

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 3, 2024

Motorsport Games Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-39868 (Commission File Number)	86-1791356 (I.R.S. Employer Identification No.)
5972 NE 4th Avenue Miami, FL (Address of principal executive offices)		33137 (Zip Code)
Registrant's telephone number, including area code: (305) 507-8799		
N/A (Former name or former address, if changed since last report)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	MSGM	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

In light of Motorsport Games Inc. (the “Company”) continuing evaluation of its operations, on October 3, 2024, the Company determined to implement additional measures to continue to bring down its year-over-year operating expense through a reduction of the Company’s workforce primarily in the United States and the United Kingdom by approximately 24 employees and contractors. The workforce reduction is expected to impact approximately 39% of the Company’s employees worldwide. The Company expects to record a restructuring charge related to the workforce reduction, primarily consisting of severance and redundancy costs of approximately \$0.2 million. The Company expects to recognize and pay out the majority of the restructuring charge in the fourth quarter of fiscal year 2024. The Company further anticipates the implementation of the workforce reduction, including cash payments, will be substantially complete by the end of the fourth quarter of fiscal year 2024, subject to legal requirements in the United States and the United Kingdom, which may extend this process beyond the fourth quarter of fiscal year 2024 in certain cases. The charges that the Company expects to incur are subject to a number of assumptions, including legal requirements in primarily the United States and the United Kingdom jurisdictions, and the actual restructuring charge may differ materially from the amount disclosed above.

Item 7.01. Regulation FD Disclosure.

On October 4, 2024, the Company issued a press release announcing that the Board of Directors has authorized management to consider strategic alternatives to maximize shareholder value, including a potential sale or merger of the Company. seeking funding that would allow it to deliver on viable opportunities including bringing Le Mans Ultimate to Sony PlayStation and Microsoft Xbox gaming consoles. Le Mans Ultimate is the official game of the FIA World Endurance Championship and the 24 Hours of Le Mans, and was released on PC platforms in early access in February 2024. The Company also announced the restructuring described in Item 2.05 above which includes headcount reductions that have been undertaken in its business as part of an ongoing initiative to reduce cash expenditure and further improve efficiency.

The information in this Item 7.01 and in the press release furnished as Exhibit 99.1 to this Current Report on Form 8-K shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended and shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The press release furnished as Exhibit 99.1 to this Current Report on Form 8-K includes “safe harbor” language pursuant to the Private Securities Litigation Reform Act of 1995, as amended, indicating that certain statements contained therein are “forward-looking” rather than historical.

Item 8.01. Other Events.

On October 4, 2024, the Company issued a press release announcing that the Board of Directors has authorized management to consider strategic alternatives to maximize shareholder value, including a potential sale or merger of the Company. seeking funding that would allow it to deliver on viable opportunities including bringing Le Mans Ultimate to Sony PlayStation and Microsoft Xbox gaming consoles. Le Mans Ultimate is the official game of the FIA World Endurance Championship and the 24 Hours of Le Mans, and was released on PC platforms in early access in February 2024. The Company also announced the restructuring described in Item 2.05 above, which includes headcount reductions that have been undertaken in its business as part of an ongoing initiative to reduce cash expenditure and further improve efficiency.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “project,” and similar expressions also identify forward looking statements. Forward-looking statements include statements regarding estimated costs related to the reduction of the Company’s workforce in the United States and the United Kingdom, expected savings resulting from such reduction and other actions, the expected timing of actions, costs and savings related to the reduction of the Company’s workforce in the United States and the United Kingdom and other actions, and the fact that the Company will incur substantially all of the costs related to such reduction in future cash expenditures. These forward-looking statements involve risks and uncertainties, and there are important factors that could cause the estimated future impact of such costs and savings and the expected timing of such actions to differ materially from the forward-looking statements, including without limitation, the risk that such costs may be greater than expected and such savings may be lower than expected; that the reduction of the Company’s workforce in the United States and the United Kingdom may adversely affect the Company’s ability to attract and retain qualified personnel and that such reduction may be distracting to employees and management; that such reduction may negatively impact the Company’s business operations and reputation; and that such reduction may not generate the intended benefits to the extent or on the timeline as expected. Additional information regarding risks and uncertainties associated with the Company’s business and a discussion of some of the factors that may cause actual results to differ materially from the results expressed or implied by such forward-looking statements can be found in the Company’s SEC filings, including the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. These forward-looking statements are based on information as of the date hereof, and the Company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release issued by October 4, 2024
104	Cover Page Interactive Data File (embedded within the XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Motorsport Games Inc.

Date: October 4, 2024

By: /s/ Stephen Hood

Stephen Hood
Chief Executive Officer and President

Motorsport Games Considering Strategic Alternatives

MIAMI, Florida – October 4, 2024 — Motorsport Games Inc. (NASDAQ: MSGM) (“Motorsport Games” or “the Company”) is announcing that the Board of Directors has authorized management to consider strategic alternatives to maximize shareholder value, including a potential sale or merger of the Company. Management is also seeking funding that would allow it to deliver on viable opportunities including bringing Le Mans Ultimate to Sony PlayStation and Microsoft Xbox gaming consoles. Le Mans Ultimate is the official game of the FIA World Endurance Championship and the 24 Hours of Le Mans, and was released on PC platforms in early access in February 2024.

Furthermore, the Company has undergone a restructuring including headcount reductions that have been undertaken in its business as part of an ongoing initiative to reduce cash expenditure and further improve efficiency. As part of the restructuring, the Company determined to implement additional measures to continue to bring down its year-over-year operating expense through a reduction of the Company’s workforce primarily in the United States and the United Kingdom.

“We have implemented a strategic restructuring to further streamline operations, reduce costs, and strengthen our financial foundations. These changes position us to become a more agile, focused, and efficient company – one that is conscious of our forthcoming operating requirements as well as within-reach growth opportunities.” commented Stephen Hood, CEO and President of Motorsport Games. “With our core talent and cutting-edge technology intact, we are excited about the future. The successful launch of Le Mans Ultimate, our pivotal role in F1 Arcade, and our plans for an innovative new title are clear signals of our commitment to driving the company forward.”

On the subject of strategic alternatives, Hood continued “Our board remains fully dedicated to delivering shareholder value and maximizing the business potential demonstrated by the recent and ongoing success of Le Mans Ultimate. Alongside this, our steadfast cost-cutting measures have optimized cash flow, allowing us to reverse prior over-expansion and operate more efficiently while investing in future growth. We continue to receive a growing number of inquiries from interested parties regarding strategic transactions, reflecting the positive response to our ongoing turnaround, not to mention growing confidence in our brand, vision and ability to deliver innovative games.”

There can be no assurances regarding the results or outcome of the consideration of strategic alternatives. The Company does not intend to comment further on this consideration of strategic alternatives process and will make further announcements in accordance with its ongoing disclosure obligations and pursuant to applicable laws and regulations.

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 also owns the industry leading rFactor 2 and KartKraft simulation platforms. rFactor 2 also powers F1® Arcade through a partnership with Kindred Concepts. Additionally, Motorsport Games is 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.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “project,” and similar expressions also identify forward looking statements. Forward-looking statements include statements regarding estimated costs and savings related to the reduction of the Company’s workforce in the United States and the United Kingdom, the changes positioning the Company to become a more agile, focused, and efficient company – one that is conscious of our forthcoming operating requirements as well as within-reach growth opportunities; continuing to bring down the Company’s year-over-year operating expense through a reduction of the Company’s workforce primarily in the United States and the United Kingdom; the successful launch of Le Mans Ultimate, the Company’s pivotal role in F1 Arcade, and the Company’s plans for an innovative new title being clear signals of our commitment to driving the Company forward and the Company’s steadfast cost-cutting measures optimizing cash flow, allowing the Company to reverse prior over-expansion and operate more efficiently while investing in future growth; the receipt of a growing number of inquiries from interested parties regarding strategic transactions, reflecting the positive response to the Company’s ongoing turnaround, not to mention growing confidence in its brand, vision and ability to deliver innovative games.. These forward-looking statements involve risks and uncertainties, and there are important factors that could cause the estimated future impact of such costs and savings and the expected timing of such actions to differ materially from the forward-looking statements, including without limitation, the risk that such costs may be greater than expected and such savings may be lower than expected; that the reduction of the Company’s workforce in the United States and the United Kingdom may adversely affect the Company’s ability to attract and retain qualified personnel and that such reduction may be distracting to employees and management; that such reduction may negatively impact the Company’s business operations and reputation; and that such reduction may not generate the intended benefits to the extent or on the timeline as expected; that the Company may be unable to effect a strategic alternative and deliver long term shareholder value;. Additional information regarding risks and uncertainties associated with the Company’s business and a discussion of some of the factors that may cause actual results to differ materially from the results expressed or implied by such forward-looking statements can be found in the Company’s SEC filings, including the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. These forward-looking statements are based on information as of the date hereof, and the Company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

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

Contacts:

Investors:
Investors@motorsportgames.com

Media:
PR@motorsportgames.com
