



X1 Esports Closes Acquisition of Assets of Rocket League Community, ShiftRLE

Acquisition of 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 is X1's second closed post IPO acquisition after the announcement of the closing of the Tyrus LLC acquisition on August 5th 2022.

VANCOUVER, BC - August 10, 2022 – X1 Esports and Entertainment Ltd. (CSE:XONE) (“X1” or the “Company”), a video games and media portfolio company which owns and operates a growing Esports franchise and a leading creator economy business is pleased to announce, further to its news release dated July 25, 2022, it has closed its previously announced acquisition of the assets comprising of ShiftRLE (“Shift”), an online news outlet focused on the popular video game, Rocket League.

In connection with the acquisition of the assets comprising of the business of Shift, the Company has entered into consulting agreements with four vendors, who as key personnel will be responsible for the continued operation of Shift, and distributed to such persons 333,333 common shares in the capital of X1 with a deemed issue price of CAD\$0.45 per common share (the “Consideration Shares”). In addition to the Consideration Shares, the Company is paying a cash purchase price to the vendors of US\$50,000 cash, of which US\$25,000 was paid in connection with the closing of the acquisition and US\$25,000 payable within 45 days after the closing date. The vendors will also be eligible to receive earn-out payments for 36 months from the closing date as payment of a 7% share of gross revenues Shift earns 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

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

released at six (6) month intervals thereafter. For further information related to the acquisition terms, please see the Company's news release dated July 25, 2022.

"We are thrilled to have closed on the Shift acquisition," said Mark Elfenbein, CEO of X1. "Not only has the Shift community grown considerably over the past year, but we believe that Rocket League has tremendous global appeal with fans looking for the content that Shift can offer."

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.

"As Rocket League continues its climb to becoming a household name in the esports and gaming worlds, our team at Shift will remain committed to being a part of it in multiple facets. X1's investment should not only reflect their belief in us, but the potential that Rocket League has as a whole. We're extremely excited to continue building Shift and to fully realize our aspirations of becoming that multimedia company that will stick around for years to come".

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.

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.

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.

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FORWARD LOOKING STATEMENTS:

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 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 multimedia company with longevity in the space, 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 achieve the growth anticipated, together with or apart from Shift,, 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, and the continued relevance of Rocket League. 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.