

ESE ENTERTAINMENT INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

ESE ENTERTAINMENT INC.

Condensed Interim Consolidated Statements of Financial Position

As at July 31, 2021 and October 31, 2020

(Expressed in Canadian Dollars)

(Prepared by Management)

	July 31, 2021	October 31, 2020
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash	\$ 9,168,069	\$ 550,011
Receivables (Note 5)	750,216	262,596
Prepaid expense and deposits	365,151	29,486
	10,283,436	842,093
Property and equipment (Note 6)	150,682	-
Unallocated purchase price (Note 4)	3,526,663	-
Total assets	\$ 13,960,781	\$ 842,093
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7 and 12)	\$ 814,736	\$ 263,425
Current portion of lease liabilities (Note 8)	39,392	-
Income taxes payable	5,794	-
Deferred revenue	481,079	115,040
	1,341,001	378,465
Lease Liabilities (Note 8)	55,783	-
	1,396,784	378,465
EQUITY		
Share capital (Note 10)	19,533,497	4,088,263
Share subscriptions received in advance	1,050	-
Commitment to issue shares (Note 12)	50,000	50,000
Contributed surplus	1,789,658	305,416
Accumulated other comprehensive (loss) income	(9,693)	5,983
Deficit	(10,569,195)	(3,986,034)
Equity attributable to shareholders	10,795,317	463,628
Non-controlling interest	1,768,680	-
Total equity	12,563,997	463,628
Total liabilities and equity	\$ 13,960,781	\$ 842,093

Nature and continuance of operations – Note 1

Subsequent events – Note 15

APPROVED ON BEHALF OF THE BOARD:

“*Konrad Marian Wasiela*” Director

Konrad Marian Wasiela

“*Robert Kang*” Director

Robert Kang

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

ESE ENTERTAINMENT INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the three months ended July 31,		For the nine months ended July 31,	
	2021	2020	2021	2020
Revenue	\$ 4,234,984	\$ 138,035	\$ 5,143,783	\$ 190,020
Cost of sales	3,786,479	-	4,368,491	-
Gross Profit	448,505	138,035	775,292	190,020
Expenses				
Advertising and event planning	143,575	75,099	450,628	163,862
Depreciation (Note 6)	15,324	-	20,505	-
Bank charges and interest	6,210	2,149	22,522	7,024
Consulting fees (Note 12)	462,460	401,687	1,447,338	669,025
Commissions	25,647	-	30,351	-
Finder's fee for WPG acquisition (Note 10)	-	-	1,000,498	-
Office and miscellaneous	40,750	18,598	109,308	55,786
Professional fees (Note 12)	286,095	88,603	546,931	215,767
Rent	14,454	3,659	20,241	15,866
Share-based payments (Notes 10 and 12)	514,679	-	2,773,154	-
Transfer agent and filing fees	59,982	3,294	133,295	3,294
Travel and conferences	12,752	7,262	25,490	38,289
Wages and benefits	108,004	67,955	233,057	159,056
Website hosting and development	184	11,333	8,072	13,042
	1,690,116	679,639	6,821,390	1,341,011
Loss before other items	(1,241,611)	(541,604)	(6,046,098)	(1,150,991)
Other items:				
Other income	6,887	114	22,991	3,390
Impairment of KICK assets (Note 14)	-	-	(207,500)	-
Foreign exchange gain (loss)	(17,977)	24,564	3,925	24,564
	(11,090)	24,678	(180,584)	27,954
Net loss for the period before taxes	(1,252,701)	(516,926)	(6,226,682)	(1,123,037)
Provision for income taxes	(3,142)	-	(3,877)	-
Net loss for the period	(1,255,843)	(516,926)	(6,230,559)	(1,123,037)
Other comprehensive loss				
Loss on translation of foreign operations	(2,767)	(30,174)	(15,676)	(25,856)
Total comprehensive loss for the period	\$ (1,258,610)	\$ (547,100)	\$ (6,246,235)	\$ (1,148,893)
Net income (loss) attributable to:				
Shareholders of the company	\$ (1,242,011)	\$ (516,926)	\$ (6,583,161)	\$ (1,123,037)
Non-controlling interests	(13,832)	-	352,602	-
Net loss for the period	\$ (1,255,843)	\$ (516,926)	\$ (6,230,559)	\$ (1,123,037)
Total comprehensive income (loss) attributable to:				
Shareholders of the company	\$ (1,244,778)	\$ (547,100)	\$ (6,598,837)	\$ (1,148,893)
Non-controlling interests	(13,832)	-	352,602	-
Total comprehensive loss for the period	\$ (1,258,610)	\$ (547,100)	\$ (6,246,235)	\$ (1,148,893)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.02)	\$ (0.15)	\$ (0.05)
Weighted average number of common shares outstanding	51,881,454	23,700,797	43,865,259	23,304,550

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

ESE ENTERTAINMENT INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Share subscriptions received in advance (receivable)	Commitment to issue shares	Contributed Surplus	Accumulated other comprehensive Income (loss)	Deficit	Non- Controlling Interest	Total
Balance, October 31, 2019	23,086,667	\$ 273,000	\$ (2,450)	\$ -	\$ -	\$ (796)	\$ (183,701)	\$ -	\$ 86,053
Share subscriptions received	-	-	2,450	-	-	-	-	-	2,450
Private Placement	4,000,000	980,000							980,000
Debt Settlement	100,000	25,000							25,000
Loss and comprehensive loss for the period	-	-	-	-	-	(25,856)	(1,123,037)	-	(1,148,893)
Balance July 31, 2020	27,186,667	\$ 1,278,000	\$ -	\$ -	\$ -	\$ (26,652)	\$ (1,306,738)	\$ -	\$ (55,390)
Balance October 31, 2020	38,656,764	\$ 4,088,263	\$ -	\$ 50,000	\$ 305,416	\$ 5,983	\$ (3,986,034)	\$ -	\$ 463,628
Private placement	3,315,482	3,647,030	-	-	-	-	-	-	3,647,030
Share issue cost	-	(293,383)	-	-	88,400	-	-	-	(204,983)
Share subscriptions received	-	-	1,050	-	-	-	-	-	1,050
Bought Deal Public Offering	6,164,000	8,629,600	-	-	-	-	-	-	8,629,600
Bought Deal Public offering issue costs	-	(758,645)	-	-	-	-	-	-	(758,645)
Bought Deal Units issued to underwriter	154,100	-	-	-	-	-	-	-	-
Bought Deal warrants issued to underwriters	-	(491,900)	-	-	491,900	-	-	-	-
Exercise of stock options	1,020,037	1,197,600	-	-	(838,327)	-	-	-	359,273
Exercise of agent's warrants	348,006	105,883	-	-	(55,692)	-	-	-	50,191
Shares issued for acquisition of WPG (Notes 4 and 10)	585,156	1,345,858	-	-	-	-	-	-	1,345,858
Shares issued to finder for acquisition of WPG (Note 10)	434,999	1,000,498	-	-	-	-	-	-	1,000,498
Deferred compensation shares issued to WPG (Note 10)	6,664,845	975,193	-	-	-	-	-	-	975,193
Non-controlling interest WPG (Note 4)	-	-	-	-	-	-	-	1,416,078	1,416,078
Investment in K1CK (Note 14)	350,000	87,500	-	-	-	-	-	-	87,500
Share-based payments	-	-	-	-	1,797,961	-	-	-	1,797,961
Loss and comprehensive loss for the period	-	-	-	-	-	(15,676)	(6,583,161)	352,602	(6,246,235)
Balance July 31, 2021	57,693,389	\$ 19,533,497	\$ 1,050	\$ 50,000	\$ 1,789,658	\$ (9,693)	\$ (10,569,195)	\$ 1,768,680	\$ 12,563,997

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

ESE ENTERTAINMENT INC.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	2021	2020
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	\$ (6,230,559)	\$ (1,123,037)
Items not affecting cash		
Accretion on lease liabilities	1,383	-
Accrued Interest	-	958
Depreciation	20,505	-
Finders fee for acquisition of WPG	1,000,498	-
Impairment of K1CK assets	207,500	-
Provision for income tax	3,877	-
Share-based payments	2,773,154	-
Change in non-cash working capital items:		
Receivables	13,656	(41,796)
Prepaid expenses and deposits	(301,072)	(235,330)
Deferred revenue	311,714	184,132
Accounts payable and accrued liabilities	111,042	383,646
Net cash used in operating activities	(2,088,302)	(831,427)
INVESTING ACTIVITIES		
Cash paid to acquire WPG	(128,019)	-
Cash acquired on acquisition of WPG	69,823	-
Funds to WPG prior to acquisition	(290,000)	-
Cash paid to acquire K1CK assets	(120,000)	-
Equipment	(14,067)	-
Net cash used in investing activities	(482,263)	-
FINANCING ACTIVITIES		
Proceeds from loan payable	-	45,000
Repayment of lease liabilities	(10,900)	-
Repayment of loans and credit facilities	(509,086)	-
Shares issued for cash	12,686,094	980,000
Share issue cost	(963,628)	-
Share subscriptions received	1,050	2,450
Net cash provided by financing activities	11,203,530	1,027,450
Foreign exchange effect on cash	(14,907)	(25,856)
Change in cash for the period	8,618,058	170,167
Cash, beginning of period	550,011	154,044
Cash, end of period	\$ 9,168,069	\$ 324,211
Cash paid for interest during the period	\$ -	\$ -
Cash paid for income taxes during the period	\$ -	\$ -
Non-cash investing and financing transactions		
Fair value of stock options exercised	\$ 838,327	\$ -
Fair value of warrants exercised	\$ 55,692	\$ -
Fair value of shares issued to acquire K1CK assets	\$ 87,500	\$ -
Fair value of finders warrants issued	\$ 88,400	\$ -
Fair value of shares issued to acquire WPG	\$ 1,345,858	\$ -
Fair value of warrants issued to Bought Deal underwriters	\$ 491,900	\$ -
Fair value of shares issued for debt settlement	\$ -	\$ 25,000

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1 Nature and Continuance of Operations

ESE Entertainment Inc. (the “Company”) (formerly Kepler Acquisition Corp. (“Kepler”)) is the parent company of ESE Entertainment Holdings Inc. (“ESE”). The Company is an entertainment and technology company focused on gaming, particularly on esports. Capabilities include physical infrastructure, broadcasting, global distribution for gaming and esports-related content, advertising, and an esports team franchise. The Company’s registered office is at 6th Floor, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6 and its head office is located at 1000-409 Granville Street, Vancouver, British Columbia, V6C 1T2.

On August 12, 2020, the Company completed the business combination with ESE by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”). Pursuant to the Arrangement, ESE was acquired by and became a wholly-owned subsidiary of Kepler for legal purposes. Upon closing of the transaction, the shareholders of ESE had control of the Company, and as a result, the transaction is considered a reverse acquisition (“RTO”) of Kepler by ESE. For accounting purposes, ESE is considered the acquirer and Kepler, the acquiree. Accordingly, the consolidated financial statements are a continuation of the financial statements of ESE.

On April 12, 2021, the Company acquired 51% of the business of World Phoning Group Inc, Encore Telecom Inc., and their two European operating subsidiaries, WPG Racing Solutions SRL and Foresight Resolution SRL (collectively, “WPGI”). Certain assets and liabilities of WPGI were rolled into a newly incorporated Canadian company, World Performance Group Ltd. (“WPG”), and, pursuant to a share purchase agreement dated February 15, 2021, ESE acquired 51% of the issued and outstanding shares of WPG (Note 4).

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At July 31, 2021, the Company has not achieved profitable operations, has accumulated losses of \$10,569,195 (October 31, 2020 - \$3,986,034) since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its operating activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company’s operations.

2 Basis of Preparation

Statement of Compliance

These condensed interim consolidated 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

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Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on September 22, 2021.

3 Significant Accounting Policies**Basis of Measurement**

These condensed interim consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments which are measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars which is the Company’s functional currency.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at October 31, 2020 except for the following significant accounting policy adopted by the company:

Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively. Depreciation is provided for using the declining-balance method at 30% per annum.

Revenue Recognition

Revenue from sales of long-distance minutes is recognized as minutes are consumed and collection is reasonably assured. Revenue from providing call center service is recognized as services are provided and collection is reasonably assured.

Recent accounting pronouncements and changes in accounting policies

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

Significant accounting judgement, estimates and uncertainties

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the condensed interim consolidated financial statements and notes to the condensed interim consolidated financial statements. These estimates are based on management’s best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed

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on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised.

Critical judgement exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements is as follows:

Functional currency

The analysis of the functional currency for each entity of the Company is a significant judgement. In concluding that the Canadian dollar (“CDN\$”) is the functional currency of the parent, ESE and WPG, the Romanian new leu (“RON”) is the functional currency of WPG Racing Solutions SRL and Foresight Resolution SRL and the Polish Zloty (“PLN”) is the functional currency of ESE Europe SP. Z O.O. (“ESE Europe”), management considered the currency that mainly influences the costs of providing goods and services in each jurisdiction in which the entities operate.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are as follows:

Revenue

Significant management judgements and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If management made different judgements or utilized different estimates for any period, material differences in the amount and timing of revenue recognized could result. Some contracts include multiple promised services or products, thus management applied judgement to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. Where there are distinct performance obligations, management allocates the total consideration to the performance obligations using its best estimate of their relative fair values. Management also applied judgement to determine if the performance obligation is satisfied over time or at a point in time.

Share-based payments

The determination of the fair value related to share-based payments are subject to estimate. The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

Acquisition of KICK assets

Judgement was applied to determine if the acquisition of KICK assets represented a business combination or an asset purchase in accordance with IFRS 3, Business Combinations. The transaction was accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed would be assigned a carrying amount based on relative fair values. The Company's application of the recognition principle may also result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements, which require management judgement. See Note 14.

Purchase price allocation

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The acquisition of WPG on April 12, 2021 was accounted for as a business combination at fair value in accordance with IFRS 3, Business Combinations. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described below. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The Company relies on work performed by third-party valuation specialists. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. As at July 31, 2021 the valuation related to the WPG acquisition has not yet been finalized.

4 Acquisition of WPG

On April 12, 2021, the Company acquired 51% of the issued and outstanding shares of WPG. The purchase price consisted of (i) \$10,000 refundable deposit (paid), (ii) \$128,019 in cash on closing of the transaction (the “Closing”) (paid), and (iii) issuance of 585,156 common shares of the Company. The Company is also required to (i) issue 6,664,845 common shares (the “Deferred Compensation Shares”), vesting over three years, and (ii) advance \$750,000 to WPG (the “Working Capital Amount”). The Deferred Compensation Shares are considered a post-combination expense (Note 10b). Pursuant to the agreement, WPG is not required to repay or reimburse the Company all or any portion of the Working Capital Amount.

The transaction was accounted for as a business combination, as the operations of WPG meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of WPG.

The fair value of the consideration transferred has been determined on a preliminary basis. The fair value of the 585,156 common shares issued (\$1,345,858) was determined based on the share price of the Company on the date of acquisition. The consideration has been allocated to the assets acquired and liabilities assumed on a preliminary basis based on their estimated fair values at the date of acquisition. Due to the timing of the acquisition, the Company will require additional information to allocate the fair values to the net assets (liabilities) acquired, particularly to any goodwill acquired. The determination of the fair value of the net assets (liabilities) will be revised by the Company as additional information is received. The purchase price was allocated as follows:

Cash	\$ 128,019
585,156 common shares of the Company	1,345,858
Fair value of consideration	\$ 1,473,877
Cash	\$ 69,823
Receivables	501,276
Prepaid expenses	34,593
Equipment	157,889
Accounts payable and accrued liabilities	(437,127)
Lease liabilities	(104,692)
Income tax payable	(5,059)
Funds from the Company prior to the acquisition	(290,000)
Loans and credit facilities (Note 9)	(509,086)
Deferred revenue	(54,325)
Total net liabilities	(636,708)
Non-Controlling interest	1,416,078
Unallocated purchase price	\$ 3,526,663

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The operating results for WPG have been recognized in the consolidated statement of comprehensive loss beginning on April 12, 2021, the effective date of control. During the three and nine months ended July 31, 2021 the Company recorded revenues of \$3,672,219 and \$4,288,417 and net (loss) income of (\$28,228) and \$719,597 related to WPG.

The Company has the option to acquire the remaining 49% of the issued and outstanding shares of WPG (the “Minority Interest”) at any time within 34 months following the closing by: (i) paying \$624,613 in cash; and (ii) issuing 2,500,000 common shares. World Phoning Group Inc. and Encore Telecom Inc. also have the right to sell the Minority Interest to the Company at any time within 34 months following the closing upon the occurrence of a change of control event in exchange for the Company: (i) paying \$780,767 in cash; and (ii) issuing 3,125,000 common shares.

5 Receivables

	July 31, 2021	October 31, 2020
VAT Receivable	\$ 4,339	\$ 18,872
GST Receivable	147,904	71,199
Due from WPGI	35,299	-
Refundable WPG acquisition deposit due from WPGI	10,000	-
Trade accounts receivable	552,674	175,525
Receivables	\$ 750,216	\$ 262,596

6 Property and Equipment

	Equipment	Right of Use Asset	Total
Cost as at October 31, 2020	\$ -	\$ -	\$ -
Acquired pursuant to acquisition of WPG	50,823	107,066	157,889
Additions	14,067	-	14,067
Foreign exchange	(971)	-	(971)
Cost as at July 31, 2021	\$ 63,919	\$ 107,066	\$ 170,985
Accumulated depreciation as at October 31, 2020	\$ -	\$ -	\$ -
Depreciation	8,939	11,566	20,505
Foreign exchange	(202)	-	(202)
Accumulated depreciation as at July 31, 2021	\$ 8,737	\$ 11,566	\$ 20,303
Net Book Value as at July 31, 2021	\$ 55,182	\$ 95,500	\$ 150,682

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7 Accounts Payable and Accrued Liabilities

	July 31, 2021	October 31, 2020
Trade payables	\$ 609,351	\$ 180,667
Accrued liabilities	153,399	82,758
VAT payable	51,986	-
Accounts payable and accrued liabilities	\$ 814,736	\$ 263,425

8 Lease Liabilities

The Company has one lease liability which is a premise lease, entered into by WPG in February 2021. The lease expires in January 2024, has 34 monthly payments of \$3,633.71 due at the beginning of each month with an interest rate of 5.45%. The lease includes two rent free months (January 2023 and January 2024). As at July 31, 2021 the net carrying amount of the right-of-use asset from the premise lease is \$95,500.

The following is a schedule of the Company's future minimum lease payments related to the premise lease obligation:

	\$
1 year	43,605
2 year	39,971
3-5 years	18,169
Total minimum lease payments	101,745
Less: imputed interest	(6,570)
Total present value of minimum lease payments	95,175
Less: Current portion	(39,392)
Non-current portion	55,783

9 Loans and Credit Facilities

	July 31, 2021	October 31, 2020
Loans assumed upon acquisition of WPG	\$ 509,086	\$ -
Repayment of loans	(509,086)	-
Loans and Credit Facilities	\$ -	\$ -

10 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

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(Unaudited – Prepared by Management)

During the nine months ended July 31, 2021:

On December 24, 2020, the Company completed a non-brokered private placement of 3,315,482 units at a price of \$1.10 per unit for total proceeds of \$3,647,030. Each unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant is exercisable into one common share of the Company at a price of \$1.50 per share expiring two years from closing. In connection with the private placement, the Company paid cash finders' fees of \$204,983 and issued 180,346 Agents' warrants. Each Agents' warrant is exercisable at \$1.10 per share expiring two years from closing. The Agents' warrants were fair valued at \$88,400 using the Black-Scholes option valuation mode with the following assumptions: Share price at the time of issuance \$1.10; risk-free interest rate of 0.20%; Expected life of two years; Dividend rate – 0%; Forfeiture rate – 0% and annualized volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On February 1, 2021, the Company issued 350,000 common shares at a fair value of \$0.25 per share to the owner of KICK Esports Club in exchange for certain assets (Note 14).

On April 12, 2021, the Company acquired 51% of WPG by issuing 585,156 common shares to WPGI for a total fair value of \$1,345,858. The Company also issued 434,999 common shares to a consultant for a total value of \$1,000,498 for providing M&A advisory services in connection with the acquisition of WPG. The amount is recorded as finder's fee for WPG acquisition in the condensed interim consolidated statements of loss.

On April 12, 2021, the Company issued the Deferred Compensation Shares to WPGI with a fair value of \$2.30, determined based on the share price on the issuance date. The Deferred Compensation Shares are subject to a Reverse Vesting Agreement under which the Company has the right, following the occurrence of the triggering event to repurchase at a nominal price all Deferred Compensation Shares that have not been released from the Repurchase Right at the time of the occurrence of the triggering event. The Deferred Compensation Shares will be released from the Repurchase Right in 35 equal tranches of 185,134 common shares followed by a final release of 185,155 common shares. The first tranche will be released from the Repurchase Right on May 12, 2021, and each subsequent tranche released from the Repurchase Right at the end of each month thereafter with the final release occurring on April 12, 2024. The following events are considered a triggering event under the Reverse Vesting Agreement if they occur prior to April 12, 2024: i) if Wayne Silver voluntarily resigns as an officer and employee of WPG, ii) if Wayne Silver otherwise voluntarily ceases providing services to WPG for reasons other than death, illness or disability or iii) if Wayne Silver is terminated for reasons of willful misconduct or fraud, pursuant to the terms of the share purchase agreement dated February 15, 2021. As at July 31, 2021 the fair value of the Deferred Compensation Shares recorded in share capital and share-based payments was \$975,193. The fair value was determined based on the share price of the Company on the date of issuance adjusted for the reverse vesting terms.

On July 19, 2021, the Company completed a bought deal public offering of 6,164,000 units a price of \$1.40 per unit for total proceeds of \$8,629,600. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable to acquire one common share at a price of \$1.95 at any time before July 19, 2023. All of the proceeds were allocated to share capital. In connection with the bought deal public offering, the Company paid cash financing fees of \$758,645 and issued 431,480 Agents' warrants units. Each Agents' warrant unit is exercisable at \$1.40 per unit expiring two years from closing. Each Agents' warrant unit consists of one common share and one Agents' warrant, with each Agents' warrant being exercisable to acquire one common share at a price of \$1.95 at any time before July 19, 2023. The Agents' warrants units were fair valued at \$491,900 using the Black-Scholes option valuation mode with the following assumptions: Share price at the time of issuance \$1.25; weighted average exercise price of \$1.68; risk-free interest rate of 0.47%; expected life of two years; dividend rate – 0%;

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forfeiture rate – 0% and annualized volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies. Additionally, the company issued 154,100 units to the lead underwriter as a corporate finance fee. The Company recognized additions to share capital and recorded share issuance costs of \$215,740.

During the nine months ended July 31, 2021, 1,020,037 stock options were exercised for total proceeds of \$359,273. The Company also transferred \$838,327 from contributed surplus. The weighted average share price on the date of exercise was \$1.50 per share.

During the nine months ended July 31, 2021, 348,006 agent's warrants were exercised for total proceeds of \$50,191. The Company also transferred \$55,692 from contributed surplus. The weighted average share price on the date of exercise was \$1.70 per share.

During the year ended October 31, 2020:

On April 14, 2020, ESE issued 200,000 common at a price of \$0.15 per share for total proceed of \$30,000. These shares were eliminated upon the RTO and exchanged into the Company's shares.

On July 1, 2020, ESE issued 100,000 common shares with a fair value of \$0.25 per share to settle \$25,000 in unpaid consulting fees with the CFO of the Company. These shares were eliminated upon the RTO and exchanged into the Company's shares.

On July 22, 2020, ESE issued 3,800,000 common shares at a price of \$0.25 per share for total proceeds of \$950,000. These shares were eliminated upon the RTO and exchanged into the Company's shares.

On August 12, 2020, a reverse acquisition transaction was completed whereby the Company acquired all of the issued and outstanding 27,186,667 common shares of ESE on a 1:1 basis for the Company's shares.

On August 12, 2020, the Company converted 5,243,724 subscription receipts at a price of \$0.25 per subscription receipts for gross proceeds of \$1,310,931 into common shares of the Company. In connection with the subscription receipts the Company paid a cash finders fee of \$41,580 and issued 166,320 Agent's warrants exercisable into one common share of the Company at an exercise price of \$0.25 for two years expiring on August 12, 2022. The Agent's warrants were fair valued at \$21,600 using the Black-Scholes option valuation mode with the following assumptions: Share price at the time of issuance \$0.25; risk-free interest rate of 0.29%; expected life of two years; dividend rate – 0%; forfeiture rate – 0% and annualized volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

During the year ended October 31, 2020, 217,463 stock options were exercised for total proceeds of \$14,570. The Company also transferred \$45,735 from contributed surplus. The weighted average share price on the date of exercise was \$0.25 per share.

During the year ended October 31, 2020, 8,910 agent's warrants were exercised for total proceeds of \$594. The Company also transferred \$1,613 from contributed surplus.

c) 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

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of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On May 6, 2021, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.70 per share expiring on May 6, 2024. The stock option vest at 25% every six months with the first vesting on November 6, 2021. The fair value of the stock options as at July 31, 2021 of \$1,560,000 was determined using the Black Scholes option valuation model with the following assumptions – share price on date of grant of \$1.69; risk-free interest rate of 0.50%; dividend yield of 0%; expected life of 3 years; forfeiture rate of 0% and expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the three and nine months ended July 31, 2021, the Company recorded \$381,211 and \$381,211 (2020 - \$nil and \$nil) in share-based compensation.

On February 16, 2021, the Company granted 100,000 stock options to a non-employee of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.76 per share expiring on February 16, 2023. The stock option vest at 25% every three months with the first vesting on May 16, 2021. The grant date fair value the stock options of \$165,000 was determined using the Black Scholes option valuation model with the following assumptions – share price on date of grant of \$2.67; risk-free interest rate of 0.23%; dividend yield of 0%; expected life of 2 years; forfeiture rate of 0% and expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the three and nine months ended July 31, 2021, the Company recorded \$1,973 and \$42,133 (2020 - \$nil and \$nil) in share-based compensation. The stock options granted on February 16, 2021 were revalued on April 30, 2021, May 16, 2021 and July 31, 2021 using the Black Scholes option valuation model with the following assumptions:

	April 30, 2021	May 16, 2021	July 31, 2021
Fair Value	\$95,000	\$78,000	\$46,000
Share price on valuation date	\$1.86	\$1.64	\$1.23
Risk-free interest rate	0.30%	0.32%	0.45%
Dividend yield	0%	0%	0%
Expected life	1.80	1.76	1.55
Forfeiture rate	0%	0%	0%
Expected volatility	100%	100%	100%

On January 25, 2021, the Company granted 750,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.24 per share expiring on January 25, 2024. The stock option vest in 24 equal monthly tranches with the first day of each calendar month with the first such tranche vesting on February 1, 2021. The fair value of the stock options of \$585,000 was determined using the Black Scholes option valuation model with the following assumptions – share price on date of grant of \$1.26; risk-free interest rate of 0.20%; dividend yield of 0%; expected life of 3 years; forfeiture rate of 0% and expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the three and nine months ended July 31, 2021, the Company recorded \$121,092 and \$359,819 (2020 - \$nil and \$nil) in share-based compensation.

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On December 7, 2020, the Company granted 750,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.56 per share expiring on December 7, 2022. The stock option vest in four equal tranches on December 7, 2020, March 7, 2021, June 7, 2021, and December 7, 2021. The grant date fair value of the stock options of \$337,500 was determined using the Black Scholes option valuation model with the following assumptions – share price on date of grant of \$0.76; risk-free interest rate of 0.20%; dividend yield of 0%; expected life of 2 years; forfeiture rate of 0% and expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the three and nine months ended July 31, 2021, the Company recorded (\$36,491) and \$837,611 (2020 - \$nil and \$nil) in share-based compensation (recovery). The stock options granted on December 7, 2020 were revalued on March 7, 2021, April 30, 2021, June 7, 2021 and July 31, 2021 using the Black Scholes option valuation model with the following assumptions:

	March 7, 2021	April 30, 2021	June 7, 2021	July 31, 2021
Fair Value	\$1,905,000	\$1,057,500	\$720,000	\$600,000
Share price on valuation date	\$3.03	\$1.86	\$1.39	\$1.23
Risk-free interest rate	0.24%	0.30%	0.32%	0.45%
Dividend yield	0%	0%	0%	0%
Expected life	1.75	1.61	1.50	1.35
Forfeiture rate	0%	0%	0%	0%
Expected volatility	100%	100%	100%	100%

On August 17, 2020, the Company granted 2,050,000 stock options to directors, officers and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.25 per share expiring on August 17, 2025. 375,000 stock options vested on the date of grant with the remaining 1/6 every 6 months thereafter. The fair value of the stock options of \$471,500 was determined using the Black Scholes option valuation model with the following assumptions – share price on date of grant of \$0.30; risk-free interest rate of 0.41%; dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the three and nine months ended July 31, 2021, the Company recorded another \$46,894 and \$177,187 (2020 - \$nil and \$nil) in share-based compensation.

The following table summarized the continuity of the Company's stock options:

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance October 31, 2019	-	\$ -
Assumed from Kepler	600,000	0.07
Granted	2,050,000	0.25
Exercised	(217,463)	0.07
Balance, October 31, 2020	2,432,537	0.22
Granted	3,100,000	1.31
Exercised	(1,020,037)	0.35
Balance, July 31, 2021	4,512,500	\$ 0.94

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As at July 31 2021, the Company had stock options outstanding enabling holders to acquire the following:

Number of options	Vested	Exercise price per option	Expiry date
1,975,000	579,167	\$0.25	August 17, 2025
187,500	-	\$0.56	December 7, 2022
750,000	187,500	\$1.24	January 25, 2024
100,000	25,000	\$1.76	February 16, 2023
1,500,000	-	\$1.70	May 6, 2024
4,512,500	791,667		

d) Share Purchase Warrants

The following table summarized the continuity of the Company's share purchase warrants:

	Number of Share Purchase Warrants	Weighted Average Exercise Price
Balance, October 31, 2019 and 2020	-	\$ -
Issued	7,821,730	1.85
Balance, July 31, 2021	7,821,730	\$1.85

As at July 31, 2021, the Company had share purchase warrants outstanding enabling holders to acquire the following:

Number of Share Purchase Warrants	Exercise price per warrant	Expiry date
1,657,730	\$1.50	December 24, 2022
6,164,000	\$1.95	July 19, 2023
7,821,730		

e) Agent's Warrants

The following table summarized the continuity of the Company's Agent's Warrants:

	Number of Agent's Warrants	Weighted Average Exercise Price
Balance October 31, 2019	-	\$ -
Assumed from Kepler	300,000	0.07
Issued	166,320	0.25
Exercised	(8,910)	0.07
Balance, October 31, 2020	457,410	0.13
Issued	765,926	1.44
Expired	(82,053)	0.07
Exercised	(348,006)	0.14
Balance, July 31, 2021	793,277	\$1.40

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As at July 31, 2021, the Company had agent's warrants outstanding enabling holders to acquire the following:

Number of Agent's Warrants	Exercise price per warrant	Expiry date
29,104	\$0.25	August 12, 2022
178,593	\$1.10	December 24, 2022
154,100	\$1.95	July 19, 2023
431,480	\$1.40	July 19, 2023
793,277		

f) Escrow Agreement

25,000,000 shares were placed into escrow. Under the escrow agreement, 10% of the shares were released on the issuance of the final exchange bulletin (the TSXV's acceptance of the reverse acquisition of Kepler by ESE) 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 at July 31, 2021, 18,750,000 shares were in escrow (October 31, 2020 - 22,500,000 shares were in escrow).

11 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.
- 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.

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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 condensed interim consolidated financial statements are summarized below.

Fair Value:

The carrying values of financial assets and liabilities approximate its fair value due to the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's condensed interim consolidated 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 and trade accounts receivable. 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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in the note.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

On October 7, 2019, the Company obtained a credit facility of \$50,000 which bears interest at prime rate plus 3% which is secured by the CEO of the Company. As at July 31, 2021 and October 31, 2020, the Company has not utilized any of the credit facility.

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As at July 31, 2021, the Company had a cash balance of \$9,168,069 and receivables of \$750,216 to settle accounts payable and accrued liabilities of \$814,736.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, trade accounts receivable included in receivables, accounts payable and accrued liabilities that are denominated in a foreign currency.

As at July 31, 2021, the Company held cash denominated in Polish Zloty of PLN1,879,200 (October 31, 2020 – PLN115,004), accounts receivable of PLN34,749 (October 31, 2020 – PLN270,108) and accounts payable and accrued liabilities of PLN127,934 (October 31, 2020 – PLN181,353) translated at PLN1 for every CDN\$0.32. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately \$58,000.

As at July 31, 2021, the Company held cash denominated in Romanian New Leu of RON7,390 (October 31, 2020 – RONNil) and accounts payable and accrued liabilities of RON72,041 (October 31, 2020 – RONNil) translated at RON1 for every CDN\$0.30. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately \$2,000.

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

12 Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key Management Compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	For the nine months ended July 31	
	2021	2020
<u>Consulting fees</u>		
Konrad Wasiela, CEO and Director	\$ 19,000	\$ 85,500
1176149 BC Ltd., a company controlled by Ryan Maarschalk, former Director	36,000	42,000
Wasiela Services Ltd., a company controlled by Konrad Wasiela	116,000	49,500
RSJ Consulting Inc., a company controlled by Rob Kang, CFO	36,000	-
	207,000	177,000

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Share-based payments incurred with directors and officers	329,704	-
<u>Legal fees, included in professional fees</u>		
Segev LLP, of which Ron Segev, Director is a principal partner	188,976	-
	\$ 725,680	\$ 177,000

Included in accounts payable and accrued liabilities at July 31, 2021 is \$55,189 (October 31, 2020 - \$nil) in unpaid legal fees and other balances owing to an officer of the company and to companies with an officer or director in common.

On August 11, 2020, the Company entered into an agreement with Ron Segev to be a director of the Company, and as consideration, the Company agreed to issue 200,000 common shares and granted 300,000 in stock options at a price of \$0.25 per share for a period of 5 years. On August 17, 2020, the Company granted the stock option and recorded the 200,000 common shares at the fair market value of \$0.25 per share for \$50,000. This amount is included in commitment to issue shares at October 31, 2020 and July 31, 2021 (Note 15).

13 Segmented Information and Revenue Disclosures

The Company operates in three industry segments of digital media and entertainment, call center services, and telecommunications. The majority of the Company's assets are located in Canada, Poland and Romania. Four customers (2020 – three customers) accounted for more than 10% of revenue and in aggregate accounted for 76% (2020 - 71%) of sales.

The Company's revenues are allocated to geographic segments for the nine months ended July 31, 2021 and 2020 as follows:

	For the nine months ended	
	July 31,	
	2021	2020
Canada	\$ 87,531	\$ -
Europe	1,625,517	190,020
Israel	686,147	-
Panama	128,653	-
United States	2,487,282	-
Other	128,653	-
Total revenue	\$ 5,143,783	\$ 190,020

Revenue and gross profit are derived from the following sources during the nine months ended July 31, 2021 and 2020:

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	Contract revenue – advertising and events	Telecom wholesale voice	Contact center fan engagement & other	Total
For the nine months ended July 31, 2021				
Revenue	\$ 855,366	\$ 3,783,889	\$ 504,528	\$ 5,143,783
Cost of sales	(322,594)	(3,732,466)	(313,431)	(4,368,491)
Gross profit	\$ 532,772	\$ 51,423	\$ 191,097	\$ 775,292

	Contract revenue – advertising and events	Telecom wholesale voice	Contact center fan engagement & other	Total
For the nine months ended July 31, 2020				
Revenue	\$ 190,020	\$ -	\$ -	\$ 190,020
Cost of sales	-	-	-	-
Gross profit	\$ 190,020	\$ -	\$ -	\$ 190,020

The Company expects to recognize as revenue the remaining performance obligations represented by the deferred revenue balance as at July 31, 2021 in the next twelve months.

The Company's net loss is allocated to geographic segments for the nine months ended July 31, 2021 and 2020 as follows:

	For the nine months ended July 31,	
	2021	2020
Canada	\$ (6,132,254)	\$ (815,005)
Poland	(97,919)	(308,032)
Romania	(386)	-
Net loss	\$ (6,230,559)	\$ (1,123,037)

14 Investment in K1CK

On November 19, 2020, the Company entered into an asset purchase agreement with the owner of K1CK Esports Club ("Vendor"), whereby the Company has agreed to acquire certain assets (the "K1CK assets") from the Vendor. As consideration, the Company shall pay an aggregate of \$207,500, consisting of the following (1) \$120,000 cash with \$60,000 payable on closing and the balance due on demand after January 20, 2021; (2) \$87,500 in common shares of the Company at a deemed price of \$0.25 per share for a total of 350,000 common shares of the Company. On February 1, 2021, the Company issued 350,000 common shares and as at July 31, 2021, the \$120,000 in cash was paid.

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At the date of acquisition, the Company determined that the K1CK assets did not constitute a business as defined under IFRS 3, Business Combinations, and as such, the acquisition was accounted for as an asset acquisition. The Company was unable to identify the intangible assets that met the recognition criteria under IAS 38, therefore, the entire consideration paid of \$207,500 was recorded as an impairment on K1CK assets.

15 Subsequent Events

- a) On September 15, 2021, the Company 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 (“sim racing”) infrastructure, technology, and support. The purchase price consisted of (i) \$1,681,250 in cash paid on the closing of the transaction; (ii) 941,500 common shares of the Company issued on closing; and (iii) up to 8,473,500 common shares (the “Earn Out Shares”) to be released in six equal installments every 6 months (each such installment, an “Installment”), 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 an investment of €250,000 in Digital Motorsports on closing to fund its working capital needs. The Company paid an aggregate of \$84,062 and issued an aggregate of 470,750 common shares for finder’s fees and M&A advisory in connection with the acquisition.
- b) Subsequent to July 31, 2021, warrants to acquire 560 common shares at \$0.25 per share were exercised.
- c) Subsequent to July 31, 2021, options to acquire 50,000 common shares at \$0.25 per share were exercised.
- d) On September 14, 2021, the 200,000 common shares that represent the commitment to issue shares recorded as at October 31, 2020 and July 31, 2021 were issued.