors on November 25, 2019.

APPROVED ON BEHALF OF THE BOARD:

"Zachary Andrew Dymala-Dolesky" Director"Robert Nick Horsley" Director

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

KEPLER ACQUISITION CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	September 30, 2019	September 30, 2018
Expenses		
Bank charges	\$ 18	\$ 18
Consulting fees	3,000	-
Filing fees	200	-
Office expenses	27	89
Professional fees	4,172	750
Rent	3,000	3,000
Transfer agent	1,032	-
Loss and comprehensive loss for the period	\$ (11,449)	\$ (3,857)
Basic and diluted loss per common share	\$ (0.01)	\$ -
Weighted average number of common shares outstanding	2,000,000	-

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

KEPLER ACQUISITION CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the three months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Commitment to issue shares	Reserves	Deficit	Total
Balance, June 30, 2018	1	\$ 1	\$ 100,000	\$ -	\$ (3,664)	\$ 96,337
Incorporator share returned to treasury	(1)	(1)	-	-	-	(1)
Cash						
Seed stock	2,000,000	100,000	(100,000)	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	(3,857)	(3,857)
Balance, September 30, 2018	2,000,000	\$ 100,000	\$ -	\$ -	\$ (7,521)	\$ 92,479
Balance, June 30, 2019	4,000,000	\$ 235,200	\$ -	\$ 40,500	\$ (103,413)	\$ 172,287
Loss and comprehensive loss for the period	-	-	-	-	(11,449)	(11,449)
Balance, September 30, 2019	4,000,000	\$ 235,200	\$ -	\$ 40,500	\$ (114,862)	\$ 160,838

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

KEPLER ACQUISITION CORP.

Condensed Interim Statements of Cash Flows

For the three months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	September 30, 2019	September 30, 2018
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	\$ (11,449)	\$ (3,857)
Change in non-cash working capital item:		
GST receivable	(577)	(142)
Prepaid expenses and deposit	-	(25,000)
Accounts payable and accrued liabilities	(3,338)	517
Net cash used in operating activities	(15,364)	(28,482)
FINANCING ACTIVITIES		
Shares issued	-	100,000
Redemption of incorporator share	-	(1)
Commitment to issue shares	-	(100,000)
Net cash provided by financing activities	-	(1)
Change in cash for the period	(15,364)	(28,483)
Cash, beginning of period	182,627	99,819
Cash, end of period	\$ 167,263	\$ 71,336
Cash paid for interest during the period	\$ -	\$ -
Cash paid for income taxes during the period	\$ -	\$ -

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

KEPLER ACQUISITION CORP.

Notes to the Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1 Nature and continuance of operations

Kepler Acquisition Corp. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on June 14, 2018. The Company completed an Initial Public Offering ("IPO") on April 18, 2019 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. On April 18, 2019, the Company was listed on the TSX-V and on April 23, 2019 commenced trading under the trading symbol KEP.P.

The Company's head office and registered and records office address is Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business with 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The above material uncertainty raises significant doubt about the Company's ability to continue as a going concern.

2 Basis of preparation

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on November 25, 2019.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

KEPLER ACQUISITION CORP.

Notes to the Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at June 30, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended June 30, 2019.

New accounting pronouncements

The following standard will be adopted effective July 1, 2019:

IFRS 16 *Leases* replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The adoption of this standard did not have a material effect on the Company's results and financial position.

4 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

There were no shares issued during the three months ended September 30, 2019.

During the year ended June 30, 2019:

During the year ended June 30, 2019, the Company completed its Initial Public Offering ("IPO") for the issuance of 2,000,000 common shares of the Company at \$0.10 per share for gross proceeds of up to \$200,000. The Company paid the Agent a cash commission of \$20,000 and issued to the Agents broker warrants to purchase 200,000 common shares of the Company at \$0.10 per share until April 23, 2021. The Company recorded a fair value of the agent's warrants of \$12,500 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.10; Risk-free interest rate of 1.51%; Dividend yield of Nil; Expected volatility of 100%; Expected life of 2 years and forfeiture rate of 0%. The Company also pay the Agent an administration fee of \$15,000 and paid expenses related to the offering, including legal fees and disbursements totalling \$17,300.

On July 4, 2018, the Company issued 2,000,000 common shares at a price of \$0.05 per share for proceeds of \$100,000 and cancelled the incorporator share.

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Notes to the Condensed Interim Financial Statements

September 30, 2019 and 2018

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(Unaudited – Prepared by Management)

4 Share Capital

c) Escrow Agreement

The 2,000,000 shares issued on July 4, 2018 are to be held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. As all of these shares are considered contingently issuable until the Company completes the qualifying transaction, they are not considered to be outstanding shares for the purposes of loss per share calculations. Consequently, they have been excluded from the basic and diluted loss per share and weighted average number of shares outstanding calculation.

d) Stock Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the discount market value of the common shares.

During the year ended June 30, 2019, the Company granted 400,000 stock options to directors, and officers of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.10 until April 23, 2024. These stock options vest immediately at the date of grant. The Company recorded share-based payment of \$28,000 on these stock options. The fair value of the options was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of \$0.10; Risk-free interest rate of 1.49%; Dividend yield of NIL; Expected volatility of 100%; Expected life of 5 years and forfeiture rate of 0%. Volatility was determined based on comparison to similar companies as the Company does not have enough history.

Details of stock options activities for the three months ended September 30, 2019 and for the year ended June 30, 2019 is as follows:

	Number of options	Weighted Average Exercise Price
Balance, June 30, 2018	-	\$-
Granted	400,000	\$0.10
Balance outstanding, June 30, 2019 and September 30, 2019	400,000	\$0.10

As at September 30, 2019, the weighted average remaining life of the 400,000 stock options is 4.55 years.

As at September 30, 2019, the Company had 400,000 stock options outstanding exercisable at \$0.10 per share expiring on April 23, 2024.

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4 Share Capital – (cont'd)

e) Agent's Warrants

Details of agent's warrants activities for the three months ended September 30, 2019 and for the year ended June 30, 2019 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2018	-	\$-
Issued	200,000	\$0.10
Balance, June 30, 2019 and September 30, 2019	200,000	\$0.10

As at September 30, 2019, the weighted average remaining life of the 200,000 agent's warrants is 1.55 years.

As at September 30, 2019, there were 200,000 agent's warrants exercisable at \$0.10 per share expiring on April 17, 2021.

f) Reserves

The Company's equity reserves are comprised of share-based payments and fair value of agent's warrants.

5. Financial Instruments

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

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Notes to the Condensed Interim Financial Statements

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(Unaudited – Prepared by Management)

5. Financial Instruments – (cont'd)

Determination of Fair Value: – (cont'd)

Fair Value Hierarchy: – (cont'd)

- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

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Notes to the Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

5. Financial Instruments – (cont'd)

Determination of Fair Value: – (cont'd)

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2019, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

6. Capital Management

Capital is comprised of the Company's shareholders' equity. As at September 30, 2019, the Company's shareholders' equity was \$160,838 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The proceeds from the issuance of share capital raised by the Company, both prior to the Company's IPO and from the IPO itself, may only be used to identify and evaluate assets or businesses for future investments, with the lesser of 30% of the gross proceeds or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

7. Subsequent Events

On July 22, 2019; the Company entered into a letter of intent ("LOI") with ESE Entertainment Inc. ("ESE"), a privately held corporation existing under the laws of British Columbia, to acquire all of the issued and outstanding shares of ESE in exchange for shares of the Company (the "Transaction"). The ESE shares will be exchanged on a one for one basis and the ESE warrants will also be exchanged on the same basis. The Transaction will result in a reverse take-over of the Company by ESE and will constitute the Company's "Qualifying Transaction".

Concurrently, ESE will propose a private placement financing of at least 6,000,000 ESE shares and at most 8,000,000 ESE shares at an issue price of \$0.25 per ESE shares for gross proceeds of at least \$1,500,000 and at most \$2,000,000.

Prior to closing of the Transaction, the Company will undertake a forward share split on the basis of one and one-half new Company shares for each existing Company share and will be renamed to "E-Sports Era Ltd."

This Transaction is subject to approval by the Directors of the Company and ESE, due diligence, execution of a definitive agreement and shareholder and regulatory approval.