
**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): February 19, 2021

Motorsport Games Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39868
(Commission
File Number)

83-1463958
(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 1.01 Entry into a Material Definitive Agreement.

On February 19, 2021, Motorsport Games Inc., a Delaware corporation (the “Company”), entered into a binding term sheet (the “Binding Term Sheet”) with Black Delta Holdings PTY, Black Delta Trading Pty Ltd and Black Delta IP Pty Ltd (collectively, “Black Delta”).

Pursuant to the Binding Term Sheet, the Company and Black Delta intend that the Company will acquire from Black Delta all assets related to the KartKraft Game (the “Target Assets”). The purchase price for the Target Assets will be U.S. \$1,000,000, (exclusive of Australian goods and services tax) payable in two installments, as follows: U.S. \$750,000 at closing and U.S. \$250,000 on the six-month anniversary of closing.

Pursuant to the Binding Term Sheet, the Target Assets will be purchased on a cash and debt free basis at the closing and free of any liens or other encumbrances. The parties intend to negotiate and enter into the definitive acquisition documents and close this transaction as soon as possible.

Pursuant to the Binding Term Sheet, Black Delta agreed to an “Exclusivity Period” with respect to the Target Assets. The Exclusivity Period will continue through the earlier of (i) such date that the definitive acquisition documents are executed and the acquisition of the Target Assets is closed or (ii) March 19, 2021. During such period, Black Delta agreed not to, directly or indirectly, solicit, initiate, or encourage the submission of, or respond to, any expression of interest, inquiry, proposal or offer from any person or entity relating to the acquisition of any material part of the Target Assets or the liquidation, recapitalization, reorganization, equity sale or any similar transaction involving the Target Assets.

The Company’s acquisition of the Target Assets is subject to negotiation of definitive documentation customary for a transaction of this nature, containing representations, warranties and covenants that are customary for transactions of this nature, as well as the satisfaction of various conditions required prior to closing as are customary for transactions of this nature, including, without limitation, the satisfaction of the Company, in its sole discretion, of a due diligence investigation into the Target Assets, limited to technical, intellectual property and legal due diligence, the approval of the acquisition by the Company’s board of directors and receipt of necessary government or third-party approvals.

The foregoing description of the Binding Term Sheet does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Binding Term Sheet, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 [Binding Term Sheet, dated February 19, 2021, between Motorsport Games Inc. and Black Delta Holdings PTY, Black Delta Trading Pty Ltd and Black Delta IP Pty Ltd](#)

Cautionary Note Regarding Forward-Looking Statements

This communication 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 communication 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 the Company and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to, whether to the Company will be able to negotiate and enter into the definitive agreements with respect to the acquisition of the Target Assets, whether all conditions precedent in such definitive agreements will be satisfied, whether the closing of such acquisition of the Target Assets will occur and whether the Company will achieve its goals. Additional examples of such risks and uncertainties include, but are not limited to (i) the Company’s ability (or inability) to maintain existing, and secure additional, licenses and contracts with the sports series; (ii) the Company’s 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 the Company’s business; (vi) the risk that changes in consumer behavior could adversely affect the Company’s business; (vii) the Company’s 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 Form 8-K filed by the Company with the Securities and Exchange Commission. 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.

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: February 19, 2021

By: */s/ Dmitry Kozko*

Dmitry Kozko
Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Binding Term Sheet, dated February 19, 2021, between Motorsport Games Inc. and Black Delta Holdings PTY, Black Delta Trading Pty Ltd and Black Delta IP Pty Ltd

BINDING TERM SHEET

This Binding Term Sheet (the "Term Sheet") constitutes a commitment by the Parties hereto to negotiate in good faith and to enter into one or more definitive agreements as set forth herein. The terms and conditions of the potential transaction described below are not limited to those set forth herein. Matters that are not covered by the provisions hereof are subject to the approval and mutual agreement of the parties.

Effective Date: February 19, 2021

Parties: Motorsport Games Inc. ("MSG") and Black Delta Holdings Pty Ltd ACN 600 510 325, Black Delta Trading Pty Ltd ACN 603 227 587, and Black Delta IP Pty Ltd ACN 600 510 469 (collectively, "Black Delta")

Transaction: MSG desires to purchase from Black Delta all assets related to the KartKraft Game, (the "Target Assets") subject to the payment of the Purchase Price (defined below) and the execution of Definitive Documents (defined below), and Black Delta desires to sell the Target Assets for such Purchase Price and in accordance with the terms of Definitive Documents (the "Transaction"). The Parties intend to close this transaction on or before March 1, 2021 or such other date as mutually agreed by the parties in writing.

Definitive Documents: The Transaction will be subject to negotiation of definitive documentation customary for a transaction of this nature ("Definitive Documents"), including but not limited to an Asset Purchase Agreement and an Employment Agreement for Zachary Griffin. The Definitive Documents will contain representations, warranties and covenants that are customary for transactions of this nature. The Definitive Documents will require that the consummation of the Transaction will be subject to the satisfaction of various conditions required prior to closing as are customary for transactions like the Transaction.

I. Purchase Price:

- a. MSG to purchase the Target Assets from Black Delta for a total purchase price of US\$1,000,000 (exclusive of GST) (the "Purchase Price").
- b. It is assumed that the Target Assets will be purchased on a cash and debt free basis at the closing.
- c. Purchase Price will be payable in two (2) installments, as follows:
 - i. \$750,000 at the closing;
 - ii. \$250,000 on the six-month anniversary of closing ("Deferred Payment").
- d. The Deferred Payment will be secured by a corporate guarantee on terms customary for transactions of this nature, issued by MSG in favor of Black Delta, from the date of closing until the Deferred Payment has been made.

II. Conditions to Executing Definitive Documents and Closing: Execution of Definitive Documents relating to the Transaction is subject to certain conditions precedent including: (i) the satisfaction of MSG, in its sole discretion, of a due diligence investigation into the Target Assets, limited to technical, intellectual property, income and expense verification, and legal due diligence; (ii) the approval of MSG's Board of Directors; and (iii) satisfaction of customary conditions to closing, including without limitation receipt of necessary government or third-party approvals. Additionally, the Definitive Documents shall be negotiated and include customary representations and warranties for a transaction of this nature and specifically regarding the ownership, free of all encumbrances, of the copyrights and other applicable rights in and to, or otherwise associated with the Target Assets and other intellectual property owned by Black Delta related to the Target Assets. Additionally, Black Delta agrees that the Target Assets will be sold and transferred free of any liens or other encumbrances.

III. Governing Law: This Term Sheet shall be governed by the laws of the State of Florida, without regard to the conflicts of law principles thereof. The Definitive Documents shall be governed by the laws of Victoria, Australia, without regard to the conflicts of law principles thereof.

IV. Confidentiality: Except as set forth in the letter agreement, dated on the date hereof, among the parties hereto, this Term Sheet, and the existence hereof, shall remain confidential and shall not be disclosed by either party to any third party except for the purpose of seeking legal or financial advice. Notwithstanding the foregoing, a party may issue a media release announcing the broad outline of the Transaction if: (i) that party has submitted the proposed wording of the media release to the other party for its approval; and (ii) the other party has approved in writing the content of that media release.

- V. **Expenses:** Each of the Parties will be responsible for its own fees, costs and expenses (including any fees and expenses of their legal or accounting representatives, bankers or brokers) incurred in connection with this Term Sheet, the discussions, the Definitive Documents or otherwise the proposed Transaction.
- VI. **Exclusivity:** On and from the date of execution of this Binding Term Sheet, until the execution of the Definitive Documents or the Drop Dead Date (defined below) whichever occurs earlier, Black Delta agrees to enter an “Exclusivity Period” with respect to the Target Assets. The Exclusivity Period shall continue through such date that the Definitive Documents are executed and the transaction contemplated in this Term Sheet and the Definitive Documents is considered closed. During this period Black Delta shall not, and shall cause each of its directors, officers, employees, stockholders, affiliates, agents, advisors and other representatives not to, directly or indirectly, solicit, initiate, or encourage the submission of, or respond to, any expression of interest, inquiry, proposal or offer from any person or entity relating to the acquisition of any material part of the Target Assets or the liquidation, recapitalization, reorganization, or any similar transaction involving the Target Assets (including any acquisition or disposition of equity interest in any entity comprising Black Delta, merger, joint ventures, exclusive license or similar transaction involving the Target Assets), except as approved by MSG in writing in advance. Black Delta agrees to notify MSG promptly if any person or entity makes any proposal, offer, inquiry, or contact with respect to any of the foregoing, and the details of such proposal, offer, inquiry or contact including the identity of the potential buyer and/or investor and terms of such proposal.
- VII. **Binding Agreement:** The Parties hereto acknowledge the binding nature of this Term Sheet and agree to be bound by the obligations set forth herein from the Effective Date. This Term Sheet, including but not limited to the obligations of confidentiality and exclusivity, shall remain in effect until March 19, 2021 (the “Drop Dead Date”). If the Definitive Documents have not been executed by the Drop Dead Date, then this Term Sheet shall be considered void and the Parties shall each be released of their obligations set forth herein. Notwithstanding the foregoing, the Parties may extend the Drop Date at any time by mutual agreement in writing.

Signed:

/s/ Zachary Nicholas Griffin

Name: **Zachary Nicholas Griffin**

Capacity: As director for Black Delta Holdings Pty Ltd, Black Delta IP Pty Ltd & Black Delta Trading Pty Ltd

Date: 19 February 2021

/s/ Tigran Aganesov

Name: **Tigran Aganesov**

Capacity: As director for Black Delta Holdings Pty Ltd, Black Delta IP Pty Ltd & Black Delta Trading Pty Ltd

Date: 19 February 2021

Motorsport Games Inc.

/s/ Dmitry Kozko

Title: CEO

Name: Dmitry Kozko

Date: 19 February 2021