



Motorsport Games Inc. Announces \$2.5 Million Strategic Investment led by Virtual Reality Company Pimax

April 15, 2025

MIAMI, April 15, 2025 (GLOBE NEWSWIRE) -- Motorsport Games Inc. ("Motorsport Games" or "the Company"), the racing game developer and publisher of prominent simulation racing (or "sim racing") titles including *Le Mans Ultimate*, is today announcing a private placement offering for gross proceeds of approximately \$2.5 million, before deducting offering expenses, pursuant to a definitive agreement entered into on April 11, 2025 (the "Purchase Agreement") with certain institutional and accredited investors, including an affiliate of Pimax Innovation Inc. ("Pimax"), a Delaware technology company and a global leader in high-end virtual reality ("VR") headsets, to issue 1,894,892 shares of the Company's Class A common stock and a pre-funded warrant to purchase up to 377,836 shares of Class A common stock at an exercise price of \$0.0001 per share.

The private placement closed as to gross proceeds of \$2.4 million from the majority of the investors on April 11, 2025, and is expected to close as to the remaining \$100,000 with one investor on April 15, 2025. The pre-funded warrant will be exercisable upon the effective date of stockholder approval of the issuance of the shares issuable upon the exercise thereof. The purchase price for one share of Class A common stock was \$1.10 and the purchase price for one pre-funded warrant was \$1.0999 per share, representing a premium of approximately 33% to the closing price of the Company's Class A common stock as of April 10, 2025.

The investment is expected to improve the Company's cash position, fund working capital and general corporate expenses, and also provide funding to accelerate future product development whilst helping the Company regain compliance with The Nasdaq Capital Market's minimum stockholders' equity requirement set forth in Listing Rule 5550(b)(1). Pursuant to the terms of the Purchase Agreement, the Company agreed to appoint an individual designated by the purchasers that purchased at least 50.1% in interest of the shares and the pre-funded warrants based on the initial subscription amounts under the Purchase Agreement to serve as a Class II director on the Company's board of directors for a term expiring at the Company's 2026 annual meeting of stockholders. The Purchase Agreement further provides that the purchasers holding a 50.1% interest in the securities issued upon closing of the private placement shall have the right to appoint an individual to the Company's management team, subject to board approval.

Stephen Hood, Chief Executive Officer and President of Motorsport Games, stated, "We have been very happy with the response to our very public desire to seek further investment in the Company and after comprehensive talks with Pimax, we are delighted to conclude their investment in Motorsport Games. This investment comes at a premium of approximately 33% over the closing price of the Company's Class A common stock as of April 10, 2025, which we believe will inspire confidence in our company. Both parties are excited about the potential synergies between our companies. With Motorsport Games' leading *Le Mans Ultimate* racing simulation title featuring some of the best virtual reality gaming today and Pimax leading the market with innovative VR hardware, the opportunity to combine efforts and deliver a new era in a growing market is infinitely more feasible when working as one."

Mr. Hood continued, "We are excited to have Pimax as partners and believe that it represents excellent value to our shareholders as we solidify the Company's financial position to give greater confidence in our ability to excel. Similarly, we expect favorable reception from our passionate fans who are likely to be as excited as we are to have additional funding available for the business."

Robin Weng, Founder and Chairman of Pimax commented "Sim racing players make up a vital part of the Pimax community. Through our partnership with Motorsport Games, we aim to better understand and address the specific needs of this user group, enhancing their experience with tailored VR solutions. We believe the future of sim racing lies in the shift from flat screens to fully immersive VR. Motorsport Games, known for its industry-leading realism, shares our belief that realism is the most important metric in user experience. Together, we're accelerating this transition and pushing the boundaries of immersion. Pimax will continue to explore similar vertical partnerships to strengthen our user-focused strategy, build deeper engagement, and grow long-term loyalty within our passionate communities."

The securities sold and to be sold in the offering, including the shares of Class A common stock underlying the pre-funded warrant, were offered in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and/or Regulation D promulgated thereunder and have not been registered under the Securities Act, or applicable state securities laws. Accordingly, the unregistered common warrants and underlying shares of common stock may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Motorsport Games:

Motorsport Games is a racing game developer, publisher and esports ecosystem provider of official motorsport racing series. Combining innovative and engaging video games with exciting esports competitions and content for racing fans and gamers, Motorsport Games strives to make racing games that are authentically close to reality. The Company is the officially licensed video game developer and publisher for iconic motorsport racing series including the 24 Hours of Le Mans and the FIA World Endurance Championship, recently releasing *Le Mans Ultimate* in Early Access.

Motorsport Games Inc. Announces \$2.5 Million Strategic Investment from Virtual Reality Manufacturer Pimax



Motorsport Games is announcing a private placement offering for gross proceeds of approximately \$2.5 million, before deducting offering expenses, pursuant to a definitive agreement entered into on April 11, 2025 with certain institutional and accredited investors, including an affiliate of Pimax Innovation Inc.

Motorsport Games also owns the industry leading rFactor 2 and KartKraft simulation platforms. rFactor 2 also serves as an official simulation racing platform of Formula E, while also powering F1 Arcade through a partnership with Kindred Concepts. Motorsport Games is also an award-winning esports partner of choice for the 24 Hours of Le Mans, creating the renowned *Le Mans Virtual Series*. Motorsport Games is building a virtual racing ecosystem where each product drives excitement, every esports event is an adventure, and every race inspires.

For more information about Motorsport Games visit: www.motorsportgames.com

About Pimax:

Founded in 2015, Pimax is a pioneer in high-end virtual reality technology, driven by the vision of pushing the boundaries of innovation and helping humanity transcend its limitations through immersive technology. The company gained global recognition with the world's first 4K VR headset and has continued to lead the industry with a series of breakthrough products, including the groundbreaking Pimax 8K, whose Kickstarter campaign set a reigning Guinness World Record for the most successful crowdfunded VR project. Other milestones include the Pimax 8KX, which won Best VR Product at CES 2020, and the CES 2024 Innovation Award-winning Pimax Crystal. Known for its cutting-edge hardware, Pimax headsets feature ultra-high resolution, high refresh rates, an ultra-wide field of view, and advanced technologies such as QLED with mini-LED backlighting, glass aspheric lenses, proprietary SLAM tracking, and high-bandwidth bridge chips that enable visually lossless data transmission from PC to headset. These innovations have made Pimax a favorite among demanding VR enthusiasts seeking unmatched clarity and immersion. Continuing to push the limits of what VR can deliver, Pimax has introduced the Crystal Light, Crystal Super—the world's first retina-level VR headset—and the upcoming Dream Air, further demonstrating its commitment to shaping the future of virtual reality.

For more information about Pimax visit: www.pimax.com

Forward Looking Statements

Certain statements in this press release which are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are provided pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any statements in this press release that are not statements of historical fact may be deemed forward-looking statements. Words such as "continue," "will," "may," "could," "should," "expect," "expected," "likely," "plans," "intend," "anticipate," "believe," "estimate," "predict," "potential," "opportunity," and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements include, but are not limited to, the statements concerning the expected closing of the remaining investor on April 15, 2025, investment improving the Company's cash position, funding working capital and general corporate expenses, and also providing funding to accelerate future product development whilst helping the Company regain compliance with The Nasdaq Capital Market's minimum stockholders' equity requirement set forth in Listing Rule 5550(b)(1), the premium of the transaction price compared to the closing price of our Class A common stock inspiring confidence in the Company, the potential synergies between Pimax and the Company, the Company and Pimax combining efforts and delivering a new era in a growing market working as one, having Pimax as partners representing excellent value to the Company's shareholders, giving greater confidence in the Company's ability to excel, the partnership with Pimax receiving a favorable reception from the Company's fans, the Company's fans being as excited as the Company to have additional funding available for the Company's business, the place of fully immersive VR in the future of sim racing, the Company's potential with Pimax to accelerate a transition from flat screens to fully immersive VR, and the opportunities for greater integration to deliver new experiences, whilst continuing to drive innovation, marketing and revenue opportunities. All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, many of which are generally outside the control of Motorsport Games and are difficult to predict. Examples of such risks and uncertainties include, without limitation, the Company's ability to close on the remaining \$100,000, when anticipated, if at all, the Company's ability to regain compliance with the Nasdaq Capital Market's minimum stockholders' equity requirement set forth in Listing Rule 5550(b)(1), the Company's ability to accelerate future product development, the Company's ability to deliver a new era in a growing market working as one with Pimax, and the Company's ability to execute on the opportunities to deliver new experiences, whilst continuing to drive innovation, marketing and revenue opportunities. Additional factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements can be found in Motorsport Games' filings with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as well as in its subsequent filings with the SEC. Motorsport Games anticipates that subsequent events and developments may cause its plans, intentions and expectations to change. Motorsport Games assumes no obligation, and it specifically disclaims any intention or obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law. Forward-looking statements speak only as of the date they are made and should not be relied upon as representing Motorsport Games' plans and expectations as of any subsequent date. Additionally, the business and financial materials and any other statement or disclosure on, or made available through, Motorsport Games' website or other websites referenced or linked to this press release shall not be incorporated by reference into this press release.

Website and Social Media Disclosure

Investors and others should note that we announce material financial information to our investors using our investor relations website (ir.motorsportgames.com), SEC filings, press releases, public conference calls and webcasts. We use these channels, as well as social media and blogs, to communicate with our investors and the public about our company and our products. It is possible that the information we post on our websites, social media and blogs could be deemed to be material information. Therefore, we encourage investors, the media and others interested in our company to review the information we post on the websites, social media channels and blogs, including the following (which list we will update from time to time on our investor relations website):

Websites

motorsportgames.com

Social Media

Twitter: [@msportgames](https://twitter.com/msportgames)

Instagram: [msportgames](https://www.instagram.com/msportgames)

Facebook: [Motorsport Games](https://www.facebook.com/MotorsportGames)

LinkedIn: [Motorsport Games](https://www.linkedin.com/company/MotorsportGames)

The contents of these websites and social media channels are not part of, nor will they be incorporated by reference into, this press release.

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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/970818c1-e2a1-4820-aea6-ef04fecf61f6>