Motorsport Games Announces Expansion Into Karting

February 19, 2021

Motorsport Games signs binding term sheet with KartKraft to add leading karting simulator IP, assets and key development talent to diversify gaming portfolio; Announces anticipated launch of Motorsport Games Australia studio

MIAMI, Feb. 19, 2021 (GLOBE NEWSWIRE) -- Motorsport Games Inc. (NASDAQ: MSGM) ("Motorsport Games"), a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, today announced that the company has entered into a binding term sheet to acquire the assets and the business of KartKraft, the highly acclaimed PC kart racing simulator, from developer Black Delta. Under the terms of the binding term sheet, Motorsport Games expects to take ownership of the KartKraft IP as well as all the game assets and code. Additionally, key members of the original development team, including Founder Zach Griffin, are expected to join Motorsport Games to form a new studio called Motorsport Games Australia, under which development of KartKraft will continue.

"This upcoming acquisition further demonstrates Motorsport Games' commitment to the racing game genre and our belief in the future of virtual racing. We are delighted to have the opportunity to add KartKraft and form a new development team within the Motorsport Games family. The level of simulation that the team has created is highly impressive and the best recreation of karting available on the market today. We believe that, by adding our expertise to KartKraft, we will bring the game to the next level, amplifying its success as we help steer the product to full release," said **Stephen Hood, President of Motorsport Games.**

"Additionally, the new Motorsport Games Australia team will bring additional knowledge and expertise to Motorsport Games, specifically in Epic Games' trademark game Unreal Engine, as well as vehicle physics and driving simulation. They will play an integral role in the development of our future products and we're incredibly excited about their future contribution to our talented team."

The planned acquisition of KartKraft is the latest in a line of exciting announcements from Motorsport Games. KartKraft will further expand Motorsport Games' product portfolio, content development, digital product sales capabilities, and provide an opportunity to expand the company's esports ecosystem. In addition to the continued development of KartKraft, the new Motorsport Games Australia studio will bring its expertise from the Unreal Engine, developed by Epic Games, and racing simulation to other Motorsport Games licenses including NASCAR, 24 Hours of Le Mans and the British Touring Car Championship.

"The planned acquisition of KartKraft represents yet another step in our growth as a leading developer for racing games," said **Dmitry Kozko, CEO of Motorsport Games**. "We are aggressively pursuing our growth strategy by putting the committed capital from our shareholders to work. We're excited to complement our existing franchise developments by adding KartKraft to help grow our development team and product line."

"As a shareholder in Motorsport Games, I'm thrilled that KartKraft is joining us and that we can use our expertise, scope and knowledge to help maximize the impact of this great product," said **Fernando Alonso, Alpine Formula 1 driver, two-time F1 World Drivers' Champion, two-time 24 Hours of Le Mans Champion and former Karting World Champion**. "KartKraft recreates the authentic feel and thrill of kart racing. As a former Karting World Champion and owner of my own karting school, I want people of all ages to be able to experience the joys of karting first-hand. Nearly all the top drivers began their motorsport life in karting and KartKraft is a natural progression for introducing a new generation of drivers to the sport."

KartKraft is currently in Early Access on Steam for PC and its simulator has quickly amassed a cult-like following within the sim-racing community. Upon its full release, it will allow players to build their own karts from the chassis up and race on 10 officially licensed, laser-scanned tracks with 20 official kart manufacturers.

For more information about Motorsport Games visit motorsportgames.com and follow our social media channels: Facebook, Twitter and LinkedIn. You can find KartKraft on Facebook and Twitter.

About Motorsport Games:

Motorsport Games, a Motorsport Network company, combines innovative and engaging video games with exciting esports competitions and content for racing fans and gamers around the globe. The Company is the officially licensed video game developer and publisher for iconic motorsport racing series including NASCAR, 24 Hours of Le Mans and the British Touring Car Championship ("BTCC"). Motorsport Games is an award-winning esports partner of choice for 24 Hours of Le Mans, Formula E, BTCC, the FIA World Rallycross Championship and the eNASCAR Heat Pro League among others.
For more information about Motorsport Games visit: www.motorsportgames.com

Forward-Looking Statements

This press release contains 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. Any statements contained 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," "plans," "intend," "anticipate," "believe," "estimate," "predict," "potential," and similar expressions are intended to identify such forward-looking statements. 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, but are not limited to, whether to Motorsport Games will be able to negotiate and enter into the definitive agreements with respect to the acquisition of KartKraft, whether all conditions precedent in the definitive agreements to acquire KartKraft will be satisfied, whether the closing of such acquisition will occur and whether Motorsport Games will achieve its goals. Additional examples of such risks and uncertainties include, but are not limited to (i) Motorsport Games' ability (or inability) to maintain existing, and secure additional, licenses and contracts with the sports series; (ii) Motorsport Games' ability to successfully manage and integrate any joint ventures, acquisitions of businesses, solutions or technologies; (iii) unanticipated operating costs, transaction costs and actual or contingent liabilities; (iv) the ability to attract and retain qualified

employees and key personnel; (v) adverse effects of increased competition on Motorsport Games' business; (vi) the risk that changes in consumer behavior could adversely affect Motorsport Games' business; (vii) Motorsport Games' ability to protect its intellectual property; and (viii) local, industry and general business and economic conditions. Additional factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements can be found in the most recent registration statement on Form S-1 and current reports on Forms 8-K filed by Motorsport Games with the Securities and Exchange Commission. 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.

Investors:
Ashley DeSimone
Ashley.Desimone@icrinc.com

Press:
ASTRSK PR
motorsportgames@astrskpr.com