

**51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

ESE Entertainment Inc. (the “**Company**”)  
Suite 1000 - 409 Granville Street  
Vancouver, BC  
V6C 1T2

**Item 2 Date of Material Change**

September 14, 2021

**Item 3 News Release**

The news release dated September 15, 2021 was disseminated through Globe Newswire.

**Item 4 Summary of Material Changes**

On September 14, 2021, the Company closed the previously-announced acquisition of 100% of the shares of Auto Simulation Limited T/A Digital Motorsports (“**Digital Motorsports**”), an Ireland-based provider of advanced simulation racing infrastructure, technology and support.

Under the terms of a share purchase agreement dated August 13, 2021, ESE acquired 100% of the issued and outstanding shares of Digital Motorsports (the “**Transaction**”). The purchase price consisted of: (i) CAD \$1,681,250 in cash paid on closing of the Transaction (the “**Closing**”); (ii) 941,500 common shares of the Company (each, a “**Common Share**”) issued on Closing; and (iii) up to 8,473,500 Common Shares to be released in six (6) equal installments every six (6) months, with the first installment being released on December 31, 2021, subject to achievement of certain post-Closing revenue-based milestones. The Company has also agreed to make a capital contribution to Digital Motorsports in the amount of €250,000 to fund Digital Motorsports’s working capital needs. The co-owners of Digital Motorsports have agreed to continue to run the operations of Digital Motorsports after Closing, to ensure continuous business operations and a smooth transfer of Digital Motorsports’s business to the Company. The Company paid finder’s fees of \$42,031 and 235,375 Common Shares to each of ZDK Holdings Ltd., a company controlled by Zachary Dolesky, and Netberry OU, a company controlled by Martin Minc, for their roles in introducing the parties and for M&A advisory in connection with the Transaction.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

See Item 4 above and the attached news release for a full description of the material change.

*5.2 Disclosure for Restructuring Transactions*

N/A

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7 Omitted Information**

None.

**Item 8 Executive Officer**

Konrad Wasiela, CEO, 778-238-4988

**Item 9 Date of Report**

September 27, 2021

## ESE Completes Acquisition of Auto Simulation Limited T/A Digital Motorsports

VANCOUVER, BC, September 15, 2021 /CNW/ - **ESE Entertainment Inc.** (TSXV: ESE) (OTCQB: ENTEF) (the “**Company**” or “**ESE**”) is pleased to announce that it has completed its previously announced acquisition of 100% of the shares of Auto Simulation Limited T/A Digital Motorsports (“**Digital Motorsports**”), an Ireland-based provider of advanced simulation racing infrastructure, technology and support.

Under the terms of a share purchase agreement dated August 13, 2021, ESE acquired 100% of the issued and outstanding shares of Digital Motorsports (the “**Transaction**”). The purchase price consisted of: (i) CAD \$1,681,250 in cash paid on closing of the Transaction (the “**Closing**”); (ii) 941,500 common shares of the Company (each, a “**Common Share**”) issued on Closing; and (iii) up to 8,473,500 Common Shares to be released in six (6) equal installments every six (6) months, with the first installment being released on December 31, 2021, subject to achievement of certain post-Closing revenue-based milestones. The Company has also agreed to make a capital contribution to Digital Motorsports in the amount of €250,000 to fund Digital Motorsports’s working capital needs. The co-owners of Digital Motorsports have agreed to continue to run the operations of Digital Motorsports after Closing, to ensure continuous business operations and a smooth transfer of Digital Motorsports’s business to the Company. The Company paid finder’s fees of \$42,031 and 235,375 Common Shares to each of ZDK Holdings Ltd., a company controlled by Zachary Dolesky, and Netberry OU, a company controlled by Martin Minc, for their roles in introducing the parties and for M&A advisory in connection with the Transaction.

For further information respecting Digital Motorsports, please see the Company’s news release dated August 16, 2021.

Konrad Wasiela, CEO of ESE commented, “Closing this deal catapults our digital motorsports business to a new level, providing us with an industry leading e-commerce platform, new technologies, global tier 1 partnerships and additional esports infrastructure. The synergies are clear and our vision to become the #1 global brand for esports in the Motorsports industry remains”.

Niall Maher, CEO of Digital Motorsports commented, “Digital Motorsports (DMS) has built a pioneering global brand that converges motorsport with esports. The global motorsport industry is worth approximately €159 Billion with 2.7 million motorsport participants. DMS is set to capture market share by creating a clear bridge between professional motorsport and esports. This deal gives our brand the access to the tier 1 infrastructure, resources and capital to help take our business to the next level”.

### **About ESE**

ESE is a Europe based entertainment and technology company focused on gaming, particularly on 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. In addition to the Company’s organic growth opportunities, the Company is considering selective acquisitions that align with its objective of becoming a dominant global player in esports technology and infrastructure. | [www.ese.gg](http://www.ese.gg)

### **About Digital Motorsports**

Digital Motorsports is an award-winning organization and one of the leading sim racing solutions providers in Europe, specializing in building bespoke simulators and offering turnkey simulator packages. Digital Motorsports has key vendor distribution rights and partnerships in the industry, and

has worked with world champions across multiple disciplines from F1, WEC, WRC, Drifting, and more.  
| [www.digital-motorsports.com](http://www.digital-motorsports.com)

### **Forward-Looking Statements**

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) issuance of the earn out Common Shares in installments; (ii) funding of the capital contribution; (iii) the continued engagement of the founders of Digital Motorsports following Closing; (iv) the effect of the Transaction on the parties, including the growth prospects of ESE following the Transaction; (v) the anticipated benefits associated with the Transaction; and (vi) the Company's and DMS's respective visions for the future. 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.

**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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