



X1 Esports Enters Into Agreement to Acquire Assets of Rocket League Community, ShiftRLE

On completion of the acquisition, ShiftRLE is intended to expand X1’s global video games portfolio with media property seeing strong user engagement and growth

- The transaction is anticipated to strengthen X1’s position in video game media, adding Shift’s 30,000+ social media followers at twitter.com/ShiftRLE
- Rocket League globally averages over 80M players per month¹
- The acquisition will help deliver on X1’s core strategic priorities of building a diverse video game ecosystem portfolio and providing global brands with access to Gen Z audiences

VANCOUVER, BC - July 25, 2022 – X1 Esports and Entertainment (CSE:XONE) (“X1” or the “Company”), a video games and media portfolio company which owns and operates a growing Esports franchise, is pleased to announce it has entered into an asset purchase agreement (the “APA”) to acquire ShiftRLE (“Shift”), an online news outlet focused on the popular video game, Rocket League.

“Adding ShiftRLE to the X1 portfolio will be an excellent addition,” said Mark Elfenbein, CEO of X1. *“This will not only help us to deliver on our core strategic priorities of building a diverse video game ecosystem and providing global brands access to a GenZ audience, but will strengthen X1’s position in video games media.”*

Information Related to ShiftRLE

Las Vegas-based ShiftRLE, led by co-founders Achilleas Fotiou and Jalen Jones, has demonstrated consistent user audience growth since launching in 2020. Shift currently reaches over 8 million impressions during the seasonal period of RLCS, while seeing growth of 14 million impressions during transfer periods where the roster news cycle is most active. With operations in America and Europe, the organization has established an international presence in the Esports industry.

¹ “Rocket League: Rocket League Live Player Count and Statistics”, Active Player, <https://activeplayer.io/rocket-league/> (accessed: July 22, 2022).

“We are thrilled to become a part of the X1 family moving forward as they see the potential we have in the growth of Rocket League as an Esport,” said Jalen Jones, a co-founder of ShiftRLE. “With X1 behind us, we plan to take Shift to the next level with our ultimate goal being to make Shift into a hub where Rocket League fans can get the latest highlights and statistics, and engage in interactive activities such as Pick ‘Ems, Fantasy, and eventually tournaments of our own. We want Shift to act as a bridge between the casual and hardcore Rocket League players with engaging content that appeals to multiple audiences.”

Rocket League is one of the world's leading esports². With 5-minute games that feature non-stop action, the car-soccer hybrid game has seen significant growth with players across demographics since its launch, now seeing global averages of 80M players per month, according to Active Player³.

Shift is an independent news source for Rocket League fans. It first rose to prominence by getting exclusive, behind-the-scenes information on Rocket League roster moves and tryouts before they were public knowledge. Shift plays a key role in ensuring the conversation around Rocket League esports continues beyond the pitch through coverage and insight regarding roster transactions and general esports news, ensuring fans stay engaged even during slower competitive periods.

Transaction Terms

Completion of the proposed acquisition remains subject to satisfaction of or waiver of closing conditions under the APA, including X1 entering into consulting agreements with key persons at ShiftRLE (the “Consulting Agreements”). The closing date is anticipated to occur on or prior to the tenth business day following the execution of the APA.

Pursuant to the APA, X1 will acquire 100% of the assets comprising ShiftRLE and have the benefit of ongoing services by the key personnel of ShiftRLE for an aggregate price of (i) US\$50,000 cash, of which US\$25,000 is payable at Closing and US\$25,000 payable within 45 days after Closing; (ii) 333,333 common shares in the capital of X1 with a deemed issue price of CAD\$0.45 per common share (the “Consideration Shares”) distributed to each of the four key personnel, and (iii) a 7% share of gross revenues Shift earns in the first (36) months following Closing to a maximum of US\$250,000 (the “Earnout”). The Earnout may be paid in cash or common shares at the election of the Company, at a deemed price equal to the fourteen day trading price prior to the payment date or such other price as may be required by the policies of the Exchange.

The Consideration Shares will be subject to subject to a CSE imposed hold period of four months from the date of issuance, and a contractual resale restriction that will result in 25% of the Consideration Shares being released six (6) months following the closing date, and 25% being released at six (6) month intervals thereafter. The Consideration Shares are payable to the key personnel of ShiftRLE on closing, concurrently with their entry into the Consulting Agreements.

² “Top 15 most popular PC games of 2022”, Active Player, <https://activeplayer.io/top-15-most-popular-pc-games-of-2022/> (accessed July 22, 2022).

³ See note 1.

Pursuant to the Consulting Agreements, X1 will hire each of the four key personnel of ShiftRLE as consultants to X1 to continue operations of the Shift media business. Jalen Jones, co-founder of ShiftRLE, will act as the Operations Manager of Shift Media, Achilleas Vaios Fotiou, co-founder of ShiftRLE, will be the Investigative Lead, Martin Faltus will be a Digital Content Lead, and Louis Sliwa will be Designer and Community Manager.

Key Transaction Highlights

- Twitter user growth to over 30,000 followers⁴
- Ability to deliver social media impressions: Shift reaches millions in monthly social media impressions
- Opportunity to enter the growing Rocket League ecosystem.

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.

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FORWARD LOOKING STATEMENTS:

All information contained in this news release with respect to the Company and ShiftRLE was supplied by the parties, respectively, for inclusion herein, and the Company and its respective directors and officers have relied on Jalen Jones, as co-founder of ShiftRLE, for any information concerning ShiftRLE.

Completion of the acquisition of ShiftRLE is subject to a number of conditions precedent, including but not limited to, entry into consulting agreements with the key personnel of ShiftRLE and delivery of closing documents as contemplated by the APA. 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.

⁴ twitter.com/ShiftRLE (Accessed July 22, 2022).

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. Forward-looking information in this news release includes the closing of the acquisition of the assets comprising ShiftRLE, entry into consulting agreements with the key personnel of ShiftRLE, the ability of ShiftRLE to integrate into the X1 portfolio as anticipated or at all, the growth of ShiftRLE and the establishment of ShiftRLE as a hub for esports with additional offerings to their current media service, and the achievement of any revenue by ShiftRLE. 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, as well as a failure to consummate the transaction, changing market and industry conditions, the ability of each of X1 and ShiftRLE to implement their respective business strategies, including expansion plans,, the continued relevance of ShiftRLE’s media capabilities, competitive conditions, adverse industry events, availability of capital and financing as needed. 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.