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*These securities have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. "United States" and "U.S. person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

**OFFERING DOCUMENT  
UNDER THE LISTED ISSUER FINANCING EXEMPTION**

December 21, 2022



**ESE ENTERTAINMENT INC.**  
(the "Company")

**WHAT ARE WE OFFERING?**

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<b>Offering:</b>	Up to 5,000,000 units at a price of \$0.40 per unit (the "Units"). Each Unit consists of one (1) common share of the Company (a "Common Share") and one-half of one (1/2) Common Share purchase warrant (each whole common share purchase warrant referred to as a "Warrant"). Each Warrant is exercisable into one (1) Common Share at a price of \$0.70 for a period of 36 months (the "Offering").
<b>Offering Price:</b>	\$0.40 per Unit
<b>Offering Amount:</b>	Up to 5,000,000 Units, for maximum gross proceeds of \$2,000,000.
<b>Closing Date:</b>	The closing of the Offering may take place in one or more tranches, the first of which is expected to close on or about December 31, 2022.
<b>Exchange:</b>	The Common Shares of the Company are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "ESE".

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**Last Closing Price:** On December 20, 2022, the closing price of the Common Shares on the TSXV was \$0.36.

Concurrently with the Offering, the Company is completing a non-brokered offering of secured convertible debenture units of the Company (each a “**Convertible Debenture Unit**”) at a price of \$1,000 per Debenture Unit (the “**CDU Offering**”) for gross proceeds of up to \$2,000,000. The Company anticipates that the terms of the CDU Offering will be as follows: (i) each Convertible Debenture Unit will consist of one senior secured, \$1,111 principal value (the “**Principal Amount**”) convertible debenture of the Company (each, a “**Convertible Debenture**”) and 1,388 common share purchase warrants of the Company (each, a “**CDU Warrant**”); each CDU Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.70 for a period of 36 months following the closing of the CDU Offering; the Principal Amount of each Convertible Debenture will be convertible into Common Shares, for no additional consideration, at the option of the holder at a conversion price of \$0.40 per share at any time following the closing of the CDU Offering; and the maturity date of the Convertible Debentures will be 24 months from the closing of the CDU Offering. The CDU Offering does not constitute part of the Offering to which this Offering Document relates, and will be conducted by the Company concurrently but separately from the Offering and not under the exemption from prospectus requirements contained in Part 5A of National Instrument 45-106 – *Prospectus Exemptions*.

#### Description of Common Shares

Holders of Common Shares are entitled to receive notice of, attend and vote at, all meetings of the shareholders of the Company and are entitled to one vote for each Common Share held on all matters to be voted on by shareholders at meetings of the shareholders of the Company. Holders of Common Shares are entitled to receive such dividends, if, as and when declared by the board of directors of the Company, in their sole discretion. All dividends which the board of directors of the Company may declare shall be declared and paid in equal amounts per Common Share on all Common Shares at the time outstanding. On liquidation, dissolution or winding up of the Company, the holders of Common Shares will be entitled to receive the property of the Company remaining after payment of all outstanding debts on a pro rata basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by the Company. There are no pre-emptive, redemption or conversion rights attached to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable Common Shares without liability for further calls or assessment.

#### Description of Warrants

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share (a “**Warrant Share**”) at an exercise price of \$0.70 until the date that is twenty-four (24) months following the date of closing, after which time the Warrants will be void and of no value.

The Warrants will be governed by the terms and conditions set out in the certificate representing the Warrants (the “**Warrant Certificates**”) delivered to you at the closing of the Offering. The Warrant Certificates will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events. No fractional Warrants Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Certificate. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this***

***document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

**ESE Entertainment Inc. is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this Offering, the Company represents the following is true:**

- **the Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing;**
- **the Company has filed all periodic and timely disclosure documents that it is required to have filed;**
- **the total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000;**
- **the Company will not close this Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution; and**
- **the Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.**

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This offering document contains “forward-looking information” within the meaning of applicable Canadian and United States securities laws, which is based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this offering document are made only as of the date of this offering document. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the completion of the Offering; the Company’s business objectives; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; raising the minimum or maximum proceeds of the Offering; and completion of the Offering and the date of such completion. Forward-looking statements or forward-looking information relate to future events and future performance and include statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking statements and forward-looking information often, but not always, can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or forward-looking information, including, without limitation, risks and uncertainties relating to: general business and economic conditions; regulatory approval for the Offering; completion of the Offering; the terms of the CDU Offering and the completion of the same; the proceeds to be raised under the CDU Offering; the Company’s limited operating history; uncertainty of future events; growth-related risks; the Company’s ability to obtain additional financing in the future on favourable terms, or at all; the Company’s ability to realize value from its acquisitions; the relative novelty and rapidly evolving nature of the esports industry; the Company’s lack of long-term agreements; the Company’s ability to maintain and enhance its brand value; the Company’s reliance on key personnel; the Company’s ability to attract and retain executive management and qualified board members;

the technical nature of the Company's operations; technical failures and delays; security of the Company's digital media properties; the Company's historical losses and negative operating cash flows; the Company's operations in foreign jurisdictions, and in particular in emerging markets; the protection of the Company's intellectual property; competition in the Company's industry; the Company's evolving business model; existing and future laws and regulations; the Company's reliance on third-parties; privacy law; currency fluctuations; the COVID-19 pandemic; and the current high rate of inflation. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company's annual filings that are available at [www.sedar.com](http://www.sedar.com), including the Company's annual information form for the fiscal year ended October 31, 2021. The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

## SUMMARY DESCRIPTION OF BUSINESS

### What is our Business?

ESE is a global entertainment and 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. In addition to developing the Company's existing business, the Company has pursued selective acquisitions that align with its objective of becoming a global player in esports technology and infrastructure, directly, or through its subsidiaries.

The Company's revenue streams include media rights, sponsorships and advertising, events and merchandising, and competition earnings. In addition to these four original sources of revenue, through the Company's subsidiaries, World Performance Group Ltd. ("**WPG**"), Auto Simulation Limited ("**Digital Motorsports**"), Frenzy Sp. z.o.o ("**Frenzy**") and 9327-7358 Quebec Inc. ("**GameAddik**"), the Company has expanded into the following business lines: fan engagement; telecom infrastructure; media production; advanced simulation racing infrastructure and support; and user acquisition and advertising in the video game space.

### Recent Developments

The following is a brief summary of key recent developments involving or affecting the Company.

- On February 14, 2022, the Company completed the acquisition of 100% of the shares of GameAddik, a technology company focused on the video game industry. GameAddik creates and executes its performance model technology software to generate users and increase the reach of games for its customers, which are primarily video game developers.
- In February 2022, the Company's media and production subsidiary, Frenzy, launched a new 900 square-foot broadcast studio in Warsaw, Poland, which is designed to host and broadcast esports and gaming media and commentary.

- On April 7, 2022, the Company appointed Eric Jodoin as Chief Operating Officer. Prior to his appointment as COO, Mr. Jodoin was the Chief Executive Officer of ESE’s subsidiary, GameAddik, a position which he continues to hold.
- On September 12, 2022, the Company appointed Andrea Lieuwen as Chief Financial Officer. Ms. Lieuwen succeeded Rob Kang, who had been the Company’s CFO since August 2020.
- In October 2022, the Company entered into a USD \$5 million contract to deliver its technology and user acquisition services to a European video game developer and publisher, with a term extending to June 2023. Pursuant to the contract, ESE is delivering its technology and video game user acquisition platform to target players from over 20 countries and 5 different languages.
- In December 2022, the Company announced that its simulated racing (sim racing) ecommerce platform, DigitalMotorSports.com, achieved record unaudited monthly revenue of approximately \$1 million for the month of November 2022.

### Material Facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

### What are the business objectives that we expect to accomplish using the available funds?

The following table sets out the business objectives the Company expects to accomplish using its available funds following the Offering and lists the milestone event(s) for each business objective, anticipated time period for completion and estimated cost.

Business Objective	Milestone(s) that must occur to Achieve Business Objective	Anticipated Timing to Achieve Milestone	Estimated Cost to Achieve Milestone
Further develop existing business operations	Increase number of clients of each of the Company’s business units, particularly tier-1 game publishers and brands	March 2023	\$50,000
	Launch new products and features to expand the Company’s user base	April 2023	\$150,000
	Increase ecommerce sales and product offerings	April 2023	\$200,000
Increase brand awareness	Conduct strategic marketing initiatives	April 2023	\$50,000
Drive revenues from Company’s artificial intelligence product, Singularity	Complete development of Singularity	April 2023	\$100,000

## USE OF AVAILABLE FUNDS

### What will our available funds be upon the closing of the offering?

Following the closing of the Offering, the Company expects to have funds available as set out in the following table:

		Assuming 100% of Offering
A	Amount to be raised by this offering	\$2,000,000
B	Estimated selling commissions and fees <sup>(1)</sup>	\$140,000
C	Estimated offering costs (e.g. legal, accounting, audit)	\$20,000
D	Net proceeds of offering: $D = A - (B + C)$	\$1,840,000
E	Working capital as at most recent month end (deficiency)	\$400,000
F	Additional sources of funding	\$1,970,000 <sup>(2)</sup>
G	Total available funds: $G = D + E + F$	<b>\$4,210,000</b>

**Note:**

- (1) See "Fees and Commission" below.
- (2) Assuming the maximum amount is raised under the CDU Offering, and assuming estimated offering costs for the CDU Offering of \$30,000, for net proceeds from the CDU Offering of \$1,970,000. See the cover page of this Offering Document for a discussion of the CDU Offering.

The Company has experienced a decline in working capital since October 31, 2021 as a result of acquisition payments and investments into operating business units. The Company has also acquired inventory for its ecommerce business and invested in more technology development.

### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of Offering
Installment payment under agreement for the acquisition of Gameaddik <sup>(1)</sup>	\$1,000,000
Further develop existing business operations	\$400,000
Increase brand awareness	\$50,000
Drive revenues from Company's artificial intelligence product, Singularity	\$100,000
General corporate purposes and administrative expenses	\$250,000
Unallocated working capital	\$2,410,000
Total:	<b>\$4,210,000<sup>(1)</sup></b>

**Note:**

- (1) Assuming the maximum amount is raised under the CDU Offering, and assuming estimated offering costs for the CDU Offering of \$30,000, for net proceeds from the CDU Offering of \$1,970,000. See the cover page of this Offering Document for a discussion of the CDU Offering.

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. The Company has not achieved profitable operations, has accumulated losses since inception and expects to incur further losses in the development of its business, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to permit the Company to continue to develop its business operations, and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

#### How have we used the other funds we have raised in the past 12 months?

Date of Financing	Funds Raised	Previous description of intended use of funds	Actual use of funds to date	Variances
February 16, 2022	Net proceeds of \$1,537,440	To fund acquisitions, business development, and for general working capital purposes <sup>(1)</sup>	Fund payments under acquisition agreements for GameAddik and Frenzy; business development; and general working capital purposes	Nil
April 8, 2022, April 14, 2022, and April 21, 2022	Net proceeds of \$1,562,470	To fund acquisitions, business development, and for general working capital purposes <sup>(2)</sup>	Fund payments under acquisition agreements for GameAddik and Frenzy; business development; and general working capital purposes	Nil

**Notes:**

- (1) As disclosed in the Company's press release dated February 16, 2022.
- (2) As disclosed in the Company's press releases dated April 11, 2022, April 14, 2022, and April 21, 2022.

#### FEES AND COMMISSIONS

##### Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

The Company expects to pay registrants who introduce investors that participate in the Offering a finder's fee comprised of a cash commission of 7.0% of gross proceeds raised from investors introduced by such registrants and non-transferable finder warrants of 7.0% of the number of Units sold under the Offering to investors introduced by such registrants. Such finder warrants shall entitle the holder to acquire one (1) Common Share at a price of \$0.40 per common share for a period of 36 months.

#### PURCHASERS' RIGHTS

##### Rights of Action in the Event of a Misrepresentation

**If there is a misrepresentation in this offering document, you have a right**

- (a) to rescind your purchase of these securities with the Company, or
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

#### ADDITIONAL INFORMATION

##### Where can you find more information about us?

Security holders can access the Company's continuous disclosure at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.esegaming.com](http://www.esegaming.com).

#### DATE AND CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after December 21, 2021, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated: December 21, 2022

*"Konrad Wasiela"*

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Konrad Wasiela  
Chief Executive Officer

*"Andrea Lieuwen"*

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Andrea Lieuwen  
Chief Financial Officer