



X1Esports Closes the Acquisition of Tyrus LLC as the Company Builds a Leading Video Games and Creator Economy Business

- **Acquisition is intended to expand X1 Esports' reach into Gen Z demographic and add additional revenue streams**
- **Tyrus' talent operates as a digital influencer management firm, and is specializing in working with YouTube, TikTok, and Twitch content creators, brand ambassadors and brands across all social media channels**
- **Tyrus' client roster of over 60 high profile content creators have a combined reach of over 20 million followers**
- **Tyrus has worked with leading global brands including: Warner Brothers, OMEN, Best Buy, Hello Fresh, and Panera to reach into the Gen Z demographic of its content creators**

VANCOUVER, BC - August 5, 2022 – X1 Esports and Entertainment Ltd. (CSE:XONE) (“X1” or the “Company”), a video games and creator economy portfolio company which owns and operates a growing Esports franchise, is pleased to announce the closing of the previously announced transaction with Tyrus LLC (“Tyrus”), an influencer management firm empowering gamers, content creators and influencers (“the Transaction”). On closing of the Transaction, the Company holds all issued and outstanding securities of Tyrus, which will operate as a subsidiary of X1.

“The Tyrus Transaction offers tremendous opportunity for X1 to partake in the growing global creator economy which is an industry of over 50 million individual content creators¹ where Tyrus is extremely well-positioned,” said Mark Elfenbein, CEO of X1. *“The video game category has been a top category of the creator economy and has largely benefited the growth of the video game industry recently.”*

In connection with the closing of the Transaction, Tyrus' Manager, Amanda Solomon, will also join the X1 Advisory board. Amanda is an accomplished leader specializing in

¹ Klein, Matt, “50 Million Join The ‘Creator Economy’ Thanks To Platforms Like OnlyFans, YouTube, Etsy And Twitch”, Forbes, September 23, 2020, <https://www.forbes.com/sites/mattklein/2020/09/23/50m-join-the-creator-economy-as-new-platforms-emerge-to-help-anyone-produce-content-money/?sh=171b93e53165> (accessed on August 4, 2022).

gaming and Esports, and has driven brand integration, influencer marketing campaigns, and talent partnerships with well-known companies and brands including Epic Games, OnePlus, and Gucci.

Since 2017, Tyrus has built a client roster of over 60 high profile content creators (iambrandon, CatioSaurus, Kalief (Spawn on Me) & Friskk) with a combined reach of over 20 million followers². Tyrus provides comprehensive management of YouTube, TikTok, Twitch and other social media channels as well as consultation on personal brand growth strategies and partnership management and has grown since April 2021 from a roster of seven talent, to August of 2022 with a roster of 65 talent.

“Becoming part of the X1 family will allow Tyrus to extend its reach and engage with new and exciting talent in the gaming and esports community,” said Amanda Solomon, CEO of Tyrus. “The talent and diversity of our influencer roster is something we take great pride in. I look forward to growing our presence in this space and providing unique access for global brands to a highly influential GenZ audience”.

Transaction Terms

Pursuant to the terms of a membership interest purchase agreement dated July 15, 2022, the Company acquired 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 divided into the following payments: i) US\$150,000 in cash payments due within 60 days of closing; and ii) 555,555 fully-paid common shares in the capital of the Company at a deemed issue price of \$0.45 per Common Share, which were issued on closing of the Transaction. In addition, a bonus payment of US\$100,000 may be 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 are 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.

² Tyrus, <https://tyrus.tv/for-brands/our-talent/> (accessed August 4, 2022).

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.

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About X1

X1 Esports and Entertainment Ltd. 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, and its 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 information

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.

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.