



X1 Esports Enters into Agreement to Acquire Tyrus Talent Services to Enter Creator Economy Market

- **Acquisition is intended to expand X1 Esports' reach into Gen Z demographic and add additional revenue streams**
- **Tyrus Talent Services is a digital influencer management firm specializing in working with YouTube, TikTok, and Twitch content creators, brand ambassadors and brands across all social media channels**

VANCOUVER, BC – July, 18, 2022 – X1 Esports and Entertainment Ltd. (CSE:XONE) (“X1” or the “Company”), an esports portfolio company which owns and operates a growing esports franchise, is pleased to announce entry into a definitive agreement, pursuant to which X1 intends to acquire Tyrus, LLC, (“Tyrus”), an influencer management firm empowering gamers, content creators and influencers.

“The Tyrus platform expertly bridges the gap between international brands and the gaming ecosystem,” said Mark Elfenbein, CEO of X1. *“The addition of the Company to our portfolio, will help to establish X1 as an advertising sales organization with access to some of the most sought-after content creators in the video games category.”*

Since 2017, Tyrus has partnered with content creators providing comprehensive management of YouTube, TikTok, Twitch and other social media channels as well as consultation on personal brand growth strategies and partnership management.

“We’re excited to join the X1 family,” said Amanda Solomon, CEO of Tyrus. “Our main focus with Tyrus is to be an industry disrupter by offering white glove services to our talent and diverse and inclusive roster of highly talented influencers who are enabling global brands to access and engage motivated Gen Z audiences. I’m supremely confident that joining X1 will take us to the next level and help us become an increasingly dominant player in this space.”

Transaction Terms

Pursuant to the terms of a membership interest purchase agreement (the “Agreement”) dated July 15, 2022, the Company will acquire 100% of the issued and outstanding membership interest of Tyrus for total consideration of up to approximately US\$350,000 (the “Purchase

Price”). The Purchase Price is payable as follows: i) US\$150,000 in cash payments due within 60 days of closing; and ii) the issuance, at closing, of 555,555 fully-paid common shares in the capital of the Company at a deemed issue price of \$0.45 per Common Share. In addition, a bonus payment of US\$100,000 may payable if Tyrus reaches US\$1,750,000 in its first full year of revenue, which may be settled in cash or Common Shares at the option of the Company.

The Common Shares forming part of the Purchase Price will be subject to subject to a statutory hold period of four months and one day from the date of issuance, and a contractual resale restriction that will result in 25% of the Common Shares being released twelve (12) months following the closing date, and 25% being released at six (6) month intervals thereafter.

The securities of the Company referred to in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About X1

X1 Esports and Entertainment is a video game and media portfolio company which owns and operates a growing esports franchise, RixGG. The business of the Company is the competitive playing of video games by teams for cash prizes, and operations ancillary to such competition, such as merchandising and the hosting of tournaments.

For more information on the Company, visit www.X1Esports.com or email info@X1Esports.com.

About Tyrus

Tyrus Talent Services is a boutique talent management group for digital content creators. Specifically, we work with creators in the gaming and lifestyle verticals, providing creators with paid opportunities from free game codes to booking for live shows and paid partnerships around the globe. We also offer more integrated services such as social media management, platform management, video editing, and short form content editing. To put it simply, Tyrus supports our creator’s business with expert knowledge and management of partnerships and activations with major companies.

FORWARD LOOKING STATEMENTS:

All information contained in this news release with respect to the Company and Tyrus was supplied by the parties, respectively, for inclusion herein, and the Company and its respective directors and officers have relied on Tyrus for any information concerning such party.

Completion of the Transaction is subject to a number of conditions precedent, including but not limited to, receipt of appropriate regulatory approvals. The Transaction cannot close until all such conditions are satisfied. There can be no assurance that the Transaction will be completed as proposed or at all.

Certain information in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact included in this news release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include the failure to satisfy the conditions of the relevant securities exchange(s) and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company disclaims any intention or obligation to update or revise such information, except as required by applicable law.