

Investor Presentation | 2023 May



motorsport GAMES

OFFICIAL LICENSES



MSGM GAME BRANDS



This presentation provides select highlights about Motorsport Games Inc. and certain forward-looking information about the Company's plans for 2023 and beyond. Please see Motorsport Games' SEC filings, including its Annual Report on Form 10-K for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the period ended March 31, 2023 and Form 8-K filing with its Q1 2023 earnings release, for more complete information on the Company's results of operations, cash flows, financial condition and liquidity, as well as for cautionary disclaimers about the Company's forward-looking statements.

Introduction to Motorsport Games (NASDAQ:MSGM)

Motorsport Games develops and publishes racing games and immersive esports experiences for the world's most iconic races and brands.

FORMATION

2018, within Motorsport Network, whose mission is to be the leading, independent voice for the global motorsport and automotive industries and their fans

Started trading on NASDAQ under MSGM on January 13th, 2021

OUR OPERATIONS

127 full-time employees (plus 30 contractors), including 109 developers* (90 FTEs + 19 contractors) operating globally across 6 international offices: HQ in Miami, FL

Business pillars are Games, Esports and Community

REVENUE STREAMS

Sells and monetizes video games, as well as video game content for consoles, PC and mobile devices

Organizes and monetizes esports events

RECENT MOMENTUM

2022-23 Le Mans Virtual Series concluded with the 24 Hours of Le Mans Virtual to a wider worldwide audience

F1 Arcade locations, powered by rFactor 2, under commercial license, with the 1st site in London in November and expansion planned

Released NASCAR Rivals for Nintendo Switch

Released 2022 Season update for NASCAR 21: Ignition for Xbox, PlayStation and PC



*Headcount reports as of 03/31/2023

Business Pillars

Creating a virtual racing ecosystem where each product drives excitement, every esports event is an adventure and every story inspires

Games

Develops and publishes game titles
Delivers amazing player-first experiences



Esports

Delivers world-class esports events and broadcasts
Creates aspirational ladders for fans and players, highlighting competitive excitement



Community

Generates content that nurtures the virtual racing community and empowers relationships between virtual racing fans



Company Highlights



At the center of large, fast-growing motorsport, gaming and esports categories



Strategic, long-term partnerships with iconic racing brands



Leveraging exclusive partnerships for multiple products and revenue streams



Pole position in virtual racing esports



Integrating acquired technologies and processes into our scalable internal development platform

Exclusive Relationships with Iconic Racing Franchises



- World's #1 Stock Car Auto Racing tour, largest racing series in USA
- Licensed until 2030 for games



- Crown jewel of endurance racing, celebrating their 100th anniversary in 2023
- Joint Venture & long-term exclusive gaming and esports license



- USA's Premier Open Wheel racing series, 2nd largest racing series in the USA after NASCAR
- Entered into a long-term gaming and esports license partnership with INDYCAR



- UK's Leading Touring car racing series, 3rd longest consecutive race series after F1 and NASCAR
- Licensed until 2027 for both games and esports



The Motorsport Games Platform

Proprietary MSGM Game Platform

- Global development team* of 109 people (90 FTEs + 19 contractors)
- Leverage the technology we have acquired to improve the games of our licensed products



Iconic Franchises



Premium Game & Esports Experiences

- Making the thrill of motorsports accessible to all
- Enthusiast, mobile, casual
- Esports, content, streaming
- Available on PC, Xbox, PlayStation, Switch and Mobile



Recent Game Releases

Poised to take our games to the next level

NASCAR Rivals

- Released on Nintendo Switch
- The official game of the 2022 NASCAR season
- Released on October 14, 2022



NASCAR 21: Ignition 2022 Season Update

- 2022 Season update for the official NASCAR racing game
- 2022 teams, drivers and next gen cars
- Released on October 6, 2022 on PlayStation, Xbox and PC



rFactor 2

- Realistic racing simulation, esports platform & driver training
- Full-release on PC/Steam
- Quarterly update and content releases on February 21, 2023 & April 13, 2023



KartKraft

- Ultra-realistic karting sim experience
- Full-release on PC/Steam
- Released on January 26, 2022



Esports – We are a Leading Provider for Motorsport Racing Series Throughout the World

Every Event is an Adventure

Highlighted Capabilities

- World-class production, broadcast and event management expertise and experience:
 - On-site studios for esports productions - can also broadcast completely remotely, complete with live commentary
 - Distribute broadcasts both online and through traditional television channels
 - Expertise across a large range of racing games and platform agnostic
 - Large event experience including the Le Mans Virtual Series

Complete end-to-end service including rights holder liaison, commercialization, operations and player management, broadcast and editorial

Achievements



Le Mans Virtual Series returned in September 2022 for more elite esports competition including the award winning 24 Hours of Le Mans that occurred in January 2023



First virtual esports event with the NTT INDYCAR Series featuring top INDYCAR drivers



Formula E: Accelerate ran a successful independent esports event with the Company's rFactor 2 as its official sim platform

Advancing our goals via M&A

We look at how we can accelerate our product-driven growth with technology and teams that expedite our go-to-market strategy, seeking to elevate the quality standard of our entertainment and ensure the world-class status of our games

Acquisitions



Closed April 20, 2021



Completed acquisition of remaining shares on April 16, 2021



Closed March 18, 2021

Technology

KartKraft technology & platform for hyper-realistic racing games

+

Industry leading racing simulation physics from rFactor 2

Outputs

Fully integrated into MSGM Game Engine, together utilizing the licensed Unreal Engine for core IP including NASCAR, INDYCAR, the 24 Hours of Le Mans and the British Touring Car Championship

Leveraging rFactor 2 and core technology for Esports Events like the Le Mans Virtual Series and INDYCAR-Motorsport Games Pro-challenge

How we plan to execute on our purpose

1. Leverage unique licenses to make more games on different platforms
2. Continue to evolve scalable technology to 'wow' users
3. Generate content that nurtures the virtual racing community and empowers relationships between virtual racing fans
4. Deliver world-class official esports events that create aspirational ladders for fans
5. Tie it all together in a virtual racing ecosystem

Conclusion



- Massive opportunity in large and growing motorsport, gaming and esports segments
- Differentiated platform in racing games and esports
- Exclusive strategic relationships with iconic brands
- Clear strategy for growth with continued strategic & licensing relationships
- Experienced leadership and growing team to execute our plan

LEGAL DISCLOSURES

This presentation has been prepared by Motorsport Games Inc. (“Motorsport Games,” “us,” “our,” “we” or the “Company”). For additional information regarding Motorsport Games, we urge you to read our reports filed with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 and our other SEC filings during 2023, for more complete information on our results of operations, cash flows, financial condition and liquidity.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain statements in this presentation 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 or information in this presentation that are not statements or information 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. These forward-looking statements include, but are not limited to, statements concerning: (i) the Company’s future business, future results of operations and/or financial condition; (ii) new or planned products, features, events or other offerings and the anticipated timing of launching such products, features, events and offerings, including the Company’s belief that it is poised to take its games to the next level; (iii) the expected future impact of implementing management strategies and the impact of other industry trends, including, without limitation, the Company’s belief in the skills of its management and team to implement such strategies; (iv) the Company’s plan to execute on its purpose by leveraging unique licenses to make more games on different platforms, continuing to evolve scalable technology to ‘wow’ users, generating content that nurtures the virtual racing community and empowers relationships between virtual racing fans, delivering world-class official esports events that create aspirational ladders for fans and tying it all together in a virtual racing ecosystem and its plans to leverage the technology we have acquired to improve the games of our licensed products; (v) the Company’s belief that it has a massive opportunity in large and growing motorsport, gaming and esports segments; a differentiated platform in racing games and esports; exclusive strategic relationships with iconic brands; a clear strategy for growth with continued strategic & licensing relationships; and experienced leadership and growing team to execute its plan; and (vi) the Company’s belief in its strategy of advancing its goals via M&A and by looking at how it can accelerate its product-driven growth with technology and teams that expedite the Company’s go-to-market strategy, seeking to elevate the quality standard of its entertainment and ensure the world-class status of its games. 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 of the Company’s control and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to: (i) difficulties, delays or less than expected results in achieving the Company’s growth plans, objectives and expectations, such as due to a slower than anticipated economic recovery and/or the Company’s inability, in whole or in part, to continue to execute its business strategies and plans, such as due to less than anticipated customer acceptance of its new game titles, the Company experiencing difficulties or the inability to launch its games as planned, less than anticipated performance of the games impacting customer acceptance and sales and/or greater than anticipated costs and expenses to develop and launch its games, including, without limitation, higher than expected labor costs and, in addition to the factors set forth in (ii) through (vi) below, the Company’s continuing financial condition and ability to obtain additional debt and/or equity financing to meet its liquidity requirements, such as the going concern qualification on the Company’s annual audited financial statements posing difficulties in obtaining new financing on terms acceptable to the Company, or at all; (ii) difficulties, delays in or unanticipated events that may impact the timing and scope of new or planned products, features, events or other offerings, such as due to difficulties and/or delays arising out of any resurgence of the ongoing and prolonged COVID-19 pandemic; (iii) less than expected benefits from implementing the Company’s management strategies and/or adverse economic, market and geopolitical conditions that negatively impact industry trends, such as significant changes in the labor markets, an extended or higher than expected inflationary environment (such as the impact on consumer discretionary spending as a result of significant increases in energy and gas prices which have been increasing since early in 2020), a higher interest rate environment, tax increases impacting consumer discretionary spending and/or quantitative easing that results in higher interest rates that negatively impact consumers’ discretionary spending, or adverse developments relating to the ongoing war between Russia and Ukraine; (iv) greater than anticipated negative operating cash flows such as due to higher than expected development costs, higher interest rates and/or higher inflation, or failure to achieve the expected savings under the Company’s previously announced organizational restructuring program (the “2022 Restructuring Program”); (v) difficulties and/or delays in resolving the Company’s liquidity and capital requirements, including, without limitation, difficulties in securing funding that is on commercially acceptable terms to the Company or at all, such as the Company’s inability to complete in whole or in part any potential debt and/or equity financing transactions or similar transactions, as well as any inability to achieve cost reductions, including, without limitation, those which the Company expects to achieve through the 2022 Restructuring Program; and/or (vi) difficulties, delays or the Company’s inability to successfully complete the 2022 Restructuring Program, in whole or in part, which could result in less than expected operating and financial benefits from such actions, as well as delays in completing the 2022 Restructuring Program, which could reduce the benefits realized from such activities; higher than anticipated restructuring charges and/or payments and/or changes in the expected timing of such charges and/or payments; and/or less than anticipated annualized cost reductions from the 2022 Restructuring Program and/or changes in the timing of realizing such cost reductions, such as due to less than anticipated liquidity to fund such activities and/or more than expected costs to achieve the expected cost reductions. Factors other than those referred to above could also cause the Company’s results to differ materially from expected results. Additional examples of such risks and uncertainties include, but are not limited to: (i) delays and higher than anticipated expenses related to the ongoing and prolonged COVID-19 pandemic, any resurgence of COVID-19 and the ongoing war between Russia and Ukraine; (ii) the Company’s ability (or inability) to maintain existing, and to secure additional, licenses and other agreements with various racing series; (iii) the Company’s ability to successfully manage and integrate any joint ventures, acquisitions of businesses, solutions or technologies; (iv) unanticipated operating costs, transaction costs and actual or contingent liabilities; (v) the ability to attract and retain qualified employees and key personnel; (vi) adverse effects of increased competition; (vii) changes in consumer behavior, including as a result of general economic factors, such as increased inflation, higher energy prices and higher interest rates; (viii) the Company’s inability to protect its intellectual property; and/or (ix) 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 Company’s filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2022, its Quarterly Reports on Form 10-Q filed with the SEC during 2023, as well as in its subsequent filings with the SEC. The Company anticipates that subsequent events and developments may cause its plans, intentions and expectations to change. The Company 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 the Company’s plans and expectations as of any subsequent date.



Thank you!

