As filed with the Securities and Exchange Commission on December 18, 2020.

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MOTORSPORT GAMING US LLC
to be converted as described herein to a corporation named

MOTORSPORT GAMES INC.
(Exact name of registrant as specified in its charter)

Delaware	**7372**	**83-1463958**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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(305) 507-8799
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth

company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [X]	Smaller reporting company [X]
	Emerging growth company [X]

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 7(a)(2)(B) of the Securities Act: [ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A common stock, $0.0001 par value per share	$ 40,000,000	$ 4,364

(1) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase to cover over-allotments, if any.
(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

Motorsport Gaming US LLC, the registrant whose name appears on the cover of this registration statement, is a Florida limited liability company. Immediately prior to the effectiveness of this registration statement, Motorsport Gaming US LLC intends to convert into a Delaware corporation pursuant to a statutory conversion and change its name to Motorsport Games Inc. As a result of the corporate conversion, the sole holder of 100% of the membership interests of Motorsport Gaming US LLC will become a holder of Class A common stock and Class B common stock of Motorsport Games Inc. See "Business—Corporate Conversion." Except as disclosed in the accompanying prospectus, the consolidated financial statements and selected historical consolidated financial data and other financial information included in this registration statement are those of Motorsport Gaming US LLC and do not give effect to the corporate conversion.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 18, 2020

PRELIMINARY PROSPECTUS

Shares

Class A Common Stock

This is an initial public offering of shares of Class A common stock of Motorsport Games Inc. We currently operate as a Florida limited liability company under the name Motorsport Gaming US LLC. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, we intend to convert into a Delaware corporation pursuant to a statutory conversion and change our name to Motorsport Games Inc. This is our initial public offering and no public market currently exists for shares of our Class A common stock. We anticipate that the initial public offering price will be between $ and $ per share. We have applied to have our Class A common stock listed on the Nasdaq Capital Market under the symbol "MSGM."

Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. Each share of Class A common stock is entitled to one vote, while each share of Class B common stock is entitled to ten votes. Motorsport Network, LLC ("Motorsport Network") will be the only holder of shares of Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock.

Immediately prior to the closing of this offering, Motorsport Network will be our only stockholder. Upon our corporate conversion, we expect to issue to Motorsport Network an equal number of shares of both Class A common stock (the "MSN Initial Class A Shares") and Class B common stock. Accordingly, upon the closing of this offering, Motorsport Network will own (i) shares of our Class A common stock and (ii) shares of our Class B common stock, representing all of the outstanding shares of Class B common stock, which together will represent approximately % of the combined voting power of both classes of our common stock outstanding immediately after this offering (or % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock). In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates.

Upon the closing of this offering, we will be a "controlled company" as defined under the corporate governance rules of The Nasdaq Stock Market LLC ("Nasdaq"). However, we do not currently expect to rely upon the "controlled company" exemptions. See "Principal Stockholders."

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, and will be subject to reduced public reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company.

Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 14 to read about factors you should consider before buying our Class A common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds, before expenses, to us	$	$

(1) See "Underwriting" for additional information regarding compensation payable to the underwriters.

We have granted the underwriters an option for a period of 45 days to purchase up to an additional shares of Class A common stock from us at the initial public offering price less the underwriting discounts and commissions.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A common stock to purchasers on or about , 2021.

Joint Book-Running Managers

Canaccord Genuity **The Benchmark Company**

Prospectus dated , 2021.

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Through and including , 2021 (the 25th day after the date of this prospectus), all dealers that buy, sell, or trade shares of our Class A common stock, whether or not participating in our initial public offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriter and with respect to its unsold allotments or subscriptions.

Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our Class A common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our Class A common stock. Our business, financial condition, results of operations, and prospects may have changed since that date.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, this offering and the possession and distribution of this prospectus outside of the United States.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by third party sources, as well as data from our internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable. The independent industry publications used in this prospectus were not prepared on our behalf. While we are not aware of any misstatements regarding any information presented in this prospectus, forecasts, assumptions, expectations, beliefs, estimates and projects involve risk and uncertainties and are subject to change based on various factors, including those described under the headings "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

TRADEMARKS AND TRADE NAMES

We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® or ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

FINANCIAL STATEMENT PRESENTATION

As a result of Motorsport Gaming US LLC's acquisition of a 53.5% equity interest in 704Games Company on August 14, 2018, Motorsport Gaming US LLC was the acquirer for accounting purposes and 704Games Company was the acquiree and the accounting predecessor. The financial statement presentation contained in this prospectus distinguishes the results into two distinct periods: the period up to the acquisition date of August 14, 2018 for 704Games Company, which we refer to as the "Predecessor Period," and the periods including and after that date for Motorsport Gaming US LLC, which we refer to as the "Successor Period."

Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, we intend to complete a corporate conversion pursuant to which Motorsport Games Inc. will succeed to the business of Motorsport Gaming US LLC and its consolidated subsidiaries, and the sole holder of 100% of the membership interests of Motorsport Gaming US LLC will become a holder of Class A common stock and Class B common stock of Motorsport Games Inc., as described under the heading "Business—Corporate Conversion." In this prospectus, we refer to this transaction as the "corporate conversion." We expect that our conversion from a Florida limited liability company to a Delaware corporation will not have a material effect on our consolidated financial statements at the time of the corporate conversion.

We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them.

PROSPECTUS SUMMARY

This summary highlights information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. You should read the entire prospectus carefully before making an investment in our Class A common stock and should carefully consider, among other things, our consolidated financial statements and the related notes and the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included elsewhere in this prospectus. Unless the context requires otherwise, references in this prospectus to the "Company," "Motorsport Games," "we," "us" and "our" refer to Motorsport Games Inc., a Delaware corporation, and its consolidated subsidiaries.

Company Overview

Motorsport Games is a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, including NASCAR, the iconic 24 Hours of Le Mans endurance race ("Le Mans") and the associated FIA World Endurance Championship (the "WEC"), the British Touring Car Championship (the "BTCC") and others. Through the support of our sole member, Motorsport Network, LLC ("Motorsport Network"), the largest global media company in the motorsport industry, Motorsport Games' corporate mission is to create the preeminent motorsport gaming and esports entertainment ecosystem by delivering the highest quality, most sophisticated and innovative experiences for racers, gamers and fans of all ages. Our products and services target a large and underserved global motorsport audience. For 2019, Formula 1 estimates that its total global television audience reached 471 million unique viewers. Further, Le Mans estimates its total reach was approximately 100 million homes worldwide in 2019, while NASCAR reached approximately 475 million households in 2019 and the BTCC reached approximately 62 million households in 2019. For the nine months ended September 30, 2020, our total net revenue was $16.1 million compared to $9.6 million for the nine months ended September 30, 2019.

Started in 2018 as a wholly-owned subsidiary of the Motorsport Network, we are currently the official developer and publisher of the NASCAR video game racing franchise and have obtained the exclusive license to develop multi-platform games for the BTCC. Through a joint venture with Automobile Club de l'Ouest ("ACO"), we are also in the process of obtaining the exclusive license to develop multi-platform games for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. We develop and publish multi-platform racing video games including for game consoles, personal computer (PC) and mobile platforms through various retail and digital channels, including full-game and downloadable content (sometimes known as "games-as-a-service"). Since our formation, our NASCAR video games have sold over one million copies for game consoles and PCs. For fiscal year 2019 and the nine months ended September 30, 2020, substantially all of our net revenue was generated from sales of our racing video games.

With a projected 2.6 billion total mobile gamers globally for 2020 according to data from NewZoo, an industry source for games market insight and analytics, we continue to focus on developing and further enhancing our multi-platform games for mobile phones. We believe an important component of scaling our gamers and esports viewers is to offer a suite of official mobile games for each of our various motorsport racing series. Currently, we offer NASCAR Heat Mobile for iOS and Android, which has had approximately five million installs to date, and are in the process of developing two other NASCAR mobile games with projected release dates in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

We are striving to become a leader in organizing and facilitating esports tournaments, competitions, and events for our licensed racing games as well as on behalf of third-party racing game developers and publishers. Through the nine months ended September 30, 2020, we have facilitated 53 esports events, up from 22 esports events in all of 2019, which have included official esports events for NASCAR, 24 Hours of Le Mans, the Official World Rallycross Esports Championship, FIA Formula E and other race series. The total number of people that have watched our esports events in the first nine months of 2020 was approximately 51 million, up from a total of approximately 3.8 million viewers throughout 2019. Our net revenue attributable to esports and other services comprised 0.6% and 1.8% of our total net revenue during fiscal year 2019 and the nine months ended September 30, 2020, respectively, but we expect that net revenue from this line of business will continue to increase and become material to our business moving forward.

We believe that connecting virtual racing gamers and esports fans on a digital entertainment and social platform represents the greatest opportunity to enhance the way that people learn, watch, play, and experience racing video games and racing esports. To that end, we are in the process of developing a go-to destination for the virtual racing community, which we internally call APEX. We are designing APEX with the functionality to enable users to run their own esports competitions in a simple, turn-key format, allowing groups to assemble around racing games, leagues, individual ability, and various other metrics. We currently anticipate launching APEX in beta in the first quarter of 2021.

Company Background

Motorsport Games was formed in 2018 by Motorsport Network as a wholly-owned subsidiary in connection with the acquisition by Motorsport Games of a controlling interest in 704Games Company ("704Games"), which holds the exclusive license to be the official video game developer and publisher for the NASCAR video game racing franchise. Simultaneously with the acquisition of 704Games in 2018, we extended the license for 10 years until December 31, 2029, subject to certain limited exceptions. In addition, we have the exclusive right to create and organize esports leagues and events for NASCAR using our NASCAR racing video games, subject to certain limited exceptions. Prior to this offering, Motorsport Games remained a wholly-owned subsidiary of Motorsport Network and, following the completion of this offering, Motorsport Network will continue to be our majority stockholder.

In 2018, following the acquisition of 704Games, we acquired the leadership team of Virtually Entertained Limited, a UK-based esports specialist. Subsequently, we entered into an agreement to facilitate the Le Mans Esports Series as part of a joint venture with ACO, the organizer of the 24 Hours of Le Mans endurance race. Through our 45% ownership interest in this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC, which the Le Mans race is a part of. In addition, through this joint venture with ACO, we expect to be granted the right to create and organize esports leagues and events for the Le Mans Esports Series, which would continue so long as we have an ownership interest in this joint venture. We have entered into a binding letter of intent for these licensing rights, which we expect to obtain in the first quarter of 2021.

In 2019, Motorsport Network entered into an exclusive partnership with The Codemasters Software Company Limited ("Codemasters") granting Motorsport Network worldwide rights (excluding China) to organize and manage official DiRT Rally 2.0 World Championship and official GRiD eSport World Championship esports events. Through our relationship with Motorsport Network, we have organized and managed these esports events on behalf of Motorsport Network, including the DiRT World Championship held at Autosport International in January 2020, which attracted a large live crowd on site and audience of more than 75,000 online. In March 2020, we also announced a partnership with Codemasters and International Management Group to create the Official World Rallycross Esports Championship.

In May 2020, we secured a multi-year licensing agreement to exclusively develop and publish the video games for the BTCC racing series across console, mobile and casual gaming channels. In addition, through this license, we have the right to create and organize esports leagues and events for the BTCC racing series. The agreement expires on December 31, 2026.

Motorsport Games has offices in Miami and Orlando, Florida, Silverstone, England, and Moscow, Russia.

Market Opportunity

We believe that the broad popularity of racing sports and video games, along with favorable consumer dynamics and strong long-term trends (i.e., ubiquity of mobile devices, widespread acceptance and use of social media and mobile platforms, cloud gaming and video game streaming), together with the lack of a dominant global racing community organizer, present a significant opportunity for us to connect and monetize a large fanbase for motorsports by converting some of this audience into racing gamers and esports participants and spectators.

Global Motorsports Marketplace

We believe that motorsports will increase in popularity across generations of gamers and viewers because of their anticipated enthusiasm for racing games and esports. According to a report published by IndustryARC, the entire motorsports market is expected to reach $30 billion by 2025, which we believe is primarily the result of strong campaigning, broadcasting, social networking, related events, sponsorships and the introduction of advanced technologies by automotive companies. The 2017 acquisition of Formula 1 by Liberty Media Corporation and its intent to invest heavily in the promotion of the sport and to create several "Super Bowl-like" events in the United States is anticipated to also lead to an increase in motorsport popularity and attract a burgeoning audience, which we believe will allow us to convert an increasing number of racing fans into gamers and motorsport esports fans. For 2019, Formula 1 estimates that its total global television audience reached 471 million unique viewers. Further, Le Mans estimates its total reach was approximately 100 million homes worldwide in 2019, while NASCAR reached approximately 475 million households in 2019 and the BTCC reached approximately 62 million households in 2019.

Video Games

Video games have increasingly become one of the leading forms of entertainment on a global scale. The video game industry continues to benefit from powerful demographic shifts as new players enter the market, due in large part to gaming entertainment becoming ubiquitous across all age groups and geographies. In 2020, the Entertainment Software Association reported that within the United States:

- there are 214 million video game players, with three quarters of all households having at least one person who plays video games;
- 64% of all adults and 70% of those under 18 regularly play video games;
- the average age of video game players is 35 to 44; and
- adult video game players spend 6.6 hours per week playing with other gamers online and 4.3 hours per week playing with others in person.

Additionally, according to NewZoo, there are currently 2.7 billion persons that play video games worldwide who are projected to spend $174.9 billion on video games in 2020, with this number forecasted to surpass $200 billion by 2023. Industry growth is expected to be further strengthened by the release of next generation consoles, with the recent release of PlayStation 5 and Xbox Series X.

We also believe that video games in the racing genre will increase in popularity globally across generations of gamers and viewers because the format benefits from being family-friendly and can appeal to multiple generations. According to the Entertainment Software Association, of the 65% of gamers in the United States who play with others, 31% of them are playing with parents or other family members. Moreover, 26% of males between the ages of 55 and 64 and 50% of females between the ages of 18 and 34 who play video games classified racing games as their favorite genre of games. Additionally, 92% of parents pay attention to the games their children play, and 87% are aware of Entertainment Software Rating Board (ESRB) ratings. Our entire product lineup is currently rated E (Everyone), and we expect our future portfolio of games will also be rated E, thereby increasing the marketability of our products for parents who are conscientious of ratings, when compared to other genres, such as first-person shooter games. We believe these dynamics will help support the continued growth of games in the racing genre, which represented 5.8% of all 2018 video game sales in the United States as reported by Statista.

Mobile Games

Consumers are increasingly using their mobile devices for entertainment, including for playing mobile games. Digital game design in the casual game market has evolved as new game types and business models address expanding gaming audiences. In addition, the widespread adoption of smartphones and the availability of mobile app stores has increased the total accessible audience for gaming experiences, as it allows for gaming to occur more widely outside the home. According to Barclays, mobile gaming is estimated to represent 47% of current industry revenues and is expected to reach 60% by 2025. Further, with a projected 2.6 billion total mobile gamers for 2020 according to data from NewZoo, mobile games are forecasted to generate revenues of $86.3 billion in 2020.

Esports

The popularity of esports continues to grow rapidly, with an engaged and passionate fan base across the globe. According to recent data from NewZoo, the global esports audience is expected to reach 495 million in 2020, up from 395 million in 2018, which would surpass the global audience for many traditional sports. NewZoo also estimates that esports will generate approximately $950.3 million in global revenues in 2020, which will include approximately 61% from sponsorships, 17% from media rights, 11% from publisher fees and 6% from merchandise and ticketing revenue.

The proliferation of new streaming technologies in content distribution has also fueled growth in the popularity and engagement of esports, including the rise of live streaming and over-the-top channels and social networking and interaction within games. For example, according to Streamlabs, consumers viewed 4.7 billion hours of content on Twitch, 1.6 billion hours on YouTube Gaming Live and over 1 billion hours on Facebook during the third quarter of 2020, representing year-over-year growth of 70%, 132% and 297%, respectively.

Additionally, the popularity of esports is evidenced by the growth of professional esports associations and leagues. According to Greenman Gaming, tournament prize money in esports is increasing at an average of 42% per year, and the number of pro athletes in esports has been growing at a rate of 43% per year since 1998.

Our Competitive Strengths

Since our founding as a wholly-owned subsidiary of Motorsport Network in 2018, we have been developing our capabilities to be the preeminent motorsport gaming and esports entertainment ecosystem. We believe the following key strengths provide us with a significant competitive advantage to achieve this mission.

Exclusive licensing and partnership rights that provide unique and defensible access to iconic racing series. Our video game licensing and esports portfolio generally provides us exclusive and defensible rights to some of the most prestigious and popular global racing brands, providing for a large and growing core audience of fans to purchase and participate in our growing product and services portfolio. Specifically:

- Through our acquisition of 704Games in 2018, we obtained the exclusive license to be the official video game developer and publisher for the NASCAR video game racing franchise, subject to certain limited exceptions. In addition, we have the exclusive right to create and organize esports leagues and events for NASCAR using our NASCAR racing video games, subject to certain limited exceptions. Our current license arrangement with NASCAR, which was extended 10 years simultaneously with the acquisition of 704Games, expires on December 31, 2029.

- In March 2019, we established a joint venture with ACO, the organizer of the iconic 24 Hours of Le Mans endurance race. Through this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. Once granted, we anticipate this license would expire ten years beginning from the date of our first release of a Le Mans video gaming product. In addition, through this joint venture with ACO, we expect to be granted the right to create and organize esports leagues and events for the Le Mans Esports Series, which would continue so long as we have an ownership interest in this joint venture.

- In May 2020, we secured a multi-year licensing agreement to exclusively develop and publish the video games for the BTCC racing series across console, mobile and casual gaming channels. In addition, through this license, we have the right to create and organize esports leagues and events for the BTCC racing series. Our current license with the BTCC expires on December 31, 2026.

Portfolio of quality racing games developed by an experienced in-house development team specializing in racing games. Since our founding, we have invested in our in-house development team and have developed a portfolio of quality racing games for various platforms (PC, console, handheld and mobile). Our experienced development team consisting of approximately 56 employees specializes in racing games and has a deep understanding of games in this genre. This includes the crucial development of car physics, tracks, tire models, general racing rules and other components that are found across racing games. This specialization serves as a scalable foundation for the development of future racing games in our portfolio, which we believe also allows us to utilize the best available methods and technologies to help achieve higher quality products through an efficient development process. In turn, this allows us to more effectively control game development and in-game updates along with reducing the time and costs of developing and launching new games. Our development team serves as the strong cornerstone for the development of our future virtual racing franchises, particularly as we progress towards launching our next generation of NASCAR games on our proprietary racing-focused gaming engine, which we refer to as the "MSG Engine."

Strategic alliance and support from Motorsport Network, including access to a vast target audience. Motorsport Network is a leading global motorsport and automotive data-driven digital platform that owns and operates a collection of valuable digital media motorsport and automotive brands. As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com. Approximately 200 leading journalists and trusted experts in the world are creating daily content that seeks to capture and retain user attention through comprehensive distribution channels for Motorsport Network. Pursuant to an agreement with Motorsport Network, we have digital access rights to this audience to enable us to market, communicate, and engage with them regarding our games and esports series. We believe this access to a large, highly engaged and affluent target audience with an active lifestyle and passion for motorsports and automobiles creates strong engagement and distribution channel opportunities for our products and services. In addition, our strategic alliance and relationship with Motorsport Network uniquely provides us the ability to leverage the broad industry relationships and market clout of Motorsport Network, particularly due to its vast audience and reach. It is this relationship with Motorsport Network that we believe helped us to secure our current joint ventures, game development and/or esports related rights for various racing series, including for NASCAR, Le Mans and the BTCC.

Experienced game and technology-focused management team. Our senior management team has developed extensive experience across a broad range of disciplines in the gaming, esports and racing industries, including through prior roles at Codemasters, Electronic Arts, Sega, NaturalMotion, Sony and Motorsport Network. With an average of approximately 18 years of experience in these industries, including at public companies, our senior management team has strong creative and operational experience and a successful track record. For example, certain members of our management core team participated in the development and publishing of the official Formula 1 game franchise, as well as many other successful game titles, such as DiRT Rally and Forza Horizon. Further, prior to joining us, the majority of our senior management team have successfully worked together in the past, including our Chief Executive Officer and Chief Financial Officer, who have previously teamed together while serving as President and Chief Financial Officer, respectively, at a prior public company. This extensive experience extends beyond our senior management team and deep into our organization. We pair traditional games veterans with non-traditional expertise to push how games are customarily developed, published and operated.

The existing users of our console and mobile games, when combined with our officially licensed esports initiatives, joint ventures and the anticipated launch of APEX, cultivate a reinforcing flywheel of content that will enhance our offerings and grow our audience for future products and services. Given our track record and management team, we believe we are well positioned to continually create innovative and reinforcing gaming products that generate user excitement and naturally foster a competitive camaraderie amongst gamers. By harvesting the reinforcing nature of our product portfolio and the competition our products drive in our users, we believe we will be able to propel user engagement on APEX, our platform for the virtual racing community that we expect to launch in beta in the first quarter of 2021, and will increasingly be able to produce successful esports events centered around our popular licensed racing series. As a sign of the momentum we are generating, we had over 51 million viewers of our esports events in the first nine months of 2020, which enabled us to prominently display and reinforce our branding with the racing community. This includes one of the largest events in virtual racing history, the Le Mans 24 Virtual held in June 2020, which we produced. We also have entered into a joint venture with an affiliate of the Race Team Alliance ("RTA"), an organization consisting of 13 NASCAR Cup Series teams, to develop the eNASCAR Heat Pro League (the "eNHPL"). The RTA teams include the eNHPL and NASCARHeat.com logos on the contingency space on each of their NASCAR Cup Series vehicles for a number of NASCAR events, leading to increased awareness about the eNHPL through this unique promotional channel. We believe these milestones and achievements, combined with the current users of our console and mobile games and our access to the vast audience of Motorsport Network, uniquely positions us to be the preeminent motorsport gaming and esports entertainment ecosystem.

Our Strategy

Our mission is to create the preeminent motorsport gaming and esports entertainment ecosystem by delivering the highest quality, most sophisticated and innovative experiences for racers, gamers and fans of all ages. We believe we have put in place a solid foundation to achieve this mission since our founding in 2018, including each of our strengths listed above. To continue to build on this foundation and our growing momentum, we plan to focus on the following four key strategies:

- ***Continue to enhance the depth and breadth of our industry-leading motorsport gaming product portfolio***

In 2018, we, through our subsidiary 704Games, extended our license as the official video game developer and publisher for NASCAR through the end of 2029. To maximize the potential of the NASCAR gaming franchise, we have made significant investments in both technology and human talent to create a best-in-class racing game experience. In 2021, we plan to introduce our next generation NASCAR console game, offering fans of the sport and racing a "AAA" comparable game that will provide the most authentic and engaging experience possible. This new game has been internally built from the ground up on our new proprietary racing-focused MSG Engine and will utilize Unreal Engine's game engine, paired with the latest car physics and other components. The Unreal Engine is widely recognized within the industry and has been utilized in many notable games, such as *Borderlands 3, Fortnite Battle Royale, Gears 5, MotoGP 18, PlayerUnknown's Battlegrounds* and many others.

In conjunction with the launch of our new NASCAR console game, we plan to launch a new, redesigned NASCAR Heat Mobile in 2021, which is our NASCAR mobile racing game that will also be developed internally. Given the recent popularity and fast growing nature of the branded casual game experience, we also plan to introduce a slate of NASCAR branded casual gaming options, starting with the officially licensed NASCAR "match three" game in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

Combined with exclusive licenses and unique partnerships with iconic motorsport brands, we aspire to control the majority of the motorsport virtual racing segment to develop, publish, market, and distribute our games and organize unique esports events to help promote such games. We have been in discussions with numerous internationally recognized racing series license holders to develop video games and esports based upon their intellectual property, including using the same technology that will power our next generation NASCAR console game, as well as our upcoming games for the Le Mans and BTCC racing series that we anticipate releasing in 2022. For any new additional motorsport series with which we partner, we believe our new proprietary racing-focused game engine will allow us to quickly and cost effectively produce new, modern games (building on our existing game technology and know-how with such new series) and market it through existing distribution channels.

- ***Invest and harness the power of technology to focus on digital delivery and mobile platforms with interactive social engagement***

Driven by fast and convenient digital delivery, the widespread use of mobile devices and mobile games, and the ease of streaming and cloud computing, players increasingly purchase our games digitally or spend time playing our games on mobile devices. Downloadable-extra content and microtransactions have higher profit margins than traditional retail one-time sales of games and offer meaningful ways of generating revenues in free-to-play games and create monetization capabilities of existing games beyond the initial game purchase. Increasing opportunities for players to interact and socialize among peers around esports make games a major social outlet for players, which helps to develop a relationship between our game content and consumers, and provides higher margins and greater revenue visibility relative to prior years when revenues were dependent on the original game purchase.

- ***Continue to develop a full competitive esports ecosystem alongside franchise properties and a new gaming community on our APEX platform***

Underpinning our growth strategy is the integration between our licensed video game properties and our fully built-out esports platform and capabilities. As we continue to add to our existing portfolio of games centered around popular licensed racing series, this will provide us the opportunity to further grow our esports business by having more titles to produce our esports events. Further, by cultivating a vibrant and growing viewer and gamer community on APEX, we aim to build an easily accessible audience, which we believe will further drive interest for our future games and esports events. Ultimately, we believe this will allow us to not only reach and appeal to a larger audience, but to turn gamers into esports participants and vice versa by providing functionality to encourage and incentivize players of all abilities and skill levels to take part and compete online, which increases their level of engagement with our licensed gaming products and services. As our portfolio of official race franchise games grows, we also plan to launch a direct-to-customer subscription model that will allow privileged access to this portfolio of products as well as other loyalty perks. We have also grown, and expect to continue to grow, our esports business by using our esports platform to host and organize other motorsport tournaments and events on behalf of third-party video game license holders.

With this goal of cultivating a gaming community in mind, we are in the process of developing and building APEX, our esports "as a service" platform for our virtual racing community. We are designing APEX with the functionality to enable users to customize and run their own esports competitions in a simple, turn-key format, allowing groups to form around specific games, consoles, individual ability, and various other metrics. We plan to drive further user engagement and enhance the participant experience by providing players and fans with facts and statistics from particular racing games to give definitive performance and ability benchmarks. We currently anticipate launching APEX in beta in the first quarter of 2021.

- ***Further leverage our strategic alliance and support with Motorsport Network***

Utilizing the unique global reach, broad industry relationships and market clout of Motorsport Network, we plan to further leverage this strategic alliance with Motorsport Network with the goal of adding more game development and esports related rights for racing series in addition to the iconic NASCAR, Le Mans and BTCC titles to which we have already obtained, or are in the process of obtaining, licensing rights. As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com. Motorsport.com and Autosport.com are the largest online global motorsport content producers, offering around-the-clock news and analysis services in 21 editions and 15 languages. Additionally, we believe that being backed by the largest global media company in the motorsport industry that targets the same audience with different but related content provides us with a unique advantage in our industry, which will allow us to engage racing fans globally, attract new active participants, and deliver differentiated and proprietary content and experiences. Mike Zoi is the manager of Motorsport Network and has extensive experience in the motorsport industry through his business development and media related activities in the sport, and we expect Mr. Zoi's valuable industry relationships, in particular, to benefit the Company as described above.

Summary Risk Factors

Participating in this offering involves substantial risk. Our ability to execute our strategy is also subject to certain risks. The risks described under the heading "Risk Factors" included elsewhere in this prospectus, among others, may cause us to be unable to successfully execute all or part of our strategy. Some of the most significant challenges and risks include the following:

- If we do not consistently deliver popular products or if consumers prefer competing products, our business may be negatively impacted.
- Our business and products are highly concentrated in the racing game genre, and our operating results may suffer if consumer preferences shift away from this genre.
- If we do not provide high-quality products in a timely manner, our business may be negatively impacted.

- The recent coronavirus ("COVID-19") pandemic has impacted our operations and could adversely affect our business operations, financial performance and results of operations, the extent of which is uncertain and difficult to predict.
- Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition and operating results.
- We depend on a relatively small number of franchises for a significant portion of our revenues and profits.
- Our ability to acquire and maintain licenses to intellectual property, especially for sports titles, affects our revenue and profitability. Competition for these licenses may make them more expensive and increase our costs.
- The importance of retail sales to our business exposes us to the risks of that business model.
- We primarily depend on a single third-party distribution partner to distribute our games for the retail channel, and our ability to negotiate favorable terms with such partner and its continued willingness to purchase our games is critical for our business.
- We plan to continue to generate a portion of our revenues from advertising and sponsorship during our esports events. If we fail to attract more advertisers and sponsors to our gaming platform, tournaments or competitions, our revenues may be adversely affected.
- We are reliant on the retention of certain key personnel and the hiring of strategically valuable personnel, and we may lose or be unable to hire one or more of such personnel.
- The success of our business relies heavily on our marketing and branding efforts, and these efforts may not be successful.
- If we do not adequately address the shift to mobile device technology by our customers, operating results could be harmed and our growth could be negatively affected.
- Failure to adequately protect our intellectual property, technology and confidential information could harm our business and operating results.
- Motorsport Network controls the direction of our business and its ownership of our Class A common stock and Class B common stock will prevent you and other stockholders from influencing significant decisions.
- If we are no longer controlled by or affiliated with Motorsport Network, we may be unable to continue to benefit from that relationship, which may adversely affect our operations and have a material adverse effect on us.
- We have incurred significant losses since our inception, and we may continue to experience losses in the future.
- Our limited operating history makes it difficult to evaluate our current business and future prospects, and we may not be able to effectively grow our business or implement our business strategies.
- We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced disclosure requirements applicable to us will make our Class A common stock less attractive to investors.
- The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"), under the rules and regulations of the Securities and Exchange Commission (the "SEC"). An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- a requirement to have only two years of audited financial statements and only two years of related management's discussion and analysis of financial condition and results of operations disclosure;
- reduced disclosure obligations regarding executive compensation under Item 402 of Regulation S-K;
- no requirement for non-binding advisory votes on executive compensation or golden parachute arrangements; and
- an exemption from the auditor attestation requirement in the assessment of internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002.

We may take advantage of these provisions until the end of the fiscal year in which the fifth anniversary of this offering occurs, or such earlier time that we no longer qualify as an emerging growth company. In future years, we will cease to be an emerging growth company if we have $1.07 billion in annual revenue or more, become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or issue more than $1.0 billion of non-convertible debt securities over a three-year period. We may choose to take advantage of some but not all of these reduced requirements. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements discussed above.

We have elected to take advantage of some of the reduced disclosure obligations regarding financial statements and executive compensation in this prospectus and may elect to take advantage of other reduced requirements in future filings. As a result, the information we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

The JOBS Act permits an emerging growth company, like us, to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to take advantage of this provision and, as a result, we will not be required to comply with new or revised accounting standards until those standards would otherwise apply to private companies.

Corporate Conversion and Organizational Structure

We currently operate as a Florida limited liability company under the name Motorsport Gaming US LLC. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, Motorsport Gaming US LLC will be converted into a Delaware corporation pursuant to a statutory conversion and change its name to Motorsport Games Inc. In order to consummate the corporate conversion, a certificate of conversion will be filed with the Secretary of State of the State of Delaware.

Following and effective upon the consummation of the corporate conversion, 100% of the membership interests currently held by the Company's sole member, Motorsport Network, will convert into an aggregate of (i) shares of Class A common stock, based upon the value of the Company at the time of this offering with a value implied by the offering price of the shares of Class A common stock sold in this offering, and (ii) shares of Class B common stock, representing all of the outstanding shares of Class B common stock. Motorsport Network will be the only holder of shares of our Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. Any pledge of MSN Initial Class A Shares by Motorsport Network or its affiliates will not constitute a relinquishment of such beneficial ownership. The MSN Initial Class A Shares and shares of Class B common stock held by Motorsport Network will be adjusted in equal proportions for any stock dividend, stock split or similar transaction undertaken by the Company.

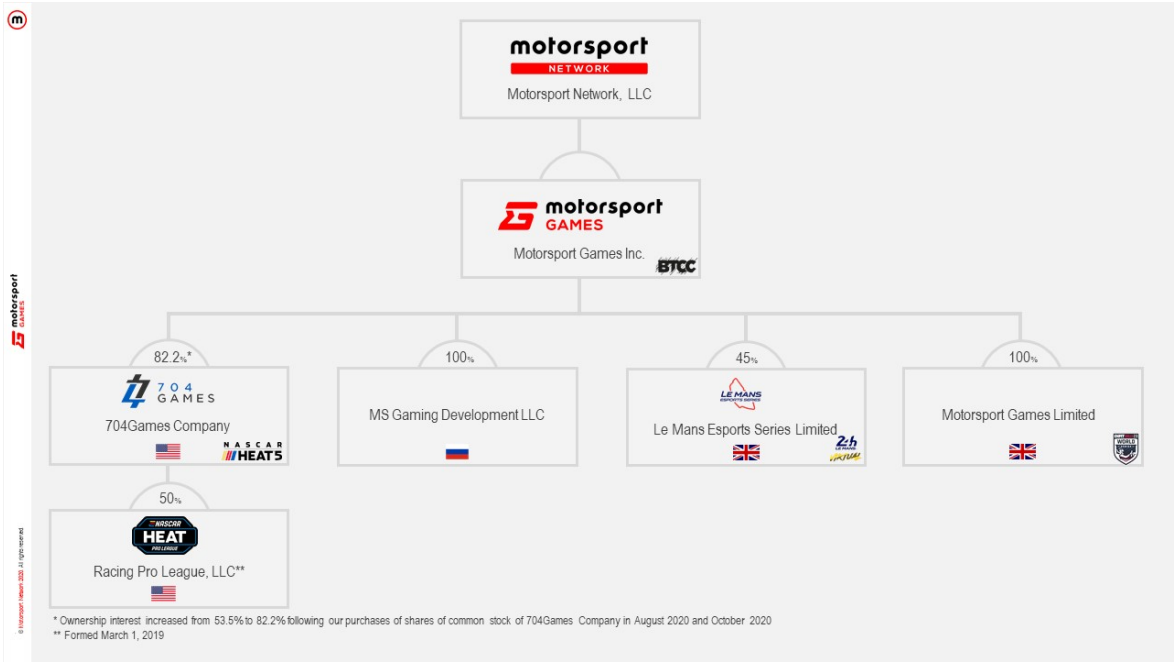
In connection with the corporate conversion, Motorsport Games Inc. will hold all property and assets of Motorsport Gaming US LLC, and all of the debts and obligations of Motorsport Gaming US LLC will become the debts and obligations of Motorsport Games Inc. by operation of law. Motorsport Games Inc. will be governed by a certificate of incorporation filed with the Delaware Secretary of State and bylaws, the material portions of each of which are described under the heading "Description of Capital Stock."

On the effective date of the corporate conversion, the members of the board of managers of Motorsport Gaming US LLC will become the members of Motorsport Games Inc.'s board of directors, and the officers of Motorsport Gaming US LLC will become the officers of Motorsport Games Inc.

The purpose of the corporate conversion is to reorganize our corporate structure so that the entity that is offering the Class A common stock to the offerees in this offering is a corporation rather than a limited liability company and so that our existing investor, Motorsport Network, will own our Class A common stock and our Class B common stock rather than membership interests in a limited liability company. References in this prospectus to our capitalization and other matters pertaining to our equity, membership interests or shares prior to the corporate conversion relate to the capitalization, equity and membership interests of Motorsport Gaming US LLC, and after the corporate conversion, to the capitalization, equity and shares of Motorsport Games Inc.

The consolidated financial statements included elsewhere in this prospectus are those of Motorsport Gaming US LLC and its subsidiaries. We expect that our conversion from a Florida limited liability company to a Delaware corporation will not have a material effect on our consolidated financial statements at the time of such conversion.

The diagram below depicts our expected organizational structure upon completion of this offering and the corporate conversion.



Corporate Information

Motorsport Gaming US LLC was formed in Florida in August 2018. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, we intend to complete a corporate conversion pursuant to which Motorsport Games Inc. will succeed to the business of Motorsport Gaming US LLC and its consolidated subsidiaries, and the sole holder of 100% of the membership interests of Motorsport Gaming US LLC will become a holder of Class A common stock and Class B common stock of Motorsport Games Inc. See "—Corporate Conversion and Organizational Structure." Our principal executive offices are located at 5972 NE 4th Avenue, Miami, FL 33137, and our telephone number is (305) 507-8799. Our website address is *motorsportgames.com*. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

THE OFFERING

Issuer	Motorsport Games Inc., a Delaware corporation
Class A common stock offered by us	shares
Underwriters' option to purchase additional shares of Class A common stock from us	shares
Total Class A common stock to be outstanding after this offering	shares (shares if the option to purchase additional shares from us is exercised in full)
Total Class B common stock to be outstanding after this offering	shares
Total Class A common stock and Class B common stock to be outstanding after this offering	shares (shares if the option to purchase additional shares from us is exercised in full)
Use of proceeds	We estimate that our net proceeds from the sale of our Class A common stock that we are offering will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares of our Class A common stock from us is exercised in full), assuming an initial public offering price of $ per share, which is the midpoint of the price range on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for working capital and general corporate purposes, including product development, such as for mobile products and additional racing series, the buildout of APEX, our go-to destination for the virtual racing community, the development of our proprietary racing-focused gaming engine, which we refer to as the "MSG Engine," sales and marketing activities, capital expenditures and strategic acquisitions and investments. See "Use of Proceeds" for additional information.
Voting rights	Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. Class A common stock will be entitled to one vote per share and Class B common stock will be entitled to ten votes per share. Holders of Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our certificate of incorporation that will be in effect on the completion of this offering. Upon the closing of this offering, Motorsport Network will own (i) shares of our Class A common stock and (ii) shares of our Class B common stock, representing all of the outstanding shares of Class B common stock, which together will represent approximately % of the combined voting power of both classes of our common stock outstanding immediately after this offering (or % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock). As a result, Motorsport Network will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. Motorsport Network will be the only holder of shares of our Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. See the sections titled "Principal Stockholders" and "Description of Capital Stock" for additional information.
Risk factors	See "Risk Factors" to read about factors you should consider before buying shares of our Class A common stock.
Proposed trading symbol	"MSGM"

The number of shares of our Class A common stock and Class B common stock to be outstanding immediately after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of , 2020 (as adjusted to give effect to the corporate conversion), and excludes the following:

- shares of our Class A common stock issuable upon exercise of stock options that will be granted to certain of our employees and our non-employee directors in connection with this offering under the Motorsport Games Inc. 2021 Equity Incentive Plan (the "2021 Plan"), which we expect will become effective immediately prior to the consummation of this offering, at an exercise price per share equal to the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to each of Neil Anderson and Rob Dyrdek, members of our board of directors, in connection with this offering under the 2021 Plan, which represents a stock award equal to $50,000 to each of Messrs. Anderson and Dyrdek divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to Francesco Piovanetti, a member of our board of directors, in connection with this offering under the 2021 Plan and for his continuing service as chair of our audit committee and as an "audit committee financial expert" (subject to his qualification and appointment, as applicable), which represents a stock award equal to $100,000 divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- additional shares of our Class A common stock reserved for future issuance under the 2021 Plan;

- shares of our Class A common stock to be issued to Fernando Alonso pursuant to a promotional services agreement entered into with Mr. Alonso, representing 3.0% of the issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Business—Marketing, Sales, and Distribution—Promotional Services Agreement with Fernando Alonso"); and

- shares of our Class A common stock that may be issued outside of the 2021 Plan to Dmitry Kozko, our Chief Executive Officer, subject to the satisfaction of certain conditions as set forth in his employment agreement with us, including (i) up to shares that may be issued in connection with this offering representing 1.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering and (ii) shares issuable upon exercise of stock options that may be granted in connection with this offering representing 2.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Executive Compensation—Executive Employment Arrangements—Employment Agreement with Dmitry Kozko").

In addition, unless we specifically state otherwise, the information in this prospectus assumes:

- the completion of our corporate conversion, as a result of which 100% of the membership interests currently held by the Company's sole member will convert into an aggregate of (i) shares of our Class A common stock and (ii) shares of our Class B common stock;

- an initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover of this prospectus; and

- no exercise by the underwriters of their option to purchase an additional shares of our Class A common stock.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth a summary of our historical consolidated financial data as of, and for the periods ended on, the dates indicated. On August 14, 2018, Motorsport Gaming US LLC acquired a 53.5% equity interest in 704Games. The summary historical financial data below includes (i) the summary historical consolidated financial data of Motorsport Gaming US LLC for the year ended December 31, 2019 and for the period from August 15, 2018 to December 31, 2018 (the "Successor Period") and; (ii) the summary historical financial data of 704Games for the period from January 1, 2018 to August 14, 2018 (the "Predecessor Period"), which are derived from our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. To assist with the period-to-period comparison, we have combined amounts from the Predecessor Period and the portion of the Successor Period from August 15, 2018 to December 31, 2018 along with a pro forma adjustment to recognize additional amortization expense of $637,658 associated with certain acquired license agreements with NASCAR and software intangible assets. We refer to this combined period as the pro forma combined year ended December 31, 2018. This combination does not comply with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The summary historical pro forma combined financial data for the year ended December 31, 2018 has been prepared to give effect to Motorsport Gaming US LLC's acquisition of a 53.5% equity interest in 704Games as if it had occurred on January 1, 2018. The summary historical pro forma combined financial data does not purport to represent what our results of operations would have been if the acquisition had occurred as of the dates indicated, or what such results will be for any future period.

The summary historical consolidated statement of operations data for the nine months ended September 30, 2020 and 2019 and the summary consolidated balance sheet data as of September 30, 2020 are derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. These unaudited interim financial statements have been prepared in accordance with U.S. GAAP and on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of September 30, 2020 and the results of operations for the nine months ended September 30, 2020 and 2019.

Our historical results are not necessarily indicative of our future results, and our results for the nine months ended September 30, 2020 are not necessarily indicative of results to be expected for the full year. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information contained under the headings "Selected Historical Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Successor Period	Successor Period	Pro Forma Combined	Successor Period	
Statement of Operations Data	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Year Ended December 31, 2018	For the Nine Months Ended September 30, 2020	2019
			(Unaudited)	(Unaudited)	(Unaudited)
Revenues	$ 11,850,787	$ 10,768,629	$ 14,756,777	$ 16,111,581	$ 9,566,873
Cost of revenues	4,888,877	4,184,569	5,598,395	5,261,483	3,776,696
Gross profit	6,961,910	6,584,060	9,158,382	10,850,098	5,790,177
Operating expenses	12,138,023	5,229,711	10,957,920	8,037,552	9,587,263
(Loss) income from operations	(5,176,113)	1,354,349	(1,799,538)	2,812,546	(3,797,086)
Other (expense) income, net (1)	(579,451)	4,904	8,381	(438,894)	(444,017)
(Loss) income before provision for income taxes	(5,755,564)	1,359,253	(1,791,157)	2,373,652	(4,241,103)
Income tax benefit	-	-	2,323	-	-
Net (loss) income	(5,755,564)	1,359,253	(1,788,834)	2,373,652	(4,241,103)
Less: Net (loss) income attributable to noncontrolling interest	(2,191,418)	859,461	859,461	1,498,233	(1,294,908)
Net (loss) income attributable to Motorsport Gaming US LLC	$ (3,564,146)	$ 499,792	$ (2,648,295)	$ 875,419	$ (2,946,195)
Pro forma net (loss) income per share - basic and diluted (2)	$			$	

(1) For the purpose of presenting summary historical consolidated financial data, we have aggregated interest income (expense), loss attributable to equity method investment, and other (expense) income, net from our consolidated statements of operations for the years ended December 31, 2019 and 2018 and for the nine months ended September 30, 2020 and 2019 into a single caption.

(2) We have presented pro forma basic and diluted net loss per share for the year ended December 31, 2019 and for the nine months ended September 30, 2020, which consists of our historical net loss attributable to Motorsport Gaming US LLC, divided by the pro forma basic and diluted weighted average number of shares of our common stock outstanding after giving effect to the corporate conversion.

Balance Sheet Data	December 31, 2019	December 31, 2018	September 30, 2020 Actual	Pro Forma (1)	Pro Forma As Adjusted (2)
			(Unaudited)	(Unaudited)	(Unaudited)
Total cash	$ 1,960,279	$ 3,413,427	$ 3,050,693		
Total current assets	$ 7,129,632	$ 8,699,604	$ 12,007,652		
Total assets	$ 12,777,274	$ 15,670,258	$ 18,590,207		
Total liabilities	$ 9,165,314	$ 6,302,734	$ 13,804,595		
Total member's/stockholders' equity	$ 3,611,960	$ 9,367,524	$ 4,785,612		
Total liabilities and member's/stockholders' equity	$ 12,777,274	$ 15,670,258	$ 18,590,207		
Working capital (deficiency)	$ (2,035,682)	$ 2,396,870	$ (946,350)		

(1) The pro forma consolidated balance sheet data gives effect to the corporate conversion.

(2) The pro forma as adjusted balance sheet data gives effect to the pro forma adjustments described in footnote (1) and additionally gives effect to the issuance and sale of shares of our Class A common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwritten discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) pro forma as adjusted cash, working capital, total assets, and total stockholders' equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing.

Use of Non-GAAP Financial Measures

EBITDA, a measure used by management to assess our operating performance, is defined as net loss plus interest (income) expense and depreciation and amortization, less income tax benefit. Adjusted EBITDA is defined as EBITDA adjusted to exclude (i) certain acquisition related expenses, (ii) stock-based compensation expenses and (iii) charges or gains resulting from non-recurring events. We use Adjusted EBITDA to manage our business and evaluate our financial performance, as it has been adjusted for items that affect comparability between periods that we believe are not representative of our core business. Additionally, management believes that EBITDA and Adjusted EBITDA are useful to investors because they enhance investors' understanding and assessment of our performance, facilitate comparisons to prior periods and our competitors' results and assist in forecasting performance for future periods.

Each of the above described measures is not a recognized term under U.S. GAAP and does not purport to be an alternative to revenue, loss from operations, net loss or any other measure derived in accordance with U.S. GAAP as a measure of operating performance or to cash flows from operations as a measure of liquidity. Additionally, each such measure is not intended to be a measure of free cash flows available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Such measures have limitations as analytical tools, and you should not consider any of such measures in isolation or as substitutes for our results as reported under U.S. GAAP. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement U.S. GAAP results to provide a more complete understanding of the factors and trends affecting the business than U.S. GAAP results alone. Because not all companies use identical calculations, our measures may not be comparable to other similarly titled measures of other companies. This section includes reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

The following table provides a reconciliation from net loss to EBITDA and Adjusted EBITDA for the periods indicated:

Adjusted EBITDA	Successor Period For the Year Ended December 31, 2019	Successor Period For the Period From August 15, 2018 to December 31, 2018	Pro Forma Combined For the Year Ended December 31, 2018	Successor Period For the Nine Months Ended September 30, 2020	Successor Period For the Nine Months Ended September 30, 2019
			(Unaudited)	(Unaudited)	(Unaudited)
GAAP net (loss) income	$ (5,755,564)	$ 1,359,253	$ (1,788,834)	$ 2,373,652	$ (4,241,103)
GAAP interest (income) expense	(35,728)	-	26,250	448,325	(33,744)
GAAP depreciation and amortization	861,872	408,078	1,099,147	457,729	729,983
GAAP income tax benefit	-	-	(2,323)	-	-
EBITDA	(4,929,420)	1,767,331	(665,760)	3,279,706	(3,544,864)
Acquisition related expense	-	10,000	127,000	-	-
Stock-based compensation expense	-	-	546,546	-	-
Adjusted EBITDA	$ (4,929,420)	$ 1,777,331	$ 7,786	$ 3,279,706	$ (3,544,864)

RISK FACTORS

This offering and investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our consolidated financial statements and the related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding to invest in our Class A common stock. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our Class A common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also adversely affect our business.

Risks Related to Our Business and Industry

If we do not consistently deliver popular products or if consumers prefer competing products, our business may be negatively impacted.

In order to remain competitive, we must continuously develop new products or enhancements to our existing products. Consumer preferences for games are usually cyclical and difficult to predict, and even the most successful content remains popular for only a limited period of time unless refreshed or otherwise enhanced. These products or enhancements may not be well-received by consumers, even if well-reviewed and of high quality. Further, competitors may develop content that imitates or competes with our best-selling games, potentially taking sales away from us or reducing our ability to charge the same prices we have historically charged for our products. These competing products may take a larger share of consumer spending than anticipated, which could cause product sales to fall below expectations. If we do not continue to develop consistently high-quality and well-received games, if our marketing fails to resonate with our consumers, if consumers lose interest in a genre of games we produce, if the use of cross-promotion within our mobile games to retain consumers becomes less effective, or if our competitors develop more successful products or offer competitive products at lower prices, our revenues and profit margins could decline. Further, a failure by us to develop a high-quality product, or our development of a product that is otherwise not well-received, could potentially result in additional expenditures to respond to consumer demands, harm our reputation, and increase the likelihood that our future products will not be well-received. The increased importance of downloadable content to our business amplifies these risks, as downloadable content for poorly-received games typically generates lower-than-expected sales. In addition, our own best-selling products could compete with our other games, reducing sales for those other games.

Our business and products are highly concentrated in the racing game genre, and our operating results may suffer if consumer preferences shift away from this genre.

All of our revenue is currently generated, and is expected to continue to be substantially generated, from products in the racing game genre. Accordingly, our future success will depend on the popularity of games in the racing game genre with consumers. Consumer preferences are difficult to predict and subject to frequent changes, and if interest in the racing game genre declines, even if our share of the racing game genre is stable or expands, our operating results could suffer. Additionally, our concentration in the racing game genre could place us at a disadvantage against other gaming companies that offer a more diverse selection of games.

If we do not provide high-quality products, our business may be negatively impacted.

Consumer expectations regarding the quality, performance and integrity of our products and services are high. Consumers may be critical of our brands, games, services and/or business practices for a wide variety of reasons, and such negative reactions may not be foreseeable or within our control to manage effectively. For example, if our games or services, such as our creation and organization of esports leagues and events, do not function as consumers expect, whether because they fail to function as advertised or otherwise, our sales may suffer. If any of these issues occur, consumers may stop playing the game and may be less likely to return to the game as often in the future, which may negatively impact our business.

If we fail to deliver products in a timely manner, our business may be negatively impacted.

Delays in product releases or disruptions following the commercial release of one or more new products could negatively impact our business, our revenues and reputation and could cause our results of operations to be materially different from expectations. This is particularly the case where we seek to release certain products in conjunction with key events, such as the beginning of a racing season or a major racing event. If we fail to release our products in a timely manner, or if we are unable to continue to improve our existing games by adding features and functionality that will encourage continued engagement with these games, our business may be negatively impacted. Moreover, if we or our third-party developers experience unanticipated development delays, financial difficulties, or additional costs, for example as a result of the COVID-19 pandemic, we may not be able to release titles according to our schedule and at budgeted costs. There can be no assurance that our products will be sufficiently successful so that we can recoup these costs or make a profit on these products.

Additionally, the amount of lead time and cost involved in the development of high-quality products is increasing due to growing technical complexities and higher expectations from consumers. As a result, it is especially critical that we accurately predict consumer demand for such products. If our future products do not achieve expected consumer acceptance or generate sufficient revenues upon introduction, we may not be able to recover the substantial up-front development and marketing costs associated with those products.

The recent COVID-19 pandemic has impacted our operations and could adversely affect our business operations, financial performance and results of operations, the extent of which is uncertain and difficult to predict.

The global spread of the COVID-19 pandemic has created significant business uncertainty for us and others, resulting in volatility and economic disruption. Additionally, the outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the spread of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place, stay-at-home or total lock-down (or similar) orders and business limitations and shutdowns.

As a result of the COVID-19 pandemic, including the related responses from government authorities, our business and operations have been impacted, including the temporary closure of our offices in Orlando, Florida, Silverstone, England, and Moscow, Russia, which has resulted in our employees working remotely. During the COVID-19 outbreak, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of our products from such retailers. Additionally, in our esports business, the COVID-19 pandemic has resulted in the postponing of certain events to later dates or shifting events from an in-person format to online only.

Our business operations, financial performance and results of operations could be further adversely affected in a number of ways, including, but not limited to, the following:

- reduced consumer demand for our products and adverse effects on the discretionary spending patterns of our customers, including the ability of our customers to pay for our products;
- the operations and seasons of the motorsports industry may be further altered or even canceled due to the COVID-19 pandemic, which may further affect the demand for our products and esports business;
- further disruptions to our operations, including any additional closures of our offices and facilities, which may affect our ability to develop, market, and sell our products;
- disruptions to the operations of our counterparties, including the physical retail, digital download online platforms, and cloud streaming services we rely on for the distribution of our products, the suppliers who manufacture our physical products and other third parties with which we partner (e.g., to market or ship our products);
- limitations on employee resources and availability, including due to sickness, government restrictions, the desire of employees to avoid contact with large groups of people or mass transit disruptions;
- a fluctuation in foreign currency exchange rates, which could impact our operations in the United Kingdom and Russia, or interest rates could result from market uncertainties; and
- an increase in the cost or the difficulty of obtaining debt or equity financing could affect our financial condition or our ability to fund operations or future investment opportunities.

Additionally, an increase in the number of employees working remotely due to the COVID-19 pandemic also increases the potential adverse impact of risk associated with information technology systems and networks, including cyber-attacks, computer viruses, malicious software, security breaches, and telecommunication failures, both for systems and networks we control directly and for those that employees and third-party developers rely on to work remotely. Any failure to prevent or mitigate security breaches or cyber risks or detect, or respond adequately to, a security breach or cyber risk, or any other disruptions to our information technology systems and networks, can have adverse effects on our business.

The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers and business partners. Further, key personnel could contract COVID-19, hindering their availability and productivity.

The degree to which the COVID-19 pandemic impacts our operations, business, financial results, liquidity, and financial condition will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the pandemic, its severity, actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition and operating results.

Our product purchases are predominately driven by discretionary spending by consumers. We believe that consumer spending is influenced by general economic conditions and the availability of discretionary income. This makes our products particularly sensitive to general economic conditions and economic cycles as consumers are generally more willing to make discretionary purchases, including purchases of products like ours, during periods in which favorable economic conditions prevail. Adverse economic conditions, such as a prolonged U.S. or international general economic downturn, whether or not caused by COVID-19, including periods of increased inflation, unemployment levels, tax rates, interest rates, energy prices, or declining consumer confidence, could also reduce consumer spending. Reduced consumer spending may in the future result in reduced demand for our products and may also require increased selling and promotional expenses, which has had and may continue to have an adverse effect on our business, financial condition and operating results. In addition, during periods of relative economic weakness, our consolidated credit risk, reflecting our counterparty dealings with distributors, customers, capital providers and others may increase, perhaps materially so. As a result of COVID-19, our counterparty credit risk may be particularly exacerbated, as certain of our counterparties may face financial difficulties in paying owed amounts on a timely basis or at all. Furthermore, uncertainty and adverse changes in the economy could also increase the risk of material losses on our investments, costs associated with developing and publishing our products, the cost and availability of sources of financing, and our exposure to material losses from bad debts, any of which could have a material adverse effect on our business, financial condition and operating results. If economic conditions worsen, our business, financial condition and operating results could be adversely affected.

We are particularly susceptible to market conditions and risks specific to the entertainment industry, which include the popularity, price, and timing of our products; changes in consumer demographics; the availability and popularity of other forms of entertainment and leisure; and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted.

The video game and esports industry is significantly dependent on the popularity of a small number of games, and we may not have access to "hit" games or titles.

The video game and esports industries have generally been dominated by a select few "hit" game titles. Accordingly, the success of our esports events will be closely linked to the quality and popularity of the games we publish or support for our esports events. Further, if we are unable to produce engaging and popular games, we may fail to sell the expected number of console games, meet our target install number for our mobile games, attract sufficient numbers of gamers to participate in our esports events and our live esports streams may not attract a growing audience, all of which may have a material and adverse impact on our results of operations and financial conditions.

We depend on a relatively small number of franchises for a significant portion of our revenues and profits.

We follow a franchise model and a significant portion of our revenues has historically been derived from products based on a relatively small number of popular franchises. These products are responsible for a disproportionately high percentage of our profits. For example, revenues associated with the NASCAR Heat franchise accounted for approximately 99% of our total net revenue for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020, and we expect this franchise to continue to account for the majority of our revenue for the year ended December 31, 2020. In the future, we expect this trend to continue with a relatively limited number of franchises producing a disproportionately high percentage of our revenues and profits. Due to this dependence on a limited number of franchises, the failure to achieve anticipated results by one or more products based on these franchises could negatively impact our business. Additionally, if the popularity of a franchise declines, we may have to write off the unrecovered portion of the underlying intellectual property assets, which could negatively impact our business.

Our ability to acquire and maintain licenses to intellectual property, especially for sports titles, affects our revenue and profitability. Competition for these licenses may make them more expensive and increase our costs.

Most of our products and services are based on or incorporate intellectual property owned by others. For example, we have obtained an exclusive license for our NASCAR racing video games and related-esports franchise (subject to certain limited exceptions), and, through a series of joint ventures with various racing series, we own, or are in the process of obtaining, exclusive rights to operate various esports tournaments and leagues, including the Le Mans Esports tournament and the eNHPL. Competition for these licenses and rights is intense. If we are unable to maintain these licenses and rights or obtain additional licenses or rights with significant commercial value, our ability to develop successful and engaging games and services may be adversely affected and our revenue, profitability and cash flows may decline significantly. Competition for these licenses also may increase minimum guarantees and royalty rates payable to licensors and developers, which could significantly increase our costs and reduce our profitability.

The importance of retail sales to our business exposes us to the risks of that business model.

While our customer base is increasingly purchasing our games as digital downloads, retail sales will remain important to our business. These products are sold primarily through a distribution network with exclusive partners who specialize in the distribution of games, including through mass-market retailers (e.g., Target, Wal-Mart), consumer electronics stores (e.g., Best Buy), discount warehouses, game specialty stores (e.g., GameStop) and other online retail stores (e.g., Amazon). The loss of, or a significant reduction in sales by, any of these retailers could have adverse consequences to our business and results of operations.

Moreover, the importance of retail sales to our business exposes us to the risk of price protection with respect to our distribution partners and retailers. Price protection, when granted, allows these distribution partners and retailers to receive a credit from us against amounts owed to us with respect to merchandise unsold by them. We typically grant price protection to distribution partners and retailers who meet certain conditions, which include compliance with applicable payment and marketing terms, delivery of weekly inventory and sales information and consistent participation in the launches of premium title releases. We may also consider other factors, including the facilitation of slow-moving inventory and other industry factors. Although we maintain a reserve for price protection, and although we may place limits on price protection, we may be required to provide substantial price protection to maintain our relationships with retailers and our distribution partners.

Further, retailers typically have a limited amount of "brick and mortar" shelf space and promotional resources, and there is intense competition for high-quality retail shelf space and promotional support from retailers. Similarly, for online retail sales, there is increasing competition for premium placement on websites. Competition for shelf space or premium online placement may intensify and require us to increase our marketing expenditures. Additionally, retailers with limited shelf space typically devote the most and highest quality shelf space to those products expected to be best sellers, such as those perceived to be "AAA" titles. We cannot be certain that our new products will achieve such "best seller" status. Due to increased competition for limited shelf space, retailers and distribution partners are in an increasingly strong position to negotiate favorable terms of sale, including price discounts, price protection and marketing and display fees, as applicable. Our products constitute a relatively small percentage of most retailers' sales volume. We cannot be certain that retailers will continue to purchase our products or provide those products with adequate levels of shelf space and promotional support on acceptable terms.

We primarily depend on a single third-party distribution partner to distribute our games for the retail channel, and our ability to negotiate favorable terms with such partner and its continued willingness to purchase our games is critical for our business.

As discussed above, our products are sold primarily through a distribution network with exclusive partners that specialize in the distribution of games and, in turn, sell our products to retailers. We currently derive, and expect to continue to derive, significant revenues from sales of our products to a very limited number of distribution partners. For the year ended December 31, 2019 and the nine months ended September 30, 2020, we had one distribution partner through which we sold substantially all of our products for the retail market, which represented approximately 40% and 32% of our total net revenue for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively. This concentration of sales to a single distribution partner could lead to a disruption to our business if this partner significantly reduces its purchases or ceases to offer our products. We also could be more vulnerable to collection risk if this partner experiences a deterioration of its business or declares bankruptcy. Having a significant portion of our retail sales concentrated through a single distribution partner could also reduce our negotiating leverage. Accordingly, if we are unable to negotiate favorable terms with our existing or future distribution partners, our business and results of operations could be adversely affected.

Our digital entertainment and social platform, www.motorsportgames.com, and our other current and future digital entertainment and social platforms, are dependent on our ability to provide interesting and useful high-quality content.

The quality of the content offered on *www.motorsportgames.com* and our other current and future digital entertainment and social platforms is critical to the success of such platforms. In order to attract and retain users, we must offer interesting and useful high-quality content and enhance our users' viewing experience. Further, we must remain sensitive to and responsive to evolving user preferences and offer content that appeals to our users. For example, in 2021, we plan to develop and produce live original reality television shows that include interactive broadcasts, live streaming, and social media-oriented programs (including on Twitch.tv, YouTube, Facebook, Motorsport.tv and other potential partners) for our own over-the-top ("OTT") racing esports channel, which we expect to host on APEX, our go-to destination for the virtual racing community that we are currently developing. If we are unable to generate quality content satisfactory to our users, we may suffer from reduced user traffic, which could negatively impact our business.

Our business is partly dependent on our ability to enter into successful software development arrangements with third parties.

We currently rely on third-party software developers for the partial development of all of our titles, and in the future, we expect to continue to rely on third-party software developers for the partial development of some of our titles. Accordingly, our success depends in part on our ability to enter into successful software development arrangements with such third-party developers. Generally, quality third-party developers are continually in high demand. Software developers who have helped develop titles for us in the past may not be available to develop software for us in the future for various reasons, including their engagement on other projects. Due to the limited number of quality third-party software developers and the limited control that we exercise over them, these developers may not be able to complete titles for us on a timely basis, within acceptable quality standards, or at all. Additionally, we have entered into agreements with certain third parties to use licensed intellectual property in our titles. These agreements typically require us to make development payments, pay license fees and satisfy other conditions. Our development payments may not be sufficient to permit developers to develop new software successfully, which could result in material delays and significantly increase our costs in bringing particular products to market. Future sales of our titles may not be sufficient to recover development payments and advances to software developers and licensors, and we may not have adequate financial and other resources to satisfy our contractual commitments to such developers. If we fail to satisfy our obligations under agreements with third-party developers and licensors, the agreements may be terminated or modified in ways that are burdensome to us, and have a material adverse effect on our business, financial condition and operating results.

Our business depends in part on the success and availability of platforms and mass media channels developed by third parties and our ability to develop commercially successful content, products, and services for those platforms.

The success of our business is driven in part by the commercial success and adequate supply of third-party platforms for which we develop our products and services or through which our products and services are distributed or marketed, including our league tournaments and competitions, such as through Twitch. Our success also depends on our ability to accurately predict which channels, platforms and distribution methods will be successful in the marketplace, our ability to develop commercially successful content, products and services for these platforms, our ability to simultaneously manage products and services on multiple platforms, our ability to effectively transition our products and services to new platforms, and our ability to effectively manage the transition of our gamers from one generation or demographic to the next. We must make product development decisions and commit significant resources well in advance of the commercial availability of new platforms and channels, and we may incur significant expense to adjust our product portfolio and development efforts in response to changing consumer preferences. Additionally, we may enter into certain exclusive licensing arrangements that affect our ability to deliver or market products or services on certain channels and platforms. A platform for which we are developing products and services may not succeed as expected or new platforms may take market share and interactive entertainment consumers away from platforms for which we have devoted significant resources. If consumer demand for the channels or platforms for which we are developing products and services is lower than our expectations, we may be unable to fully recover the investments we have made in developing our products and services, and our financial performance will be harmed. Alternatively, a channel or platform for which we have not devoted significant resources could be more successful than we initially anticipated, causing us to not be able to take advantage of meaningful revenue opportunities.

Third-party platform providers may be able to influence our products and costs.

We plan to derive significant revenues from the distribution of certain of our future products on third-party mobile and web platforms, such as the Apple App Store, the Google Play Store, and Facebook. These platforms may also serve as significant online distribution platforms for, and/or provide other services critical for the operation of, a number of our games. If these platforms modify their current or future discovery mechanisms, communication channels available to developers, operating systems, terms of service or other policies (including fees), or they develop their own competitive offerings, our business could be negatively impacted. Additionally, if these platform providers are required to change how they label free-to-play games or take payment for in-app purchases or change how the personal information of consumers is made available to developers, our business could be negatively impacted.

Moreover, when we develop interactive entertainment software products for hardware platforms offered by companies such as Sony, Microsoft, or Nintendo, the physical products are replicated exclusively by that hardware manufacturer or their approved replicator. The agreements with these manufacturers typically include certain provisions, such as approval rights over all software products and related promotional materials and the ability to change the fee they charge for the manufacturing of products, which allow the hardware manufacturers substantial influence over the cost and the release schedule of such interactive entertainment software products. In addition, because each of the manufacturers is also a publisher of games for its own hardware platforms and may manufacture products for other licensees, a manufacturer may give priority to its own products or those of our competitors. Accordingly, console manufacturers like Sony, Microsoft, or Nintendo could cause unanticipated delays in the release of our products, as well as increases to projected development, manufacturing, marketing or distribution costs, any of which could negatively impact our business.

The platform providers also control the networks over which consumers purchase digital products and services for their platforms and through which we provide online game capabilities for our products. The control that the platform providers have over the fee structures and/or retail pricing for products and services for their platforms and online networks could impact the volume of purchases of our products made over their networks and our profitability. With respect to certain downloadable content and microtransactions, the networks provided by these platform providers are the exclusive means of selling and distributing this content. Further, increased competition for limited premium "digital shelf space" has placed the platform providers in an increasingly better position to negotiate favorable terms of sale. If the platform provider establishes terms that restrict our offerings on its platform, significantly changes the financial terms on which these products or services are offered, or does not approve the inclusion of online capabilities in our console products, our business could be negatively impacted.

The increasing importance of free-to-play games to our business exposes us to the risks of that business model, including the dependence on a relatively small number of consumers for a significant portion of revenues and profits from any given game.

Currently, only our NASCAR Heat Mobile title is a free-to-play game, but the success of our business is partially dependent on our ability to develop, enhance and monetize additional free-to-play games. As such, we are increasingly exposed to the risks of the free-to-play business model. For example, we may invest in the development of new free-to-play interactive entertainment products that do not achieve significant commercial success, in which case our revenues from those products likely will be lower than anticipated and we may not recover our development costs. Further, if: (1) we are unable to continue to offer free-to-play games that encourage consumers to purchase our virtual currency and subsequently use it to buy our virtual items; (2) we fail to offer monetization features that appeal to these consumers; (3) these consumers do not continue to play our free-to-play games or purchase virtual items at the same rate; (4) our platform providers make it more difficult or expensive for players to purchase our virtual currency; or (5) we cannot encourage significant additional consumers to purchase virtual items in our free-to-play games, our business may be negatively impacted.

Furthermore, as there are relatively low barriers to entry to developing mobile or online free-to-play or other casual games, we expect new competitors to enter the market and existing competitors to allocate more resources to developing and marketing competing games and applications. We compete, or may compete, with a vast number of small companies and individuals who are able to create and launch casual games and other content using relatively limited resources and with relatively limited start-up time or expertise. Competition for the attention of consumers on mobile devices is intense, as the number of applications on mobile devices has been increasing dramatically, which, in turn, has required increased marketing to garner consumer awareness and attention. This increased competition could negatively impact our business. In addition, a continuing industry shift to free-to-play games could result in a deprioritization of our other products by traditional retailers and distributors.

We are subject to risks associated with operating in a rapidly developing industry and a relatively new market.

Many elements of our business are unique, evolving and relatively unproven. In particular, our esports business and prospects depend on the continuing development of live streaming of competitive esports gaming. The market for esports and amateur online gaming competitions is relatively new and rapidly developing and is subject to significant challenges. Our business relies upon our ability to cultivate and grow an active gamer community, and our ability to successfully monetize such community through tournament fees, subscriptions for our esports gaming services, and advertising and sponsorship opportunities. In addition, our continued growth depends, in part, on our ability to respond to constant changes in the esports gaming industry, including rapid technological evolution, continued shifts in gamer trends and demands, frequent introductions of new games and titles and the constant emergence of new industry standards and practices. Developing and integrating new games, titles, content, products, services or infrastructure could be expensive and time-consuming, and these efforts may not yield the benefits we expect to achieve. We cannot assure you that we will succeed in any of these aspects or that the esports gaming industry will continue to grow as rapidly as it has in the past.

We plan to continue to generate a portion of our revenues from advertising and sponsorship during our esports events. If we fail to attract more advertisers and sponsors to our gaming platform, tournaments or competitions, our revenues may be adversely affected.

We plan to continue to generate a portion of our revenues from advertising and sponsorship during our esports events as online viewership of our esports gaming offerings expand. Our revenues from advertising and sponsorship partly depend on the continual development of the online advertising industry and advertisers' willingness to allocate budgets to online advertising in the esports gaming industry. In addition, companies that decide to advertise or promote online may utilize more established methods or channels, such as more established internet portals or search engines, over advertising on our gaming platform. If the online advertising and sponsorship market does not continue to grow, or if we are unable to capture and retain a sufficient share of that market, our ability to increase our current level of advertising and sponsorship revenue and our profitability and prospects may be materially and adversely affected.

We are reliant on the retention of certain key personnel and the hiring of strategically valuable personnel, and we may lose or be unable to hire one or more of such personnel.

Our success depends in part on the continued service of our founders, senior management team, key technical employees and other highly skilled personnel and on our ability to identify, hire, develop, motivate, retain and integrate highly qualified personnel for all areas of our organization. Certain employees, such as game designers, product managers and engineers, are in high demand, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees. We have historically hired a number of key personnel through acquisitions, and as competition with several other game companies increases, we may incur significant expenses in continuing this practice. If we are unable to attract and retain the necessary personnel, particularly in critical areas of our business, we may not achieve our strategic goals.

Competition in the interactive entertainment industry is intense, and our existing and potential users may be attracted to competing products or other forms of entertainment.

We compete with other publishers of interactive entertainment software, both within and outside the United States. Generally, some of our competitors include very large corporations with significantly greater financial, marketing and product development resources than we have. Our larger competitors may be able to leverage their greater financial, technical, personnel and other resources to provide larger budgets for development and marketing and make higher offers to licensors and developers for commercially desirable properties, as well as adopt more aggressive pricing policies to develop more commercially successful video game products than we do. In addition, competitors with large portfolios and popular games typically have greater influence with platform providers, retailers, distributors and other customers who may, in turn, provide more favorable support to those competitors' games.

Further, the esports gaming industry generally is highly competitive. For our esports business, our competitors range from established leagues and championships owned directly, as well as leagues franchised by, well-known and capitalized game publishers and developers, interactive entertainment companies and diversified media companies to emerging start-ups, and we expect new competitors to continue to emerge throughout the amateur esports gaming ecosystem. If our competitors develop and launch competing amateur city leagues, tournaments or competitions, or develop a more successful amateur online gaming platform for games similar to ours, then our revenue, margins, and profitability will decline.

Additionally, we compete with other forms of entertainment and leisure activities. As our business continues to expand in complexity and scope, we have increased exposure to additional competitors, including those with access to large existing user bases and control over distribution channels. Further, it is difficult to predict and prepare for rapid changes in consumer demand that could materially alter public preferences for different forms of entertainment and leisure activities. Failure to adequately identify and adapt to these competitive pressures could negatively impact our business.

Our revenue may be harmed by the proliferation of "cheating" programs and scam offers that seek to exploit our games and players, which may negatively affect players' game-playing experiences and our ability to reliably validate our audience metric reporting and may lead players to stop playing our games.

Unrelated third parties have developed, and may continue to develop, "cheating" programs that enable players to exploit vulnerabilities in our games, play them in an automated way, collude to alter the intended game play or obtain unfair advantages over other players who do play fairly. These programs harm the experience of players who play fairly and may reduce the demand for virtual items, disrupting our in-game economy. If we are unable to discover and disable these programs quickly, our operations may be disrupted, our reputation may be damaged, players may stop playing our games and our ability to reliably validate our audience metrics may be negatively affected. These "cheating" programs and scam offers may result in lost revenue from paying players, disrupt our in-game economies, divert our personnel's time, increase costs of developing technological measures to combat these programs and activities, increase our customer service costs needed to respond to dissatisfied players, and lead to legal claims.

Some of our players may make sales or purchases of virtual items used in our games through unauthorized or fraudulent third-party websites, which may reduce our revenue.

Virtual items in our games have no monetary value outside of our games. Nonetheless, some of our players may make sales and/or purchases of our virtual items through unauthorized third-party sellers in exchange for real currency. These unauthorized or fraudulent transactions are usually arranged on third-party websites. The virtual items offered may have been obtained through unauthorized means such as exploiting vulnerabilities in our games, scamming our players with fake offers for virtual items or other game benefits, or credit card fraud. We do not generate any revenue from these transactions. These unauthorized purchases and sales from third-party sellers could impede our revenue and profit growth by, among other things:

- decreasing revenue from authorized transactions;
- creating downward pressure on the prices we charge players for our virtual currency and virtual items;
- increasing chargebacks from unauthorized credit card transactions;
- causing us to lose revenue from dissatisfied players who stop playing a particular game;
- increasing costs we incur to develop technological measures to curtail unauthorized transactions;
- resulting in negative publicity or harming our reputation with players and partners; and
- increasing customer support costs to respond to dissatisfied players.

There can be no assurance that our efforts to prevent or minimize these unauthorized or fraudulent transactions will be successful.

The success of our business relies heavily on our marketing and branding efforts, and these efforts may not be successful.

Because we are a consumer brand, we rely heavily on marketing and advertising to increase brand visibility with potential customers. We currently advertise through a blend of direct and indirect advertising channels, including through activities on Facebook, Twitter, Twitch, YouTube and other online social networks, online advertising, public relations activity, print and broadcast advertising, coordinated in-store and industry promotions (including merchandising and point of purchase displays), participation in cooperative advertising programs, direct response vehicles, and product sampling through demonstration software distributed through the Internet or the digital online services provided by our partners. We recorded approximately $3.8 million and $2.3 million of sales and marketing expenses for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively.

Our business model is dependent in part on the success of our marketing and branding efforts. If we are unable to recover our marketing costs, or if our broad marketing campaigns are not successful or are terminated, it could have a material adverse effect on our growth, results of operations and financial condition.

Our games are subject to scrutiny regarding the appropriateness of their content. If we fail to receive our target ratings for certain titles, or if our retailers refuse to sell such titles due to what they perceive to be objectionable content, it could have a negative impact on our business.

Certain of our gaming products are subject to ratings by the Entertainment Software Rating Board (the "ESRB"), a self-regulatory body based in the U.S. that provides U.S. and Canadian consumers of interactive entertainment software with ratings information, including information on the content in such software, such as violence, nudity, or sexual content, along with an assessment of the suitability of the content for certain age groups. Certain other countries have also established content rating systems as prerequisites for product sales in those countries. In addition, certain stores use other ratings systems, such as Apple Inc.'s ("Apple") use of its proprietary "App Rating System" and Google Play's use of the International Age Rating Coalition (IARC) rating system. If we are unable to obtain the ratings we have targeted for our products, it could have a negative impact on our business. In some instances, we may be required to modify our products to meet the requirements of the rating systems, which could delay or disrupt the release of any given product, or may prevent its sale altogether in certain territories. Further, if one of our games is "re-rated" for any reason, a ratings organization could require corrective actions, which could include a recall, retailers could refuse to sell it and demand that we accept the return of any unsold or returned copies or consumers could demand a refund for copies previously purchased.

Additionally, although lawsuits seeking damages for injuries allegedly suffered by third parties as a result of video games have generally been unsuccessful in the courts, claims of this kind may be asserted and be successful in the future.

We rely on Internet search engines and social networking sites to help drive traffic to our website, and if we fail to appear prominently in search results or fail to drive traffic through paid advertising, our traffic would decline and our business would be adversely affected.

We depend in part on Internet search engines such as Google, Bing and Yahoo! and social networking sites such as Facebook to drive traffic to our websites. Our ability to maintain and increase the number of visitors directed to our websites is not entirely within our control. Our competitors may increase their search engine optimization efforts and outbid us for search terms on various search engines, resulting in their websites receiving a higher search result page ranking than ours. Additionally, Internet search engines could revise their methodologies in a way that would adversely affect our search result rankings. If Internet search engines modify their search algorithms in ways that are detrimental to us, or if our competitors' efforts are more successful than ours, overall growth in our customer base could slow or our customer base could decline. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of users directed to our website through Internet search engines could harm our business and operating results.

Government regulations applicable to us may negatively impact our business.

We are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the Internet. In addition, laws and regulations relating to user privacy, electronic contracts and communications, mobile communications, data collection, retention, consumer protection, OTT and publishing activities, including production and delivery of content, advertising, localization, and information security have been adopted or are being considered for adoption by many jurisdictions and countries throughout the world. These laws, including the General Data Protection Regulation and the California Consumer Privacy Act, which have restricted our ability to gather and use data about our users, could harm our business by limiting the products and services we can offer consumers or the manner in which we offer them. Data privacy, data protection, localization, security and consumer-protection laws are evolving, and the interpretation and application of these laws in the United States (including compliance with the California Consumer Privacy Act), Europe (including compliance with the General Data Protection Regulation), and elsewhere often are uncertain, contradictory and changing. It is possible that these laws may be interpreted or applied in a manner that is averse to us or otherwise inconsistent with our practices, which could result in litigation, regulatory investigations and potential legal liability or require us to change our practices in a manner adverse to our business. As a result, our reputation and brand may be harmed, we could incur substantial costs, and we could lose both gamers and revenue. Furthermore, the costs of compliance with these laws may increase in the future as a result of changes in interpretation. Any failure on our part to comply with these laws or the application of these laws in an unanticipated manner may harm our business and result in penalties or significant legal liability.

Certain of our business models could be subject to new laws or regulations or evolving interpretations of existing laws and regulations. For example, the growth and development of electronic commerce, virtual items and virtual currency has prompted calls for laws and regulations that could limit or restrict the sale of our products and services or otherwise impact our products and services. In addition, we include modes in our games that allow players to compete against each other and manage player competitions that are based on our products and services. New laws related to these business models, or changes in the interpretation of current laws that impact these business models, could subject us to additional regulation and oversight, lessen the engagement with, and growth of, profitable business models, and expose us to increased compliance costs, significant liability, penalties and harm to our reputation and brand.

We are subject to laws in certain foreign countries, and adhere to industry standards in the United States, that mandate rating requirements or set other restrictions on the advertisement or distribution of interactive entertainment software based on content. In addition, certain foreign countries allow government censorship of interactive entertainment software products. Adoption of ratings systems, censorship or restrictions on distribution of interactive entertainment software based on content could harm our business by limiting the products we are able to offer to our customers. In addition, compliance with new and possibly inconsistent regulations for different territories could be costly, delay or prevent the release of our products in those territories.

Companies and governmental agencies may restrict access to platforms, our website, mobile applications or the Internet generally, which could lead to the loss or slower growth of our player base.

Our players generally need to access the Internet and platforms such as the Apple App Store, Google Play Store, Facebook, or our gaming platform to play many of our games. Companies and governmental agencies could block access to any platform, our website, mobile applications or the Internet generally for a number of reasons such as security or confidentiality concerns or regulatory reasons, or they may adopt policies that prohibit employees from accessing Apple, Google, Facebook, and our website or any social platform. If companies or governmental entities block or limit access or otherwise adopt policies restricting players from playing our games, our business could be negatively impacted and we could lose or experience slower growth in our player base.

If we do not adequately address the shift to mobile device technology by our customers, operating results could be harmed and our growth could be negatively affected.

Consumers are increasingly using their mobile devices for entertainment, including for playing mobile games. According to Barclays, mobile gaming is estimated to represent 46% of current industry revenues and is expected to reach 60% by 2025. Further, with a projected 2.6 billion total mobile gamers for 2020 according to data from NewZoo, mobile games are forecasted to generate revenues of $86.3 billion in 2020. As a result, our future success depends in part on our ability to provide adequate functionality for mobile gamers. The shift to mobile technology by our users may harm our business in the following ways:

- Customers visiting our website from a mobile device may not accept mobile technology as a viable long-term platform to play. This may occur for a number of reasons, including our ability to provide the same level of website functionality to a mobile device that we provide on a desktop computer, the actual or perceived lack of security of information on a mobile device and possible disruptions of service or connectivity.

- We may not continue to innovate and introduce enhanced products that can be suitably conveyed on mobile platforms.

- Consumers using mobile devices may believe that our competitors offer superior products and features based in part on our inability to provide sufficient website functionality to convince a mobile device user to transact with us.

If we do not develop suitable functionality for users who visit our website using a mobile device or consumers do not play our mobile gaming products, our business and operating results could be harmed.

We are exposed to seasonality in the sale of our retail products.

The interactive entertainment industry is seasonal, with the highest levels of consumer demand occurring during and around the launch of the seasonal annual update of a racing series product, the overall start of the racing season, and the calendar year-end holiday buying season. Receivables and credit risk are likewise higher during these periods, as retailers increase their purchases of our products in anticipation of increased demand. Delays in development, approvals or manufacturing could affect the timing of the release of products, causing us to miss key selling periods, which could negatively impact our business.

Our retail products, online gaming platform and games offered through our gaming platform may contain defects.

Our retail products, online gaming platform and the games offered through our gaming platform are extremely complex and are difficult to develop and distribute. We have quality controls in place to detect defects in our retail products and gaming platform before they are released. Nonetheless, these quality controls are subject to human error, overriding, and resource or technical constraints. Further, we have not undertaken independent third-party testing, verification or analysis of our gaming platform and associated systems and controls. Therefore, our products, gaming platform and quality controls and the preventative measures we have implemented may not be effective in detecting all defects in our products and gaming platform. In the event a significant defect in our retail products, gaming platform and associated systems and controls is realized, we could be required to offer refunds, suspend the availability of our esports events and other gameplay, or expend significant resources to cure the defect, each of which could significantly harm our business and operating results.

We may be held liable for information or content displayed on, retrieved from or linked to our gaming platform, or distributed to our users.

Our interactive live streaming platform enables gamers to exchange information and engage in various other online activities. Although we require our gamers to register under their real names, we do not require user identifications used and displayed during gameplay to contain any real-name information, and hence we are unable to verify the sources of all the information posted by our gamers. In addition, because a majority of the communications on our online and in-person gaming platform is conducted in real time, we are unable to examine the content generated by gamers before it is posted or streamed. Therefore, it is possible that gamers may engage in illegal, obscene or incendiary conversations or activities, including publishing of inappropriate or illegal content. If any content on our platform is deemed illegal, obscene or incendiary, or if appropriate licenses and third-party consents have not been obtained, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of the information delivered on or otherwise accessed through our platform. Moreover, the costs of compliance may continue to increase when more content is made available on our platform as a result of our growing base of gamers, which may adversely affect our results of operations.

Additionally, we currently generate, and intend to generate in the future, revenue through offering advertising within certain of our franchises. The content of in-game advertisements is generally created and delivered by third-party advertisers without our pre-approval, and, as such, objectionable content may be published in our games by these advertisers. This objectionable third party-created content may expose us to regulatory action or claims related to content, or otherwise negatively impact our business.

We may experience security breaches and cyber threats.

We continually face cyber risks and threats that seek to damage, disrupt or gain access to our networks and our gaming platform, supporting infrastructure, intellectual property and other assets. In addition, we rely on technological infrastructure, including third-party cloud hosting and broadband, provided by third-party business partners to support the in-person and online functionality of our gaming platform. These business partners are also subject to cyber risks and threats. Such cyber risks and threats may be difficult to detect, and the techniques that may be used to obtain unauthorized access or disable, degrade, exploit or sabotage our networks and gaming platform change frequently and often are not detected. Our systems and processes to guard against cyber risks and to help protect our data and systems, and the systems and processes of our third-party business partners, may not be adequate. Any failure to prevent or mitigate security breaches or cyber risks, or respond adequately to a security breach or cyber risk, could result in interruptions to our gaming platform, degrade the gamer experience, cause gamers to lose confidence in our gaming platform and cease utilizing it, as well as significant legal and financial exposure. This could harm our business and reputation, disrupt our relationships with partners and diminish our competitive position.

Our business could be adversely affected if our data privacy and security practices are inadequate, or are perceived as being inadequate, to prevent data breaches, or under the applicable data privacy and security laws generally.

In the course of our business, we may collect, process, store and use gamer and other information, including personally identifiable information, passwords and credit card information. Our security controls, policies and practices may not be able to prevent the improper or unauthorized access, acquisition or disclosure of such information. The unauthorized access, acquisition or disclosure of this information, or a perception that we do not adequately secure this information, could result in legal liability, costly remedial measures, governmental and regulatory investigations, harm our profitability and reputation and cause our financial results to be materially affected. In addition, third-party vendors and business partners receive access to information that we collect. These vendors and business partners may not prevent data security breaches with respect to the information we provide them or fully enforce our policies, contractual obligations and disclosures regarding the collection, use, storage, transfer and retention of personal data. A data security breach of one of our vendors or business partners could cause reputational harm to them and/or negatively impact our credibility to our gamer community.

We depend on servers and Internet bandwidth to operate our games and digital services with online features. If we were to lose server capacity or lack sufficient Internet bandwidth for any reason, our business could suffer.

We rely on data servers, including those owned or controlled by third parties, to enable our customers to download our games and other downloadable content, to access our online gaming platform, and to operate our online games and other products with online functionality. Events such as limited hardware failure, any broad-based catastrophic server malfunction, a significant intrusion by hackers that circumvents security measures, or a failure of disaster recovery services would likely interrupt the functionality of our games with online services and could result in a loss of sales for games and related services. An extended interruption of service could materially adversely affect our business, financial condition and operating results. See "—Risks Related to Our Business and Industry—A significant disruption in service on our website or platforms could damage our reputation and result in a loss of traffic and visitors, which could harm our business, brand, operating results and financial condition" for additional information.

If we underestimate the amount of server capacity our business requires or if our business were to grow more quickly than expected, our consumers may experience service problems, such as slow or interrupted gaming access. Insufficient server capacity may result in decreased sales, a loss of our consumer base and adverse consequences to our reputation. Conversely, if we overestimate the amount of server capacity required by our business, we may incur additional operating costs.

Because of the importance of our online business to our revenues and results of operations, our ability to access adequate Internet bandwidth and online computational resources to support our business is critical. If the price of either such resource increases, we may not be able to increase our prices or subscriber levels to compensate for such costs, which could materially adversely affect our business, financial condition and operating results.

A significant disruption in service on our website or platforms could damage our reputation and result in a loss of traffic and visitors, which could harm our business, brand, operating results and financial condition.

Our brands, reputation and ability to attract gamers or visitors depend on the reliable performance of our games, website and the supporting systems, technology and infrastructure. We may experience significant interruptions with our systems in the future. Interruptions in these systems, whether due to system failures, programming or configuration errors, computer viruses, or physical or electronic break-ins, could affect the availability of our inventory on our website and prevent or inhibit the ability of customers to access our website. Problems with the reliability or security of our systems could harm our reputation, result in a loss of customers and result in additional costs.

Substantially all of the communications, network and computer hardware used to operate our websites are located at co-location facilities. Although we have multiple locations, our systems are not fully redundant. In addition, we do not own or control the operation of these facilities. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes, and similar events. The occurrence of any of these events could damage our systems and hardware or could cause them to fail.

Problems faced by our third-party web hosting providers could adversely affect the experience of our customers. For example, our third-party web hosting providers could close their facilities without adequate notice. Any financial difficulties, up to and including bankruptcy, faced by our third-party web hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party web hosting providers are unable to keep up with our growing capacity needs, our business could be harmed.

Any errors, defects, disruptions, or other performance or reliability problems with our network operations could interrupt our customers' access to our inventory and our access to data that drives our inventory listing operations, as well as cause delays and additional expense in arranging access to video and digital content and services, any of which could harm our reputation, business, operating results and financial condition.

Our business partners may be unable to honor their obligations to us or their actions may put us at risk.

We rely on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees in many areas of our business. Their actions may put our business and our reputation and brand at risk. For example, we may have disputes with our business partners that may impact our business and/or financial results. In many cases, our business partners may be given access to sensitive and proprietary information in order to provide services and support to our teams, and they may misappropriate our information and engage in unauthorized use of it. In addition, the failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to our business operations. Further, disruptions in the financial markets, economic downturns, poor business decisions, insolvency, or reputational harm may adversely affect our business partners, and they may not be able to continue honoring their obligations to us or we may cease our arrangements with them. Alternative arrangements and services may not be available to us on commercially reasonable terms, or we may experience business interruptions upon a transition to an alternative partner or vendor. If we lose one or more significant business partners, including due to their insolvency or business failure, our business could be harmed and our financial results could be materially affected.

Failure to adequately protect our intellectual property, technology and confidential information could harm our business and operating results.

Our business depends on our intellectual property, technology and confidential information, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect our intellectual property, technology and confidential information. In addition, we attempt to protect our intellectual property, technology and confidential information by requiring certain of our employees and consultants to enter into confidentiality and assignment of inventions agreements and certain third parties to enter into nondisclosure agreements. These agreements may not effectively grant all necessary rights to any inventions that may have been developed by the employees and consultants. In addition, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property, or technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our website features, software and functionality or obtain and use information that we consider to be proprietary. Changes in the law or adverse court rulings may also negatively affect our ability to prevent others from using our technology.

We currently lease or hold rights to certain domain names associated with our business. The regulation of domain names in the United States is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain all domain names that are otherwise important for our business.

The costs involved in enforcement of our intellectual property rights could harm our business, financial condition and results of operations.

We pursue the registration of our copyrights, trademarks, service marks, domain names, and patents in the U.S. and in certain locations outside the U.S. This process can be expensive and time-consuming, may not always be successful depending on local laws or other circumstances, and we also may choose not to pursue registrations in every location depending on the nature of the project to which the intellectual property rights pertain. We may, over time, increase our investments in protecting our creative works. Enforcement of our intellectual property rights to certain trademarks and service marks, such as NASCAR, the BTCC and/or Le Mans, will require reliance on enforcement efforts of third parties.

Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity, and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations. If we fail to maintain, protect and enhance our intellectual property rights, our business, financial condition and results of operations may be harmed.

We may be subject to claims of infringement of third-party intellectual property rights.

From time to time, third parties may claim that we have infringed their intellectual property rights. For example, patent holding companies may assert patent claims against us in which they seek to monetize patents they have purchased or otherwise obtained. Although we take steps to avoid knowingly violating the intellectual property rights of others, it is possible that third parties still may claim infringement.

Existing or future infringement claims against us, whether valid or not, may be expensive to defend and divert the attention of our employees from business operations. Such claims or litigation could require us to pay damages, royalties, legal fees and other costs. We also could be required to stop offering, distributing or supporting our products, our gaming platform or other features or services, including esports events, which incorporate the affected intellectual property rights, redesign products, features or services to avoid infringement, or obtain a license, all of which could be costly and harm our business.

In addition, many patents have been issued that may apply to potential new modes of delivering, playing or monetizing interactive entertainment software products and services, such as those offered on our gaming platform or that we would like to offer in the future. We may discover that future opportunities to provide new and innovative modes of game play and game delivery to gamers may be precluded by existing patents that we are unable to license on reasonable terms, or at all.

Our technology, content, and brands are subject to the threat of piracy, unauthorized copying and other forms of intellectual property infringement.

We regard our technology, content, and brands as proprietary. Piracy and other forms of unauthorized copying and use of our technology, content, and brands are persistent, and policing is difficult. Further, the laws of some countries in which our products are or may be distributed either do not protect our intellectual property rights to the same extent as the laws of the United States or are poorly enforced. Legal protection of our rights may be ineffective in such countries. In addition, although we take steps to enforce and police our rights, factors such as the proliferation of technology designed to circumvent the protection measures used by our business partners or by us, the availability of broadband access to the Internet, the refusal of Internet service providers or platform holders to remove infringing content in certain instances, and the proliferation of online channels through which infringing product is distributed all may contribute to an expansion in unauthorized copying of our technology, content, and brands.

We use open source software in connection with certain of our games and services, which may pose particular risks to our proprietary software, products, and services in a manner that could have a negative impact on our business.

We use open source software in our platform and expect to use open source software in the future. The term of various open source licenses has not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our software and services. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, or to re-engineer all or a portion of our technologies or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business and operating results.

We rely on third-party technology to complete critical business functions. If that technology becomes unavailable or fails to adequately serve our needs and we cannot find alternatives, it may negatively impact our operating results.

We rely on third-party technology for certain of our critical business functions, including game engines such as Unreal and Unity™, among others, as well as our back-office tools and technologies, such as enterprise resource planning, finance, development and analytics tracking systems. If these technologies fail, or otherwise become unavailable, or we cannot maintain our relationships with the technology providers and we cannot find suitable alternatives, our financial condition and operating results may be adversely affected.

Our international operations are subject to increased challenges and risks.

Attracting players in international markets is a critical element of our business strategy. An important part of targeting international markets is developing offerings that are localized and customized for the players in those markets. Additionally, we currently have operations in the United Kingdom and Russia and may seek to further expand our international operations. Our ability to expand our business and to attract talented employees and players in an increasing number of international markets will require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. Expanding our international focus may increase risks that we currently face, including risks associated with:

- inability to offer certain games in certain foreign countries;
- recruiting and retaining talented and capable management and employees in foreign countries;

- challenges caused by distance, language and cultural differences;
- developing and customizing games and other offerings that appeal to the tastes and preferences of players in international markets;
- competition from local game makers with intellectual property rights and significant market share in those markets and with a better understanding of local player preferences;
- utilizing, protecting, defending and enforcing our intellectual property rights;
- negotiating agreements with local distribution platforms that are sufficiently economically beneficial to us and protective of our rights;
- the inability to extend proprietary rights in our brand, content or technology into new jurisdictions;
- implementing alternative payment methods for virtual items in a manner that complies with local laws and practices and protects us from fraud;
- compliance with applicable foreign laws and regulations, including privacy laws and laws relating to content and consumer protection, including, but not limited to, the United States Federal Trade Commission Act, various state consumer protection and video game control laws, and the United Kingdom's Office of Fair Trading's 2014 principles relating to in-app purchases in free-to-play games that are directed toward children 16 and under;
- compliance with anti-bribery laws, including the Foreign Corrupt Practices Act in the United States and the Bribery Act 2010 in the United Kingdom;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- protectionist laws and business practices that favor local businesses in some countries;
- potentially adverse tax consequences due to changes in the tax laws of the U.S. or the foreign jurisdictions in which we operate;
- political, economic and social instability;
- public health crises, such as the COVID-19 pandemic, which can result in varying impacts to our employees, players, vendors and commercial partners internationally;
- higher costs associated with doing business internationally;
- export or import regulations; and
- trade and tariff restrictions.

If we are unable to manage the complexity of our global operations successfully, our business, financial condition and operating results could be adversely affected. Additionally, our ability to successfully gain market acceptance in any particular market is uncertain, and the distraction of our senior management team could harm our business, financial condition and results of operations.

The exit by the United Kingdom from the European Union could harm our business, financial condition and results of operations.

The United Kingdom left the European Union on January 31, 2020 (commonly referred to as "Brexit") and entered into a transition period in which the United Kingdom and the European Union are negotiating their future relationship, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets after the transitional period. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate.

The announcement of Brexit caused (and the post-transition period relationship between the United Kingdom and the European Union is expected to cause future) significant volatility in global stock markets and significant fluctuations in foreign currency exchange rates, which will affect our financial results as we report in U.S. dollars. The announcement of Brexit also created (and the post-transition period relationship between the United Kingdom and the European Union may create future) global economic uncertainty, which may cause our players to reduce the amount of money they spend on our games. The post-transition period relationship between the United Kingdom and the European Union could cause disruptions to and create uncertainty surrounding our business, including affecting our United Kingdom operations and relationships with existing and future players, suppliers and employees. Any of these effects of Brexit, and others we cannot anticipate, could harm our business, financial condition and results of operations.

Catastrophic events may disrupt our business.

Natural disasters, cyber-incidents, weather events, wildfires, power disruptions, telecommunications failures, public health outbreaks, such as the COVID-19 pandemic, failed upgrades of existing systems or migrations to new systems, acts of terrorism or other events could cause outages, disruptions and/or degradations of our infrastructure, including our or our partners' information technology and network systems, a failure in our ability to conduct normal business operations, or the closure of public spaces in which players engage with our games and services. The health and safety of our employees, players, third-party organizations with whom we partner or regulatory agencies on which we rely could be also affected, which may prevent us from executing our business strategies or cause a decrease in consumer demand for our products and services. System redundancy may be ineffective and our disaster recovery and business continuity planning may not be sufficient for all eventualities. Such failures, disruptions, closures, or an inability to conduct normal business operations could also prevent access to our products, services or online platforms selling our products and services, cause delays or interruptions in our product or live services offerings, allow breaches of data security or result in the loss of critical data. For example, several of our key locations have experienced temporary closures as a result of the COVID-19 pandemic. Additionally, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of our products from such retailers. An event that results in the disruption or degradation of any of our critical business functions or information technology systems and harms our ability to conduct normal business operations or causes a decrease in consumer demand for our products and services could materially impact our reputation and brand, financial condition and operating results.

Risks Related to Our Relationship with Motorsport Network

Motorsport Network controls the direction of our business and its ownership of our Class A common stock and Class B common stock will prevent you and other stockholders from influencing significant decisions.

Upon the closing of this offering, Motorsport Network will own all of the shares of our Class B common stock and shares of our Class A common stock, which together will represent approximately % of the combined voting power of both classes of our common stock outstanding immediately after this offering (or % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock). Our Class B common stock has ten times the voting power of our Class A common stock. As long as Motorsport Network continues to control a majority of the voting power of our outstanding common stock, it will generally be able to determine the outcome of all corporate actions requiring stockholder approval, including the election and removal of directors. Even if Motorsport Network were to control less than a majority of the voting power of our outstanding common stock, it may be able to influence the outcome of such corporate actions so long as it owns a significant portion of our common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. If, however, Motorsport Network does not dispose of its MSN Initial Class A Shares, it could remain our controlling stockholder for an extended period of time or indefinitely.

Motorsport Network's interests may not be the same as, or may conflict with, the interests of our other stockholders. Investors in this offering will not be able to affect the outcome of any stockholder vote while Motorsport Network controls the majority of the voting power of our outstanding common stock. As a result, Motorsport Network will be able to control, directly or indirectly and subject to applicable law, all matters affecting us, including:

- any determination with respect to our business direction and policies, including the appointment and removal of officers and directors;
- any determinations with respect to mergers, business combinations or the disposition of assets;
- compensation and benefit programs and other human resources policy decisions;
- the payment of dividends on our common stock; and
- determinations with respect to tax matters.

Because Motorsport Network's interests may differ from ours or from those of our other stockholders, actions that Motorsport Network takes with respect to us, as our controlling stockholder, may not be favorable to us or our other stockholders, including holders of our Class A common stock.

If we are no longer controlled by or affiliated with Motorsport Network, we may be unable to continue to benefit from that relationship, which may adversely affect our operations and have a material adverse effect on us.

Motorsport Network is a leading global motorsport and automotive data-driven digital platform that owns and operates a unique collection of digital media motorsport and automotive brands. As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com. We rely, in part, on Motorsport Network to provide digital access to this audience to market, communicate and engage with users regarding our product offerings and services. Pursuant to a promotion agreement we entered into with Motorsport Network in August 2018, Motorsport Network will provide us with exclusive promotion services consisting of the use of its and its affiliates' various media platforms to promote our business, organizations, products and services in the racing video game market and related esports activities. The promotion agreement will remain in effect until such date that Motorsport Network no longer holds at least 20% of the voting interest in Motorsport Games. If this occurs, we cannot assure you that we will continue to have access to Motorsport Network's digital audience in the future. In the event that we no longer have access to Motorsport Network's digital audience, our business, results of operations and financial conditions could be adversely affected.

If Motorsport Network sells a controlling interest in our Company to a third party in a private transaction, you may not realize any change-of-control premium on shares of our Class A common stock and we may become subject to the control of a presently unknown third party.

Motorsport Network will have the ability, should it choose to do so, to sell some or all of its shares of our Class A common stock in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our Company. The ability of Motorsport Network to privately sell its shares of our Class A common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our Class A common stock that will be publicly traded hereafter, could prevent you from realizing any change-of-control premium on your shares of our Class A common stock that may otherwise accrue to Motorsport Network on its private sale of our Class A common stock. Additionally, if Motorsport Network either privately sells its significant equity interest in our Company or pledges such shares in the future and secured parties foreclose on any or all of the shares of our common stock beneficially owned by Motorsport Network, then we may become subject to the control of a presently unknown third party. Such third party may have conflicts of interest with those of other stockholders. In addition, if Motorsport Network sells a controlling interest in our Company to a third party, any outstanding indebtedness may be subject to acceleration and our commercial agreements and relationships could be impacted, all of which may adversely affect our ability to run our business as described herein and may have a material adverse effect on our results of operations and financial condition.

Substantial future sales of our common stock, or the perception that such sales may occur, could depress the price of our Class A common stock.

Sales of substantial amounts of our Class A common stock in the public market after this offering, or the perception that these sales could occur, could adversely affect the price of our Class A common stock and could impair our ability to raise capital through the sale of additional shares. The shares of our Class A common stock offered in this offering will be freely tradable without restriction under the Securities Act of 1933, as amended (the "Securities Act"), except for any shares of our Class A common stock that may be held or acquired by our directors, executive officers and other affiliates (as that term is defined in the Securities Act), including Motorsport Network, which may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We, our officers and directors and Motorsport Network expect to enter into separate agreements whereby, without the prior written consent of the underwriter, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of our common stock or any securities convertible into or exchangeable or exercisable for shares of our common stock for a period of 180 days after the date of this prospectus. See "Underwriting—No Sales of Common Stock" for additional information. After these lock-up agreements expire, additional shares of our Class A common stock may become eligible for sale in the public market upon the satisfaction of certain conditions as set forth therein, of which shares would be held by affiliates and subject to the volume and other restrictions of Rule 144 under the Securities Act.

We will be a "controlled company" within the meaning of the rules of Nasdaq and, as a result, will qualify for exemptions from certain corporate governance requirements. We do not currently expect or intend to rely of any of these exemptions, but there can be no assurance that we will not rely on these exemptions in the future.

Upon completion of this offering, Motorsport Network will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the Nasdaq Listing Rules. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of our corporate governance and compensation committees.

We do not currently expect or intend to rely on any of these exemptions, but there can be no assurance that we will not rely on these exemptions in the future. If we were to utilize some or all of these exemptions, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq rules regarding corporate governance.

Motorsport Network's competitive position in certain markets may constrain our ability to build and maintain certain partnerships or relationships in the motorsport industry.

We do and may partner in the future with companies that compete with Motorsport Network in certain markets relating to the motorsport industry. Motorsport Network's control over us may affect our ability to effectively build and maintain our relationships with these companies. For example, these companies may favor our competitors over us due to our relationship with Motorsport Network and to avoid indirectly supporting Motorsport Network.

Our inability to resolve in a manner favorable to us any potential conflicts or disputes that arise between us and Motorsport Network or its subsidiaries with respect to our past and ongoing relationships may adversely affect our business and prospects.

Potential conflicts or disputes may arise between Motorsport Network or its subsidiaries and us in a number of areas relating to our past or ongoing relationships, including:

- tax, employee benefit, indemnification and other matters arising from our relationship with Motorsport Network or its subsidiaries;
- business combinations involving us;

- business opportunities that may be attractive to us and Motorsport Network or its subsidiaries;
- intellectual property or other proprietary rights; and
- joint sales and marketing activities with Motorsport Network or its subsidiaries.

The resolution of any potential conflicts or disputes between us and Motorsport Network or its subsidiaries over these or other matters may be less favorable to us than the resolution we might achieve if we were dealing with an unaffiliated party.

Risks Related to Our Company

We have incurred significant losses since our inception, and while we reported net income for the nine months ended September 30, 2020, we may experience losses in the future.

Although we reported positive net income of approximately $2.4 million for the nine months ended September 30, 2020, we previously had not been profitable since our inception and had an accumulated loss of approximately $3.1 million as of December 31, 2019. We incurred a net loss of $5.8 million for the year ended December 31, 2019. We may incur losses in the near term as we invest in and strive to grow our business. For example, we expect to make significant investments to further develop and expand our business, and these investments may not result in increased revenue or growth on a timely basis or at all. Additionally, we expect our expenses to increase due to the additional operational and reporting costs associated with being a public company. If we are unable to generate adequate revenue growth and manage our expenses, we may not be able to maintain profitability and the share price of our Class A common stock may decline as a result.

Our limited operating history makes it difficult to evaluate our current business and future prospects, and we may not be able to effectively grow our business or implement our business strategies.

Motorsports Games was formed and started operating in August 2018 in connection with the acquisition by Motorsport Games of a controlling interest in 704Games. As such, Motorsports Games does not have a long history operating as a commercial company. Due to this and other factors, our operating results are not predictable, and our historical results may not be indicative of our future results. We believe that our ability to grow our business will depend on many risks and uncertainties, including our ability to:

- increase the number of players of our games or unique visitors to our digital platform www.motorsportgames.gg;
- continue developing innovative technologies, tournaments and competitions in response to shifting demand in esports and online gaming;
- develop new sources of revenues;
- expand our brand awareness;
- further improve the quality of our product offerings, features and complementary products and services, and introduce high-quality new products, services and features;
- introduce additional third-party products and services; or
- create popular OTT content at an attractive cost and high quality to meet the increasing demand of viewers.

There can be no assurance that we will meet these objectives. Addressing these risks and uncertainties will require significant capital expenditures and allocation of valuable management and employee resources. We have hired and expect to continue hiring additional personnel to support our business growth. Our organizational structure is becoming more complex as we add staff, and as a result, we will need to improve our operational, financial and management controls as well as our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas without undermining our corporate culture. If we cannot manage our growth effectively, our business could be harmed, and our results of operations and financial condition could be materially and adversely affected.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the trading price of our Class A common stock.

Prior to this offering, we were a private company and had limited accounting and financial reporting personnel and other resources with which to address our internal controls and procedures. In connection with the audit of our consolidated financial statements for the year ended December 31, 2019, we and our independent registered public accounting firm identified certain material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

The material weaknesses we identified relate to (i) the documentation of significant accounting positions, estimates and conclusions that were not contemporaneously formalized and reviewed independently of the preparer and (ii) the segregation of duties. We have taken steps toward remediating these material weaknesses, which to date have included: (1) the hiring of additional qualified finance and accounting personnel, including the hiring of a new Chief Financial Officer with SEC reporting experience; and (2) the implementation of formal policies, procedures and controls, training on standards of documentary evidence, as well as implementation of controls designed to ensure the reliability of critical spreadsheets and system generated reports.

We believe these actions will allow management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Although, we've taken these actions, our internal control over financial reporting has not been subjected to audit. See "—Risks Related to Our Company—If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired."

If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, or identify any additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports and applicable listing requirements, investors may lose confidence in our financial reporting, and the share price of our Class A common stock may decline as a result. In addition, we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources.

Our efforts to expand into new products and services may subject us to additional risks.

We are actively investing to capitalize on new trends (e.g., tracking and experimenting with other casual gaming formats, such as a "match three" game, adopted for our audience) to diversify our product mix, reduce our operating risks, and increase our revenue. There are risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. There is no assurance that we will be able to attract a sufficiently large number of customers or recover costs incurred in developing and marketing any of these new products or services. For example, we may offer games that do not attract sufficient purchases of virtual currency, which may cause our investments to fail to realize the expected benefits. External factors, such as competitive alternatives and shifting market preferences, may also have an impact on the successful implementation of any new products or services. Failure to successfully manage these risks in the development and implementation of new products or services could have a material adverse effect on our business, financial condition and operating results.

Our results of operations and financial condition are subject to management's accounting judgments and estimates, as well as changes in accounting policies.

Financial statements prepared in accordance with U.S. GAAP typically require the use of good faith estimates, judgments and assumptions that affect the reported amounts. The preparation of our financial statements requires us to make estimates and assumptions affecting the reported amounts of our assets, liabilities, revenues and expenses. If these estimates or assumptions are incorrect, it could have a material adverse effect on our results of operations or financial condition. We have identified several accounting policies as being "critical" to the fair presentation of our financial condition and results of operations because they involve major aspects of our business and require us to make judgments about matters that are inherently uncertain. These policies are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to consolidated financial statements included in this prospectus. The implementation of new accounting requirements or other changes to U.S. GAAP could have a material adverse effect on our reported results of operations and financial condition.

We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced disclosure requirements applicable to us will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we expect to take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not emerging growth companies. In particular, while we are an emerging growth company, we will not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"); we will be exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor's report on financial statements; we will be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and we will not be required to hold nonbinding advisory votes on executive compensation or stockholder approval of any golden parachute payments not previously approved.

In addition, while we are an emerging growth company, we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period and, as a result, our operating results and financial statements may not be comparable to the operating results and financial statements of companies that have adopted the new or revised accounting standards.

We may remain an emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of this offering, though we may cease to be an emerging growth company earlier under certain circumstances, including if (i) we have $1.07 billion or more in annual revenue in any fiscal year, (ii) we become a "large accelerated filer," as defined in Rule 12b-2 under the Exchange Act; or (iii) we issue more than $1.0 billion of non-convertible debt over a three-year period.

We are also a "smaller reporting company" as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700 million measured on the last business day of our second fiscal quarter. Similar to emerging growth companies, smaller reporting companies that are non-accelerated filers are exempt from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. If some investors find our Class A common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired.

After the completion of this offering, we will be subject to a requirement, pursuant to Section 404 of the Sarbanes-Oxley Act, to conduct an annual review and evaluation of our internal control over financial reporting and furnish a report by management on, among other things, our assessment of the effectiveness of our internal control over financial reporting each fiscal year beginning with the year following our first annual report required to be filed with the SEC. However, for as long as we are an emerging growth company or a smaller reporting company that is a non-accelerated filer, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. Ensuring that we have adequate internal control over financial reporting in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that must be evaluated frequently. Establishing and maintaining these internal controls will be costly and may divert management's attention.

In addition to the material weaknesses in our internal control over financial reporting that we have identified, we may discover additional weaknesses in our disclosure controls and internal control over financial reporting in the future. If we fail to achieve and maintain the adequacy of our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we do not adequately implement or comply with the requirements of Section 404 of the Sarbanes-Oxley Act, we may be subject to sanctions or investigation by regulatory authorities, such as the SEC, or suffer other adverse regulatory consequences, including penalties for violation of Nasdaq rules. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs to improve our internal control system, including the costs of the hiring of additional personnel. Any such action could negatively affect our business, financial condition, results of operations and cash flows and could also lead to a decline in the price of our Class A common stock.

The requirements of being a public company may require significant resources and divert management's attention.

Once we become a public company, we will be subject to certain ongoing reporting requirements. Compliance with these requirements will increase our compliance costs, make some activities more difficult, time-consuming or costly and increase demands on our resources. The requirements may also make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors and qualified officers. Moreover, as a result of the disclosure of information in this prospectus and in other public filings we make, our business operations, operating results and financial condition will become more visible, including to competitors and other third parties.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We may acquire other companies, technologies, or assets, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results.

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers and other constituents within the gaming industry and competitive pressures. In some circumstances, we may decide to grow through the acquisition of complementary businesses, technologies, and assets rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business;
- coordination of technology, research and development and sales and marketing functions;
- transition of the acquired company's users to our website and mobile applications;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, policies and procedures at a business that prior to the acquisition may have lacked effective controls, policies and procedures;

- potential write-offs of intangibles or other assets acquired in such transactions that may have an adverse effect on our operating results;

- known and unknown liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, and tax liabilities; and

- litigation or other claims resulting from the acquisition of the company, including claims from terminated employees, consumers, former stockholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments and to incur unanticipated liabilities and otherwise harm our business. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, or the write-off of goodwill, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize. Any of these risks, if realized, could materially and adversely affect our business and results of operations.

We may require additional capital to meet our financial obligations and support business growth, and this capital might not be available on acceptable terms or at all.

We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new games and features or enhance our existing games, improve our operating infrastructure or acquire complementary businesses, personnel and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity (including preferred stock) or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock, including, without limitation, in respect of the payment of dividends and the payment of liquidating distributions. Because our decision to issue debt or preferred securities in any future offering, or to borrow money from lenders, will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any such future offerings or borrowings. Holders of our Class A common stock will bear the risk of any such future offerings or borrowings.

Any future debt financing could require compliance with restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

We intend to grant equity incentive awards, which may result in increased share-based compensation expenses.

We plan to adopt the Motorsport Games Inc. 2021 Equity Incentive Plan, which we refer to as the 2021 Plan, concurrently with the closing of this offering for purposes of granting equity compensation awards to employees, directors and consultants to incentivize their performance and better align their interests with ours. Under the 2021 Plan, we will be authorized to grant equity-based awards, including options to purchase shares of our Class A common stock, restricted stock units to receive shares of Class A common stock and restricted shares of Class A common stock. The number of shares of Class A common stock available for issuance under the 2021 Plan will be . In connection with the consummation of this offering, we intend to grant equity awards under the 2021 Plan to certain of our employees and our non-employee directors, as described further under "Executive Compensation—Actions Taken in Connection with This Offering." We believe the granting of equity incentive awards is important to our ability to attract and retain employees, and we expect to continue to grant equity incentive awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We are, and may in the future be, subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition.

We are subject to various legal proceedings, claims, litigation and government investigations or inquiries from time to time, which could have a material adverse effect on our business, results of operations and financial condition. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other parties. These claims could be asserted under a variety of laws, including but not limited to consumer finance laws, consumer protection laws, intellectual property laws, privacy laws, labor and employment laws, securities laws and employee benefit laws. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

We are subject to risks related to corporate and social responsibility and reputation.

Many factors influence our reputation, including the perception held by our customers, business partners and other key stakeholders. Our business faces increasing scrutiny related to environmental, social and governance activities. We risk damage to our reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, supply chain management, climate change, workplace conduct, human rights and philanthropy. Any harm to our reputation could impact employee engagement and retention and the willingness of customers and our partners to do business with us, which could have a material adverse effect on our business, results of operations and cash flows.

Risks Related to This Offering and Ownership of Our Class A Common Stock

We have broad discretion in how we use the proceeds of this offering and may not use them effectively.

We will have considerable discretion in the application of the net proceeds of this offering. We intend to use the net proceeds from this offering for working capital and general corporate purposes, including product development, such as for mobile products and additional racing series, the buildout of APEX, the development of our proprietary racing-focused MSG Engine, sales and marketing activities, capital expenditures and strategic acquisitions and investments. See “Use of Proceeds” for additional information. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

There is no existing market for our Class A common stock, and we cannot ensure that one will ever develop or be sustained.

Prior to this offering there has been no trading market for our Class A common stock. We cannot predict the extent to which investor interest in our Company will lead to the development of a trading market for our Class A common stock or how liquid that market might become. The offering price for the shares of our Class A common stock has been determined by the Company in connection with this offering and may not be indicative of the price that will prevail in any trading market following this offering, if any. If an active trading market does not develop or is not maintained, the market price and liquidity of our Class A common stock may be adversely affected. In that case, you may not be able to sell your Class A common stock shares at a particular time, at a favorable price or at all.

Our certificate of incorporation will have limitations on the liability of our directors, and we may have to indemnify our officers and directors in certain instances.

Our certificate of incorporation will limit the liability of directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- transactions for which the directors derived an improper personal benefit.

These limitations of liability will not apply to liabilities arising under the federal or state securities laws and will not affect the availability of equitable remedies such as injunctive relief or rescission. Our corporate bylaws will provide that we will indemnify our directors, officers and employees to the fullest extent permitted by law. Our bylaws will also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding. We believe that these bylaw provisions are necessary to attract and retain qualified persons as directors and officers. The limitation of liability in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for a breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might provide a benefit to us and our stockholders. Our results of operations and financial condition may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Certain provisions in our charter documents, which are to be adopted prior to the effective time of this offering, and under Delaware law could limit attempts by our stockholders to replace or remove our board of directors or current management and limit the market price of our Class A common stock.

Provisions in our certificate of incorporation and bylaws, which are to be adopted prior to the effective time of this offering, may have the effect of delaying or preventing changes in our board of directors or management. Our certificate of incorporation and bylaws will include provisions that:

- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- create a classified board of directors;
- prohibit cumulative voting in the election of directors; and
- reflect two classes of common stock, as discussed above.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we will be incorporated in Delaware, we will be governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder.

Our certificate of incorporation and bylaws will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation and bylaws will provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our certificate of incorporation and bylaws will also provide that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. The choice of forum provision requiring that the Court of Chancery of the State of Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees.

There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find these types of provisions to be inapplicable or unenforceable, and if a court were to find the exclusive forum provision in our certificate of incorporation and bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could materially adversely affect our business, financial condition, and results of operations.

Our stock price may be volatile, and you could lose all or part of your investment.

The trading price of our Class A common stock following our offering may fluctuate substantially and may be higher or lower than the initial public offering price. The trading price of our Class A common stock following our offering will depend on several factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock because you might be unable to sell your shares at or above the price you paid in the offering. Factors that could cause fluctuations in the trading price of our Class A common stock include:

- changes to our industry, including demand and regulations;
- our ability to compete successfully against current and future competitors;
- competitive pricing pressures;
- our ability to obtain working capital financing as required;
- additions or departures of key personnel;
- sales of our Class A common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- our loss of any strategic relationship, sponsor or licensor;
- any major change in our management;
- changes in accounting standards, procedures, guidelines, interpretations or principles; and
- economic, geo-political and other external factors.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect the market price of our Class A common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our stock shortly following our offering. If the market price of our Class A common stock after our offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment.

If you purchase shares of our Class A common stock in our initial public offering, you will experience substantial and immediate dilution.

The initial public offering price is substantially higher than the net tangible book value per share of our outstanding common stock immediately following the completion of this offering. Based on the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, if you purchase shares of common stock in this offering, you will experience substantial and immediate dilution in the pro forma as adjusted net tangible book value per share of $ per share as of September 30, 2020. That is because the price that you pay will be substantially greater than the pro forma net tangible book value per share of the Class A common stock that you acquire. This dilution is due in large part to the fact that our earlier investor, Motorsport Network, paid substantially less than the initial public offering price when it purchased its shares of our capital stock. You will experience additional dilution when those holding options exercise their right to purchase Class A common stock under our equity incentive plans, when options vest and settle, when we issue equity awards to our employees under our equity incentive plans, or when we otherwise issue additional shares of our Class A common stock. For more information, see "Dilution."

After the completion of this offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

If securities industry analysts do not publish research reports on us, or publish unfavorable reports on us, then the market price and market trading volume of our Class A common stock could be negatively affected.

Any trading market for our Class A common stock will be influenced in part by any research reports that securities industry analysts publish about us. We do not currently have and may never obtain research coverage by securities industry analysts. If no securities industry analysts commence coverage of us, the market price and market trading volume of our Class A common stock could be negatively affected. In the event we are covered by analysts, and one or more of such analysts downgrade our securities, or otherwise report on us unfavorably, or discontinue coverage of us, the market price and market trading volume of our Class A common stock could be negatively affected.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.

We are currently subject to taxes in the United States and the United Kingdom. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- expiration of, or detrimental changes in, research and development tax credit laws;
- changes in tax laws, regulations or interpretations thereof; or
- expansion into or future activities in additional jurisdictions.

In addition, we may be subject to audits of our income, sales and other transaction taxes in various jurisdictions. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

In July 2017, S&P Dow Jones and FTSE Russell announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600, to exclude companies with multiple classes of shares of common stock from being added to these indices. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our common stock. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S&P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of federal securities laws and which are subject to certain risks, trends and uncertainties. We use words such as "could," "would," "may," "might," "will," "expect," "likely," "believe," "continue," "anticipate," "estimate," "intend," "plan," "project" and other similar expressions to identify some forward-looking statements, but not all forward-looking statements include these words. All of our forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the information described under the caption "Risk Factors" and elsewhere in this prospectus.

The forward-looking statements contained in this prospectus are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond our control) and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements. We believe these factors include, but are not limited to, the following:

- our ability to consistently deliver popular products or whether consumers prefer competing products;
- the concentration of our products in the racing game genre;
- our ability to provide high-quality products in a timely manner;
- the duration and severity of the COVID-19 pandemic and its effects on our business operations, financial performance and results of operations;
- declines in consumer spending and other adverse changes in the economy;
- our dependence on a relatively small number of franchises for a significant portion of our revenues and profits;
- our ability to acquire and maintain licenses to intellectual property, especially for sports titles;
- risks relating to the retail sales business model;
- our dependence on a single third-party distribution partner to distribute our games, and our ability to negotiate favorable terms with such partner and its continued willingness to purchase our games;
- our ability to attract advertisers and sponsors for our esports events;
- our reliance on the retention of certain key personnel and the hiring of strategically valuable personnel;
- our ability to market and brand our products and services;
- our ability to adequately address the shift to mobile device technology by our customers; and
- other factors and assumptions discussed in this prospectus under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove to be incorrect, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this prospectus to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances, except as otherwise required by law. New factors that could cause our business not to develop as we expect emerge from time to time, and it is not possible for us to predict all of them. Further, we cannot assess the impact of each currently known or new factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of our Class A common stock that we are offering will be approximately $ million, or approximately $ million if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of our Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from our initial public offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for working capital and general corporate purposes, including product development, such as for mobile products and additional racing series, the buildout of APEX, the development of our proprietary racing-focused MSG Engine, sales and marketing activities, capital expenditures and strategic acquisitions and investments. Pending these uses, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

This expected use of the net proceeds from this offering represents our intentions based upon our current financial condition, results of operations, business plans and conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

DIVIDEND POLICY

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and, therefore, we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in current and future agreements governing our and our subsidiaries' indebtedness, and will depend on our results of operations, financial condition, capital requirements, contractual arrangements and other factors that our board of directors deems relevant.

CAPITALIZATION

The table below shows our cash and cash equivalents and capitalization as of September 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to the corporate conversion, based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus); and
- on a pro forma as adjusted basis to additionally give effect to (1) the pro forma adjustment described above and (2) the sale of shares of our Class A common stock in this offering, assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting estimated underwritten discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization following the corporate conversion and the closing of this offering will depend on the actual initial public offering price and other terms of this offering determined at pricing. You should read the following information together with the information contained under the headings "Selected Historical Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus.

	September 30, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands except share and per share amounts)		
Cash and cash equivalents	$ 3,051	$	$
Debt:			
Promissory Note	10,388		
Member's equity:			
Member's (deficiency) equity attributable to Motorsport Gaming US LLC	(1,262)		
Noncontrolling interest	6,048		
Total Member's Equity	4,786		
Stockholders' equity:			
Class A common stock, $0.0001 par value; no shares authorized, issued and outstanding, actual; shares authorized and shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma, as adjusted	-		
Class B common stock, $0.0001 par value; no shares authorized, issued and outstanding, actual; shares authorized and shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma, as adjusted	-		
Additional paid-in capital	-		
Noncontrolling interest	-		
Total stockholders' equity	-		
Total capitalization	$ 15,174	$	$

The number of shares of our Class A common stock and Class B common stock to be outstanding immediately after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of , 2020 (as adjusted to give effect to the corporate conversion), and excludes the following:

- shares of our Class A common stock issuable upon exercise of stock options that will be granted to certain of our employees and our non-employee directors in connection with this offering under the 2021 Plan, which we expect will become effective immediately prior to the consummation of this offering, at an exercise price per share equal to the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to each of Neil Anderson and Rob Dyrdek, members of our board of directors, in connection with this offering under the 2021 Plan, which represents a stock award equal to $50,000 to each of Messrs. Anderson and Dyrdek divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to Francesco Piovanetti, a member of our board of directors, in connection with this offering under the 2021 Plan and for his continuing service as chair of our audit committee and as an "audit committee financial expert" (subject to his qualification and appointment, as applicable), which represents a stock award equal to $100,000 divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- additional shares of our Class A common stock reserved for future issuance under the 2021 Plan;

- shares of our Class A common stock to be issued to Fernando Alonso pursuant to a promotional services agreement entered into with Mr. Alonso, representing 3.0% of the issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Business—Marketing, Sales, and Distribution—Promotional Services Agreement with Fernando Alonso"); and

- shares of our Class A common stock that may be issued outside of the 2021 Plan to Dmitry Kozko, our Chief Executive Officer, subject to the satisfaction of certain conditions as set forth in his employment agreement with us, including (i) up to shares that may be issued in connection with this offering representing 1.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering and (ii) shares issuable upon exercise of stock options that may be granted in connection with this offering representing 2.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Executive Compensation—Executive Employment Arrangements—Employment Agreement with Dmitry Kozko").

DILUTION

If you invest in our Class A common stock in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of Class A common stock and the pro forma as adjusted net tangible book value per share immediately after this offering.

Our pro forma net tangible book value as of September 30, 2020 was $ million, or $ per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of our shares of common stock outstanding as of September 30, 2020, after giving effect to the automatic conversion of all the membership interests in Motorsport Gaming US LLC currently held by the Company's sole member, Motorsport Network, into an aggregate of (i) shares of Class A common stock and (ii) shares of Class B common stock, which will occur immediately prior to the completion of this offering.

After giving effect to the sale by us of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2020 would have been $ million, or $ per share. This amount represents an immediate dilution of $ per share to new investors purchasing Class A common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by investors purchasing Class A common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of September 30, 2020		
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering	$	
Pro forma as adjusted net tangible book value per share after giving effect to this offering		$
Dilution per share to new investors in this offering		$

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ per share and increase (decrease) the dilution to new investors by $ per share, in each case assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions.

If the underwriters exercise their option to purchase additional shares of our Class A common stock from us in full, our pro forma as adjusted net tangible book value would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share.

The following table summarizes, as of September 30, 2020, on a pro forma as adjusted basis as described above, the number of shares of our Class A common stock, the total consideration and the average price per share (1) paid to us by the existing stockholder, Motorsport Network, and (2) to be paid by new investors acquiring our Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Shares Purchased		Total Consideration		Average Price Per Share
Number	Percent	Amount	Percent	
Existing stockholder		%		%
New investors				
Total		100.0%		100.0%

The number of shares of our Class A common stock and Class B common stock to be outstanding immediately after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of , 2020 (as adjusted to give effect to the corporate conversion), and excludes the following:

- shares of our Class A common stock issuable upon exercise of stock options that will be granted to certain of our employees and our non-employee directors in connection with this offering under the 2021 Plan, which we expect will become effective immediately prior to the consummation of this offering, at an exercise price per share equal to the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to each of Neil Anderson and Rob Dyrdek, members of our board of directors, in connection with this offering under the 2021 Plan, which represents a stock award equal to $50,000 to each of Messrs. Anderson and Dyrdek divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- shares of our Class A common stock to be issued to Francesco Piovanetti, a member of our board of directors, in connection with this offering under the 2021 Plan and for his continuing service as chair of our audit committee and as an "audit committee financial expert" (subject to his qualification and appointment, as applicable), which represents a stock award equal to $100,000 divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering");

- additional shares of our Class A common stock reserved for future issuance under the 2021 Plan;

- shares of our Class A common stock to be issued to Fernando Alonso pursuant to a promotional services agreement entered into with Mr. Alonso, representing 3.0% of the issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Business—Marketing, Sales, and Distribution—Promotional Services Agreement with Fernando Alonso"); and

- shares of our Class A common stock that may be issued outside of the 2021 Plan to Dmitry Kozko, our Chief Executive Officer, subject to the satisfaction of certain conditions as set forth in his employment agreement with us, including (i) up to shares that may be issued in connection with this offering representing 1.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering and (ii) shares issuable upon exercise of stock options that may be granted in connection with this offering representing 2.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Executive Compensation—Executive Employment Arrangements—Employment Agreement with Dmitry Kozko").

To the extent that options or other securities are issued under our equity incentive plans, or we issue additional shares of our Class A common stock or securities convertible into Class A common stock in the future, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible securities, the issuance of these securities could result in further dilution to our stockholders.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included within this prospectus.

On August 14, 2018, Motorsport Gaming US LLC acquired a 53.5% equity interest in 704Games. The selected historical financial data below includes (i) the selected historical consolidated financial data of Motorsport Gaming US LLC for the year ended December 31, 2019 and for the period from August 15, 2018 to December 31, 2018 and; (ii) the selected historical financial data of 704Games for the period from January 1, 2018 to August 14, 2018, which are derived from our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. To assist with the period-to-period comparison, we have combined amounts from the Predecessor Period and the portion of the Successor Period from August 15, 2018 to December 31, 2018 along with a pro forma adjustment to recognize additional amortization expense of $637,658 associated with certain acquired license agreements with NASCAR and software intangible assets. We refer to this combined period as the pro forma combined year ended December 31, 2018. This combination does not comply with U.S. GAAP. The summary historical pro forma combined financial data for the year ended December 31, 2018 has been prepared to give effect to Motorsport Gaming US LLC's acquisition of a 53.5% equity interest in 704Games as if it had occurred on January 1, 2018. The summary historical pro forma combined financial data does not purport to represent what our results of operations would have been if the acquisition had occurred as of the dates indicated, or what such results will be for any future period.

The selected historical consolidated statement of operations data for the nine months ended September 30, 2020 and 2019 and the selected historical consolidated balance sheet data as of September 30, 2020 are derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus.

Our historical results are not necessarily indicative of our future results, and our results for the nine months ended September 30, 2020 are not necessarily indicative of results to be expected for the full year.

	Successor Period	Successor Period	Pro Forma Combined	Successor Period	
Statement of Operations Data	**For the Year Ended December 31, 2019**	**For the Period From August 15, 2018 to December 31, 2018**	**For the Year Ended December 31, 2018**	**For the Nine Months Ended September 30, 2020**	**2019**
			(Unaudited)	**(Unaudited)**	**(Unaudited)**
Revenues	$ 11,850,787	$ 10,768,629	$ 14,756,777	$ 16,111,581	$ 9,566,873
Cost of revenues	4,888,877	4,184,569	5,598,395	5,261,483	3,776,696
Gross profit	6,961,910	6,584,060	9,158,382	10,850,098	5,790,177
Operating expenses	12,138,023	5,229,711	10,957,920	8,037,552	9,587,263
(Loss) income from operations	(5,176,113)	1,354,349	(1,799,538)	2,812,546	(3,797,086)
Other (expense) income, net (1)	(579,451)	4,904	8,381	(438,894)	(444,017)
(Loss) income before provision for income taxes	(5,755,564)	1,359,253	(1,791,157)	2,373,652	(4,241,103)
Income tax benefit	-	-	2,323	-	-
Net (loss) income	(5,755,564)	1,359,253	(1,788,834)	2,373,652	(4,241,103)
Less: Net (loss) income attributable to noncontrolling interest	(2,191,418)	859,461	859,461	1,498,233	(1,294,908)
Net (loss) income attributable to Motorsport Gaming US LLC	$ (3,564,146)	$ 499,792	$ (2,648,295)	$ 875,419	$ (2,946,195)
Pro forma net (loss) income per share - basic and diluted (2)	$	$		$	

(1) For the purpose of presenting selected historical consolidated financial data, we have aggregated interest income (expense), loss attributable to equity method investment, and other (expense) income, net from our consolidated statements of operations for the years ended December 31, 2019 and 2018 and for the nine months ended September 30, 2020 and 2019 into a single caption.

(2) We have presented pro forma basic and diluted net loss per share for the year ended December 31, 2019 and for the nine months ended September 30, 2020, which consists of our historical net loss attributable to Motorsport Gaming US LLC, divided by the pro forma basic and diluted weighted average number of shares of our common stock outstanding after giving effect to the corporate conversion.

	December 31,		September 30,
Balance Sheet Data	**2019**	**2018**	**2020**
			(Unaudited)
Total cash	$ 1,960,279	$ 3,413,427	$ 3,050,693
Total current assets	$ 7,129,632	$ 8,699,604	$ 12,007,652
Total assets	$ 12,777,274	$ 15,670,258	$ 18,590,207
Total liabilities	$ 9,165,314	$ 6,302,734	$ 13,804,595
Total members' equity	$ 3,611,960	$ 9,367,524	$ 4,785,612
Total liabilities and members' equity	$ 12,777,274	$ 15,670,258	$ 18,590,207
Working capital (deficiency)	$ (2,035,682)	$ 2,396,870	$ (946,350)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information included under "Business," and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus. The discussion and analysis below are based on comparisons between our historical financial data for different periods and include certain forward-looking statements about our business, operations and financial performance. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors described in "Risk Factors." Our actual results may differ materially from those expressed in, or implied by, those forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

Overview

We are a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, including NASCAR, the iconic 24 Hours of Le Mans endurance race ("Le Mans") and the associated FIA World Endurance Championship (the "WEC"), the British Touring Car Championship (the "BTCC") and others. Through the support of our sole member, Motorsport Network, LLC ("Motorsport Network"), the largest global media company in the motorsport industry, our corporate mission is to create the preeminent motorsport gaming and esports entertainment ecosystem by delivering the highest quality, most sophisticated and innovative experiences for racers, gamers and fans of all ages. Our products and services target a large and underserved global motorsport audience. For 2019, Formula 1 estimates that its total global television audience reached 471 million unique viewers. Further, Le Mans estimates its total reach was approximately 100 million homes worldwide in 2019, while NASCAR reached approximately 475 million households in 2019 and the BTCC reached approximately 62 million households in 2019.

Started in 2018 as a wholly-owned subsidiary of the Motorsport Network, we are currently the official developer and publisher of the NASCAR video game racing franchise and have obtained the exclusive license to develop multi-platform games for the BTCC. Through a joint venture with Automobile Club de l'Ouest ("ACO"), we are also in the process of obtaining the exclusive license to develop multi-platform games for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. We develop and publish multi-platform racing video games including for game consoles, personal computer (PC) and mobile platforms through various retail and digital channels, including full-game and downloadable content (sometimes known as "games-as-a-service"). Since our formation, our NASCAR video games have sold over one million copies for game consoles and PCs. For fiscal year 2019 and the nine months ended September 30, 2020, substantially all of our net revenue was generated from sales of our racing video games.

We are striving to become a leader in organizing and facilitating esports tournaments, competitions, and events for our licensed racing games as well as on behalf of third-party racing game developers and publishers. Through the nine months ended September 30, 2020, we have facilitated 53 esports events, up from 22 esports events in all of 2019, which have included official esports events for NASCAR, 24 Hours of Le Mans, the Official World Rallycross Esports Championship, FIA Formula E and other race series. The total number of people that have watched our esports events in the first nine months of 2020 was approximately 51 million, up from a total of approximately 3.8 million viewers throughout 2019. Our net revenue attributable to esports and other services comprised 0.6% and 1.8% of our total net revenue during fiscal year 2019 and the nine months ended September 30, 2020, respectively, but we expect that net revenue from this line of business will continue to increase and become material to our business moving forward.

Recent Developments

COVID-19

The global spread of the COVID-19 pandemic has created significant business uncertainty for us and others, resulting in volatility and economic disruption. Additionally, the outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the spread of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place, stay-at-home or total lock-down (or similar) orders and business limitations and shutdowns.

As a result of the COVID-19 pandemic, including the related responses from government authorities, our business and operations have been impacted, including the temporary closure of our offices in Orlando, Florida, Silverstone, England, and Moscow, Russia, which has resulted in our employees working remotely. During the COVID-19 outbreak, demand for our games has generally increased, which we believe is primarily attributable to a higher number of consumers staying at home due to COVID-19 related restrictions. Similarly, there has been a significant increase in viewership of our esports events since the initial impact of the virus, as these events began to air on both digital and linear platforms, particularly as we were able to attract many of the top "real world" motorsport stars to compete. However, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of our products from such retailers. Additionally, in our esports business, the COVID-19 pandemic has resulted in the postponing of certain events to later dates or shifting events from an in-person format to online only.

We continue to monitor the evolving situation caused by the COVID-19 pandemic, and we may take further actions required by governmental authorities or that we determine are prudent to support the well-being of our employees, suppliers, business partners and others. The degree to which the COVID-19 pandemic impacts our operations, business, financial results, liquidity, and financial condition will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the pandemic, its severity, actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Adverse economic and market conditions as a result of COVID-19 could also adversely affect the demand for our products and may also impact the ability of our customers to satisfy their obligations to us.

Refer to the section entitled "Risks Factors" in this prospectus for additional risks we face due to the COVID-19 pandemic.

British Touring Car Championship License

In May 2020, we secured a multi-year licensing agreement to exclusively develop and publish the video games for the BTCC racing series across console, mobile and casual gaming channels. In addition, through this license, we have the right to create and organize esports leagues and events for the BTCC racing series. Our license with the BTCC expires on December 31, 2026.

Stock Purchase Agreements – 704Games

On August 18, 2020, we entered into a stock purchase agreement with HC2 Holdings 2, Inc. ("HC2") and Continental General Insurance Company ("Continental") in which we agreed to purchase an aggregate of 106,307 shares of common stock of 704Games Company ("704Games"), which is equal to 26.2% of the outstanding equity interests of 704Games, at a price of $11.2881 per share for an aggregate consideration of approximately $1,200,000. If, within and including the date that is six months from the date of the agreement, we complete a purchase of some or all of the (i) 41,204 shares of common stock held by Gaming Nation, Inc. or its affiliates or transferees, (ii) 30,903 shares of common stock held by PlayFast Games, LLC or its affiliates or transferees and (iii) 10,301 shares of common stock held by Leo Capital Holdings, LLC ("Leo Capital") or its affiliates or transferees (the "Subject Shares") at a purchase price higher than $11.2881 per share, then, no later than five days following the completion of such purchase, we shall pay each of HC2 and Continental an amount per share equal to the amount by which such purchase price per Subject Share exceeds the greater of (a) $11.2881 or (b) the highest price per share previously paid by the Company for any Subject Shares.

On October 6, 2020, we entered into a stock purchase agreement with Leo Capital in which we agreed to purchase an aggregate of 10,301 shares of common stock of 704Games, which is equal to 2.5% of the outstanding equity interests of 704Games, at a price of $11.2881 per share for an aggregate consideration of approximately $116,000.

Following our purchases of shares from HC2, Continental and Leo Capital, our ownership interest in 704Games increased to 82.2% from 53.5%.

Letter of Intent with ACO

On November 23, 2020, we entered into a binding letter of intent with ACO, which, among other things, sets forth the basic terms and conditions under which we plan to amend the joint venture agreement entered into on March 15, 2019 with respect to the Le Mans Esports Series Limited joint venture. This includes certain terms and conditions of a license agreement under which ACO will grant the joint venture certain exclusive rights for a period of 10 years to develop, promote, advertise, distribute, manufacture and package video gaming products based on the WEC and the 24 Hours of Le Mans endurance race, as well as to use such video gaming products as the platform for conducting and administering esports leagues and events. Additionally, the amendment would require us to make an additional capital contribution to the joint venture, which will increase our ownership percentage in the joint venture from 45% to 51% upon such capital contribution being made. Pursuant to the letter of intent, the parties will use their reasonable efforts to execute the joint venture agreement amendment by January 22, 2021.

NASCAR Heat 5 Product Release

NASCAR Heat 5 is a racing video game simulating the 2020 NASCAR season. NASCAR Heat 5 was developed by 704Games and published by Motorsport Games on July 10, 2020 for PlayStation 4, Xbox One and Microsoft Windows via Steam. We are also expanding our supported platforms to include the Nintendo Switch and expect to launch NASCAR Heat 5 on the Nintendo Switch platform in time for the 2021 NASCAR race season.

Trends and Factors Affecting Our Business

Product Release Schedule

Our financial results are affected by the timing of our product releases and the commercial success of those titles. Our NASCAR Heat products have historically accounted for the majority of our revenue. We have recently obtained the exclusive license to develop multi-platform games for the BTCC, and we are in the process of obtaining the exclusive license to develop multi-platform games for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. Multi-platform games for the BTCC and Le Mans are currently under development, and we currently anticipate releasing games for these racing series in 2022. Going forward, we intend to expand our license arrangements to other internationally recognized racing series and the platforms we operate on. We believe that having a broader product portfolio will improve our operating results and provide a revenue stream that is less cyclical based on the release of a single game per year.

Economic Environment and Retailer Performance

Our physical gaming products are sold primarily through a distribution network with exclusive partners who specialize in the distribution of games, including through mass-market retailers (e.g., Target, Wal-Mart), consumer electronics stores (e.g., Best Buy), discount warehouses, game specialty stores (e.g., GameStop) and other online retail stores (e.g., Amazon). We currently derive, and expect to continue to derive, significant revenues from sales of our products to a very limited number of distribution partners. For the year ended December 31, 2019 and the nine months ended September 30, 2020, we had one distribution partner through which we sold substantially all of our products for the retail market, which represented approximately 40% and 32% of our total net revenue for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively. See "Risk Factors—Risks Related to Our Business and Industry—The importance of retail sales to our business exposes us to the risks of that business model" and "Risk Factors—Risks Related to Our Business and Industry—We primarily depend on a single third-party distribution partner to distribute our games for the retail channel, and our ability to negotiate favorable terms with such partner and its continued willingness to purchase our games is critical for our business" for additional information regarding the importance of retail sales and our distribution partners to our business.

Additionally, we continue to monitor economic conditions, including the impact of the COVID-19 pandemic, that may unfavorably affect our businesses, such as deteriorating consumer demand, delays in development, pricing pressure on our products, credit quality of our receivables and foreign currency exchange rates. The COVID-19 pandemic has affected and may continue to affect our business operations, including our employees, customers, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. For example, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of our products from such retailers. See "—Recent Developments—COVID-19" for additional information regarding the impact of COVID-19 on our business and operations.

Hardware Platforms

We derive most of our revenue from the sale of products made for video game consoles manufactured by third parties, such as Sony Interactive Entertainment Inc.'s ("Sony") PS4 and Microsoft Corporation's ("Microsoft") Xbox One, which comprised approximately 85% of our total net revenue for each of the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020. For the years ended December 31, 2019 and 2018, the sale of products for Microsoft Windows via Steam comprised approximately 3% and 2% of our total net revenue, respectively, and the sale of products for mobile platforms comprised approximately 12% and 13% of our total net revenue, respectively. For the nine months ended September 30, 2020, the sale of products for Microsoft Windows via Steam comprised approximately 4% of our total net revenue, and the sale of products for mobile platforms comprised approximately 9% of our total net revenue. The success of our business is dependent upon consumer acceptance of video game console platforms and continued growth in the installed base of these platforms. When new hardware platforms are introduced, such as those recently released by Sony and Microsoft, demand for interactive entertainment used on older platforms typically declines, which may negatively affect our business during the market transition to the new consoles. The new Sony and Microsoft consoles are expected to provide "backwards compatibility" (i.e., the ability to play games for the previous generation of consoles), which could mitigate the risk of such a decline. However, we cannot be certain how backwards compatibility will affect demand for our products.

Digital Business

Players increasingly purchase our games as digital downloads, as opposed to purchasing physical discs. All of our titles that are available through retailers as packaged goods products are also available through direct digital download. For the years ended December 31, 2019 and 2018, approximately 51% and 66%, respectively, of our revenue from sales of video games for game consoles was through retail channels and approximately 49% and 34%, respectively, was through direct digital downloads. For the nine months ended September 30, 2020, approximately 38% of our revenue from sales of video games for game consoles was through retail channels and approximately 62% was through direct digital downloads. We believe this trend of increasing direct digital downloads is primarily due to benefits relating to convenience and accessibility that digital downloads provide, which has been heightened during the COVID-19 outbreak. In addition, as part of our digital business strategy, we aim to drive ongoing engagement and incremental revenue from recurrent consumer spending on our titles through in-game purchases and extra content.

Esports

We are striving to become a leader in organizing and facilitating esports tournaments, competitions, and events for our licensed racing games as well as on behalf of third-party racing game developers and publishers. Through the nine months ended September 30, 2020, we have facilitated 53 esports events, up from 22 esports events in all of 2019, which have included official esports events for NASCAR, 24 Hours of Le Mans, the Official World Rallycross Esports Championship, FIA Formula E and other race series. The total number of people that have watched our esports events in the first nine months of 2020 was approximately 51 million, up from a total of approximately 3.8 million viewers throughout 2019. As we continue to add to our existing portfolio of games centered around popular licensed racing series, this will provide us the opportunity to further grow our esports business by having more titles to produce our esports events. Our net revenue attributable to esports and other services comprised 0.6% and 1.8% of our total net revenue during fiscal year 2019 and the nine months ended September 30, 2020, respectively, but we expect that net revenue from this line of business will continue to increase and become material to our business moving forward.

Technological Infrastructure

As our digital business has grown, our games and services increasingly depend on the reliability, availability and security of our technological infrastructure. We are investing and expect to continue to invest in technology, hardware and software to support our games and services, including with respect to security protections. Our industry is prone to, and our systems and networks are subject to, cyberattacks, computer viruses, worms, phishing attacks, malicious software programs, and other information security incidents that seek to exploit, disable, damage, disrupt or gain access to our networks, our products and services, supporting technological infrastructure, intellectual property and other assets. As a result, we continually face cyber risks and threats that seek to damage, disrupt or gain access to our networks and our gaming platform, supporting infrastructure, intellectual property and other assets.

Rapidly Changing Industry

We operate in a dynamic industry that regularly experiences periods of rapid, fundamental change. In order to remain successful, we are required to anticipate, sometimes years in advance, the ways in which our products and services will compete in the market. We adapt our business by investing in creative and technical talent and new technologies, evolving our business strategies and distribution methods and developing new and engaging products and services. For example, the global adoption of mobile devices and a business model for those devices that allows consumers to try new games with no up-front cost, and that are monetized through service associated with the game, has led to significant growth in the mobile gaming industry, which we believe is a continuing trend. Accordingly, in conjunction with the launch of our new NASCAR console game, we plan to launch a new, redesigned NASCAR Heat Mobile in 2021, which is our NASCAR mobile racing game that will also be developed internally. Given the recent popularity and fast growing nature of the branded casual game experience, we also plan to introduce a slate of NASCAR branded casual gaming options, starting with the officially licensed NASCAR “match three” game in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

Recurring Revenue Sources

Our business model includes revenue that we deem recurring in nature, such as revenue from our annualized sports franchise (currently NASCAR Heat) for game consoles, PC and mobile platforms. We have been able to forecast the revenue from this area of our business with greater relative confidence than for new games, services and business models. As we continue to incorporate new business models and modalities of play into our games, our goal is to continue to look for opportunities to expand the recurring portion of our business.

Reportable Segments

We use "the management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by our chief operating decision maker for making operating decisions and assessing performance as the source for determining our reportable segments. Our chief operating decision maker is our Chief Executive Officer ("CEO"), who reviews operating results to make decisions about allocating resources and assessing performance for the entire company. We classified our reportable operating segments into (i) the development and publishing of interactive racing video games, entertainment content and services (the "Gaming segment") and (ii) the organization and facilitation of esports tournaments, competitions and events for our licensed racing games as well as on behalf of third-party video game racing series and other video game publishers (the "esports segment").

Components of Our Results of Operations

Revenues

We have historically derived substantially all revenue from sales of our games and related extra content that can be played by customers on a variety of platforms, including game consoles, mobile phones, PCs and tablets. Starting in 2019, we began generating sponsorship revenues from our production of live and virtual esports events.

Our product and service offerings include, but are not limited to, full console and mobile games with both online and offline functionality, which generally include:

- the initial game delivered digitally or via physical disc at the time of sale and typically provides access to offline core game content;
- updates on a when-and-if-available basis, such as software patches or updates, and/or additional content to be delivered in the future, both paid and free; and
- online hosting of esports events.

Cost of Revenues

Cost of revenues for our Gaming segment is primarily comprised of royalty expenses attributable to our license arrangement with NASCAR and certain other third-parties relating to our NASCAR racing series games. Cost of revenues for our Gaming segment is also comprised of merchant fees, disc manufacturing costs, packaging costs, shipping costs, warehouse costs, distribution fees to distribute products to retail stores, mobile platform fees associated with our mobile revenue (for transactions in which we are acting as the principal in the sale to the end customer) and amortization of certain acquired license agreements with NASCAR and software intangible assets acquired with the acquisition of 704Games. Cost of revenues for our esports segment consists of the cost of producing esports events and paying prize money.

Sales and Marketing

Sales and marketing expenses are primarily composed of salaries, benefits and related taxes of our in-house marketing teams, advertising, marketing and promotional expenses, including fees paid to social media platforms, Motorsport Network and other websites where we market our products.

Development

Development expenses consist of the cost to develop the games we produce, as well as developing the content that we use in our esports leagues. Development expenses include salaries, benefits and operating expenses of our in-house development teams, as well as consulting expenses for any contracted external development. Development expenses also include expenses associated with our digital platform, software licenses, maintenance and development overhead.

General and Administrative

General and administrative expenses consist primarily of salaries, benefits and other costs associated with our operations including, finance, human resources, information technology, public relations, legal audit and compliance fees, facilities and other external general and administrative services.

Depreciation and Amortization

Depreciation and amortization expenses include depreciation on fixed assets (primarily computers and office equipment), as well as amortization of definite lived intangible assets acquired with the acquisition of 704Games in August of 2018.

Results of Operations

The following results of operations are discussed herein:

- Historical consolidated results of operations of Motorsport Gaming US LLC for the nine months ended September 30, 2020 and 2019;
- Historical consolidated results of operations of Motorsport Gaming US LLC for the year ended December 31, 2019;
- Historical consolidated results of operations of Motorsport Gaming US LLC for the period from August 15, 2018 to December 31, 2018; and
- Pro forma combined results of operations of Motorsport Gaming US LLC and 704Games for the year ended December 31, 2018.

To assist with the period-to-period comparison, we have provided supplemental pro forma combined results of operations for the year ended December 31, 2018 to present the results of operations as if the acquisition of 704Games had occurred on January 1, 2018 (the "Pro Forma Combined"). The Pro Forma Combined includes the amounts (i) for the predecessor period from January 1, 2018 to August 14, 2018, (ii) the successor period from August 15, 2018 to December 31, 2018 as well as (iii) a pro forma adjustment to recognize additional amortization expense of $637,658 associated with certain acquired license agreements with NASCAR and software intangible assets. This combination does not comply with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The Pro Forma Combined financial data does not purport to represent what our results of operations would have been if the acquisition had occurred as of the dates indicated, or what such results will be for any future period.

Nine Months Ended September 30, 2020 Compared With Nine Months Ended September 30, 2019

The following table presents the results of operations for the nine months ended September 30, 2020 and 2019:

	For the Nine Months Ended September 30,	
	2020	2019
Revenues	$ 16,111,581	$ 9,566,873
Cost of revenues (1)	5,261,483	3,776,696
Gross Profit	10,850,098	5,790,177
Operating Expenses:		
Sales and marketing (2)	2,321,635	3,233,328
Development (3)	3,438,461	3,955,533
General and administrative (4)	2,227,373	2,013,607
Depreciation and amortization	50,083	384,795
Total Operating Expenses	8,037,552	9,587,263
Income (Loss) From Operations	2,812,546	(3,797,086)
Interest income	1,339	33,744
Interest expense (5)	(449,664)	-
Loss attributable to equity method investment	(69,764)	(485,956)
Other income, net	79,195	8,195
Net Income (Loss)	2,373,652	(4,241,103)
Less: Net income (loss) attributable to noncontrolling interest	1,498,233	(1,294,908)
Net Income (Loss) Attributable to Motorsport Gaming US LLC	$ 875,419	$ (2,946,195)

(1) Includes related party costs of $92,522 and $0 for the nine months ended September 30, 2020 and 2019, respectively.

(2) Includes related party expenses of $117,088 and $833,748 for the nine months ended September 30, 2020 and 2019, respectively.

(3) Includes related party expenses of $134,942 and $12,146 for the nine months ended September 30, 2020 and 2019, respectively.

(4) Includes related party expenses of $1,130,864 and $0 for the nine months ended September 30, 2020 and 2019, respectively.

(5) Includes related party expenses of $439,723 and $0 for the nine months ended September 30, 2020 and 2019, respectively.

Revenues

Our revenues consisted of the following:

	For the Nine Months Ended September 30,	
	2020	2019
Revenues:		
Gaming	$ 15,821,290	$ 9,566,873
Esports	290,291	-
Total Revenues	$ 16,111,581	$ 9,566,873

For the nine months ended September 30, 2020, revenues from our Gaming segment increased by $6,254,417, or 65%, to $15,821,290 from $9,566,873 for the nine months ended September 30, 2019. The increase in revenues compared to the 2019 period was due in part to the releases of NASCAR Heat 4 and NASCAR Heat 5, which launched in September 2019 and July 2020, respectively. The increase in revenue for the nine months ended September 30, 2020 reflects in part an increase in sales of our games due to the increasing effectiveness of our marketing efforts for our games, specifically on Facebook, Google and Motorsport Network. An increased focus on monetizing our back catalog games (i.e., NASCAR Heat 2 and NASCAR Heat 3), as well as NASCAR Heat 4, also helped increase distribution points, bundle values and capture more enrollments into PS Now, a subscription service offered by Sony PlayStation. For the nine months ended September 30, 2020, sales of NASCAR Heat 4 and NASCAR Heat 5 contributed $13,782,799 of our Gaming segment revenue, and sales of our back catalog games contributed $636,158 of our Gaming segment revenue. For the nine months ended September 30, 2019, sales of NASCAR Heat 4 and sales of our back catalog games contributed $5,843,980 and $2,942,147, respectively, of our Gaming segment revenue. Revenues from our Gaming segment for the nine months ended September 30, 2020 also reflected $1,828,725 of revenue from the sale of extra content for our console and mobile games, which increased from $1,363,620 for the nine months ended September 30, 2019 due to higher sales of such extra content for our NASCAR mobile game.

For the nine months ended September 30, 2020, revenues from our esports segment consisted of $290,291, which was comprised of sponsorship and event revenues from Fanatec, Formula E and 24 Hours of Le Mans esports events. During the nine months ended September 30, 2020, there has been a significant increase in viewership of our esports events attributable in part to increased audience and engagement during the COVID-19 pandemic and in part due to the increase in esports events streamed on digital and aired on linear platforms. In addition, our esports races were able to attract numerous top "real world" motorsport stars to compete, increasing the attractiveness of our events for our growing audience. We did not earn any revenue from our esports segment during the nine months ended September 30, 2019.

Cost of Revenues

Our cost of revenues consisted of the following:

	For the Nine Months Ended September 30,	
	2020	2019
Cost of revenues:		
Gaming	$ 4,981,748	$ 3,776,696
Esports	279,735	-
Total Segment and Consolidated Cost of Revenues	$ 5,261,483	$ 3,776,696

For the nine months ended September 30, 2020, cost of revenues from our Gaming segment increased by $1,205,052, or 32%, to $4,981,748 from $3,776,696 for the nine months ended September 30, 2019, primarily due to increased revenue during the current year period and the costs associated with delivering that revenue.

For the nine months ended September 30, 2020, cost of revenues from our esports segment was $279,735. The cost of revenue was related to our esports events including live stream production costs and cash prizes. There was no cost of revenues for the nine months ended September 30, 2019 since we did not generate any revenue from our esports segment during the prior year period.

Gross Profit

Our gross profit and gross margin consisted of the following:

	For the Nine Months Ended September 30, 2020	%	For the Nine Months Ended September 30, 2019	%
Gross Profit:				
Gaming	$ 10,839,542	68.5%	$ 5,790,177	60.5%
Esports	10,556	3.6%	-	-
Total Segment and Consolidated Gross Profit	$ 10,850,098	67.3%	$ 5,790,177	60.5%

For the nine months ended September 30, 2020, gross profit from our Gaming segment increased by $5,049,365, or 87%, to $10,839,542 from $5,790,177 for the nine months ended September 30, 2019 primarily due to increased game sales. For the nine months ended September 30, 2020 and 2019, the gross margin from our Gaming segment was 68.5% and 60.5%, respectively, an increase of 8.0 percentage points primarily due to higher sales of our games as direct digital downloads, which have a higher gross margin than sales through retail channels. Gross margin from direct digital download sales also fluctuates with the relative selling prices of our games. Our new games tend to sell at their highest price point in the days, weeks and months immediately following their launch and our back catalog sells at relatively lower prices. The mix of sales from new games and back catalog games plus the mix of games sold via direct digital download and retail channels all impact our gross margins.

For the nine months ended September 30, 2020, our esports segment generated gross profit of $10,556 and gross margin of 3.6%. This reflected revenue generated from sponsorships and live events that exceeded the costs of cash prizes and esports event and production costs. There was no gross profit for the nine months ended September 30, 2019 since we did not generate any revenue from our esports segment during the nine months ended September 30, 2019.

Sales and Marketing

For the nine months ended September 30, 2020, sales and marketing expenses decreased by $911,693, or 28%, to $2,321,635 from $3,233,328 for the nine months ended September 30, 2019, primarily due to the replacement of third-party agency providers with our internal marketing team for marketing related activities, the elimination of more expensive television commercials and a shift to higher return, more targeted digital marketing expenditures.

Development

For the nine months ended September 30, 2020, development expenses decreased by $517,072, or 13%, to $3,438,461 from $3,955,533 for the nine months ended September 30, 2019. The decrease in development expenses was primarily due to bringing development in-house using our internal development team, combined with replacing a portion of our domestic-based internal development team with less expensive international resources.

General and Administrative

For the nine months ended September 30, 2020, general and administrative expenses increased by $213,766, or 11%, to $2,227,373 from $2,013,607 for the nine months ended September 30, 2019. The increase was primarily attributable to the addition of staff as we expand our product portfolio and revenue streams.

Depreciation and Amortization

For the nine months ended September 30, 2020, depreciation and amortization decreased by $334,712, or 87%, to $50,083 from $384,795 for the nine months ended September 30, 2019, primarily due to the sale of assets associated with the elimination of our Charlotte, North Carolina office and a write down of obsolete equipment.

Interest Income

For the nine months ended September 30, 2020, interest income decreased by $32,405, or 96%, to $1,339 from income of $33,744 for the nine months ended September 30, 2019. For the nine months ended September 30, 2019, interest income reflects interest income earned on most of our cash balance during the period. For the nine months ended September 30, 2020, we moved all our cash to an operating account because the decrease in bank fees associated with the move was greater than the interest income earned on our money market cash investment.

Interest Expense

For the nine months ended September 30, 2020, we recorded interest expense of $482,069, whereas there was none recorded for the nine months ended September 30, 2019. The interest expense for the nine months ended September 30, 2020 was due to interest charged on a promissory note entered into with Motorsport Network beginning in April 2020.

Loss Attributable to Equity Method Investment

For the nine months ended September 30, 2020, the loss attributable to equity method investment decreased by $416,192, or 86%, to $69,764 from $485,956 for the nine months ended September 30, 2019. The decrease was primarily due to improved financial performance of Le Mans Esports Series Limited, a joint venture entered into in March 2019 with ACO, during the nine months ended September 30, 2020.

Other Income, net

For the nine months ended September 30, 2020, other income, net increased by $71,000, or 866% to $79,195 from $8,195 for the nine months ended September 30, 2019. The increase was primarily due to the sublease of our Charlotte, North Carolina office beginning in February 2020.

Year Ended December 31, 2019 Compared with Period From August 15, 2018 to December 31, 2018 and Pro Forma Combined 2018 Period

The following table presents our historical consolidated results of operations for the year ended December 31, 2019 and for the period from August 15, 2018 to December 31, 2018, as well as our Pro Forma Combined results of operations for the year ended December 31, 2018:

	Historical Consolidated For the Year Ended December 31, 2019	Historical Consolidated For the Period from August 15, 2018 to December 31, 2018	Pro Forma Combined For the Year Ended December 31, 2018
Revenues	$ 11,850,787	$ 10,768,629	$ 14,756,777
Cost of revenues	4,888,877	4,184,569	5,598,395
Gross Profit	6,961,910	6,584,060	9,158,382
Operating Expenses:			
Sales and marketing (1)	3,771,570	2,429,939	3,544,600
Development (2)	4,784,034	1,694,359	3,902,116
General and administrative	2,605,782	869,928	2,872,305
Depreciation and amortization	401,622	235,485	638,899
Loss on impairment of goodwill	575,015	-	-
Total Operating Expenses	12,138,023	5,229,711	10,957,920
(Loss) Income From Operations	(5,176,113)	1,354,349	(1,799,538)
Interest income (expense)	35,728	-	(26,250)
Loss attributable to equity method investment	(608,656)	-	-
Other (expense) income, net	(6,523)	4,904	34,631
(Loss) Income Before Income Taxes	(5,755,564)	1,359,253	(1,791,157)
Income tax benefit	-	-	2,323
Net (Loss) Income	(5,755,564)	1,359,253	(1,788,834)
Less: Net (loss) income attributable to noncontrolling interest	(2,191,418)	859,461	859,461
Net (Loss) Income Attributable to Motorsport Gaming US LLC	$ (3,564,146)	$ 499,792	$ (2,648,295)

(1) Includes related party expenses of $593,094 and $364,294 for the periods ended December 31, 2019 and 2018, respectively.

(2) Includes related party expenses of $15,229 and $108,375 for the periods ended December 31, 2019 and 2018, respectively.

The following table presents the components of our Pro Forma Combined results of operations for the year ended December 31, 2018:

	Successor For the Period from August 15, 2018 to December 31, 2018	Predecessor For the Period from January 1, 2018 to August 14, 2018	Pro Forma Adjustments	Pro Forma Combined For the Year Ended December 31, 2018
Revenues	$ 10,768,629	$ 3,988,148	$ -	$ 14,756,777
Cost of revenues	4,184,569	1,126,171	287,655	5,598,395
Gross Profit	6,584,060	2,861,977	(287,655)	9,158,382
Operating Expenses:				
Sales and marketing	2,429,939	1,114,661	-	3,544,600
Development	1,694,359	2,207,757	-	3,902,116
General and administrative	869,928	2,002,377	-	2,872,305
Depreciation and amortization	235,485	53,411	350,003	638,899
Total Operating Expenses	5,229,711	5,378,206	350,003	10,957,920
Income (Loss) From Operations	1,354,349	(2,516,229)	(637,658)	(1,799,538)
Interest expense	-	(26,250)	-	(26,250)
Loss attributable to equity method investment	-	-	-	-
Other income, net	4,904	29,727	-	34,631
Income (Loss) Before Income Taxes	1,359,253	(2,512,752)	(637,658)	(1,791,157)
Income tax benefit	-	2,323	-	2,323
Net Income (Loss)	1,359,253	(2,510,429)	(637,658)	(1,788,834)
Less: Net income attributable to noncontrolling interest	859,461	-	-	859,461
Net Income (Loss) Attributable to Motorsport Gaming US LLC	$ 499,792	$ (2,510,429)	$ (637,658)	$ (2,648,295)

Revenues

Our revenues consisted of the following:

	Historical Consolidated For the Year Ended December 31, 2019	Historical Consolidated For the Period From August 15, 2018 to December 31, 2018	Pro Forma Combined For the Year Ended December 31, 2018
Revenues:			
Gaming	$ 11,775,787	$ 10,768,629	$ 14,756,777
Esports	75,000	-	-
Total segment and consolidated revenues	$ 11,850,787	$ 10,768,629	$ 14,756,777

For the year ended December 31, 2019, revenues from our Gaming segment increased by $1,007,158, or 9%, to $11,775,787 from $10,768,629 for the period from August 15, 2018 to December 31, 2018. The increase in revenue compared to the 2018 period was primarily due to twelve months of sales in 2019 as compared to four and a half months of sales in the 2018 period. This was partially offset by a lower volume of sales of our NASCAR Heat 4 game launched in 2019 compared to the volume of sales of our NASCAR Heat 3 game launched in 2018. The lower volume of sales of NASCAR Heat 4 compared to NASCAR Heat 3 was largely attributable to a crowded release window in September 2019 with certain other popular gaming titles released around that time, which limited shelf space and promotional resources, such as retail register displays. For the year ended December 31, 2019, sales of NASCAR Heat 4, which launched in September 2019, and sales of our back catalog games contributed $7,984,200 and $3,094,026, respectively, of our Gaming segment revenue. For the period from August 15, 2018 to December 31, 2018, sales of NASCAR Heat 3, which launched in September 2018, and sales of our back catalog games contributed $9,677,463 and $346,549, respectively, of our Gaming segment revenue. Revenues from our Gaming segment for the year ended December 31, 2019 also reflected $2,004,129 of revenue from the sale of extra content for our console and mobile games, which increased from $979,952 for the period from August 15, 2018 to December 31, 2018 due to higher sales of such extra content for our NASCAR console and mobile games.

For the year ended December 31, 2019, revenues from our Gaming segment decreased by $2,980,990, or 20%, to $11,775,787 from $14,756,777 for the Pro Forma Combined 2018 period. The decrease in revenue compared to the Pro Forma Combined 2018 period was primarily due to a lower volume of sales of our NASCAR Heat 4 game launched in 2019 compared to the volume of sales of our NASCAR Heat 3 game launched in 2018 as discussed above. For the year ended December 31, 2019, sales of NASCAR Heat 4 and sales of our back catalog games contributed $7,984,200 and $3,094,026, respectively, of our Gaming segment revenue. For the Pro Forma Combined 2018, sales of NASCAR Heat 3 and sales of our back catalog games contributed $9,677,463 and $3,082,923, respectively, of our Gaming segment revenue. Revenues from our Gaming segment for the year ended December 31, 2019 also reflected $2,004,129 of revenue from the sale of extra content for our console and mobile games, which decreased from $2,544,519 for the Pro Forma Combined 2018 period primarily due to lower sales of such extra content for our NASCAR mobile game.

For the year ended December 31, 2019, revenues from our esports segment consisted of $75,000 of sponsorship revenue from Coca-Cola for an eNASCAR Heat Pro League ("eNHPL") event held in 2019. We did not earn any revenue from our esports segment during 2018. During 2018, we began developing our esports technology platform, and our first event was held in November of 2018 to test the esports concept. This was primarily a marketing event to promote NASCAR Heat 3.

Cost of Revenues

Our cost of revenues consisted of the following:

	Historical Consolidated For the Year Ended December 31, 2019	Historical Consolidated For the Period From August 15, 2018 to December 31, 2018	Pro Forma Combined For the Year Ended December 31, 2018
Cost of revenues:			
Gaming	$ 4,866,377	$ 4,184,569	$ 5,598,395
Esports	22,500	-	-
Total segment and consolidated cost of revenues	$ 4,888,877	$ 4,184,569	$ 5,598,395

For the year ended December 31, 2019, cost of revenues from our Gaming segment increased by $681,808, or 16%, to $4,866,377 from $4,184,569 for the period from August 15, 2018 to December 31, 2018, primarily due to twelve months of sales in 2019 as compared to four and a half months of sales in the 2018 period.

For the year ended December 31, 2019, cost of revenues from our Gaming segment decreased by $732,018, or 13%, to $4,866,377 from $5,598,395 for the Pro Forma Combined 2018 period, primarily due to a lower volume of sales of our NASCAR Heat 4 game launched in 2019 compared to the volume of sales of our NASCAR Heat 3 game launched in 2018.

For the year ended December 31, 2019, cost of revenues from our esports segment was $22,500 related to the eNHPL event, whereas there was no cost of revenues for 2018 since we did not generate any revenue from our esports segment in 2018.

Gross Profit

Our gross profit and gross margin consisted of the following:

	Historical Consolidated For the Year Ended December 31, 2019	%	Historical Consolidated For the Period From August 15, 2018 to December 31, 2018	%	Pro Forma Combined For the Year Ended December 31, 2018	%
Gross profit:						
Gaming	$ 6,909,410	58.7%	$ 6,584,060	61.1%	$ 9,158,382	62.1%
Esports	52,500	70.0%	-	-	-	-
Total segment and consolidated gross profit	$ 6,961,910	58.7%	$ 6,584,060	61.1%	$ 9,158,382	62.1%

For the year ended December 31, 2019, gross profit from our Gaming segment increased by $325,350, or 5%, to $6,909,410 from $6,584,060 for the period from August 15, 2018 to December 31, 2018, primarily due to twelve months of sales in 2019 as compared to four and a half months of sales in the 2018 period. For the year ended December 31, 2019 and for the period from August 15, 2018 to December 31, 2018, the gross margin from our Gaming segment was 58.7% and 61.1%, respectively, a decrease of 2.4 percentage points due to higher than expected sales allowances for NASCAR Heat 3 in 2019 and a slower sell through as compared to our original estimates of NASCAR Heat 3 that was placed into the retail channel during 2018.

For the year ended December 31, 2019, gross profit from our Gaming segment decreased by $2,248,972, or 25%, to $6,909,410 from $9,158,382 for the Pro Forma Combined 2018 period, primarily due to lower revenues. For the year ended December 31, 2019 and for the Pro Forma Combined 2018 period, the gross margin from our Gaming segment was 58.7% and 62.1%, respectively, a year-over-year decrease of 3.4 percentage points due to higher than expected sales allowances for NASCAR Heat 3 in 2019 and a slower sell through as compared to our original estimates of NASCAR Heat 3 that was placed into the retail channel during 2018.

For the year ended December 31, 2019, our esports segment generated gross profit of $52,500 and gross margin of 70.0%. This reflected operating results from one esports event held in 2019 for the eNHPL.

Sales and Marketing

For the year ended December 31, 2019, sales and marketing expenses increased by $1,341,631, or 55%, to $3,771,570 from $2,429,939 for the period from August 15, 2018 to December 31, 2018, primarily due to twelve months of costs in 2019 compared to four and a half months of costs in the 2018 period. Additionally, we had increased costs associated with our creation of an internal marketing team during the year ended December 31, 2019. Previously, we outsourced marketing related activities to third-party agencies, and we incurred additional expenditures for the year ended December 31, 2019 during a transition period where we utilized both third-party agencies, as well as our internal marketing team, for marketing related activities.

For the year ended December 31, 2019, sales and marketing expenses increased by $226,970, or 6%, to $3,771,570 from $3,544,600 for the Pro Forma Combined 2018 period, primarily due to increased costs associated with our creation of an internal marketing team during the year ended December 31, 2019 as discussed above.

Development

For the year ended December 31, 2019, development expenses increased by $3,089,675, or 182%, to $4,784,034 from $1,694,359 for the period from August 15, 2018 to December 31, 2018. Development expenses increased in 2019 primarily due to twelve months of costs in 2019 compared to four and a half months of costs in the 2018 period. Additionally, we began to work on multiple game titles simultaneously beginning in April 2019. Previously, we had only developed one game at a time.

For the year ended December 31, 2019, development expenses increased by $881,918, or 23%, to $4,784,034 from $3,902,116 for the Pro Forma Combined 2018 period. Development expenses increased in 2019 primarily as we began to work on multiple game titles simultaneously beginning in April 2019 as discussed above.

General and Administrative

For the year ended December 31, 2019, general and administrative expenses increased by $1,735,854, or 200%, to $2,605,782 from $869,928 for the period from August 15, 2018 to December 31, 2018. The increase was primarily attributable to twelve months of costs in 2019 as compared to four and a half months of costs in the 2018 period.

For the year ended December 31, 2019, general and administrative expenses decreased by $266,523, or 9%, to $2,605,782 from $2,872,305 for the Pro Forma Combined 2018 period. The decrease was primarily attributable to a reduction in staff during the year ended December 31, 2019 and transaction costs that were incurred during the year ended December 31, 2018, including costs associated with the acquisition of 704Games.

Depreciation and Amortization

For the year ended December 31, 2019, depreciation and amortization increased by $166,137, or 71%, to $401,622 from $235,485 for the period from August 15, 2018 to December 31, 2018, primarily due to additional amortization and depreciation expense recognized as a result of there being twelve months during the 2019 period as compared to four and a half months during the 2018 period.

For the year ended December 31, 2019, depreciation and amortization decreased by $237,277, or 37%, to $401,622 from $638,899 for the Pro Forma Combined 2018 period, primarily as a result of certain intangible assets consisting of distribution contracts becoming fully amortized during the 2019 period.

Loss on Impairment of Goodwill

For the year ended December 31, 2019, we recognized a loss on the impairment of our goodwill of $575,015, compared to no impairment in the 2018 periods. The acquisition of 704Games occurred in August 2018, and the first revaluation of goodwill was completed in 2019, resulting in a write-down of $575,015, primarily due to decreased revenue projections formulated at December 31, 2019. As of December 31, 2019, our revenue projections were reduced in order to give effect to the fact that the development of the planned premium esports platform of 704Games was delayed and, therefore, we did not generate any revenue in 2019 associated with this premium esports platform. As a result, actual 2019 revenues were significantly less than what was originally projected for the 2019 period due to the premium esports platform never being implemented. This 2019 shortfall also resulted in lower expected revenues for 2020 and 2021.

Interest Income (Expense)

For the year ended December 31, 2019, interest income (expense) increased by $61,978 to income of $35,728 from expense of $(26,250) for the Pro Forma Combined 2018 period. The increase is primarily due to interest earned from higher interest-bearing cash balances during the year ended December 31, 2019. The interest expense during the Pro Forma Combined 2018 period was associated with a note payable that was outstanding during a portion of such period. There was no interest income (expense) for the period from August 15, 2018 to December 31, 2018.

Loss Attributable to Equity Method Investment

For the year ended December 31, 2019, we recognized a loss attributable to equity method investment of $608,656 compared to $0 for the 2018 periods. The loss attributable to equity method investment resulted from our 45% ownership in Le Mans Esports Series Limited, a joint venture entered into in March 2019 with ACO.

Other (Expense) Income, net

For the year ended December 31, 2019, there was other expense, net of $6,523 as compared to other income, net of $4,904 for the period from August 15, 2018 to December 31, 2018. The increase in expense was primarily due to the recognition of a loss on asset disposal during the year ended December 31, 2019 and the expiration of a sublease of our space during the period from August 15, 2018 to December 31, 2018.

For the year ended December 31, 2019, there was other expense, net of $6,523 as compared to other income, net of $34,631 for the Pro Forma Combined 2018 period. The increase in expense was primarily due to the recognition of a loss on asset disposal during the year ended December 31, 2019 and the expiration of a sublease of our space during the Pro Forma Combined 2018 period.

Income Tax Benefit

For the Pro Forma Combined 2018 period, we recognized an income tax benefit of $2,323, as 704Games is a corporation subject to income taxes. There was no income tax provision or benefit recognized during 2019 or during the period from August 15, 2018 to December 31, 2018, as Motorsport Games is a pass-through entity and 704Games has recorded a full valuation allowance against deferred tax assets.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

EBITDA, a measure used by management to assess our operating performance, is defined as net loss plus interest (income) expense and depreciation and amortization, less income tax benefit. Adjusted EBITDA is defined as EBITDA adjusted to exclude (i) certain acquisition related expenses, (ii) stock-based compensation expenses and (iii) charges or gains resulting from non-recurring events. We use Adjusted EBITDA to manage our business and evaluate our financial performance, as it has been adjusted for items that affect comparability between periods that we believe are not representative of our core business. Additionally, management believes that EBITDA and Adjusted EBITDA are useful to investors because they enhance investors' understanding and assessment of our performance, facilitate comparisons to prior periods and our competitors' results and assist in forecasting performance for future periods.

Each of the above described measures is not a recognized term under U.S. GAAP and does not purport to be an alternative to revenue, loss from operations, net loss or any other measure derived in accordance with U.S. GAAP as a measure of operating performance or to cash flows from operations as a measure of liquidity. Additionally, each such measure is not intended to be a measure of free cash flows available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Such measures have limitations as analytical tools, and you should not consider any of such measures in isolation or as substitutes for our results as reported under U.S. GAAP. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement U.S. GAAP results to provide a more complete understanding of the factors and trends affecting the business than U.S. GAAP results alone. Because not all companies use identical calculations, our measures may not be comparable to other similarly titled measures of other companies. This section includes reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

The following table provides a reconciliation from net loss to EBITDA and Adjusted EBITDA:

	Historical Consolidated	Historical Consolidated	Pro Forma Combined	Historical Consolidated	
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Year Ended December 31, 2018	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Net (Loss) Income	$ (5,755,564)	$ 1,359,253	$ (1,788,834)	$ 2,373,652	$ (4,241,103)
Interest (income) expense	(35,728)	-	26,250	448,325	(33,744)
Depreciation and amortization	861,872	408,078	1,099,147	457,729	729,983
Income tax benefit	-	-	(2,323)	-	-
EBITDA	(4,929,420)	1,767,331	(665,760)	3,279,706	(3,544,864)
Adjustments					
Acquisition related expense	-	10,000	127,000	-	-
Stock-based compensation expense	-	-	546,546	-	-
Adjusted EBITDA	$ (4,929,420)	$ 1,777,331	$ 7,786	$ 3,279,706	$ (3,544,864)

Liquidity and Capital Resources

Liquidity

Since our inception, we have historically financed our operations primarily through non-interest-bearing advances from Motorsport Network, which were subsequently incorporated into a line of credit provided by Motorsport Network pursuant to a promissory note, as described below. We measure our liquidity in a number of ways, including the following:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Cash	$ 3,050,693	$ 1,960,279
Working Capital (Deficiency)	$ (946,350)	$ (2,035,682)

We believe that our existing cash and cash equivalents will be sufficient to fund our operations for at least the next 12 months. In addition, we may choose to raise additional funds at any time through equity or debt financing arrangements, which may or may not be needed for additional working capital, capital expenditures or other strategic investments. However, there are currently no commitments in place for future financing and there can be no assurance that we will be able to obtain funds on commercially acceptable terms, if at all. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms.

Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully develop new products or enhancements to our existing products, continued development and expansion of our esports platform and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product offerings.

Cash Flows From Operating Activities

We experienced positive cash flow from operating activities for the nine months ended September 30, 2020 in the amount of $562,231 and negative cash flow from operating activities for the nine months ended September 30, 2019 in the amount of $4,426,273. Net cash provided by operating activities for the nine months ended September 30, 2020 was primarily due to net income of $2,373,652, adjusted for non-cash expenses in the amount of $615,107 and by $2,426,528 of cash used to fund changes in the levels of operating assets and liabilities. Net cash used in operating activities for the nine months ended September 30, 2019 was primarily due to cash used to fund a net loss of $4,241,103, adjusted for non-cash expenses in the aggregate amount of $2,324,547, and $2,509,716 of cash used to fund changes in the levels of operating assets and liabilities.

We experienced negative cash flow from operating activities for the years ended December 31, 2019 and 2018 in the amounts of $4,424,846 and $902,224, respectively. Net cash used in operating activities for the year ended December 31, 2019 was primarily due to cash used to fund a net loss of $5,755,564, adjusted for non-cash expenses in the amount of $2,100,626 and by $769,907 of cash used to fund changes in the levels of operating assets and liabilities. Net cash used in operating activities for the year ended December 31, 2018 was primarily due to cash used to fund a net loss of $1,151,176, adjusted for non-cash expenses in the aggregate amount of $693,146, and $444,194 of cash used to fund changes in the levels of operating assets and liabilities.

Cash Flows From Investing Activities

During the nine months ended September 30, 2020, net cash used in investing activities was $1,443,796, which was primarily attributable to the $1,200,000 purchase of additional shares of common stock of 704Games. During the nine months ended September 30, 2019, net cash used in investing activities was $585,403 and was primarily attributable to our investment in the Le Mans Esports Series Limited joint venture.

During the year ended December 31, 2019, net cash used in investing activities was $592,628, which was attributable to our investment in the Le Mans Esports Series Limited joint venture in March 2019 of $484,335 and $108,293 for the purchase of office and computer equipment. During the year ended December 31, 2018, net cash provided by investing activities was $1,209,096 and was primarily attributable to cash acquired in connection with the acquisition of 704Games, partially offset by the purchase of office and computer equipment.

Cash Flows From Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2020 and 2019 was $1,971,979 and $3,664,765, respectively. During the nine months ended September 30, 2020 and 2019, cash provided by financing activities was primarily attributable to advances provided by Motorsport Network to fund operating and investing activities of the Company.

Net cash provided by financing activities during the years ended December 31, 2019 and 2018 was $3,564,326 and $3,692,383, respectively. During the year ended December 31, 2019, cash provided by financing activities was primarily attributable to advances provided by Motorsport Network. During the year ended December 31, 2018, $4,442,383 of cash provided by financing activities was primarily attributable to advances provided by Motorsport Network, partially offset by $750,000 of cash used to repay notes payable.

Promissory Note Line of Credit

On April 1, 2020, we entered into a promissory note with Motorsport Network (the "Promissory Note") for a line of credit of up to $10,000,000 at an interest rate of 10% per annum. The principal amount under the Promissory Note was primarily funded through one or more advances from Motorsport Network, including an advance in August 2020 for purposes of acquiring an additional ownership interest in 704Games. Previous non-interest-bearing advances due to Motorsport Network as of December 31, 2019 also were included in the amount outstanding under the Promissory Note at the time it was executed. The Promissory Note does not have a stated maturity date and is payable upon demand at any time at the sole and absolute discretion of Motorsport Network, which has agreed, pursuant to a Side Letter Agreement related to the Promissory Note, dated September 4, 2020, not to demand or otherwise accelerate any amount due under the Promissory Note that would otherwise constrain the Company's liquidity position, including the Company's ability to continue as a going concern. We may prepay the Promissory Note in whole or in part at any time or from time to time without penalty or charge. In the event we or any of our subsidiaries consummate certain corporate events, including any capital reorganization, consolidation, joint venture, spin off, merger or any other business combination or restructuring of any nature, or if certain events of default occur, the entire principal amount and all accrued and unpaid interest will be accelerated and become payable. As of September 30, 2020, approximately $10.4 million of principal was outstanding under the Promissory Note.

On November 23, 2020, the Company and Motorsport Network entered into an amendment to the Promissory Note, effective as of September 15, 2020. Under the terms of the amendment, the line of credit under the Promissory Note was increased from $10,000,000 to $12,000,000. All other terms remained the same.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any relationships with any organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Significant Accounting Estimates

Our management's discussion and analysis of our consolidated financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported expenses during the reporting periods. The accounting estimates that require our most significant, difficult, and subjective judgments have an impact on revenue recognition, including reserves for sales returns and price protection, valuation allowance of deferred income taxes, valuation of acquired companies and equity investments, the recognition and disclosure of contingent liabilities, and goodwill and intangible assets impairment testing. We evaluate our estimates and judgments on an ongoing basis. Actual results may differ materially from these estimates under different assumptions or conditions.

Our significant accounting policies are more fully described in our consolidated financial statements (Note 2 in our consolidated financial statements for the years ended December 31, 2019 and 2018) included elsewhere in this prospectus.

Recently Issued Accounting Standards

Our analysis of recently issued accounting standards are more fully described in our consolidated financial statements (Note 2 in our consolidated financial statements for the years ended December 31, 2019 and 2018) included elsewhere in this prospectus.

Internal Control Over Financial Reporting

In connection with the audit of our consolidated financial statements for the year ended December 31, 2019, we and our independent registered public accounting firm identified certain material weaknesses in our internal control over financial reporting. The material weaknesses we identified relate to (i) the documentation of significant accounting positions, estimates and conclusions that were not contemporaneously formalized and reviewed independently of the preparer and (ii) the segregation of duties. We have taken steps toward remediating these material weaknesses, which to date have included: (1) the hiring of additional qualified finance and accounting personnel, including the hiring of a new Chief Financial Officer with SEC reporting experience; and (2) the implementation of formal policies, procedures and controls, training on standards of documentary evidence, as well as implementation of controls designed to ensure the reliability of critical spreadsheets and system generated reports. See "Risk Factors—Risks Related to Our Company—We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the trading price of our Class A common stock."

BUSINESS

Company Overview

Motorsport Games is a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, including NASCAR, the iconic 24 Hours of Le Mans endurance race ("Le Mans") and the associated FIA World Endurance Championship (the "WEC"), the British Touring Car Championship (the "BTCC") and others. Through the support of our sole member, Motorsport Network, the largest global media company in the motorsport industry, Motorsport Games' corporate mission is to create the preeminent motorsport gaming and esports entertainment ecosystem by delivering the highest quality, most sophisticated and innovative experiences for racers, gamers and fans of all ages. Our products and services target a large and underserved global motorsport audience. For 2019, Formula 1 estimates that its total global television audience reached 471 million unique viewers. Further, Le Mans estimates its total reach was approximately 100 million homes worldwide in 2019, while NASCAR reached approximately 475 million households in 2019 and the BTCC reached approximately 62 million households in 2019.

Started in 2018 as a wholly-owned subsidiary of the Motorsport Network, we are currently the official developer and publisher of the NASCAR video game racing franchise and have obtained the exclusive license to develop multi-platform games for the BTCC. Through a joint venture with Automobile Club de l'Ouest ("ACO"), we are also in the process of obtaining the exclusive license to develop multi-platform games for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. We develop and publish multi-platform racing video games including for game consoles, personal computer (PC) and mobile platforms through various retail and digital channels, including full-game and downloadable content (sometimes known as "games-as-a-service"). Since our formation, our NASCAR video games have sold over one million copies for game consoles and PCs. For fiscal year 2019, substantially all of our net revenue was generated from sales of our racing video games.

With a projected 2.6 billion total mobile gamers globally for 2020 according to data from NewZoo, an industry source for games market insight and analytics, we continue to focus on developing and further enhancing our multi-platform games for mobile phones. We believe an important component of scaling our gamers and esports viewers is to offer a suite of official mobile games for each of our various motorsport racing series. Currently, we offer NASCAR Heat Mobile for iOS and Android, which has had approximately five million installs to date, and are in the process of developing two other NASCAR mobile games with projected release dates in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

We are striving to become a leader in organizing and facilitating esports tournaments, competitions, and events for our licensed racing games as well as on behalf of third-party racing game developers and publishers. Through the nine months ended September 30, 2020, we have facilitated 53 esports events, up from 22 esports events in all of 2019, which have included official esports events for NASCAR, 24 Hours of Le Mans, the Official World Rallycross Esports Championship, FIA Formula E and other race series. The total number of people that have watched our esports events in the first nine months of 2020 was approximately 51 million, up from a total of approximately 3.8 million viewers throughout 2019. Our net revenue attributable to esports and other services comprised 0.6% and 1.8% of our total net revenue during fiscal year 2019 and the nine months ended September 30, 2020, respectively, but we expect that net revenue from this line of business will continue to increase and become material to our business moving forward.

We believe that connecting virtual racing gamers and esports fans on a digital entertainment and social platform represents the greatest opportunity to enhance the way that people learn, watch, play, and experience racing video games and racing esports. To that end, we are in the process of developing a go-to destination for the virtual racing community, which we internally call APEX. We are designing APEX with the functionality to enable users to run their own esports competitions in a simple, turn-key format, allowing groups to assemble around racing games, leagues, individual ability, and various other metrics. We currently anticipate launching APEX in beta in the first quarter of 2021.

Company Background

Motorsport Games was formed in 2018 by Motorsport Network as a wholly-owned subsidiary in connection with the acquisition by Motorsport Games of a controlling interest in 704Games, which holds the exclusive license to be the official video game developer and publisher for the NASCAR video game racing franchise. Simultaneously with the acquisition of 704Games in 2018, we extended the license for 10 years until December 31, 2029, subject to certain limited exceptions. In addition, we have the exclusive right to create and organize esports leagues and events for NASCAR using our NASCAR racing video games, subject to certain limited exceptions. Prior to this offering, Motorsport Games remained a wholly-owned subsidiary of Motorsport Network and, following the completion of this offering, Motorsport Network will continue to be our majority stockholder.

In 2018, following the acquisition of 704Games, we acquired the leadership team of Virtually Entertained Limited, a UK-based esports specialist. Subsequently, we entered into an agreement to facilitate the Le Mans Esports Series as part of a joint venture with ACO, the organizer of the 24 Hours of Le Mans endurance race. Through our ownership interest in this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC, which the Le Mans race is a part of. In addition, through this joint venture with ACO, we expect to be granted the right to create and organize esports leagues and events for the Le Mans Esports Series, which would continue so long as we have an ownership interest in this joint venture. We have entered into a binding letter of intent for these licensing rights, which we expect to obtain in the first quarter of 2021.

In 2019, Motorsport Network entered into an exclusive partnership with The Codemasters Software Company Limited ("Codemasters") granting Motorsport Network worldwide rights (excluding China) to organize and manage official DiRT Rally 2.0 World Championship and official GRiD eSport World Championship esports events. Through our relationship with Motorsport Network, we have organized and managed these esports events on behalf of Motorsport Network, including the DiRT World Championship held at Autosport International in January 2020, which attracted a large live crowd on site and audience of more than 75,000 online. In March 2020, we also announced a partnership with Codemasters and International Management Group to create the Official World Rallycross Esports Championship.

In May 2020, we secured a multi-year licensing agreement to exclusively develop and publish the video games for the BTCC racing series across console, mobile and casual gaming channels. In addition, through this license, we have the right to create and organize esports leagues and events for the BTCC racing series. The agreement expires on December 31, 2026.

Motorsport Games has offices in Miami and Orlando, Florida, Silverstone, England, and Moscow, Russia.

Market Opportunity

We believe that the broad popularity of racing sports and video games, along with favorable consumer dynamics and strong long-term trends (i.e., ubiquity of mobile devices, widespread acceptance and use of social media and mobile platforms, cloud gaming and video game streaming), together with the lack of a dominant global racing community organizer, present a significant opportunity for us to connect and monetize a large fanbase for motorsports by converting some of this audience into racing gamers and esports participants and spectators.

Global Motorsports Marketplace

We believe that motorsports will increase in popularity across generations of gamers and viewers because of their anticipated enthusiasm for racing games and esports. According to a report published by IndustryARC, the entire motorsports market is expected to reach $30 billion by 2025, which we believe is primarily the result of strong campaigning, broadcasting, social networking, related events, sponsorships and the introduction of advanced technologies by automotive companies. The 2017 acquisition of Formula 1 by Liberty Media Corporation and its intent to invest heavily in the promotion of the sport and to create several "Super Bowl-like" events in the United States is anticipated to also lead to an increase in motorsport popularity and attract a burgeoning audience, which we believe will allow us to convert an increasing number of racing fans into gamers and motorsport esports fans. For 2019, Formula 1 estimates that its total global television audience reached 471 million unique viewers. Further, Le Mans estimates its total reach was approximately 100 million homes worldwide in 2019, while NASCAR reached approximately 475 million households in 2019 and the BTCC reached approximately 62 million households in 2019.

Video Games

Video games have increasingly become one of the leading forms of entertainment on a global scale. The video game industry continues to benefit from powerful demographic shifts as new players enter the market, due in large part to gaming entertainment becoming ubiquitous across all age groups and geographies. In 2020, the Entertainment Software Association reported that within the United States:

- there are 214 million video game players, with three quarters of all households having at least one person who plays video games;
- 64% of all adults and 70% of those under 18 regularly play video games;
- the average age of video game players is 35 to 44; and
- adult video game players spend 6.6 hours per week playing with other gamers online and 4.3 hours per week playing with others in person.

Additionally, according to NewZoo, there are currently 2.7 billion persons that play video games worldwide who are projected to spend $174.9 billion on video games in 2020, with this number forecasted to surpass $200 billion by 2023. Industry growth is expected to be further strengthened by the release of next generation consoles, with the recent release of PlayStation 5 and Xbox Series X.

We also believe that video games in the racing genre will increase in popularity globally across generations of gamers and viewers because the format benefits from being family-friendly and can appeal to multiple generations. According to the Entertainment Software Association, of the 65% of gamers in the United States who play with others, 31% of them are playing with parents or other family members. Moreover, 26% of males between the ages of 55 and 64 and 50% of females between the ages of 18 and 34 who play video games classified racing games as their favorite genre of games. Additionally, 92% of parents pay attention to the games their children play, and 87% are aware of Entertainment Software Rating Board (ESRB) ratings. Our entire product lineup is currently rated E (Everyone), and we expect our future portfolio of games will also be rated E, thereby increasing the marketability of our products for parents who are conscientious of ratings, when compared to other genres, such as first-person shooter games. We believe these dynamics will help support the continued growth of games in the racing genre, which represented 5.8% of all 2018 video game sales in the United States as reported by Statista.

Mobile Games

Consumers are increasingly using their mobile devices for entertainment, including for playing mobile games. Digital game design in the casual game market has evolved as new game types and business models address expanding gaming audiences. In addition, the widespread adoption of smartphones and the availability of mobile app stores has increased the total accessible audience for gaming experiences, as it allows for gaming to occur more widely outside the home. According to Barclays, mobile gaming is estimated to represent 47% of current industry revenues and is expected to reach 60% by 2025. Further, with a projected 2.6 billion total mobile gamers for 2020 according to data from NewZoo, mobile games are forecasted to generate revenues of $86.3 billion in 2020.

Esports

The popularity of esports continues to grow rapidly, with an engaged and passionate fan base across the globe. According to recent data from NewZoo, the global esports audience is expected to reach 495 million in 2020, up from 395 million in 2018, which would surpass the global audience for many traditional sports. NewZoo also estimates that esports will generate approximately $950.3 million in global revenues in 2020, which will include approximately 61% from sponsorships, 17% from media rights, 11% from publisher fees and 6% from merchandise and ticketing revenue.

The proliferation of new streaming technologies in content distribution has also fueled growth in the popularity and engagement of esports, including the rise of live streaming and over-the-top channels and social networking and interaction within games. For example, according to Streamlabs, consumers viewed 4.7 billion hours of content on Twitch, 1.6 billion hours on YouTube Gaming Live and over 1 billion hours on Facebook during the third quarter of 2020, representing year-over-year growth of 70%, 132% and 297%, respectively.

Additionally, the popularity of esports is evidenced by the growth of professional esports associations and leagues. According to Greenman Gaming, tournament prize money in esports is increasing at an average of 42% per year, and the number of pro athletes in esports has been growing at a rate of 43% per year since 1998.

Our Competitive Strengths

Since our founding as a wholly-owned subsidiary of Motorsport Network in 2018, we have been developing our capabilities to be the preeminent motorsport gaming and esports entertainment ecosystem. We believe the following key strengths provide us with a significant competitive advantage to achieve this mission.

Exclusive licensing and partnership rights that provide unique and defensible access to iconic racing series. Our video game licensing and esports portfolio generally provides us exclusive and defensible rights to some of the most prestigious and popular global racing brands, providing for a large and growing core audience of fans to purchase and participate in our growing product and services portfolio. Specifically:

- Through our acquisition of 704Games in 2018, we obtained the exclusive license to be the official video game developer and publisher for the NASCAR video game racing franchise, subject to certain limited exceptions. In addition, we have the exclusive right to create and organize esports leagues and events for NASCAR using our NASCAR racing video games, subject to certain limited exceptions. Our current license arrangement with NASCAR, which was extended 10 years simultaneously with the acquisition of 704Games, expires on December 31, 2029.

- In March 2019, we established a joint venture with ACO, the organizer of the iconic 24 Hours of Le Mans endurance race. Through this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. Once granted, we anticipate this license would expire ten years beginning from the date of our first release of a Le Mans video gaming product. In addition, through this joint venture with ACO, we expect to be granted the right to create and organize esports leagues and events for the Le Mans Esports Series, which would continue so long as we have an ownership interest in this joint venture.

- In May 2020, we secured a multi-year licensing agreement to exclusively develop and publish the video games for the BTCC racing series across console, mobile and casual gaming channels. In addition, through this license, we have the right to create and organize esports leagues and events for the BTCC racing series. Our current license with the BTCC expires on December 31, 2026.

Portfolio of quality racing games developed by an experienced in-house development team specializing in racing games. Since our founding, we have invested in our in-house development team and have developed a portfolio of quality racing games for various platforms (PC, console, handheld and mobile). Our experienced development team consisting of approximately 56 employees specializes in racing games and has a deep understanding of games in this genre. This includes the crucial development of car physics, tracks, tire models, general racing rules and other components that are found across racing games. This specialization serves as a scalable foundation for the development of future racing games in our portfolio, which we believe also allows us to utilize the best available methods and technologies to help achieve higher quality products through an efficient development process. In turn, this allows us to more effectively control game development and in-game updates along with reducing the time and costs of developing and launching new games. Our development team serves as the strong cornerstone for the development of our future virtual racing franchises, particularly as we progress towards launching our next generation of NASCAR games on our proprietary racing-focused MSG Engine.

Strategic alliance and support from Motorsport Network, including access to a vast target audience. Motorsport Network is a leading global motorsport and automotive data-driven digital platform that owns and operates a collection of valuable digital media motorsport and automotive brands. As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com. Approximately 200 leading journalists and trusted experts in the world are creating daily content that seeks to capture and retain user attention through comprehensive distribution channels for Motorsport Network. Pursuant to an agreement with Motorsport Network, we have digital access rights to this audience to enable us to market, communicate, and engage with them regarding our games and esports series. We believe this access to a large, highly engaged and affluent target audience with an active lifestyle and passion for motorsports and automobiles creates strong engagement and distribution channel opportunities for our products and services. In addition, our strategic alliance and relationship with Motorsport Network uniquely provides us the ability to leverage the broad industry relationships and market clout of Motorsport Network, particularly due to its vast audience and reach. It is this relationship with Motorsport Network that we believe helped us to secure our current joint ventures, game development and/or esports related rights for various racing series, including for NASCAR, Le Mans and the BTCC.

Experienced game and technology-focused management team. Our senior management team has developed extensive experience across a broad range of disciplines in the gaming, esports and racing industries, including through prior roles at Codemasters, Electronic Arts, Sega, NaturalMotion, Sony and Motorsport Network. With an average of approximately 18 years of experience in these industries, including at public companies, our senior management team has strong creative and operational experience and a successful track record. For example, certain members of our management core team participated in the development and publishing of the official Formula 1 game franchise, as well as many other successful game titles, such as DiRT Rally and Forza Horizon. Further, prior to joining us, the majority of our senior management team have successfully worked together in the past, including our Chief Executive Officer and Chief Financial Officer, who have previously teamed together while serving as President and Chief Financial Officer, respectively, at a prior public company. This extensive experience extends beyond our senior management team and deep into our organization. We pair traditional games veterans with non-traditional expertise to push how games are customarily developed, published and operated.

The existing users of our console and mobile games, when combined with our officially licensed esports initiatives, joint ventures and the anticipated launch of APEX, cultivate a reinforcing flywheel of content that will enhance our offerings and grow our audience for future products and services. Given our track record and management team, we believe we are well positioned to continually create innovative and reinforcing gaming products that generate user excitement and naturally foster a competitive camaraderie amongst gamers. By harvesting the reinforcing nature of our product portfolio and the competition our products drive in our users, we believe we will be able to propel user engagement on APEX, our platform for the virtual racing community that we expect to launch in beta in the first quarter of 2021, and will increasingly be able to produce successful esports events centered around our popular licensed racing series. As a sign of the momentum we are generating, we had over 51 million viewers of our esports events in the first nine months of 2020, which enabled us to prominently display and reinforce our branding with the racing community. This includes one of the largest events in virtual racing history, the Le Mans 24 Virtual held in June 2020, which we produced. We also have entered into a joint venture with an affiliate of the Race Team Alliance (“RTA”), an organization consisting of 13 NASCAR Cup Series teams, to develop the eNASCAR Heat Pro League (the “eNHPL”). The RTA teams include the eNHPL and NASCARHeat.com logos on the contingency space on each of their NASCAR Cup Series vehicles for a number of NASCAR events, leading to increased awareness about the eNHPL through this unique promotional channel. We believe these milestones and achievements, combined with the current users of our console and mobile games and our access to the vast audience of Motorsport Network, uniquely positions us to be the preeminent motorsport gaming and esports entertainment ecosystem.

Our Strategy

Our mission is to create the preeminent motorsport gaming and esports entertainment ecosystem by delivering the highest quality, most sophisticated and innovative experiences for racers, gamers and fans of all ages. We believe we have put in place a solid foundation to achieve this mission since our founding in 2018, including each of our strengths listed above. To continue to build on this foundation and our growing momentum, we plan to focus on the following four key strategies:

- ***Continue to enhance the depth and breadth of our industry-leading motorsport gaming product portfolio***

In 2018, we, through our subsidiary 704Games, extended our license as the official video game developer and publisher for NASCAR through the end of 2029. To maximize the potential of the NASCAR gaming franchise, we have made significant investments in both technology and human talent to create a best-in-class racing game experience. In 2021, we plan to introduce our next generation NASCAR console game, offering fans of the sport and racing a "AAA" comparable game that will provide the most authentic and engaging experience possible. This new game has been internally built from the ground up on our new proprietary racing-focused MSG Engine and will utilize Unreal Engine's game engine, paired with the latest car physics and other components. The Unreal Engine is widely recognized within the industry and has been utilized in many notable games, such as *Borderlands 3, Fortnite Battle Royale, Gears 5, MotoGP 18, PlayerUnknown's Battlegrounds* and many others.

In conjunction with the launch of our new NASCAR console game, we plan to launch a new, redesigned NASCAR Heat Mobile in 2021, which is our NASCAR mobile racing game that will also be developed internally. Given the recent popularity and fast growing nature of the branded casual game experience, we also plan to introduce a slate of NASCAR branded casual gaming options, starting with the officially licensed NASCAR "match three" game in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

Combined with exclusive licenses and unique partnerships with iconic motorsport brands, we aspire to control the majority of the motorsport virtual racing segment to develop, publish, market, and distribute our games and organize unique esports events to help promote such games. We have been in discussions with numerous internationally recognized racing series license holders to develop video games and esports based upon their intellectual property, including using the same technology that will power our next generation NASCAR console game, as well as our upcoming games for the Le Mans and BTCC racing series that we anticipate releasing in 2022. For any new additional motorsport series with which we partner, we believe our new proprietary racing-focused game engine will allow us to quickly and cost effectively produce new, modern games (building on our existing game technology and know-how with such new series) and market it through existing distribution channels.

- ***Invest and harness the power of technology to focus on digital delivery and mobile platforms with interactive social engagement***

Driven by fast and convenient digital delivery, the widespread use of mobile devices and mobile games, and the ease of streaming and cloud computing, players increasingly purchase our games digitally or spend time playing our games on mobile devices. Downloadable-extra content and microtransactions have higher profit margins than traditional retail one-time sales of games and offer meaningful ways of generating revenues in free-to-play games and create monetization capabilities of existing games beyond the initial game purchase. Increasing opportunities for players to interact and socialize among peers around esports make games a major social outlet for players, which helps to develop a relationship between our game content and consumers, and provides higher margins and greater revenue visibility relative to prior years when revenues were dependent on the original game purchase.

- ***Continue to develop a full competitive esports ecosystem alongside franchise properties and a new gaming community on our APEX platform***

Underpinning our growth strategy is the integration between our licensed video game properties and our fully built-out esports platform and capabilities. As we continue to add to our existing portfolio of games centered around popular licensed racing series, this will provide us the opportunity to further grow our esports business by having more titles to produce our esports events. Further, by cultivating a vibrant and growing viewer and gamer community on APEX, we aim to build an easily accessible audience, which we believe will further drive interest for our future games and esports events. Ultimately, we believe this will allow us to not only reach and appeal to a larger audience, but to turn gamers into esports participants and vice versa by providing functionality to encourage and incentivize players of all abilities and skill levels to take part and compete online, which increases their level of engagement with our licensed gaming products and services. As our portfolio of official race franchise games grows, we also plan to launch a direct-to-customer subscription model that will allow privileged access to this portfolio of products as well as other loyalty perks. We have also grown, and expect to continue to grow, our esports business by using our esports platform to host and organize other motorsport tournaments and events on behalf of third-party video game license holders.

With this goal of cultivating a gaming community in mind, we are in the process of developing and building APEX, our esports "as a service" platform for our virtual racing community. We are designing APEX with the functionality to enable users to customize and run their own esports competitions in a simple, turn-key format, allowing groups to form around specific games, consoles, individual ability, and various other metrics. We plan to drive further user engagement and enhance the participant experience by providing players and fans with facts and statistics from particular racing games to give definitive performance and ability benchmarks. We currently anticipate launching APEX in beta in the first quarter of 2021.

- ***Further leverage our strategic alliance and support with Motorsport Network***

Utilizing the unique global reach, broad industry relationships and market clout of Motorsport Network, we plan to further leverage this strategic alliance with Motorsport Network with the goal of adding more game development and esports related rights for racing series in addition to the iconic NASCAR, Le Mans and BTCC titles to which we have already obtained, or are in the process of obtaining, licensing rights. As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com. Motorsport.com and Autosport.com are the largest online global motorsport content producers, offering around-the-clock news and analysis services in 21 editions and 15 languages. Additionally, we believe that being backed by the largest global media company in the motorsport industry that targets the same audience with different but related content provides us with a unique advantage in our industry, which will allow us to engage racing fans globally, attract new active participants, and deliver differentiated and proprietary content and experiences. Mike Zoi is the manager of Motorsport Network and has extensive experience in the motorsport industry through his business development and media related activities in the sport, and we expect Mr. Zoi's valuable industry relationships, in particular, to benefit the Company as described above.

Our Products

Game Products Portfolio

We develop and publish multi-platform racing video games including for game consoles, PCs and mobile platforms through various retail and digital channels, including full-game and downloadable content. Our current video game product portfolio is comprised solely of officially licensed NASCAR games. However, we have recently obtained the exclusive license to develop multi-platform games for the BTCC, and we are in the process of obtaining the exclusive license to develop multi-platform games for the Le Mans race and the WEC, with the goal of scaling not just the quantity of games per franchise, but also the number of official franchises. Since acquiring a controlling interest in 704Games in 2018, we have published NASCAR Heat 3 and NASCAR Heat 4, and developed completely in-house NASCAR Heat 5 for Xbox One, PlayStation 4 and PC, selling over one million copies of these games in total. We are also expanding our supported platforms to include the Nintendo Switch and expect to launch NASCAR Heat 5 on the Nintendo Switch platform in time for the 2021 NASCAR race season. NASCAR Heat Mobile is our current game for iOS and Android with approximately five million total installs to date.

To maximize the potential of the NASCAR and future gaming franchises, including with Le Mans and the BTCC, we are making significant investments in both technology and human talent to create one of the best racing game experiences. Starting in 2021, we plan to introduce our next generation NASCAR console game, which will offer fans of the franchise and racing a "AAA" comparable game that will provide one of the most authentic and engaging experiences possible. This new NASCAR offering has been internally built from the ground up on our new proprietary racing-focused MSG Engine and will utilize Unreal Engine's game engine, paired with the latest car physics and other components. We believe that the MSG Engine, coupled with our exclusive licensing and partnership rights with our existing racing series, will provide us an advantage over competing titles in the virtual racing space and allow us to efficiently scale to other official racing game franchises in the near future.

In conjunction with the launch of our new NASCAR console game, we plan to launch a new, redesigned NASCAR Heat Mobile in 2021, which is our NASCAR mobile racing game that will also be developed internally. Given the recent popularity and fast growing nature of the branded casual game experience, we also plan to introduce a slate of NASCAR branded casual gaming options, starting with the officially licensed NASCAR "match three" game in 2021. In addition, we have a roadmap for the development of more than a dozen anticipated mobile games, including multiple mobile products for each of our racing series.

Our current video game catalog includes the following titles:

Game	Image	Overview	Platforms	Release Date
NASCAR Heat 3		NASCAR Heat 3 is a racing video game simulating the 2018 NASCAR Cup Series and feeder competitions. It was developed by Monster Games, Inc. and published by 704Games.	Xbox One, PlayStation 4, and Microsoft Windows via Steam	September 7, 2018
NASCAR Heat Mobile		NASCAR Heat Mobile is the only officially licensed, authentic NASCAR racing experience for mobile devices. It was developed by Firebrands Games and published by 704Games. To date, NASCAR Heat Mobile has had approximately five million total installs.	iOS and Android	April 25, 2017
NASCAR Heat 4		NASCAR Heat 4 is a racing video game simulating the 2019 NASCAR season. It was developed by Monster Games, Inc. and was published by 704Games. To date, NASCAR Heat 4 is the most successful sequel of the NASCAR Heat franchise based on quantity of units sold.	Xbox One, PlayStation 4, and Microsoft Windows via Steam	September 13, 2019
NASCAR Heat 5		NASCAR Heat 5 is a racing video game simulating the 2020 NASCAR season. It was developed by 704Games and was published by Motorsport Games.	Xbox One, PlayStation 4, and Microsoft Windows via Steam	July 7 and 10, 2020 (Nintendo Switch projected to launch in 2021)
NASCAR NXT* *(Name TBC)		NASCAR NXT is an upcoming racing video game simulating the 2021 NASCAR season. This is a first installment of the new series, which changes the game engine, physics, artificial intelligence and many other game fundamental components.	Xbox, PlayStation, Microsoft Windows via Steam and Nintendo Switch	Projected mid-2021

Additionally, multi-platform games for the BTCC and Le Mans are currently under development, and we currently anticipate releasing games for these racing series in 2022.

As our portfolio of official race franchise games grows, we plan to launch a direct-to-customer subscription model that will allow privileged access to this portfolio of products as well as other loyalty perks. We anticipate that other virtual racing publishers may want to participate in our subscription services, which would allow us to derive additional revenue from game titles that are not developed or published by us.

Esports Partnerships and Franchises

We recognize the growing importance and business viability of esports, especially within the racing and motorsport genres. In recognition of this importance, we manage and operate the esports platforms for numerous racing series and organizations. In 2019, we organized and facilitated three e-racing series for the eNHPL, the Le Mans Esports Series and the official DiRT Rally 2.0 World Championship, broadcasting an aggregate of 21 events, with a cumulative total audience viewership of approximately 1.3 million. From January 2020 through July 31, 2020, we organized and facilitated eight e-racing series for the eNHPL, Le Mans Esports Series, 24 Hours of Le Mans Virtual, official DiRT Rally 2.0 World Championship, Official World Rallycross Esports Championship, ABB Formula E Race at Home Challenge, Race of Champions Virtual Series and Karting Series. Throughout these eight e-racing series during the first nine months of 2020, we broadcasted an aggregate of 53 events with a cumulative total audience viewership of approximately 51 million, up from a total of approximately 3.8 million viewers throughout 2019.

Our experience in hosting esports events throughout 2019 and 2020 includes the following:

Event	Racing Type	Arrangement	Key Event and Approximate Viewership Statistics
eNASCAR Heat Pro League 	Stock Car Racing	Collaboration between NASCAR, the RTA and 704Games to create the first-ever console-based NASCAR esports league	Events: 2019 - 12 events January 2020 through September 30, 2020 - 18 events Live Views: 2019 - 1.7 million January 2020 through September 30, 2020 - 4.8 million
Le Mans Esports Series 	Endurance Racing	45% ownership of Joint Venture with ACO, organizer of the 24 Hours of Le Mans endurance race	Events: 2019 - 7 events January 2020 through September 30, 2020 - 9 events Live Views: 2019 - 227,000 January 2020 through September 30, 2020 - 1.2 million.
24 Hour of Le Mans Virtual 	Endurance Racing	45% ownership of Joint Venture with ACO	2020 Inaugural Race: More than 14 million linear/ OTT viewers and more than 8.6 million digital viewers
Official DiRT Rally 2.0 World Championship 	Off Road Racing	Motorsport Network Agreement with Codemasters	Events: 2019 - 2 events January 2020 through September 30, 2020 - 3 events Live Views: 2019 - 231,000 January 2020 through September 30, 2020 – 0.6 million.
Official World Rallycross Esports Championship 	Mixed Surface Circuit Racing	Agreement with Codemasters and International Management Group	Events: January 2020 through September 30, 2020 - 7 events Live Views: January 2020 through September 30, 2020 - 1.3 million
ABB Formula E Race at Home Challenge 	City Circuit Racing	Agreement with FIA Formula E	Events: January 2020 through September 30, 2020 - 9 events Live Views: January 2020 through September 30, 2020 - 19.0 million
Race of Champions Virtual 	Mixed Surface Circuit Racing	Agreement with International Media Productions S.A.M.	Events: January 2020 through September 30, 2020 - 1 event Live Views: January 2020 through September 30, 2020 - 54,000

Our Audience and Our Community

Our sole member, Motorsport Network, is a leading global motorsport and automotive digital media platform. Founded in 2015, Motorsport Network offers hundreds of millions of fans and enthusiasts around the globe a more thrilling and interactive experience to engage with motorsports and cars by leveraging its technology, customer intelligence and brands. Since its inception, it has grown at a 103% compounded annual growth rate (CAGR) to become, by 2019, the biggest integrated digital media company in the motorsports and automotive industry. Motorsport Network houses a world-class team of employees, across 23 countries, that creates engaging, around-the-clock content and experiences for passionate fans of motorsports and the automotive industry world-wide.

As of September 2020, Motorsport Network had approximately 10.5 million social media followers and over 50 million unique visitors generating nearly 300 million monthly page views on its flagship platforms, including motorsport.com, autosport.com and motor1.com.

Pursuant to a promotion agreement we entered into with Motorsport Network in August 2018, Motorsport Network will provide us with exclusive promotion services consisting of the use of its and its affiliates' various media platforms to promote our business, organizations, products and services in the racing video game market and related esports activities. Accordingly, our relationship with Motorsport Network provides us access to its highly engaged, brand-loyal and affluent audience, including in the form of editorial coverage, ad stack and special organic integrations that puts us in front of this targeted audience. We believe this allows us to cultivate a passionate fanbase to engage in our offered products and services that is similar to the target audience for our racing game products, and racing esports events and platform. We also believe this audience has an active lifestyle and a passion for everything motorsport and auto-related with a strong track record of returning to trusted brands. The promotion agreement will remain in effect until such date that Motorsport Network no longer holds at least 20% of the voting interest in Motorsport Games, at which point we anticipate being able to extend or re-negotiate the promotion agreement on reasonable terms.

We have also continued to develop our audience base through our marketing efforts as discussed below under "—Marketing, Sales, and Distribution," including through activities on Facebook, Twitter, Twitch, YouTube and other online social networks. Additionally, in 2021, we plan to develop and produce live original reality television shows that include interactive broadcasts, live streaming, and social media-oriented programs (including Twitch.tv, YouTube, Facebook, Motorsport.tv and other potential partners) for our own OTT racing esports channel, which we expect to host on APEX.

Revenues

We currently generate revenue primarily by selling our racing video game products for video game consoles, PC, and mobile platforms through various retail and digital channels, including full-game and downloadable content. The Company also generates revenue from advertising partners and sponsors. We help our advertising partners and sponsors to generate a return on their investment by creating engaging content that reaches our large and desirable audience. We utilize multiple points of contact with our players and our audience and use every opportunity to upsell our products via our multiple platforms, in-game, email and original events.

Our esports business generates revenues from sponsorships, advertising and media rights for events and competitions. In addition, should audience patterns continue to grow and reach critical mass, we believe the esports business has the potential to generate incremental revenues through the further sale of broadcasting rights to the Company's esports events and competitions, as well as merchandising and sports betting. In addition, our APEX platform, which is currently under development and expected to launch in beta in the first quarter of 2021, will further help us monetize our audience through sponsorship and advertising revenues as we attract a large amount of traffic to our community platform, and sell tickets to our esports events.

Marketing, Sales, and Distribution

Many of our products contain software that enables us to connect with our gamers directly, including through customized advertising and in-game messaging based on customer preferences and trends. This provides a significant marketing tool that allows us to communicate and market directly to our customers.

Other direct marketing efforts include activities on Facebook, Twitter, Twitch, YouTube and other online social networks, online advertising, public relations activity, print and broadcast advertising, coordinated in-store and industry promotions (including merchandising and point of purchase displays), participation in cooperative advertising programs, direct response vehicles, and product sampling through demonstration software distributed through the Internet or the digital online services provided by our partners. Our relationship with Motorsport Network also provides us access to their highly engaged, brand-loyal and affluent audience, including in the form of editorial coverage, ad stack and special organic integrations that puts us in front of this targeted audience.

From time to time, we also receive marketing support from hardware manufacturers, producers of consumer products related to a game, and retailers in connection with their own promotional efforts, as well as co-marketing from promotional partners. For example, through our partnership with NASCAR, we benefit from having access to their extensive fanbase and social and digital media audience to market our products through e-mail marketing campaigns, coordinated social media advertising (including Facebook and Twitter) and collaborated press releases, further expanding NASCAR and racing enthusiasts' awareness of our products.

Additionally, 704Games is a 50/50 joint venture partner with an affiliate of the RTA to develop the eNHPL. RTA is an organization consisting of 13 NASCAR Cup Series teams and supports the promotion of eNHPL events through their individual team social and digital platforms, including by cross-posting Facebook livestreams of race broadcasts, adding eNHPL specific pages on team/sponsor websites, displaying tune-in graphics and digital promotions, generating creative content with specific eNHPL drivers, supporting NASCAR Heat social and digital content, integrating with existing partners and more. Most notable, the RTA teams include the eNHPL and NASCARHeat.com logos on the contingency space on each of their NASCAR Cup Series vehicles for a number of NASCAR events. The contingency space is located behind the front tire and in front of the car number, placing the logos in prime sponsorship space on the race car. These logos are clearly visible on the cars during televised race action and are also clearly seen in Victory Lane photos, leading to increased awareness about the eNHPL through this unique promotional channel.

We also are able to sell directly to consumers through various digital platforms. Our products and content are available for consumers to purchase and download at their convenience directly to their video game console, PC, or mobile device through our platform partners, including Microsoft Corporation ("Microsoft"), Sony Interactive Entertainment Inc. ("Sony"), Apple, Google LLC, Nintendo Co., Ltd. ("Nintendo"), and Steam. In the future, we expect to utilize our proprietary online gaming platform APEX, which is currently under development, to distribute most of our content directly to PC consumers.

Our physical gaming products are sold primarily through a distribution network with exclusive partners who specialize in the distribution of games, including through mass-market retailers (e.g., Target, Wal-Mart), consumer electronics stores (e.g., Best Buy), discount warehouses, game specialty stores (e.g., GameStop) and other online retail stores (e.g., Amazon). We currently derive, and expect to continue to derive, significant revenues from sales of our products to a very limited number of distribution partners. For the year ended December 31, 2019 and the nine months ended September 30, 2020, we had one distribution partner through which we sold substantially all of our products for the retail market, which represented approximately 40% and 32% of our total net revenue for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively.

Promotional Services Agreement with Fernando Alonso

In July 2020, we also entered into a promotional services agreement with Fernando Alonso, often regarded as one of the greatest Formula 1 drivers in the history of the sport, pursuant to which Mr. Alonso agreed to provide certain promotional services and perform an advisory role for the Company. Subject to the closing of this offering and the satisfaction of certain other closing conditions, at the time of, or as promptly as possible after the closing of this offering, the Company agreed, in reliance on an applicable exemption from the registration requirement under the Securities Act, to issue to Mr. Alonso a number of shares that represents 3% of the issued and outstanding shares of Class A common stock of the Company as of the closing date of this offering. The issuance of such shares is subject to Mr. Alonso providing to the Company customary written investor representations. Mr. Alonso is not obligated to begin performing the services until such shares are issued at the time of, or as promptly as possible after, the closing of this offering. The term of the promotional services agreement is three years. Mr. Alonso can terminate the promotional services agreement for any reason. We can terminate for cause (as such term is defined in the promotional services agreement). In either case of early termination, the remuneration will be prorated subject to the mechanism built-in to control how the shares will be returned to the Company.

Digital Marketing Strategy

At Motorsport Games, we believe that our audience is our most valuable asset. Accordingly, in order to maximize revenue and product offerings, we utilize an audience-centric approach, which is the engine that runs our business.

We start with collecting audience data across all our products, platforms, campaigns, attribution models, and analytics tools. These metrics are then turned into digestible insights. The centralization of this data is critical to our efficiency, as we are able to spend more time analyzing insights than correlating the data.

Our success is driven by monitoring audience signals rather than focusing on the creation of customer segments. This allows us to understand three key areas—consumer behavior changes, brand perception, and location in the sales funnel—which in turn allows us to build relationships that people will value instead of simply focusing on the products people may buy.

We intend to maximize our bottom line by utilizing this intelligence to personalize messaging, product positioning, and creatives based on user signals and their position in the funnel. This eliminates ad spend waste and increases conversion significantly while simultaneously driving our return on investment.

To protect our bottom line, we follow a performance marketing mind set. We set a goal and create personalized content to inspire action by the consumer. We are then able to optimize a campaign based on how the actual results compare to the original goal. Our in-house team then monitors the campaign to re-align and revise it on a constant basis, looking for ways to make our marketing initiatives more efficient.

Strategic Licenses and Partnerships

NASCAR

We are currently party to a series of license agreements with NASCAR for worldwide rights to use the NASCAR brand. Through our acquisition of 704Games in 2018, we obtained the exclusive right, subject to certain limited exceptions, to use certain licensed rights (including the rights of certain NASCAR teams) to develop, promote, advertise, distribute, manufacture and package simulation-style video gaming products, which are NASCAR-branded video game products that have a stock car and/or truck racing theme relating to NASCAR-sanctioned events intended to replicate authentic NASCAR racing competition rules and structure. The limited exceptions to this exclusive right represent third-party NASCAR-branded casual games, which may incorporate some mix of core characteristics of simulation-style video gaming products provided they are utilized with additional distinguishing creative liberties which are not consistent with authentic NASCAR racing. We also have a non-exclusive right to use certain licensed rights (including the rights of certain NASCAR teams) to develop, promote, advertise, distribute, manufacture and package other NASCAR-branded driving or non-driving gaming products.

In addition, we have the exclusive right to use simulation-style video gaming products as the platform for conducting and administering esports leagues and events for NASCAR, subject to certain limited exceptions. Such exceptions include esports events relating to iRacing, which is a NASCAR-sanctioned motorsport racing simulation currently available for the PC platform and designed to imitate exact NASCAR racing physics and conditions (including for certain NASCAR racing series), and certain competitive gaming events that fall outside of the exclusivity granted to us.

Our current license arrangement with NASCAR, which was extended 10 years simultaneously with the acquisition of 704Games, expires on December 31, 2029. The license arrangement provides for a commitment by both parties to participate in exclusive negotiations to renew the license, beginning March 1, 2028, and lasting for a period of at least 90 days. The license arrangement also requires us to pay royalties, including certain minimum annual guarantees, on an ongoing basis to NASCAR and to meet certain product distribution, development, marketing and related milestones.

Le Mans

On March 15, 2019, we formed Le Mans Esports Series Limited as a joint venture between Motorsport Games and ACO with the primary purpose of carrying on the promotion of and running of an esports event business replicating races of the WEC and the Le Mans race on an electronic gaming platform. Through our 45% ownership interest in this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC through a separate license agreement. Once granted, we anticipate this license would expire ten years beginning from the date of our first release of a Le Mans video gaming product. In addition, through this joint venture with ACO, we expect to be granted the right to create and organize esports leagues and events for the Le Mans Esports Series, which would continue so long as we have an ownership interest in this joint venture. We have entered into a binding letter of intent for these licensing rights, which we expect to obtain in the first quarter of 2021, as well as to increase our ownership interest in the joint venture to 51%, among other things. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Letter of Intent with ACO” for additional information. This joint venture shall continue until the earlier of the date on which the parties cease to be beneficially entitled in the aggregate to 25% or more of the equity share capital of the joint venture, the parties otherwise cease to control the affairs of the joint venture or the date of the commencement of the winding-up of the joint venture. If certain events of defaults occur, the non-defaulting party has a call option pursuant to which it can force the defaulting party to sell all (but not part) of its ownership in the joint venture in accordance with the joint venture agreement.

BTCC

On May 29, 2020, we entered into a license agreement with BARC (TOCA) Limited ("BARC"), the exclusive promoter of the BTCC. Pursuant to the agreement, we were granted an exclusive license to use certain licensed intellectual property for motorsports and/or racing video gaming products related to, themed as, or containing the BTCC, on consoles and mobile applications, esports series and esports events (including our esports platform). In exchange for the license, the agreement requires us to pay BARC an initial fee in two installments, the first of which was due on June 5, 2020 and the second installment of which is due upon the earlier of 60 days after the release of the products contemplated by the license or May 29, 2022. Following the initial fee, the agreement also requires us to pay royalties, including certain minimum annual guarantees, on an ongoing basis to BARC and to meet certain product distribution, marketing and related milestones, subject to termination penalties. The agreement shall remain in effect through December 31, 2026. However, if BARC's license agreement with Motorsport Games Limited, our UK subsidiary, to promote the BTCC is extended, BARC shall notify us and discussions for an extension of the agreement shall take place no later than March 31, 2026. BARC may terminate early only for cause as defined in the agreement. Upon termination, all outstanding royalty fees become due. Except in the event of termination for breach, a sell off period will begin and continue until the earlier of 180 days from such termination or December 31, 2026.

RTA

On March 1, 2019, we formed the Racing Pro League, LLC as a 50/50 joint venture between our subsidiary 704Games and an affiliate of RTA, with the primary purpose to create, own and operate the eNHPL, a stock car and/or stock truck racing themed, mass market, esports multiplayer competition video gaming league based on the NASCAR Heat video game series, pursuant to the terms and conditions of existing license agreements with NASCAR (for so long as they are in effect). As part of this joint venture, 704Games manages day-to-day operations of the eNHPL and RTA provides certain intellectual property rights from RTA teams and supports the promotion of eNHPL events through their individual team social and digital platforms, team/sponsor websites, digital promotions, content with specific eNHPL drivers, integration with existing partners and more. This joint venture shall continue until dissolved by the approval of the board of Racing Pro League, LLC and each of 704Games and RTA, as members, or as required by law.

Epic Games

On August 11, 2020, through our wholly-owned subsidiary, MS Gaming Development LLC, we entered into a licensing agreement with Epic Games International ("Epic") for worldwide licensing rights to Epic's proprietary computer program known as the Unreal Engine 4. Pursuant to the agreement, we were granted a nonexclusive, nontransferable and terminable license to develop, market and sublicense (under limited circumstances and subject to conditions of the agreement) certain products using the Unreal Engine 4 for our next generation of games. In exchange for the license, the agreement requires us to pay Epic an initial license fee, royalties, support fees and supplemental license fees for additional platforms. During a two-year support period, Epic will use commercially reasonable efforts to provide us with updates to the Unreal Engine 4 and technical support via a licensee forum. After the expiration of the support period, Epic has no further obligation to provide or to offer to provide any support services. The agreement is effective until terminated under the provisions of the agreement; however, pursuant to the terms of the agreement, we can only actively develop new or existing authorized products during a five-year active development period, which terminates on August 11, 2025.

Arrangements with Console Manufacturers

Under the terms of agreements we have entered into with Sony and its affiliates and with Microsoft and its affiliates, we are authorized to develop and distribute disc-based and digitally-delivered software products and services compatible with PlayStation and Xbox consoles, respectively. Under these agreements with Sony and Microsoft, we have the non-exclusive right to use, for the specified term and in a designated territory, technology that is owned or licensed by them to publish our games on their respective consoles. With respect to our digitally-delivered products and services, the console manufacturers pay us either a wholesale price or a royalty percentage on the revenue they derive from their sales of our products and services. Our transactions for packaged goods products are made pursuant to individual purchase orders, which are accepted on a case-by case basis by Sony or Microsoft (or their designated replicators), as the case may be. For packaged goods products, we pay the console manufacturers a per-unit royalty for each unit manufactured. Many key commercial terms of our relationships with Sony and Microsoft, such as manufacturing terms, delivery times, policies and approval conditions, are determined unilaterally, and are subject to change by the console manufacturers.

The license agreements also require us to indemnify the console manufacturers for any loss, liability and expense resulting from any claim against the console manufacturer regarding our games and services, including any claims for patent, copyright or trademark infringement brought against the console manufacturer. Each license may be terminated by the console manufacturer or shall terminate if a breach or default by us is not cured after we receive written notice from the console manufacturer, or if we become insolvent. The console manufacturers are not obligated to enter into license agreements with us for any future consoles, products or services.

Product Development and Support

We develop and produce our titles using a model in which a group of creative, technical, and production professionals, including designers, producers, programmers, artists, sound engineers, and others in coordination with our marketing, finance, analytics, sales, and other professionals, has responsibility for the entire development and production process, including the supervision and coordination of, where appropriate, external resources. We believe this model allows us to deploy the best resources for a given task, by supplementing our internal expertise with top-quality external resources on an as-needed basis.

In addition to our experienced development team consisting of approximately 56 employees, we rely on third-party software developers for the partial development of our titles. From time to time, we also acquire the license rights to publish and/or distribute software products that are, or will be, independently created by third-party developers. See "—Product Development and Support—Agreement with Studio397 B.V." below for additional information.

We also provide various forms of product support. Central technology and development teams review, assess, and provide support to products throughout the development process. Quality assurance personnel are also involved throughout the development and production of published content. We subject all such content to extensive testing before public release to ensure compatibility with appropriate hardware systems and configurations and to minimize the number of bugs and other defects found in the products. To support our content, we generally provide rapid game support to players through various means, primarily online through our social media channels.

Agreement with Studio397 B.V.

On May 19, 2020, we entered into a software development and license agreement with Studio397 B.V. ("Studio397"), a company that specializes in realistic, accurate and engaging simulation racing experiences, which uses and makes available their rFactor Technology platform as a basis for bespoke game development. The rFactor Technology is used, for example, in providing car handling physics and performance. Pursuant to the agreement, Studio397 will develop certain software and software elements exclusively for us for the purpose of integrating and incorporating the rFactor Technology platform into our next generation NASCAR console game ("NASCAR NXT"), which we currently anticipate releasing in 2021, as well as any sequels. Additionally, Studio397 has granted us a non-exclusive, non-transferable, sublicensable worldwide license to install, reproduce, display, use and operate the rFactor Technology for the purposes of developing, modifying, testing, and evaluating NASCAR NXT. The arrangement requires us to pay a one-time license fee in two installments, the first of which was due upon signing the agreement and the second installment of which is due 60 days after NASCAR NXT is made available on the Steam platform, and an additional license fee for each additional platform for which NASCAR NXT will be developed on. We are also required to pay a monthly development fee subject to the satisfaction of certain development milestones. The agreement is effective for an indefinite term starting from May 19, 2020, subject to certain termination and rescission rights of the Company and termination rights of either party in the case of insolvency, bankruptcy or similar events.

Competition

The interactive entertainment industry is intensely competitive and new interactive entertainment software products and platforms are regularly introduced. We believe that the main competitive factors in the interactive entertainment industry include: product features, game quality, and playability; brand name recognition; compatibility of products with popular platforms; access to distribution channels; online capability and functionality; ease of use; price; marketing support; and quality of customer service.

We specifically compete with other publishers of virtual racing video games for console, PC, and mobile entertainment, including Codemasters and other major video game publishers and esports companies. In addition to third-party software competitors, integrated video game console hardware and software companies, such as Microsoft, Sony, and Nintendo, compete directly with us in the development of game titles for their respective platforms, including titles in the motorsport racing genre, even though they generally cannot create branded NASCAR, Le Mans or BTCC games for which we hold, or expect to hold, exclusive licenses, subject to certain limited exceptions. A number of software publishers have developed and commercialized, or are currently developing, online games for use by consumers, and we must compete with them for our audience base.

In a broad sense, we compete for the leisure time and discretionary spending of consumers with other interactive entertainment companies, as well as with providers of different forms of entertainment, such as film, television, social networking, music and other consumer products.

Seasonality in Our Business

Historically, we have seen a high degree of seasonality in our business and financial results due to the introduction of seasonal video game updates. We generally aim to synchronize these yearly video game updates with the start of the new racing season and race calendars. Overall, our sales volumes are strongest around the time we launch our new products and also tend to be stronger at the start of the NASCAR racing season. We expect similar patterns for new racing series we are or may be in the process of developing and publishing in the future. We have also historically experienced a higher demand for our games during our fourth calendar quarter due to seasonal holiday demand.

Corporate Conversion

We currently operate as a Florida limited liability company under the name Motorsport Gaming US LLC. Immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, Motorsport Gaming US LLC will convert into a Delaware corporation pursuant to a statutory conversion and change its name to Motorsport Games Inc. In order to consummate the corporate conversion, a certificate of conversion will be filed with the Secretary of State of the State of Delaware.

Following and effective upon the consummation of the corporate conversion, 100% of the membership interests currently held by the Company's sole member, Motorsport Network, will convert into an aggregate of (i) shares of Class A common stock, based upon the value of the Company at the time of this offering with a value implied by the offering price of the shares of Class A common stock sold in this offering, and (ii) shares of Class B common stock, representing all of the outstanding shares of Class B common stock. Motorsport Network will be the only holder of shares of our Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. Any pledge of MSN Initial Class A Shares by Motorsport Network or its affiliates will not constitute a relinquishment of such beneficial ownership. The MSN Initial Class A Shares and shares of Class B common stock held by Motorsport Network will be adjusted in equal proportions for any stock dividend, stock split or similar transaction undertaken by the Company.

In connection with the corporate conversion, Motorsport Games Inc. will hold all property and assets of Motorsport Gaming US LLC, and all of the debts and obligations of Motorsport Gaming US LLC will become the debts and obligations of Motorsport Games Inc. by operation of law. Motorsport Games Inc. will be governed by a certificate of incorporation filed with the Delaware Secretary of State and bylaws, the material portions of each of which are described under the heading "Description of Capital Stock."

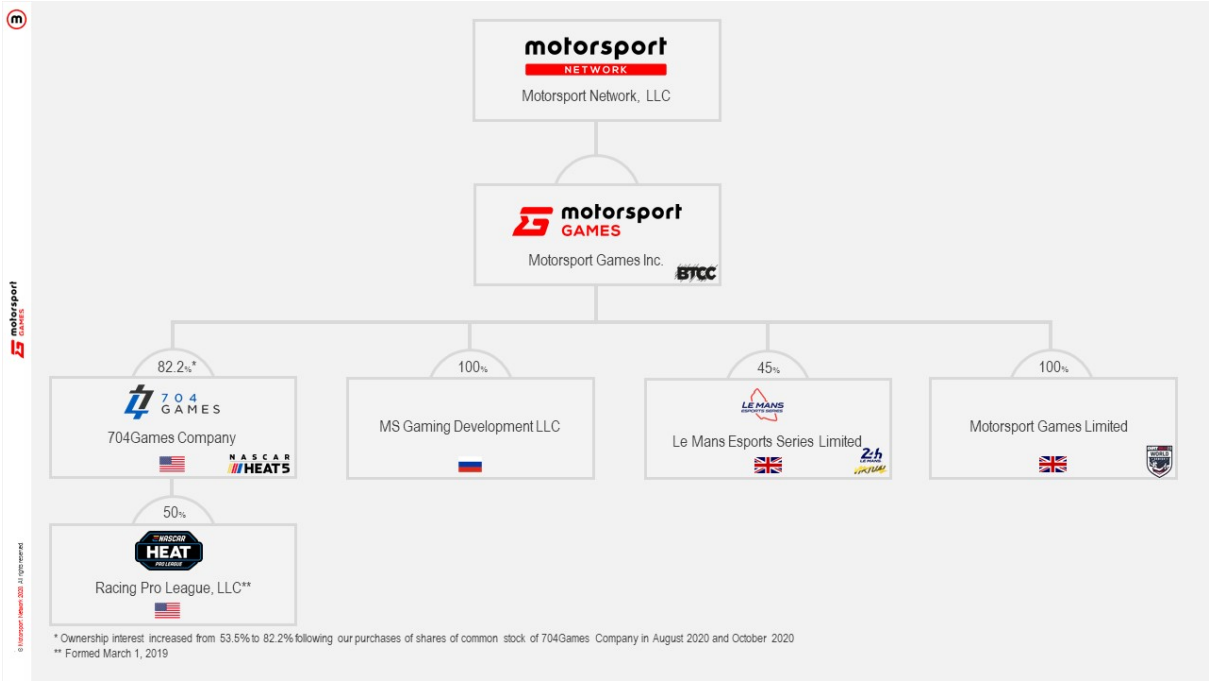
On the effective date of the corporate conversion, the members of the board of managers of Motorsport Gaming US LLC will become the members of Motorsport Games Inc.'s board of directors and the officers of Motorsport Gaming US LLC will become the officers of Motorsport Games Inc.

The purpose of the corporate conversion is to reorganize our corporate structure so that the entity that is offering the Class A common stock to the offerees in this offering is a corporation rather than a limited liability company and so that our existing investor, Motorsport Network, will own our Class A common stock and our Class B common stock rather than membership interests in a limited liability company. References in this prospectus to our capitalization and other matters pertaining to our equity, membership interests or shares prior to the corporate conversion relate to the capitalization, equity and membership interests of Motorsport Gaming US LLC, and after the corporate conversion, to the capitalization, equity and shares of Motorsport Games Inc.

The consolidated financial statements included elsewhere in this prospectus are those of Motorsport Gaming US LLC and its subsidiaries. We expect that our conversion from a Florida limited liability company to a Delaware corporation will not have a material effect on our consolidated financial statements at the time of the corporate conversion.

Organizational Structure

The diagram below depicts our expected organizational structure upon completion of this offering and the corporate conversion.



Motorsport Games Inc. is a Delaware corporation, which will be converted from a Florida limited liability company immediately prior to the effectiveness of the registration statement of which this prospectus forms a part as discussed above under "—Corporate Conversion." Motorsport Games Inc. will serve as a holding company for a direct 82.2% interest in 704Games, 45% interest in Le Mans Esports Series Limited, and 100% ownership in MS Gaming Development LLC and Motorsport Games Limited. Our license agreements for the BTCC racing series are currently held through Motorsport Gaming US LLC. The Company is not engaged in any business or other activities other than in connection with its ownership interest of the four above-stated companies. The Company is based in Miami, Florida, USA.

704Games was formerly known as Dusenberry Martin Racing and changed its name to 704Games Company on February 28, 2017. 704Games was founded in January 2015 and is based in Charlotte, North Carolina. Motorsport Gaming US LLC acquired a controlling interest in 704Games pursuant to a Stock Purchase Agreement dated August 14, 2018. Our ownership interest in 704Games was increased to 82.2% from 53.5% following our purchases of shares of common stock of 704Games in August 2020 and October 2020. Our license agreements with NASCAR are held through 704Games.

Racing Pro League, LLC is a U.S.-based joint venture formed on March 1, 2019 between 704Games and RTA Promotions, LLC, an affiliate of RTA, to develop the eNHPL. Currently, 704Games owns 50% of the equity interests of such joint venture.

Le Mans Esports Series Limited is a UK-based company incorporated on March 5, 2019 in connection with forming a joint venture with ACO, the organizer of the 24 Hours of Le Mans endurance race. Through this joint venture, we are in the process of obtaining the rights to be the exclusive video game developer and publisher for the Le Mans race and the WEC, which we have entered into a binding letter of intent for and expect to obtain in the first quarter of 2021. Le Mans Esports Series Limited is based in Towcester, United Kingdom.

MS Gaming Development LLC is a Russia-based limited liability company registered on April 10, 2019 that holds a majority of our software and game development capabilities. MS Gaming Development LLC is based in Moscow, Russian Federation.

Motorsport Games Limited is a UK-based limited liability company based in Silverstone, United Kingdom that was incorporated in February 2020 and is a leading esports event organizer in the United Kingdom and internationally.

Upon completion of this offering, we will continue to be controlled by Motorsport Network, which will indirectly own approximately % of the voting interest in us (or approximately % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock).

Employees

Our business relies on our ability to attract and retain the right team to enable us to be a leading game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world. We invest heavily in hiring and retaining talented people, particularly as we grow our business. Our headcount as of September 30, 2020 was 77 full-time employees, including 56 game developers located in the United States, the United Kingdom and the Russian Federation, none of which were covered by collective bargaining agreements. We believe that relations with our employees are generally good.

Government Regulation

We are subject to various federal, state and international laws and regulations that affect companies conducting business on the Internet and mobile platforms, including those relating to privacy, use and protection of player and employee personal information and data (including the collection of data from minors), the Internet, behavioral tracking, mobile applications, content, advertising and marketing activities (including sweepstakes, contests and giveaways), and anti-corruption. Additional laws in all of these areas are likely to be passed in the future, which could result in significant limitations on or changes to the ways in which we can collect, use, host, store or transmit the personal information and data of our customers or employees, communicate with our players, and deliver products and services, and may significantly increase our compliance costs. As our business expands to include new uses or collection of data that are subject to privacy or security regulations, our compliance requirements and costs will increase, and we may be subject to increased regulatory scrutiny.

Facilities

Our corporate headquarters is located in Miami, Florida and consists of approximately 2,000 square feet of space under a lease that expires in May 2025.

We also lease offices in Orlando, Florida, Charlotte, North Carolina, Silverstone, England, and Moscow, Russia. We believe that we will be able to obtain additional space, as needed, on commercially reasonable terms.

Intellectual Property

Our business is based on the creation, acquisition, use and protection of intellectual property. Some of this intellectual property is in the form of software code, trademarks and copyrights, and trade secrets that we use to develop our games and to enable them to run properly on multiple platforms. Other intellectual property we create includes audio-visual elements, including graphics, music and interface design.

While most of the intellectual property we use is created by us, we have acquired rights to proprietary intellectual property. We have also obtained rights to use intellectual property through licenses and service agreements with third parties. These agreements typically limit our use of intellectual property to specific uses and for specific time periods.

We protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and nondisclosure agreements with third parties. We also actively engage in monitoring and enforcement activities with respect to infringing uses of our intellectual property by third parties.

In addition to these contractual arrangements, we also rely on a combination of trade secret, copyright, trademark, trade dress and domain names to protect our games and other intellectual property. We typically own the copyright to the software code to our content, as well as the brand or title name trademark under which our games are marketed. We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States.

Legal Proceedings

As of the date hereof, we are not a party to any material legal or administrative proceedings. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus:

Name	Age	Position
Dmitry Kozko	37	Chief Executive Officer and Executive Chairman
Stephen Hood	43	President
Jonathan New	60	Chief Financial Officer
Neil Anderson	74	Director
Francesco Piovanetti	45	Director
Rob Dyrdek	46	Director
James William Allen	54	Director

There is no arrangement or understanding between the persons described above and any other person pursuant to which the person was selected to his or her office or position.

Dmitry Kozko, Chief Executive Officer. Mr. Kozko has served as our Chief Executive Officer since January 2020 and has served as Executive Chairman since December 2020. A technology entrepreneur and author of more than two dozen patents, Mr. Kozko joined Motorsport Games from its parent company, Motorsport Network in January 2020, having held the positions of Senior VP of Operations and then COO at Motorsport Network since November 2018. Prior to joining Motorsport Network in January 2018, Mr. Kozko was the CEO of Ultracast, a live 360˚ video and virtual reality platform, and President of IC Realtime, a digital surveillance manufacturer, from February 2014 to November 2018. Mr. Kozko still currently serves as a member of the board of IC Realtime. Mr. Kozko formerly served as the President and Director of Net Element, Inc. (Nasdaq: NETE), a global technology and value-added solutions group that supports electronic payments acceptance in a multi-channel environment, from December 2010 until February 2014 after taking Net Element public and completing the acquisition and integration of Unified Payments, a provider of transaction processing services and payment enabling technologies that was recognized by Inc. Magazine as the fastest growing private company in the United States in 2012. We believe that Mr. Kozko is qualified to serve on our board of directors because of his extensive leadership and technology experience.

Stephen Hood, President. Mr. Hood has served as our President since April 2019. Mr. Hood has also served as President of Motorsport Games Limited, our UK subsidiary, since February 2020 and as a director of 704Games since September 2018. Previously, Mr. Hood served as Head of Esports for Autosport Media UK Limited, a subsidiary of Motorsport Network, from July 2018 to March 2019. Prior to joining Motorsport Network, Mr. Hood served as Executive Producer at Dovetail Games, a UK-based producer of digital hobbies, from September 2016 to May 2018 and as a Creative Director from December 2014 to September 2016. Mr. Hood was employed at Codemasters, a British video game developer and publisher, as Creative Director from November 2011 to December 2013 and as Chief Game Designer from March 2009 to November 2011. Prior to that, Mr. Hood was Design Manager at Ideaworks Game Studio, a British video game developer, from August 2006 to October 2008 and a Senior Designer at renowned British developer Lionhead Studios Limited from 2004 to 2006. He also has held various positions as Design Director and Design Manager with other video game producers. Mr. Hood is a BAFTA award winning developer (Best Simulation, The Movies and Best Sports Game, Formula One 2010) with particular expertise in building creative teams and designing and managing the development of complex video game projects and services.

Jonathan New, Chief Financial Officer. Jonathan New has served as our Chief Financial Officer since January 2020. Prior to joining the Company, Mr. New was Chief Financial Officer of Blink Charging Co. (Nasdaq: BLNK), an owner, operator and provider of electric vehicle charging equipment and networked electric vehicle charging services, from July 2018 to January 2020. Prior to Blink Charging Co., Mr. New was Chief Financial Officer of Net Element, Inc. (Nasdaq: NETE), a global technology and value-added solutions group that supports electronic payments acceptance in a multi-channel environment, from 2008 to July, 2018. He has a career of leading rapidly growing businesses through levels of increasing success, with experience in directing strategies in accounting, operations, financial planning and analysis, information technology, human resources, mergers and acquisitions ("M&A"), taxation and investor relations. Mr. New obtained his BS in Accounting from Florida State University and began his career with Accenture. He is a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. We believe that Mr. New is qualified to serve on our board of directors because of his extensive finance experience.

Neil Anderson has served as a member of our board of directors since December 2020. Mr. Anderson previously practiced as an attorney with the law firm of Sullivan & Cromwell LLP from 1971 to 2013. Mr. Anderson was a partner at Sullivan & Cromwell from 1979 to 2008 and of counsel to the firm from 2009 to 2013. During the period he was a partner, Mr. Anderson was actively involved in corporate matters, focusing primarily on M&A transactions, both domestically and internationally. Between 2000 and 2002, Mr. Anderson served as the head of Sullivan & Cromwell's M&A practice in Europe, resident in the firm's London office. Mr. Anderson has been a frequent speaker and faculty member on professional seminars and programs dealing with M&A and related matters. Mr. Anderson holds a J.D. and an A.B. from Columbia University. We believe that Mr. Anderson is qualified to serve on our board of directors because of his extensive legal and M&A experience.

Francesco Piovanetti has served as a member of our board of directors since December 2020. Mr. Francesco Piovanetti is the Chief Executive Officer and Director of both Arco Capital Corporation, Ltd., a provider of financial investment services, and Arco Global Management LLC, an investment management and consulting firm. He has served in various Arco roles since 2006. Mr. Piovanetti has more than twenty-five years of experience working in various areas of asset management, emerging markets, real estate, corporate finance, capital markets and investment banking. Mr. Piovanetti served as the Chief Executive Officer and Chief Financial Officer of Cazador Acquisition Corp. Ltd. (formerly Nasdaq: CAZA) from April 2010 to June 2012. From 2003 to 2006, he served as a Managing Director at an alternative asset management firm. From 1997 to 2003, he was employed as an Analyst and later as an Associate, a Vice President and then as a Director at Deutsche Bank in its Structured Capital Markets Group, which executed proprietary and client arbitrage transactions. From 1995 to 1997, he served as Senior Analyst in Deloitte & Touche LLP's Corporate Finance Group where he consulted in the areas of commercial lending, M&A, management buyouts, capital sourcing and valuation services. Mr. Piovanetti received a B.A. in Economics and a B.S. in Finance from Bryant University, and an M.B.A. in Finance from Columbia Business School. We believe that Mr. Piovanetti is qualified to serve on our board of directors because of his extensive finance experience.

Rob Dyrdek has served as a member of our board of directors since December 2020. Mr. Dyrdek is the founder of Dyrdek Machine, a full-service venture studio that helps entrepreneurs design, share, build and invest in their ideas and turn them into sustainable and successful businesses, and has served as its Chief Executive Officer since January 2016. Since 2013, Mr. Dyrdek has also served as Co-President of Superjacket, an end-to-end, all media production company co-founded by Mr. Dyrdek. Mr. Dyrdek is also a successful entrepreneur, content creator and media personality well versed in all aspects of the entertainment and consumer facing media business. Mr. Dyrdek started his first company at the age of eighteen and has since built multiple brands in categories ranging from footwear, apparel and eyewear to gaming and entertainment. Mr. Dyrdek founded the world's first true professional skateboarding league, Street League Skateboarding, in 2010. He co-created, executive produced and starred in his first television show, Rob & Big on MTV from 2006 to 2008 and subsequently created, executive produced and starred in Rob Dyrdek's Fantasy Factor from 2009 to 2015. We believe that Mr. Dyrdek is qualified to serve on our board of directors because of his extensive business, branding, media, and entertainment experience.

James William Allen has served as a member of our board of directors since December 2020. Mr. Allen has served as President of Motorsport Network, our parent company, since October 2018. Prior to serving as President of Motorsport Network, Mr. Allen served as President EMEA of Motorsport Network from April 2018 to October 2018 and Director of Speed Merchants Ltd, a Motorsport Network affiliate, from July 2017 to April 2018. Prior to joining Motorsport Network, Mr. Allen served as a correspondent and commentator for various media outlets, including BBC, ESPN, ITV and Financial Times, and has 30 years' experience at the front line of international motorsports. Mr. Allen is an expert in F1, Formula E, Le Mans, IndyCar and many other racing series with deep relationships with rights holders, federations, original equipment manufacturers (OEM), teams, drivers, brands and agencies. Mr. Allen holds an undergraduate BA and MA (Masters) degree in English and Modern Languages from the University of Oxford. We believe that Mr. Allen is qualified to serve on our board of directors because of his deep understanding of international motorsports and extensive experience in content creation, digital media and broadcast.

Family Relationships

There are no family relationships among any of the directors or executive officers.

Board Structure

Upon the closing of this offering, our board of directors will consist of five members. In accordance with our certificate of incorporation that will be in effect upon completion of this offering, immediately after this offering, our board of directors will be divided into two classes with staggered two-year terms. Subject to the rights of the holders of any series of our preferred stock then outstanding, each director will serve for a term ending on the date of the second annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I will serve for a term expiring at our first annual meeting of stockholders held after our certificate of incorporation becomes effective upon completion of this offering. Each director initially assigned to Class II shall serve for a term expiring at our second annual meeting of stockholders held after the effectiveness of our certificate of incorporation upon completion of this offering. The term of each director will continue until the election and qualification of his or her successor and be subject to his or her earlier death, disqualification, resignation or removal.

Upon the closing of this offering, our directors will be divided among the two classes as follows:

- the Class I directors will be and , whose terms will expire at the first annual meeting of stockholders to be held following the completion of this offering; and
- the Class II directors will be , and , whose terms will expire at the second annual meeting of stockholders to be held following the completion of this offering.

Our board of directors may establish the authorized number of directors from time to time by resolution. We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the two classes so that, as nearly as possible, each class will consist of approximately one half of the directors. The division of our board of directors into two classes with staggered two-year terms may delay or prevent a change of our management or a change in control.

Status as a Controlled Company under the Nasdaq Listing Rules

Upon completion of this offering, Motorsport Network will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the Nasdaq Listing Rules. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of our corporate governance and compensation committees.

We do not currently expect or intend to rely on any of these exemptions, but there can be no assurance that we will not rely on these exemptions in the future. If we were to utilize some or all of these exemptions, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq rules regarding corporate governance.

Director Independence

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, we expect that our board of directors will affirmatively determine that Messrs. Anderson, Piovanetti and Dyrdek do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq. In making this determination, our board of directors will consider the current and prior relationships that each non-employee director has with our Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Committees of our Board of Directors

Our board of directors will establish three standing committees: an audit committee, a compensation committee and a nominating and governance committee, each of which will have the composition and responsibilities described below as of the completion of this offering. Following the closing of this offering, each committee's charter will be posted on the investor relations section of our website. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Our audit committee will consist of Messrs. Anderson, Piovanetti and Dyrdek, each of whom, our board of directors will determine, satisfies the independence requirements under the Nasdaq Listing Rules and Rule 10A-3 of the Exchange Act. The chair of our audit committee will be Mr. Piovanetti, whom our board of directors will determine is an "audit committee financial expert" within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements.

The primary purpose of the audit committee will be to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control and financial statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee will include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- reviewing and discussing with management all press releases regarding our financial results and any other information provided to securities analysts and rating agencies, including any non-GAAP financial information;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing and approving any related-party transactions, after reviewing each such transaction for potential conflicts of interests and other improprieties;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law;
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm;
- considering and presenting, jointly with our nominating and corporate governance committee, to the board of directors for adoption a code of business conduct and ethics for all employees and directors; and
- reviewing and investigating conduct alleged by the board of directors to be in violation of our code of business conduct and ethics, and adopting as necessary or appropriate, remedial, disciplinary, or other measures with respect to such conduct.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable Nasdaq listing standards.

Compensation Committee

Our compensation committee will consist of Messrs. Anderson and Piovanetti, each of whom, our board of directors will determine, is independent under the Nasdaq Listing Rules and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. The chair of our compensation committee will be Mr. Anderson.

The primary purpose of our compensation committee will be to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans and programs and to review and determine the compensation to be paid to our executive officers, directors and other senior management, as appropriate. Specific responsibilities of our compensation committee will include:

- reviewing and advising the board of directors concerning our overall compensation, philosophy, policies and plans, including reviewing both regional and industry compensation practices and trends;
- determining any peer group used for executive compensation comparison purposes;
- reviewing and approving corporate and personal performance goals and objectives relevant to the compensation of all executive officer executive officers, and making recommendations to the board of directors regarding all executive officer executive compensation (including but not limited to salary, bonus, incentive compensation, equity awards, benefits and perquisites);

- reviewing, adopting, amending and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections and any other compensatory arrangements for our executive officers and other senior management;
- reviewing and discussing with management the disclosures regarding executive compensation to be included in our public filings or shareholder reports;
- reviewing and recommending to our board of directors the compensation paid to our directors;
- overseeing succession planning for executive officers jointly with our nominating and corporate governance committee; and
- reviewing key strategic human resource activities, including those relating to diversity, training and recruitment.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable Nasdaq listing standards.

Nominating and Governance Committee

Our nominating and governance committee will consist of Messrs. Anderson and Piovanetti, each of whom, our board of directors will determine, is independent under the Nasdaq Listing Rules. The chair of our nominating and governance committee will be Mr. Anderson.

Specific responsibilities of our nominating and corporate governance committee will include:

- evaluating and selecting, or recommending to our board of directors nominees for each election of directors, except that if we are at any time legally required by contract or otherwise to provide any third party with the ability to nominate a director, our nominating and governance committee need not evaluate or propose such nomination, unless required by contract or requested by our board of directors;
- determining criteria for selecting new directors, including desired board skills, experience and attributes;
- considering any nominations of director candidates validly made by our stockholders;
- reviewing and making recommendations to our board of directors concerning qualifications, appointment and removal of committee members;
- developing, recommending for approval by our board of directors and reviewing on an ongoing basis the adequacy of the corporate governance principles applicable to us, including, but not limited to, director qualification standards, director responsibilities, committee responsibilities, director access to management and independent advisors, director compensation, director orientation and continuing education, management succession and annual performance evaluation;
- considering and presenting, jointly with our audit committee, to the board of directors for adoption a code of business conduct and ethics;
- reviewing and recommending to our board of directors changes to our bylaws as needed;
- developing orientation materials for new directors and corporate governance-related continuing education for all directors; and
- overseeing succession planning for executive officers jointly with our compensation committee.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable Nasdaq listing standards.

Code of Business Conduct and Ethics

In connection with this offering, we intend to adopt a written code of business conduct and ethics. Our code of business conduct and ethics is intended to document the principles of conduct and ethics to be followed by all of our directors, officers and employees. Its purpose is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest. Following the closing of this offering, the full text of our code of business conduct and ethics will be posted on the investor relations section of our website. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of these provisions, on our website or in filings under the Exchange Act.

EXECUTIVE COMPENSATION

We have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies," as such term is defined in the rules promulgated under the Securities Act. In accordance with these rules, we had one "named executed officer" for fiscal year 2019, which was Stephen Hood, who served as our President. Dmitry Kozko, our current Chief Executive Officer, and Jonathan New, our current Chief Financial Officer, were appointed to their respective positions with the Company in January 2020.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs and arrangements summarized in this discussion, including the terms of the Motorsport Games Inc. 2021 Equity Incentive Plan, referred to below as the 2021 Plan, which we expect will become effective immediately prior to the consummation of this offering.

2019 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officer for the fiscal years indicated below.

Name and Principal Position	Fiscal Year	Salary	All Other Compensation	Total
Stephen Hood(1)(2) *President*	2019	$ 136,743	$ 1,260(3)	$ 138,003

(1) Mr. Hood was appointed to serve as our President effective April 1, 2019. Mr. Hood was paid in British pounds for fiscal year 2019. The amounts included in the table above were determined by converting to U.S. dollars using the exchange rate in effect on December 31, 2019 (approximately 1 British pound sterling = 1.277 U.S. dollars).

(2) Mr. Hood did not earn any bonus and was not granted any stock or option awards for fiscal 2019.

(3) Represents the Company's contribution to a defined contribution plan in Mr. Hood's name in the United Kingdom.

Elements of the Company's Executive Compensation Program

For fiscal year 2019, the compensation for our named executive officer generally consisted of a base salary, standard employee benefits and a retirement plan. Following the consummation of this offering, we may also grant equity awards and cash bonuses as part of our executive compensation program for named executive officers, as determined by our board of directors or our compensation committee.

Base Salary

Our named executive officers receive a base salary to compensate them for services rendered to our Company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role, and responsibilities. Base salaries may be increased based on the individual performance of the named executive officer, Company performance, any change in the executive's position within our business, the scope of his or her responsibilities and any changes thereto. Base salaries may also be increased as required under the terms of a named executive officer's employment agreement, as applicable.

Cash Bonus

From time to time our board of directors or compensation committee may approve bonuses for our named executive officers based on individual performance, company performance or as otherwise determined appropriate.

Equity Compensation

In connection with this offering, we intend to adopt the 2021 Plan in order to facilitate the grant of equity awards to our employees, consultants, and directors for the purposes of obtaining and retaining services of these individuals, which we believe is essential to our long-term success. It is anticipated that the 2021 Plan will become effective immediately prior to the consummation of this offering. For additional information about the 2021 Plan, see "Incentive Compensation Plan" below.

Other Elements

We provide various employee benefit programs to our named executive officers, including health and life insurance benefits, which are generally available to all of our employees. We also currently maintain a 401(k) retirement savings plan for our U.S. employees, including our U.S.-based named executive officers, who satisfy certain eligibility requirements, and a similar retirement savings plan for our employees in the United Kingdom.

2019 Outstanding Equity Awards at Fiscal Year-End

There were no outstanding equity awards held as of December 31, 2019 by our named executive officer.

Executive Employment Arrangements

Employment Agreement with Dmitry Kozko

We are party to an employment agreement, effective as of January 1, 2020, with Dmitry Kozko, our Chief Executive Officer, for a term expiring on December 31, 2024. After such term expires, Mr. Kozko will be employed as an employee "at will." Mr. Kozko's base salary will be $500,000 per annum, subject to annual increases to 103% of the base salary paid to Mr. Kozko in the prior calendar year. Pursuant to the employment agreement, Mr. Kozko will serve on our board of directors upon consummation of this offering until such time as Mr. Kozko's employment with us is terminated for any reason.

In the event Mr. Kozko's employment is terminated by us during the term of the employment agreement without "Cause" or by Mr. Kozko for "Good Reason" (as such terms are defined in such employment agreement), Mr. Kozko will be entitled to (i) payment of any unpaid base salary, (ii) continuation of payment of his base salary from the effective date of such termination to the earlier of expiration of 12 months after the date of such termination or to the end of the term of the employment agreement and (iii) reimbursement of his business expenses if any are then due. In addition, upon such termination, all of his (if any) unvested stock awards or stock option awards pursuant to our equity incentive plans (including the 2021 Plan) will be deemed vested on the effective date of such termination. Further, all of his (if any) unvested stock awards or stock option awards pursuant to our equity incentive plans (including the 2021 Plan) will vest upon a "Change in Control" (as such term is defined in such employment agreement) if it occurs during Mr. Kozko's employment with the Company.

Mr. Kozko is entitled to participate (in addition to the additional incentive compensation described below) in all equity incentive plans generally available to our executive officers, subject to our compensation committee determining any awards and performance metrics for such awards under any such plans.

Mr. Kozko is entitled to the following additional incentive compensation outside of our equity incentive plans, including the 2021 Plan (the "Additional CEO Incentive"):

(a) If (i) a liquidity event of the Company occurs that results in the Company's valuation of at least $100,000,000 and (ii) an occurrence, pursuant to the applicable loan documents, of the triggering event for the repayment by us to Motorsport Group, LLC, Motorsport Network, LLC and/or their affiliates of the aggregate amount of investment by such parties in us and our subsidiaries through the date of consummation or closing of such liquidity event, as applicable, has occurred, we will issue as promptly as practicable to Mr. Kozko (1) such number of shares of our Class A common stock that would constitute 1.0% of the total shares of our Class A common stock expected to be issued and outstanding (on a fully diluted basis) immediately upon the closing of the initial liquidity event (the "Initial Shares Award") and (2) a stock option award for such number of shares of our Class A common stock that would constitute 2.0% of the total shares of our Class A common stock expected to be issued and outstanding (on a fully diluted basis) immediately upon the closing of the initial liquidity event (the "Initial Option Award," and together with the Initial Shares Award, the "Initial Award").

A liquidity event includes, with respect to the Company, a sale or exchange of capital stock, a merger or consolidation, a recapitalization, a tender or exchange offer, a leveraged buy-out, in each case to an unaffiliated purchaser or the Company or its parent causing a sale by the Company and its subsidiaries of substantially all of the Company's and its subsidiaries consolidated assets to an unaffiliated purchaser, an initial public offering of the Company's equity securities ("IPO"), including the offering contemplated hereby, or any monetization event of the Company (together with its subsidiaries), but only so long as in each such transaction, sale, reorganization, merger, recapitalization, tender or exchange offer, buy-out, monetization event or IPO, Motorsport Group, LLC, Motorsport Network, LLC and/or their affiliates receive in full the aggregate amount of their investment in the Company and its subsidiaries. In the case of an IPO, the Company's valuation will be the market capitalization based on the initial public offering price in the offering and for any other liquidity event, the Company's valuation will be on a cash-free, debt-free basis based on the consideration paid or payable in such liquidity event.

Mr. Kozko will have an option, in his discretion, to replace all or a portion of his Initial Shares Award with a cash payment of up to $1,000,000. By way of example only: if Mr. Kozko opts to replace one-half of his Initial Shares Award with a cash payment, the cash amount would be $500,000; if Mr. Kozko opts to replace his entire Initial Shares Award with a cash payment, the cash amount would be $1,000,000. Pursuant to Mr. Kozko's employment agreement, the Company will gross up the amount of such cash payment by increasing the gross amount of such cash payment to Mr. Kozko to account for the taxes withheld from or attributable to such payment.

(b) Subject to satisfaction of the conditions set forth in paragraph (a) above, the amount of stock options for the shares of our Class A common stock to be issued to Mr. Kozko will be increased from time to time in the percentage increments set forth below if either:

(1) in the event of a liquidity event that is an IPO that results in the listing of our Class A common stock on a major stock exchange such as Nasdaq or the New York Stock Exchange ("IPO") and at all times after the IPO so long as our Class A common stock is traded on a major stock exchange such as Nasdaq or NYSE, our market capitalization targets (summarized below) are achieved from time to time by us (such targets will be deemed achieved if during any 60 consecutive calendar days, the average closing trading price of our Class A common stock corresponds to the market capitalization targets (summarized below)); or

(2) in the event of a liquidity event that is not an IPO and so long as our Class A common stock is not traded on a major stock exchange such as Nasdaq or NYSE, our valuation targets summarized below are achieved by us. The percentage increments described in this paragraph will be the percentage of the total shares of our Class A common stock issued and outstanding on a fully diluted basis on the date of the applicable issuance.

The percentage of increase in the number of stock options to be issued to Mr. Kozko will be 0.2% of the total shares of our Class A common stock issued and outstanding on a fully diluted basis on the date of the applicable issuance for each $50,000,000 incremental increase of the Company's market capitalization target or valuation target (as applicable) in excess of $100,000,000, *provided, however*, that the percentage of increase in the number of stock options to be issued to Mr. Kozko will be 1.5% of the total shares of our Class A common stock issued and outstanding on a fully diluted basis on the date of the applicable issuance for the incremental increase of the Company's market capitalization target or valuation target (as applicable) from $950,000,000 to $1,000,000,000. There will be no more incremental increases after the $1,000,000,000 threshold is reached.

Such shares and stock option issuances pursuant to the Additional CEO Incentive have been approved by the sole manager of Motorsport Gaming US LLC, our predecessor, and are expected to be ratified by our compensation committee prior to the consummation of this offering. The shares and stock options will be issued to Mr. Kozko in reliance upon the exemption from the registration requirements of the Securities Act set forth in Section 4(a)(2) of the Securities Act and the resale of such shares will be restricted subject to compliance with applicable law, including the Securities Act.

The per share exercise price for any stock options issuable to Mr. Kozko pursuant to the Additional CEO Incentive may not be less than the fair market value of a share of our Class A common stock on the date of grant. In the case of an Initial Option Award issued in connection with an IPO (if the applicable liquidity event that triggers such award is an IPO), the per share exercise price will be equal to the initial public offering price in the offering.

Other than the Initial Award that will vest immediately upon issuance, all other stock options issuable to Mr. Kozko pursuant to the Additional CEO Incentive will be subject to vesting in three equal installments during the three-year period after the date of issuance of the applicable stock options (i.e., 1/3rd vesting on the date that is 12 months after the issuance of the applicable stock options, 1/3rd vesting on the date that is 24 months after the issuance of the applicable stock options and 1/3rd vesting on the date that is 36 months after the issuance of the applicable stock options), but only so long as Mr. Kozko continues to be employed by the Company as of each such vesting date. Further, all stock options issuable to Mr. Kozko pursuant to the Additional CEO Incentive will expire ten years from the date of grant.

However, (a) if Mr. Kozko's employment is terminated at any time during the term of the employment agreement by the Company for any reason (including in the event of death or disability) other than for Cause or by Mr. Kozko for Good Reason, or in the event of a Change in Control during Mr. Kozko's employment, then (1) all earned but not yet vested stock options issued pursuant to the Additional CEO Incentive will vest upon such termination or the effective date of such Change in Control (as applicable) and (2) the vested shares and/or stock options issued pursuant to the Additional CEO Incentive will not be forfeited by Mr. Kozko; and (b) in the event his employment is terminated at any time during the term of his employment agreement either (1) by him for any reason (other than Good Reason) or (2) by us for Cause, all unvested stock options issued pursuant to the Additional CEO Incentive will be forfeited by Mr. Kozko.

Offer Letter with Jonathan New

We gave Jonathan New an offer letter, dated October 19, 2020, which was effective as of January 3, 2020, confirming his position as our Chief Financial Officer with a starting date of January 3, 2020. Mr. New's employment with the Company is at-will. Pursuant to the offer letter, Mr. New is entitled to a base salary of $240,000 per year, plus a $60,000 cash bonus per year. Mr. New is also entitled to receive an annual stock option award for such number of shares of our Class A common stock that will equal his then applicable annual base salary divided by the closing trading price of our Class A common stock on the date of each such grant, which will vest in three equal annual installments from the date of grant. For 2021, Mr. New will be eligible for an additional cash bonus of up to $250,000 (subject to the applicable withholding and deductions) available at our CEO's discretion and subject to certain performance criteria to be established by our CEO. Further, Mr. New will also be eligible to receive a one-time cash bonus in the following amounts and subject to the following terms: (a) a cash bonus of $150,000 (subject to the applicable withholding and deductions) if we consummate this offering, such bonus payable to Mr. New 90 days after the consummation of this offering; and (b) a cash bonus of $150,000 (subject to the applicable withholding and deductions) if we consummate a private offering of our securities either concurrently or prior to this offering.

Employment Agreement with Stephen Hood

On June 26, 2018, Stephen Hood entered into an employment agreement with Autosport Media UK Limited, a subsidiary of Motorsport Network, to serve as Head of eSports. On April 5, 2019, the parties agreed that Mr. Hood would transition to President of Motorsport Games, effective April 1, 2019. On October 1, 2020, Mr. Hood entered into a new employment agreement with our UK subsidiary, Motorsport Games Limited, to serve as President of Motorsport Games, which replaced Mr. Hood's prior employment agreement. Pursuant to this new employment agreement, Mr. Hood is currently entitled to a base salary of £145,000 per year, is eligible to receive a discretionary bonus and has the right to participate in the Company's group pension plan for UK employees. In addition, other than in connection with a termination for cause as specified in the agreement, the Company must provide Mr. Hood notice in writing three months in advance of any termination of employment. However, the Company may terminate Mr. Hood immediately by paying a sum equal to his gross basic salary (less any deductions) in lieu of this notice period or any remaining part of it. In connection with this offering, we expect to provide Mr. Hood a new employment agreement pursuant to which Mr. Hood's gross salary will increase to $230,000 (to be paid in pounds sterling at the then applicable exchange rate) with the other terms of his current employment agreement remaining substantially the same. Pursuant to the new employment agreement, Mr. Hood will also be entitled to receive an annual stock option award for such number of shares of our Class A common stock that will equal his then applicable annual base salary divided by the closing trading price of our Class A common stock on the date of each such grant, which will vest in three equal annual installments from the date of grant.

Incentive Compensation Plan

We believe that our ability to grant equity-based awards is a valuable compensation tool that enables us to attract, retain, and motivate our employees, consultants, and directors by aligning their financial interests with those of our stockholders. Accordingly, our board of directors and stockholders are expected to adopt the 2021 Plan, which we expect will become effective immediately prior to the consummation of this offering. The principal features of the 2021 Plan are summarized below. This summary is qualified in its entirety by reference to the actual text of the 2021 Plan, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Awards. The 2021 Plan permits the grant of options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, and performance share awards (each, an "Award") to certain Eligible Persons (as defined below).

Eligibility. Employees, non-employee directors, consultants and independent contractors of the Company ("Eligible Persons") designated by the compensation committee of our board of directors are eligible to receive grants of Awards under the 2021 Plan.

Administration. Except with respect to Awards granted to non-employee directors, the 2021 Plan will be administered by our compensation committee. With respect to Awards granted to non-employee directors, our board of directors serves as the "committee." Our compensation committee has authority and discretion to determine the Eligible Persons to whom Awards are granted ("Participants") and, subject to the provisions of the 2021 Plan, the terms of all Awards under the 2021 Plan. Pursuant to the charter of our compensation committee, the outside members of our board of directors will approve Awards to our Chief Executive Officer. Subject to the provisions of the 2021 Plan, our compensation committee has authority to interpret the 2021 Plan and agreements under the 2021 Plan and to make all other determinations relating to the administration of the 2021 Plan.

Share Available. The maximum number of shares of our Class A common stock that may be issued under the 2021 Plan will be shares, subject to adjustment in the event of any stock split or reverse stock split of our Class A common stock. The number of shares of Class A common stock delivered to the Company as payment for the exercise price of, or in satisfaction of withholding taxes arising from, options or other Awards granted under the 2021 Plan will be made available for grant under the 2021 Plan. If any shares of restricted Class A common stock are forfeited, or if any Award terminates, expires or is settled without all or a portion of the Class A common stock covered by the Award being issued (including Class A common stock not issued to satisfy withholding taxes), such Class A common stock will again be available for the grant of additional Awards. Substitute awards do not count against the number of shares of Class A common stock that may be issued under the 2021 Plan.

Options. The 2021 Plan authorizes the grant of nonqualified stock options and incentive stock options. Incentive stock options are stock options that satisfy the requirements of Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). Nonqualified stock options are stock options that do not satisfy the requirements of Section 422 of the Code. The exercise of an option permits the participant to purchase Class A common stock from the Company at a specified exercise price per share. The maximum number of share of Class A common stock issuable upon the exercise of incentive stock options is . Options granted under the 2021 Plan are exercisable upon such terms and conditions as our compensation committee shall determine, subject to the terms of the 2021 Plan. The per share exercise price of all options granted under the 2021 Plan may not be less than the fair market value of a share of Class A common stock on the date of grant. The 2021 Plan provides that the term during which options may be exercised is determined by our compensation committee, except that no option may be exercised more than ten years after its date of grant.

SARs. The 2021 Plan authorizes our compensation committee to grant SARs. A SAR entitles the participant upon exercise to receive without cash payment to the Company, Class A common stock, or a combination of cash and Class A common stock, having a value equal to the appreciation in the fair market value of the Class A common stock covered by the SAR from the date of grant of the SAR (or, if the SAR relates to an option, the date of grant of the related option). The period during which a SAR may be exercised is determined by our compensation committee, except that a SAR may not be exercised more than ten years after its date of grant.

Restricted Stock Awards. The 2021 Plan authorizes our compensation committee to grant restricted stock awards. Class A common stock covered by a restricted stock award are restricted against transfer and subject to forfeiture and any other terms and conditions as our compensation committee determines, subject to the terms of the 2021 Plan. These terms and conditions may provide, in the discretion of our compensation committee, for the vesting of awards of restricted stock to be contingent upon the achievement of continued employment or one or more performance goals.

Restricted Stock Units. Restricted stock unit awards granted under the 2021 Plan are contingent awards of Class A common stock (or the cash equivalent thereof). Unlike in the case of awards of restricted stock, Class A common stock is not issued immediately upon the award of restricted stock units, but instead Class A common stock is issued upon satisfying such terms and conditions as our compensation committee may specify, subject to the terms of the 2021 Plan, including the achievement of performance goals.

Performance Share Awards. The 2021 Plan authorizes the grant of performance awards. Performance awards provide for payments of cash, or the issuance of Class A common stock, options or SARs, or a combination thereof, contingent upon the attainment of one or more performance goals (described below) that our compensation committee establishes. The minimum period with respect to which performance goals are measured is one year (pro-rated in the case of a newly hired employee), except in the event of a change of control. For purposes of the limit on the number of Class A common stock with respect to which an employee may be granted Awards during any calendar year, a performance award is deemed to cover the number of Class A common stock equal to the maximum number of Class A common stock that may be issued upon payment of the Award. The maximum cash amount that may be paid to any employee pursuant to all performance awards granted to the employee during a calendar year may not exceed $5 million.

Capital Adjustments. Upon a change in the outstanding Class A common stock by reason of a stock dividend, stock split, or reverse stock split ("capital stock change"), unless otherwise determined by our compensation committee on or prior to the date of the capital stock change, each of the following shall, automatically and without need for compensation committee action, be proportionately adjusted:

- the number of shares of Class A common stock subject to outstanding Awards;
- the per share exercise price of options and the per share base price upon which payments under SARs are determined; and
- the aggregate number of shares of Class A common stock as to which Awards thereafter may be granted under the 2021 Plan.

If the outstanding Class A common stock changes as a result of a capital stock change, recapitalization, reclassification, extraordinary cash dividend, combination or exchange of shares, merger, consolidation or liquidation, our compensation committee shall, as it deems equitable in its discretion, substitute or adjust:

- the number and class of securities subject to outstanding Awards;
- the type of consideration to be received upon exercise or vesting of an Award;
- the exercise price of options and base price upon which payments under SARs are determined; or
- the aggregate number and class of securities for which Awards may be granted under the 2021 Plan.

Except as otherwise provided in an Award Agreement or other written document such as an employment agreement or a change of control agreement, if a Change of Control (as defined in the 2021 Plan) occurs and Awards are not converted, assumed, or replaced by a successor, all outstanding Awards will become fully exercisable and all restrictions on outstanding Awards shall lapse. Upon, or in anticipation of, such an event, our compensation committee may cause every Award outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise Awards during a period of time as the committee determines.

Exercise of Options or SARs. An option or SAR may be exercised by a participant delivering to the Company a notice of exercise and, in the case of options, full payment for the Class A common stock with respect to which the option is exercised. To the extent authorized by our compensation committee or provided for in the award agreement, payment may be made (a) by delivery of unencumbered Class A common stock valued at fair market value on the date of exercise, (b) pursuant to the broker-assisted cashless exercise or (c) by the Company withholding Class A common stock that would otherwise be issued in connection with the exercise of the option ("net exercise").

Under the net exercise provisions, a participant may surrender to the Company an option (or a portion of the option) that has become exercisable and receive a whole number of shares of Class A common stock valued as the difference of (a) the fair market value of the Class A common stock subject to the option that is being surrendered over (b) the exercise price, plus any amount for fractional shares of Class A common stock.

No Loans. The 2021 Plan expressly prohibits Company loans to the Company's executive officers and directors, including without limitation a loan in conjunction with the exercise of an option or SAR.

Transferability. Awards granted under the 2021 Plan may not be transferred, assigned, alienated or encumbered, except as otherwise provided in the agreement relating to an Award to (a) a Participant's spouse, children or grandchildren (including any adopted and step children or grandchildren), parents, grandparents or siblings, (b) to a trust for the benefit of one or more of the Participant or the persons referred to in clause (a), (c) to a partnership, limited liability company or corporation in which the Participant or the persons referred to in clause (a) are the only partners, members or shareholders or (d) for charitable donations.

Termination and Amendment. Our board of directors may amend or terminate the 2021 Plan at any time. However, our board of directors may not amend or terminate the 2021 Plan without the approval of (a) the Company's stockholders (i) if the amendment relates to the re-pricing of options and SARs or (ii) if stockholder approval of the amendment is required by applicable law, rules or regulations, and (b) each affected participant if the amendment or termination would adversely affect the participant's rights or obligations under any Awards granted prior to the date of the amendment or termination.

Modification of Awards; No Re-pricing. Our compensation committee may modify the terms of outstanding Awards. However, except to reflect capital stock changes, neither options nor SARs may be (a) modified to reduce their exercise prices, (b) cancelled or surrendered in consideration for the grant of new options or SARs with a lower exercise price or (c) cancelled or surrendered in exchange for cash or another Award (other than in connection with a substitute award or a change of control).

Substitution of Awards. Awards may, in our compensation committee's discretion, be granted in substitution for stock options and other awards covering capital stock of another corporation which is merged into, consolidated with, or all or a substantial portion of the property or stock of which is acquired by, the Company or any subsidiary. Substitute Awards do not count against (a) the Class A common stock subject to issuance under the 2021 Plan or (b) the limit on Class A common stock that may be granted to an Eligible Person in a calendar year.

Withholding. The Company is generally required to withhold tax on the amount of income recognized by a participant with respect to an Award. Withholding requirements may be satisfied, as provided in the agreement evidencing the Award, by (a) tender of a cash payment to the Company, (b) withholding of Class A common stock otherwise issuable pursuant to an Award, or (c) delivery to the Company by the participant of unencumbered Class A common stock.

Term of the 2021 Plan. Unless sooner terminated by our board of directors, the 2021 Plan will terminate on , 2030. Once the 2021 Plan is terminated, no further Awards may be granted or awarded under the 2021 Plan. Termination of the 2021 Plan will not affect the validity of any Awards outstanding on the date of termination.

Clawback. Awards granted under the 2021 Plan are subject to cancellation, forfeiture and recovery in accordance with any compensation recovery policy that may be adopted by the Company after the date of the 2021 Plan, including any compensation recovery policy adopted pursuant to the requirements of Section 954 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010.

Actions Taken in Connection with This Offering

In connection with this offering and to provide additional retention incentives, we intend to grant, effective on the date that the registration statement of which this prospectus forms a part becomes effective:

- stock options under the 2021 Plan to purchase an aggregate of shares of our Class A common stock to certain employees at an exercise price per share equal to the initial public offering price in this offering, including stock options to purchase , and shares of our Class A common stock to Messrs. Kozko, New and Hood, respectively, which will vest in three equal annual installments from the date of grant;

- stock options under the 2021 Plan to purchase an aggregate of shares of our Class A common stock to our non-employee directors at an exercise price per share equal to the initial public offering price in this offering, which will vest one year from the date of grant and are intended to constitute the 2020 annual grant under our non-employee director compensation policy (see "—Director Compensation"); and

- shares of our Class A common stock under the 2021 Plan to each of Neil Anderson and Rob Dyrdek, members of our board of directors, which represents a stock award equal to $50,000 to each of Messrs. Anderson and Dyrdek divided by the initial public offering price in this offering, which would vest immediately upon issuance.

In connection with this offering, effective on the date that the registration statement of which this prospectus forms a part becomes effective, we also intend to grant Francesco Piovanetti, a member of our board of directors, shares of our Class A common stock under the 2021 Plan, which represents a stock award equal to $100,000 divided by the initial public offering price in this offering, which would vest immediately upon issuance. On the one-year anniversary date of the closing of this offering, we intend to grant Mr. Piovanetti an additional stock award for such number of shares of our Class A common stock that will equal $100,000 divided by the closing trading price of our Class A common stock on the date of such grant, which would vest immediately upon issuance. These awards are expected to be granted to Mr. Piovanetti for his continuing service as chair of our audit committee and as an "audit committee financial expert" (subject to his qualification and appointment, as applicable) and are in addition to the non-employee director compensation that Mr. Piovanetti is entitled to as set forth under "—Director Compensation."

Additionally, pursuant to Mr. Kozko's employment agreement with us, we may issue to Mr. Kozko outside of the 2021 Plan (i) up to shares representing 1.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering and (ii) stock options to purchase shares of our Class A common stock representing 2.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering, subject to the satisfaction of certain conditions, which would vest immediately upon issuance. See "—Executive Employment Arrangements—Employment Agreement with Dmitry Kozko."

Pursuant to Mr. New's offer letter with us, Mr. New will also be eligible to receive a one-time cash bonus in the following amounts and subject to the following terms: (a) a cash bonus of $150,000 (subject to the applicable withholding and deductions) if we consummate this offering, such bonus payable to Mr. New 90 days after the consummation of this offering; and (b) a cash bonus of $150,000 (subject to the applicable withholding and deductions) if we consummate a private offering of our securities either concurrently or prior to this offering. See "—Executive Employment Arrangements —Offer Letter with Jonathan New."

In connection with this offering, Mr. Hood will also be eligible to receive a one-time cash bonus of $100,000 (subject to the applicable withholding and deductions) if we consummate this offering, such bonus payable to Mr. Hood 90 days after the consummation of this offering. Additionally, we expect to provide Mr. Hood a new employment agreement. See "—Executive Employment Arrangements—Employment Agreement with Stephen Hood."

Director Compensation

Historically, we have not paid cash or equity compensation to any of our non-employee directors for service on our board of directors, and no such amounts were paid to our non-employee directors during fiscal year 2019. As of December 31, 2019, none of our non-employee directors held any option awards or unvested stock awards in us.

We expect our board of directors will adopt a non-employee director compensation policy, which we expect will become effective immediately prior to the consummation of this offering. Under the non-employee director compensation policy, our non-employee directors are expected to be eligible to receive compensation for service on our board of directors and committees of our board of directors as follows:

- Each non-employee director shall be entitled to receive $25,000 annually as a cash retainer for their board service, with additional annual cash retainers of (i) $2,000 for each member of our compensation committee or nominating and governance committee; (ii) $5,000 for the chairman of our compensation committee or nominating and governance committee; (iii) $8,000 for each member of our audit committee; and (iv) $16,000 for the chairman of our audit committee. All cash retainers are paid quarterly in arrears.

- Additionally, each non-employee director shall receive an annual stock option award under the 2021 Plan to purchase such number of shares of our Class A common stock that will equal $75,000 divided by the closing trading price of our Class A common stock on the date of each such grant, which will vest one year from the date of grant. Upon the occurrence of certain corporate events, including a change of control of the Company, all such stock option awards will immediately vest. The initial annual stock option award will be awarded to each of our non-employee directors in connection with this offering. See "—Actions Taken in Connection with This Offering."

Our non-employee directors are entitled to reimbursement of ordinary, necessary and reasonable out-of-pocket travel expenses incurred in connection with attending in-person meetings of our board of directors or committees thereof. In the event our non-employee directors are required to attend greater than four in-person meetings or 12 telephonic meetings during any fiscal year, such non-employee directors shall be entitled to additional compensation in the amount of $500 for each additional telephonic meeting beyond the 12 telephonic meeting threshold, and $1,000 for each additional in-person meeting beyond the four in-person meeting threshold.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following are summaries of transactions since January 1, 2017 to which we have been a participant that involved amounts that exceeded or will exceed the lesser of (i) $120,000 or (ii) one percent of the average of our total assets at December 31, 2019 and 2018, and in which any of our directors, executive officers or any other "related person" as defined in Item 404(a) of Regulation S-K had or will have a direct or indirect material interest.

Relationship with Motorsport Network

Prior to the completion of this offering, we were a wholly owned subsidiary of Motorsport Network. After this offering, Motorsport Network, as our majority stockholder, will continue to have the power, acting alone, to approve any action requiring a vote of shares representing a majority of the combined voting power of our outstanding Class A common stock and Class B common stock. As long as Motorsport Network continues to control a majority of the voting power of our outstanding shares of common stock, it will be able to exercise control over all matters requiring approval by our stockholders, including the election of our directors and approval of significant corporate transactions. Motorsport Network's controlling interest may discourage or prevent a change in control of our Company that other holders of our common stock may favor. Motorsport Network is not subject to any contractual obligation to retain any of our common stock, except that it has agreed not to sell or otherwise dispose of any shares of our common stock for a period ending 180 days after the date of this prospectus without the prior written consent of Canaccord Genuity LLC, subject to specified exceptions, as described under "Underwriting."

Since the Company's formation in August 2018, Motorsport Network has historically paid for the Company's expenses on the Company's behalf. In addition, Motorsport Network has occasionally advanced funds to the Company. For the Successor Periods ended December 31, 2019 and 2018, the Company incurred expenses of $647,513 and $8,027, respectively, that were paid by Motorsport Network on its behalf and are reimbursable by the Company under the Promissory Note. For the nine months ended September 30, 2020, the Company incurred expenses of $524,479 that were paid by Motorsport Network on its behalf and are reimbursable by the Company under the Promissory Note. For the Successor Periods ended December 31, 2019 and 2018, the Company received proceeds of $2,274,875 and $4,000,500, respectively, in connection with non-interest bearing advances from Motorsport Network, which were included in the amount outstanding under the Promissory Note at the time it was executed. For the nine months ended September 30, 2020, the Company received proceeds of $1,462,000 in connection with non-interest bearing advances from Motorsport Network, which are included in the amount outstanding under the Promissory Note. For the nine months ended September 30, 2020, the Company recorded related party interest expense of $439,723 in connection with the Promissory Note. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Promissory Note Line of Credit" for additional information.

During the Successor Periods ended December 31, 2019 and 2018, an entity wholly-owned by Motorsport Network provided advertising, promotional and other services of $641,938 and $472,669, respectively, to 704Games pursuant to the terms of the stock purchase agreement entered into in connection with the acquisition of 704Games in August 2018. During the nine months ended September 30, 2020, an entity wholly-owned by Motorsport Network provided $356,447 of such advertising, promotional and other services to 704Games.

Services Agreement

On January 1, 2020, we entered into a three-year services agreement with Motorsport Network (the "Services Agreement"), pursuant to which Motorsport Network will provide exclusive legal, development and accounting services on a full-time basis to support our business functions. The Services Agreement can be extended by mutual agreement and may be terminated by either party at any time. Pursuant to the Services Agreement, we are required to pay monthly fees to Motorsport Network as follows: (i) $5,000 for legal services, (ii) $2,500 for accounting services and (iii) on an hourly, per use basis, from $15 to $30 per hour for development services.

Promotion Agreement

On August 3, 2018, we entered into a promotion agreement with Motorsport Network (the "Promotion Agreement"), pursuant to which Motorsport Network will provide us with exclusive promotion services consisting of the use of its and its affiliates' various media platforms to promote our business, organizations, products and services in the racing video game market and related esports activities. The Promotion Agreement will remain in effect until such date that Motorsport Network no longer holds at least 20% of the voting interest in us, at which time the Promotion Agreement will terminate automatically. Under the terms of the Promotion Agreement, we are required to give Motorsport Network an "exclusive first look" at any media-related activity in consideration of the promotion services.

Lease Agreement

On May 15, 2020, 704Games entered into a five-year lease agreement for office space in Miami, Florida with an entity owned by Mike Zoi, the manager of Motorsport Network. The base rent from the lease commencement date through April 15, 2025 is $3,000 per month. 704Games has the option to renew the lease for two separate five-year terms, with monthly rent to be negotiated prior to such extension. The security deposit is $6,000.

Employment Arrangements

We have entered into offer letter agreements and employment agreements with our executive officers. For more information regarding these agreements, see "Executive Compensation—Executive Employment Arrangements."

Equity Grants to Executive Officers

In connection with the consummation of this offering and to provide additional retention incentives, we intend to grant stock options under the 2021 Plan to certain employees, including our executive officers. Additionally, pursuant to Mr. Kozko's employment agreement with us, we may issue Mr. Kozko certain shares of our Class A common stock and stock options outside of the 2021 Plan in connection with the consummation of this offering, subject to the satisfaction of certain conditions as set forth in his employment agreement. For more information regarding these grants, see "Executive Compensation—Actions Taken in Connection with This Offering" and "Executive Compensation—Executive Employment Arrangements."

Indemnification Agreements

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers to provide these directors and executive officers additional contractual assurances regarding the scope of the indemnification set forth in our certificate of incorporation and bylaws and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving any of our directors or executive officers regarding which indemnification is sought.

Our Policy Regarding Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal written policies and procedures for the review, approval or ratification of transactions, such as those described above, with our executive officers, directors and significant stockholders. We may establish formal written policies and procedures in the future, once we have sufficient resources and have appointed additional directors, so that such transactions will be subject to the review, approval or ratification of our board of directors, or an appropriate committee thereof. On a going forward basis, our directors will continue to approve any related party transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth the beneficial ownership of our common stock as of November 30, 2020 and as adjusted to reflect the sale of the Class A common stock offered by us in this offering, for:

- each stockholder known by us to be the beneficial owner of more than 5% of our outstanding shares of Class A common stock and Class B common stock (by number or by voting power);
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

Applicable percentage ownership before the offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of , 2020 (as adjusted to give effect to the corporate conversion). Applicable percentage ownership after the offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding immediately after the completion of this offering, assuming no exercise by the underwriters of their option to purchase additional shares of our Class A common stock.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, or other rights, including the redemption right described above, held by such person that are currently exercisable or will become exercisable within 60 days of the date of November 30, 2020, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. Each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

Unless otherwise indicated, the address of all listed stockholders is c/o Motorsport Games Inc., 5972 NE 4th Avenue, Miami, FL 33137.

	Shares Beneficially Owned Prior to this Offering					Shares Beneficially Owned Following this Offering				
	Class A		Class B			Class A		Class B		
Name of Beneficial Owner	Shares	%	Shares	%	% of Total Voting Power(1)	Shares	%	Shares	%	% of Total Voting Power(1)
5% Stockholders:										
Motorsport Network, LLC(2)	—	—		100%	100%				100%	%
Directors and Named Executive Officers:										
Neil Anderson	—	—	—	—	—	(3)		—	—	
Francesco Piovanetti	—	—	—	—	—	(4)		—	—	
Rob Dyrdek	—	—	—	—	—	(3)		—	—	
James William Allen	—	—	—	—	—	—	—	—	—	—
Dmitry Kozko(5)	—	—	—	—	—	—	—	—	—	—
Jonathan New	—	—	—	—	—	—	—	—	—	—
Stephen Hood	—	—	—	—	—	—	—	—	—	—
Directors and executive officers as a group (7 persons)	—	—	—	—	—			—	—	

(1) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. The holders of our Class B common stock are entitled to ten votes per share, and holders of our Class A common stock are entitled to one vote per share. See the section titled "Description of Capital Stock—Common Stock" for additional information about the voting rights of our Class A and Class B common stock.

(2) Consists of shares held of record by Motorsport Network. Mike Zoi is the manager of Motorsport Network and has sole voting and dispositive power with respect to the shares held by Motorsport Network.

(3) Represents shares of our Class A common stock to be issued to each of Messrs. Anderson and Dyrdek in connection with this offering under the 2021 Plan, which represents a stock award equal to $50,000 to each of Messrs. Anderson and Dyrdek divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering").

(4) Represents shares of our Class A common stock to be issued to Mr. Piovanetti in connection with this offering under the 2021 Plan, which represents a stock award equal to $100,000 divided by the initial public offering price in this offering (see "Executive Compensation—Actions Taken in Connection with This Offering").

(5) Does not include shares of our Class A common stock that may be issued outside of the 2021 Plan to Dmitry Kozko, our Chief Executive Officer, subject to the satisfaction of certain conditions as set forth in his employment agreement with us, including (i) up to shares that may be issued in connection with this offering representing 1.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering and (ii) shares issuable upon exercise of stock options that may be granted in connection with this offering representing 2.0% of the expected issued and outstanding shares of our Class A common stock as of the closing date of this offering (see "Executive Compensation—Executive Employment Arrangements—Employment Agreement with Dmitry Kozko").

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our certificate of incorporation and bylaws are summaries and are qualified by reference to the certificate of incorporation and the bylaws that will be in effect upon completion of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will be in effect upon completion of this offering.

Upon the closing of this offering, our certificate of incorporation and bylaws will provide for two classes of common stock: Class A common stock and Class B common stock. In addition, our certificate of incorporation and bylaws will authorize shares of undesignated preferred stock, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Following the closing of this offering, our authorized capital stock will consist of shares of Class A common stock, par value $0.0001 per share, shares of Class B common stock, par value $0.0001 per share and shares of preferred stock, par value $0.0001 per share.

Common Stock

Prior to the closing of this offering (after giving effect to the corporate conversion) there will be shares of Class A common stock and shares of Class B common stock outstanding, which will be held of record by one stockholder. Upon the closing of this offering, there will be shares of Class A common stock and shares of Class B common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock for us, after giving effect to the sale of the shares of our Class A common stock offered hereby.

Motorsport Network will be the only holder of shares of our Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. Any pledge of MSN Initial Class A Shares by Motorsport Network or its affiliates will not constitute a relinquishment of such beneficial ownership. The MSN Initial Class A Shares and shares of Class B common stock held by Motorsport Network will be adjusted in equal proportions for any stock dividend, stock split or similar transaction undertaken by the Company.

Voting

Holders of our Class A common stock will be entitled to one vote for each share held on all matters submitted to a vote of stockholders and holders of our Class B common stock will be entitled to 10 votes for each share held on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock will vote together as a single class, unless otherwise required by law. Under our certificate of incorporation, approval of the holders of a majority of the Class B common stock will be required to increase or decrease the number of authorized shares of our Class B common stock, and the approval of two-thirds of the Class B common stock will be required to amend or repeal, or adopt any provision inconsistent with, or otherwise alter, any provision of our certificate of incorporation that modifies the voting, par value, conversion or other rights, powers, preferences, special rights, privileges or restrictions of the Class B common stock. In addition, Delaware law could require either holders of our Class A common stock or our Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our certificate of incorporation to increase or decrease the aggregate number of authorized shares or par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and

- if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Dividends

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of shares of Class A common stock are entitled to dividends when and as declared by our board of directors from funds legally available therefor if, as and when determined by our board of directors in its sole discretion, subject to provisions of law, and any provision of our certificate of incorporation, as amended from time to time. The holder of Class B common stock will not be entitled to receive any dividends with respect to the shares of Class B common stock, except dividends payable in shares of Class B common stock or rights to acquire shares of Class B common stock that may be declared and paid to the holder of Class B common stock to proportionally adjust for dividends payable in shares of Class A common stock or rights to acquire shares of Class A common stock that are declared and paid to the holders of Class A common stock.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our Class A common stock and any participating preferred stock outstanding at that time will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities, and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock. The holder of Class B common stock will not be entitled to receive any liquidation distributions with respect to the shares of Class B common stock.

Fully Paid and Non-Assessable

All outstanding shares of common stock are, and the common stock to be outstanding upon completion of this offering will be, duly authorized, validly issued, fully paid and non-assessable.

Other Matters

There are no preemptive, conversion or redemption privileges, nor sinking fund provisions with respect to our common stock.

Preferred Stock

Our board of directors will have the authority, subject to limitations prescribed by Delaware law, to issue up to shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our Company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Anti-Takeover Provisions

Certain provisions of Delaware law, as well as our certificate of incorporation and our bylaws that will become effective immediately prior to the completion of this offering, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. These provisions include the items described below. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

When we have a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders, we will become subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors prior to the time that the stockholder became an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from an amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented. These provisions may have the effect of delaying, deferring or preventing changes in control of our Company.

Certificate of Incorporation and Bylaw Provisions

Our certificate of incorporation and our bylaws, which will become effective immediately prior to the completion of this offering, will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

Dual Class Stock

As described above in "—Common Stock—Voting," our certificate of incorporation provides for a dual class common stock structure, which will provide the holder of Class B common stock with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our Company or its assets.

Each share of Class A common stock is entitled to one vote, while each share of Class B common stock is entitled to ten votes. Following and effective upon the consummation of the corporate conversion, 100% of the membership interests currently held by the Company's sole member, Motorsport Network, will convert into an aggregate of (i) shares of Class A common stock, based upon the value of the Company at the time of this offering with a value implied by the offering price of the shares of Class A common stock sold in this offering, and (ii) shares of Class B common stock, representing all of the outstanding shares of Class B common stock. Motorsport Network will be the only holder of shares of our Class B common stock and will not have any transfer, conversion, registration or economic rights with respect to such shares of Class B common stock. In the event Motorsport Network or its affiliates relinquish beneficial ownership of any of the MSN Initial Class A Shares at any time, one share of Class B common stock held by Motorsport Network will be cancelled for each such MSN Initial Class A Share no longer beneficially owned by Motorsport Network or its affiliates. Any pledge of MSN Initial Class A Shares by Motorsport Network or its affiliates will not constitute a relinquishment of such beneficial ownership. The MSN Initial Class A Shares and shares of Class B common stock held by Motorsport Network will be adjusted in equal proportions for any stock dividend, stock split or similar transaction undertaken by the Company.

Board of Directors Vacancies

Our certificate of incorporation and bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

Stockholder Action; Special Meeting of Stockholders

Our certificate of incorporation and bylaws will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, our Chief Executive Officer or our President, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our Company.

Removal of Directors

Our certificate of incorporation will provide that directors may only be removed for cause and upon the affirmative vote of a majority of the outstanding voting power of our capital stock voting together as a single class.

No Cumulative Voting

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our certificate of incorporation does not provide for cumulative voting.

Amendment of Charter and Bylaws Provisions

Amendments to our certificate of incorporation will require the approval of two-thirds of the outstanding voting power of our common stock. Our certificate of incorporation and bylaws will provide that approval of stockholders holding two-thirds of our outstanding voting power voting as a single class is required for stockholders to amend or adopt any provision of our bylaws.

Issuance of Undesignated Preferred Stock

Our board of directors will have the authority, without further action by our stockholders, to issue shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Limits on Ability of Stockholders to Act by Written Consent

Our certificate of incorporation and bylaws will provide that our stockholders may not act by written consent. This limit on the ability of our stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, no stockholder, regardless of how large its holdings of our stock are, would be able to amend our bylaws or remove directors without holding a stockholders' meeting.

Exclusive Forum

Our certificate of incorporation and bylaws will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws or (iv) any action asserting a claim that is governed by the internal affairs doctrine, shall be the Court of Chancery of the State of Delaware; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our certificate of incorporation and bylaws will also provide that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is Worldwide Stock Transfer, LLC. The transfer agent's address is One University Plaza, Suite 505, Hackensack, New Jersey 07601 and its telephone number is (201) 820-2008.

Listing

We have applied to have our Class A common stock listed on the Nasdaq Capital Market under the symbol "MSGM."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our Class A common stock, and there can be no assurance that a significant public market for our Class A common stock will develop or be sustained after this offering. Future sales of substantial amounts of our Class A common stock in the public market (including shares issued on the exercise of options, warrants or convertible securities, if any) or the perception that such sales may occur or the availability of such shares for sale in the public market, after this offering could adversely affect the prevailing market price of our Class A common stock.

Based on our shares outstanding as of the date of this prospectus, upon the completion of this offering, a total of shares of Class A common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock from us. Of these shares, all of the Class A common stock sold in this offering will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by our "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining shares of Class A common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 under the Securities Act, which are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S.

As a result of the lock-up and market standoff agreements described below and subject to the provisions of Rule 144, shares of our Class A common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning 181 days after the date of this prospectus, additional shares of our Class A common stock may become eligible for sale in the public market upon the satisfaction of certain conditions as set forth in the section titled "— Lock-Up Arrangements," of which shares would be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to compliance with the public information requirements of Rule 144 and the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates, or persons selling shares on behalf of our affiliates, are entitled to sell shares on expiration of the lock-up agreements described below. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock from us; or
- the average weekly trading volume of our Class A common stock on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Equity Incentive Plan

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our Class A common stock that are issuable under the 2021 Plan. Any such registration statements will become effective immediately on filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below, and Rule 144 limitations applicable to affiliates.

Lock-Up Arrangements

We, our officers and directors and Motorsport Network expect to enter into separate agreements whereby, without the prior written consent of Canaccord Genuity LLC, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of our common stock or any securities convertible into or exchangeable or exercisable for shares of our common stock for a period of 180 days after the date of this prospectus. See "Underwriting—No Sales of Common Stock" for additional information.

CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of our Class A common stock issued pursuant to this offering by non-U.S. holders (as defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated or proposed thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service ("IRS"), in each case in effect as of the date hereof. These authorities may be changed, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought, and will not seek, either an opinion from legal counsel, or any rulings from the IRS regarding the matters discussed below, and there can be no assurance that the IRS will not take a position contrary to those discussed below or that any position taken by the IRS will not be sustained.

This summary is limited to non-U.S. holders who purchase our Class A common stock pursuant to this offering and who hold shares of our Class A common stock as capital assets within the meaning of Code Section 1221 (generally, property held for investment purposes). This summary does not address the tax consequences arising under the laws of any non-U.S., state, or local jurisdiction or under U.S. federal gift and estate tax laws or the effect, if any, of the alternative minimum tax, base erosion and anti-abuse tax, the Medicare contribution tax imposed on net investment income, or the application, if any, of Code Section 451 with respect to conforming the timing of income accruals to financial statements. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or to a non-U.S. holder that may be subject to special tax rules, including, without limitation:

- banks, insurance companies, or other financial institutions;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes and investors therein;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- U.S. expatriates and former citizens or former long-term residents of the United States;
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- qualified foreign pension funds as defined in Section 897(l)(2) of the IRC and entities all of the interest of which are held by qualified foreign pension funds; and
- persons deemed to sell our Class A common stock under the constructive sale provisions of the IRC.

In addition, if a partnership (including an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our Class A common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partner and the partnership. Accordingly, partnerships that hold our Class A common stock, and partners in such partnerships, should consult their tax advisors respecting the U.S. federal income tax treatment in light of their particular circumstances.

YOU SHOULD CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES, U.S. ALTERNATIVE MINIMUM TAX RULES, OR UNDER THE LAWS OF ANY NON-U.S., STATE, OR LOCAL TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, you are a "non-U.S. holder" if you are a beneficial owner of our Class A common stock and you are neither a "U.S. person" nor an entity or arrangement classified as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized (or deemed to be created or organized) in the United States or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States person" (as defined in the IRC) who has the authority to control all substantial decisions of the trust or (y) which has made a valid election under applicable Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

Distributions

We do not expect to make any distributions for the foreseeable future. However, if we do make distributions on our Class A common stock, other than certain pro rata distributions of Class A common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles.

Any dividend paid to you generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend, or such lower rate as may be specified by an applicable income tax treaty, except to the extent that the dividends are "effectively connected" dividends, as described below. In order to claim treaty benefits to which you are entitled, you must timely provide us with a properly completed IRS Form W-8BEN or W-8BEN-E (or other applicable or successor form) certifying under penalty of perjury that you (i) are not a "United States person" as defined under the Code, and (ii) qualify for the reduced treaty rate. If you do not timely furnish the required documentation, but are otherwise eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our Class A common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, who then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. This certification must be provided to us (or, if applicable, our paying agent) prior to the payment to you of any dividends and may be required to be updated periodically.

To the extent provided for in the applicable Treasury regulations we may withhold up to 30% of the gross amount of an entire distribution, even if the amount of the entire distribution is greater than the amount of such distribution constituting a dividend. If tax is withheld on the amount of a distribution in excess of the amount constituting a dividend, then a refund of any such excess amounts may be obtained by you by timely filing a claim for refund with the IRS.

Dividends received by you that are effectively connected with your conduct of a trade or business within the United States (or, if an applicable income tax treaty requires, attributable to a permanent establishment or fixed base maintained by you in the United States) are exempt from the U.S. federal withholding tax described above. In order to claim this exemption, you must provide us (or, if applicable, our paying agent) with an IRS Form W-8ECI (or a successor form) properly certifying that the dividends are effectively connected with your conduct of a trade or business within the United States. Such "effectively connected dividends", although not subject to U.S. federal withholding tax, are generally taxed at the same U.S. federal income tax rates applicable to U.S. persons, net of certain deductions and credits (except as provided by an applicable income tax treaty). In addition, if you are a corporate non-U.S. holder, you may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on your effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items.

To the extent distributions exceed both our current and our accumulated earnings and profits, such distributions will first constitute a tax-free return of capital and will reduce your adjusted tax basis in our Class A common stock (determined on a share-by-share basis), but not below zero, and, thereafter, any excess will be treated as capital gain from the sale of our Class A common stock, subject to the tax treatment described below in "—Gain on Sale or Other Taxable Disposition of Class A Common Stock."

Gain on Sale or Other Taxable Disposition of Class A Common Stock

Subject to the discussions below regarding FATCA (as defined below) and backup withholding, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (or, if an applicable income tax treaty requires, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);

- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year in which the sale or disposition occurs, and certain other conditions are met; or

- our Class A common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation," or a "USRPHC," for U.S. federal income tax purposes, at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition of, or your holding period for, our Class A common stock, and certain other conditions are met.

If you are a non-U.S. holder described in the first bullet above, you generally will be subject to U.S. federal income tax on the gain derived from the sale or other taxable disposition (net of certain deductions or credits) under the U.S. federal income tax rates generally applicable to U.S. persons (except as provided by an applicable income tax treaty), and corporate non-U.S. holders described in the first bullet above also may be subject to branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you are an individual non-U.S. holder described in the second bullet above, you will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale or other taxable disposition, which may be offset by U.S. source capital losses for that taxable year (even though you are not considered a resident of the United States), provided that you have timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet above, in general, we would be a USRPHC if our "U.S. real property interests" comprised at least 50% of the sum of the fair market value of our worldwide real property interests plus our other assets used or held in our trade or business. We believe that we are not currently and (based upon our projections as to our business) will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our Class A common stock would not be subject to U.S. federal income tax if our Class A common stock is "regularly traded" (within the meaning of applicable Treasury regulations) on an established securities market, and such non-U.S. holder has owned, actually and constructively, five percent or less of our Class A common stock at all times during the applicable period described above.

Backup Withholding and Information Reporting

Payments of dividends on our Class A common stock will not be subject to backup withholding provided you either certify under penalty of perjury your non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI (or a successor form), or otherwise establish an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our Class A common stock paid to you, regardless of whether any tax is subject to backup withholding.

Assuming we are not a USRPHC (discussed above), proceeds from the sale or other taxable disposition (or deemed disposition) of our Class A common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above, or you otherwise establish an exemption. Proceeds from a disposition (or deemed disposition) of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to tax authorities in your country of residence, establishment, or organization.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished by such non-U.S. holder to the IRS.

Additional Withholding Tax on Payments Made Respecting Foreign Accounts

The Foreign Account Tax Compliance Act and the rules and regulations promulgated thereunder (collectively, "FATCA") impose withholding tax at a rate of 30% on dividends on our Class A common stock paid to a "foreign financial institution" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on our Class A common stock paid to a "non-financial foreign entity" (as specially defined for purposes of these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none or otherwise establishes an exemption. Additionally, although FATCA withholding may also apply to gross proceeds of a disposition of the Class A common stock, recently proposed regulations, which taxpayers are permitted to rely on until final regulations are issued, eliminate withholding on such gross proceeds. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our Class A common stock.

THE PRECEDING DISCUSSION OF U.S. FEDERAL TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. THIS DISCUSSION IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR CLASS A COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

We are offering the shares of Class A common stock described in this prospectus through the underwriters listed below. Subject to the terms of the underwriting agreement, the underwriters named below have agreed to buy, severally and not jointly, the number of shares of Class A common stock listed opposite their names below. The underwriters are committed to purchase and pay for all of the shares if any are purchased, other than those shares covered by the over-allotment option described below. Canaccord Genuity LLC is acting as the lead managing underwriter of this offering and representative of the underwriters.

Underwriter	Number of Shares
Canaccord Genuity LLC	
The Benchmark Company, LLC	
Total	

The underwriters have advised us that they propose to initially offer the shares of Class A common stock to the public at a price of $ per share. The underwriters propose to offer the shares of Class A common stock to certain dealers at the same price less a concession of not more than $ per share. After the initial offering, these figures may be changed by the underwriters.

The shares sold in this offering are expected to be ready for delivery against payment in immediately available funds on or about , 2021, subject to customary closing conditions. The underwriters may reject all or part of any order.

We have granted to the underwriters an option to purchase up to an additional shares of Class A common stock from us at the same price to the public, and with the same underwriting discount, as set forth in the table below. The underwriters may exercise this option any time during the 45-day period after the date of this prospectus, but only to cover over-allotments, if any. To the extent the underwriters exercise the option, the underwriters will become obligated, subject to certain conditions, to purchase the shares for which they exercise the option.

Commissions and Discounts

The table below summarizes the underwriting discounts that we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the over-allotment option. In addition to the underwriting discount, we have agreed to pay up to $232,500 of the fees and expenses of the underwriters, which may include up to $165,000 of fees and expenses of counsel to the underwriters. The fees and expenses of the underwriters that we have agreed to reimburse are not included in the underwriting discounts set forth in the table below.

Except as disclosed in this prospectus, the underwriters have not received and will not receive from us any other item of compensation or expense in connection with this offering considered by FINRA to be underwriting compensation under FINRA Rule 5110. The underwriting discount was determined through an arms' length negotiation between us and the underwriters.

	Per Share	Total with No Over-Allotment	Total with Over-Allotment
Underwriting discount to be paid by us			

We estimate that the total expenses of this offering, excluding underwriting discounts, will be $. This includes $232,500 of fees and expenses of the underwriters. These expenses are payable by us.

Indemnification

We also have agreed to indemnify the underwriters against certain liabilities, including civil liabilities under the Securities Act, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

No Sales of Common Stock

We, each of our directors and officers and our stockholders have agreed not to offer, sell, agree to sell, directly or indirectly, or otherwise dispose of any shares of common stock or any securities convertible into or exchangeable for shares of common stock without the prior written consent of the representative for a period of 180 days after the date of this prospectus. These lock-up agreements provide limited exceptions, and their restrictions may be waived at any time by the representative.

Determination of Offering Price

The underwriters have advised us that they propose to offer the shares of Class A common stock directly to the public at the estimated initial public offering price range set forth on the cover page of this prospectus. That price range and the initial public offering price are subject to change as a result of market conditions and other factors. Prior to this offering, no public market exists for our Class A common stock. The initial public offering price of the shares was determined by negotiation between us and the underwriters. The principal factors considered in determining the initial public offering price of the shares included, among others:

- the information in this prospectus and otherwise available to the underwriters, including our financial information;
- the history and the prospects for the industry in which we compete;
- the ability and experience of our management;
- the prospects for our future earnings;
- the present state of our development and our current financial condition;
- the general condition of the economy and the securities markets in the United States at the time of this initial public offering;
- the recent market prices of, and the demand for, publicly-traded securities of generally comparable companies; and
- other factors as were deemed relevant.

We cannot be sure that the initial public offering price will correspond to the price at which the shares of Class A common stock will trade in the public market following this offering or that an active trading market for the shares of Class A common stock will develop or continue after this offering.

Price Stabilization, Short Positions and Penalty Bids

To facilitate this offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our Class A common stock during and after the offering. Specifically, the underwriters may create a short position in our Class A common stock for their own accounts by selling more shares of Class A common stock than we have sold to the underwriters. The underwriters may close out any short position by purchasing shares in the open market.

In addition, the underwriters may stabilize or maintain the price of our Class A common stock by bidding for or purchasing shares in the open market and may impose penalty bids. If penalty bids are imposed, selling concessions allowed to broker-dealers participating in this offering are reclaimed if shares previously distributed in this offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of our Class A common stock at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of our Class A common stock to the extent that it discourages resales of our Class A common stock. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on the Nasdaq Capital Market or otherwise and, if commenced, may be discontinued at any time.

In connection with this offering, the underwriters and selling group members may also engage in passive market making transactions in our Class A common stock on the Nasdaq Capital Market. Passive market making consists of displaying bids on the Nasdaq Capital Market limited by the prices of independent market makers and effecting purchases limited by those prices in response to order flow. Rule 103 of Regulation M promulgated by the SEC limits the amount of net purchases that each passive market maker may make and the displayed size of each bid. Passive market making may stabilize the market price of our Class A common stock at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that any transaction, if commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

The underwriters or syndicate members may facilitate the marketing of this offering online directly or through one of their respective affiliates. In those cases, prospective investors may view offering terms and a prospectus online and place orders online or through their financial advisors. Such websites and the information contained on such websites, or connected to such sites, are not incorporated into and are not a part of this prospectus.

Other Relationships

The underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. The underwriters may in the future receive customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Listing

In connection with this offering, we have applied to have our Class A common stock listed on the Nasdaq Capital Market under the symbol “MSGM.” There is no assurance, however, that our Class A common stock will ever be listed on the Nasdaq Capital Market or any other national securities exchange.

Transfer Agent and Registrar

Our transfer agent is Worldwide Stock Transfer, LLC whose address is One University Plaza, Suite 505, Hackensack, New Jersey 07601 and its telephone number is (201) 820-2008.

Selling Restrictions

No action has been taken in any jurisdiction except the United States that would permit a public offering of our common stock, or the possession, circulation or distribution of this prospectus or any other material relating to us or our Class A common stock in any jurisdiction where action for that purpose is required. Accordingly, the shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

United Kingdom

Each of the underwriters has, separately and not jointly, represented and agreed that:

- it has not made or will not make an offer of the securities to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) ("FSMA"), except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by us of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority;

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to us; and

- it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

Switzerland

The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.

Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728—1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728—1968, including, *inter alia*, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the "Addressed Investors"); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728—1968, subject to certain conditions (the "Qualified Investors"). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. We have not and will not take any action that would require us to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728—1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our securities to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728—1968. In particular, we may request, as a condition to be offered securities, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728—1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728—1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728—1968 and the regulations promulgated thereunder in connection with the offer to be issued securities; (iv) that the securities that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728—1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728—1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, *inter alia*, the Addressed Investor's name, address and passport number or Israeli identification number.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of securities may be made to the public in that Relevant Member State other than:

(a) to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require us or the representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive,

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the representative and us that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representative has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. This document does not constitute an offer or invitation to the public in Hong Kong to acquire shares. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the shares, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as such term is defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") and the subsidiary legislation made thereunder); or in circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) ("CO"); or which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO. The offer of the shares is personal to the person to whom this document has been delivered, and a subscription for shares will only be accepted from such person. No person to whom a copy of this document is issued may issue, circulate or distribute this document in Hong Kong, or make or give a copy of this document to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), (ii) to a relevant person (as defined in Section 275(2) of the SFA), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased pursuant to an offer made in reliance on Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor;

shares, debentures and units of shares, and debentures of that corporation, or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except:

(1) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or any person pursuant to Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

LEGAL MATTERS

The validity of the shares of our Class A common stock offered hereby will be passed upon for us by Snell & Wilmer L.L.P., Los Angeles, California. The underwriters are being represented by Faegre Drinker Biddle & Reath LLP, Minneapolis, Minnesota.

EXPERTS

Dixon Hughes Goodman LLP, an independent registered public accounting firm, has audited our consolidated financial statements as of December 31, 2019 and 2018, and for the year ended December 31, 2019, the Successor Period from August 15, 2018 through December 31, 2018, and the Predecessor Period from January 1, 2018 through August 14, 2018, as set forth in their report. We have included our consolidated financial statements in the prospectus and elsewhere in the registration statement in reliance on Dixon Hughes Goodman LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with the SEC to register with the SEC the shares of our Class A common stock being offered in this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with it. For further information about us and our Class A common stock, reference is made to the registration statement and the exhibits and schedules filed with it. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

When we complete this offering, we will also be required to file annual, quarterly and special reports, proxy statements and other information with the SEC. Our filings, including the registration statement, will also be available to you on the Internet website maintained by the SEC at *www.sec.gov*.

We also maintain an Internet website at *motorsportgames.com*. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

MOTORSPORT GAMING US LLC & SUBSIDIARIES

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MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2020 (Unaudited)	December 31, 2019
Assets		
Current Assets:		
Cash	$ 3,050,693	$ 1,960,279
Accounts receivable, net of sales allowances of $2,950,393 and $1,891,681 as of September 30, 2020 and December 31, 2019, respectively	8,350,547	5,092,332
Prepaid expenses and other current assets	606,412	77,021
Total Current Assets	12,007,652	7,129,632
Property and equipment, net	123,426	127,406
Goodwill	137,717	137,717
Intangible assets, net	5,811,509	5,327,156
Deferred offering costs	444,747	-
Other assets	65,156	55,363
Total Assets	$ 18,590,207	$ 12,777,274
Liabilities and Member's Equity		
Current Liabilities:		
Accounts payable	$ 607,149	$ 266,854
Accrued expenses	1,958,405	852,938
Due to related parties	10,388,448	8,045,522
Total Current Liabilities	12,954,002	9,165,314
Other non-current liabilities	850,593	-
Total Liabilities	13,804,595	9,165,314
Member's Equity:		
Member's deficiency attributable to Motorsport Gaming US LLC	(1,261,833)	(3,064,354)
Noncontrolling interest	6,047,445	6,676,314
Total Member's Equity	4,785,612	3,611,960
Total Liabilities and Member's Equity	$ 18,590,207	$ 12,777,274

The accompanying notes are an integral part of these condensed consolidated financial statements.

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	For the Nine Months Ended September 30,	
	2020	**2019**
Revenues	$ 16,111,581	$ 9,566,873
Cost of revenues (1)	5,261,483	3,776,696
Gross Profit	10,850,098	5,790,177
Operating Expenses:		
Sales and marketing (2)	2,321,635	3,233,328
Development (3)	3,438,461	3,955,533
General and administrative (4)	2,227,373	2,013,607
Depreciation and amortization	50,083	384,795
Total Operating Expenses	8,037,552	9,587,263
Income (Loss) From Operations	2,812,546	(3,797,086)
Interest income	1,339	33,744
Interest expense (5)	(449,664)	-
Loss attributable to equity method investment	(69,764)	(485,956)
Other income, net	79,195	8,195
Net Income (Loss)	2,373,652	(4,241,103)
Less: Net income (loss) attributable to noncontrolling interest	1,498,233	(1,294,908)
Net Income (Loss) Attributable to Motorsport Gaming US LLC	$ 875,419	$ (2,946,195)

(1) Includes related party costs of $92,522 and $0 for the nine months ended September 30, 2020 and 2019, respectively

(2) Includes related party expenses of $117,088 and $833,748 for the nine months ended September 30, 2020 and 2019, respectively

(3) Includes related party expenses of $134,942 and $12,146 for the nine months ended September 30, 2020 and 2019, respectively

(4) Includes related party expenses of $1,130,864 and $0 for the nine months ended September 30, 2020 and 2019, respectively

(5) Includes related party expenses of $439,723 and $0 for the nine months ended September 30, 2020 and 2019, respectively

The accompanying notes are an integral part of these condensed consolidated financial statements

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY

(unaudited)

	For the Nine Months Ended September 30, 2020		
	Member's Deficiency Attributable to Motorsport Gaming US LLC	Noncontrolling Interest	Total Member's Equity
Balance - January 1, 2020	$ (3,064,354)	$ 6,676,314	$ 3,611,960
Change of control adjustments	927,102	(2,127,102)	(1,200,000)
Net income	875,419	1,498,233	2,373,652
Balance - September 30, 2020	$ (1,261,833)	$ 6,047,445	$ 4,785,612

	For the Nine Months Ended September 30, 2019		
	Member's Equity (Deficiency) Attributable to Motorsport Gaming US LLC	Noncontrolling Interest	Total Member's Equity
Balance - January 1, 2019	$ 499,792	$ 8,867,732	$ 9,367,524
Net loss	(2,946,195)	(1,294,908)	(4,241,103)
Balance - September 30, 2019	$ (2,446,403)	$ 7,572,824	$ 5,126,421

The accompanying notes are an integral part of these condensed consolidated financial statements

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	For the Nine Months Ended September 30,	
	2020	**2019**
Cash Flows from Operating Activities:		
Net income (loss)	$ 2,373,652	$ (4,241,103)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	457,729	729,983
Sales return and price protection reserves	55,077	1,108,608
Loss on disposal of property and equipment	32,537	-
Loss on equity method investee	69,764	485,956
Changes in operating assets and liabilities:		
Accounts receivable	(3,313,292)	(2,662,499)
Prepaid expenses and other current assets	(529,391)	(26,803)
Other assets	55,363	49,781
Accounts payable	266,495	(190,872)
Accrued expenses	1,035,703	320,677
Other non-current liabilities	58,594	-
Net Cash Provided By (Used In) Operating Activities	562,131	(4,426,273)
Cash Flows From Investing Activities:		
Purchase of shares of common stock of 704Games from noncontrolling shareholders	(1,200,000)	-
Acquisition of equity method investee	(65,156)	(484,335)
Purchase of intangible assets	(100,000)	-
Purchase of property and equipment	(78,640)	(101,068)
Net Cash Used In Investing Activities	(1,443,796)	(585,403)
Cash Flows From Financing Activities:		
Payments of deferred offering costs	(370,947)	-
Proceeds from advances from related parties	2,342,926	3,664,765
Net Cash Provided By Financing Activities	1,971,979	3,664,765
Net Increase (Decrease) In Cash	1,090,414	(1,346,911)
Cash - Beginning of the Period	1,960,279	3,413,427
Cash - End of the Period	$ 3,050,693	$ 2,066,516
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ -	$ -
Non-cash investing and financing activities:		
Accrual of intangible asset	$ (791,999)	$ -
Accrual of deferred offering costs	$ (73,800)	$ -
Accrued loss on equity method investee	$ -	$ (1,621)

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 – BUSINESS ORGANIZATION, NATURE OF OPERATIONS, RISKS AND UNCERTAINTIES AND BASIS OF PRESENTATION

Organization and Operations

Motorsport Gaming US LLC ("Motorsport Games") was established on August 2, 2018 under the laws of the State of Florida. Motorsport Gaming US LLC, through its subsidiaries, including 704Games Company ("704Games"), which Motorsport Games acquired a 53.5% equity interest in on August 14, 2018 and an additional 26.2% equity interest on August 18, 2020 (collectively, the "Company"), is a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, including NASCAR, the iconic 24 Hours of Le Mans endurance race and the associated World Endurance Championship, the British Touring Car Championship (the "BTCC") and others. The Company develops and publishes multi-platform racing video games including for game consoles, personal computer (PC) and mobile platforms. As of the date the financial statements were issued, Motorsport Games' wholly owned and majority owned subsidiaries were as follows:

- 704Games Company
- Racing Pro League, LLC
- MS Gaming Development LLC
- Motorsport Games Limited (formed on February 6, 2020)

In addition, the Company organizes and facilitates esports tournaments, competitions, and events for its licensed racing games as well as on behalf of third-party racing game developers and publishers.

Risks and Uncertainties

The global spread of the COVID-19 pandemic has created significant business uncertainty for the Company and others, resulting in volatility and economic disruption. Additionally, the outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the spread of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place, stay-at-home or total lock-down (or similar) orders and business limitations and shutdowns.

As a result of the COVID-19 pandemic, including the related responses from government authorities, the Company's business and operations have been impacted, including the temporary closure of its offices in Orlando, Florida, Silverstone, England, and Moscow, Russia, which has resulted in the Company's employees working remotely. During the COVID-19 outbreak, demand for the Company's games has generally increased, which the Company believes is primarily attributable to a higher number of consumers staying at home due to COVID-19 related restrictions. Similarly, there has been a significant increase in viewership of the Company's esports events since the initial impact of the virus, as these events began to air on both digital and linear platforms, particularly as the Company was able to attract many of the top "real world" motorsport stars to compete. However, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of the Company's products from such retailers. Additionally, in the Company's esports business, the COVID-19 pandemic has resulted in the postponing of certain events to later dates or shifting events from an in-person format to online only.

The Company continues to monitor the evolving situation caused by the COVID-19 pandemic, and it may take further actions required by governmental authorities or that it determines are prudent to support the well-being of its employees, suppliers, business partners and others. The degree to which the COVID-19 pandemic impacts the Company's operations, business, financial results, liquidity, and financial condition will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the pandemic, its severity, actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Adverse economic and market conditions as a result of COVID-19 could also adversely affect the demand for the Company's products and may also impact the ability of its customers to satisfy their obligations to the Company.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019. The results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the operating results for the full year ending December 31, 2020 or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related disclosures as of December 31, 2019 and 2018 and for the years then ended which are included elsewhere in this filing.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to the significant accounting policies included in the audited consolidated financial statements as of December 31, 2019 and 2018 and for the year ended December 31, 2019 and the period from August 15, 2018 to December 31, 2018 (Successor) and for the Period from January 1, 2018 to August 14, 2018 (Predecessor), which are included elsewhere in this filing, except as disclosed in this note.

Liquidity

While the Company has recently achieved profitability, it continues to incur cash flows from operations. It is expected that its operating expenses will continue to increase and, as a result, the Company will eventually need to generate significant revenues to maintain profitability.

The Company expects that its cash on hand will fund its operations for at least one year from the date the financial statements were issued. Although the Company's management believes that it has access to capital resources, there are currently no commitments in place for new financing at this time and there is no assurance that the Company will be able to obtain funds on commercially acceptable terms, if at all. If the Company is unable to obtain adequate funds on reasonable terms, it may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures.

Accounts Receivable

Accounts receivable are carried at their contractual amounts, less an estimate for sales allowances. Management estimates the allowance for sales based on previous experience, existing economic conditions, actual sales and inventories on hand. See Note 2 – Summary of Significant Accounting Policies – Revenue Recognition and Sales Allowances - Sales Allowance, Sales Returns and Price Protection Reserves for additional details.

Balances that are still outstanding after management has performed reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. As of September 30, 2020 and December 31, 2019, the Company determined that all of its accounts receivable were fully collectible and, accordingly, no allowance for doubtful accounts was recorded. Sales allowances as of September 30, 2020 and December 31, 2019 were $2,950,393 and $1,891,681, respectively.

Revenue Recognition

The Company currently derives revenue principally from sales of its games and related extra content that can be played by customers on a variety of platforms, which includes game consoles, PCs, mobile phones and tablets. The Company's product and service offerings include, but are not limited to, the following:

1) *Sales of Games* - Full console and mobile games contain a software license that is delivered digitally or via physical disc at the time of sale;

2) *Sales of Extra Content* – Includes (a) extra content that is downloaded by console players that provides the ability to customize and/or enhance their gameplay and (b) virtual currencies that provide mobile players with the ability to purchase extra content that allows them to customize and/or enhance their gameplay; and

3) *Esports Competition Events* - Hosting of online esports competitions that generates sponsorship revenue.

Sales of Games. Sales of games are generally determined to have a singular distinct performance obligation, as the Company does not currently have an obligation to provide future update rights or online hosting. As a result, the Company recognizes revenue equal to the full transaction price at the point in time the customer obtains control of the software license and the Company satisfies its performance obligation.

Sales of Extra Content. Revenue received from sales of extra content are derived primarily from the sale of (a) digital in-game content that is downloaded by the Company's console customers that enhance their gameplay experience, typically by providing car upgrades or additional drivers and (b) virtual currencies that can be used by mobile customers to purchase content that allows them to customize and/or enhance their gameplay. Virtual currencies may not be used for any purpose other than for these in-game purchases. Revenue related to extra content is recognized at the point in time the Company satisfies its performance obligation, which is generally at the time the customer obtains control of the extra content, either by downloading the digital in-game content or by using the virtual currencies to purchase extra content. For console customers, extra content is either purchased in a pack or on a standalone basis. Revenue associated with extra content from console customers is deferred until the content has been delivered digitally to the customer. Revenue associated with virtual currencies is deferred until the virtual currency has been used by the customer to purchase extra content, which is the point in time the customer obtains control.

Esports. The Company recognizes sponsorship revenue associated with hosting online esports competition events over the period of time the Company satisfies its performance obligation under the contract, which is generally the concurrent time the event is held and the customer obtains control. In the event the Company enters into a contract with a customer to sponsor for a series of esports events, the Company allocates the transaction price between the series of events and recognizes revenue over the period of time each event is held and the Company satisfies its performance obligation.

The timing of the Company's revenue recognition may differ from the timing of payment by its customers. A receivable is recorded when revenue is recognized prior to payment and the Company has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied.

During the nine months ended September 30, 2020 and 2019, there was no revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods.

The following table summarizes revenue recognized under ASC 606 in the unaudited condensed consolidated statements of operations:

	For the Nine Months Ended September 30,	
	2020	**2019**
Revenues:		
Gaming	$ 15,821,290	$ 9,566,873
Esports	290,291	-
Total Revenues	$ 16,111,581	$ 9,566,873

Identifying Performance Obligations

Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, the Company must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

Determining the Transaction Price

The transaction price is determined based on the consideration that the Company will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires significant judgment based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. See below for additional information regarding our sales returns and price protection reserves.

Allocating the Transaction Price

Allocating the transaction price requires that the Company determine an estimate of the relative stand-alone selling price for each distinct performance obligation.

Principal Versus Agent Considerations

The Company evaluates sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple's App Store, and Google's Play Store, in order to determine whether or not the Company is acting as the principal or agent in the sale to the end customer. Key indicators that the Company evaluates in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has inventory risk before the specified good or service has been transferred to the end customer; and
- which party has discretion in establishing the price for the specified good or service.

Based on an evaluation of the above indicators, the Company determined that, apart from contracts with customers where revenue is generated via the Apple App Store or Google Play Store, the third party is considered the principal and, as a result, the Company reports revenue net of the fees retained by the storefront. For contracts with customers where revenue is generated via the Apple App Store or Google Play Store, the Company has determined that it is the principal and, as a result, reports revenue on a gross basis, with mobile platform fees included within cost of revenues.

Sales Allowance, Sales Returns and Price Protection Reserves

Sales returns and price protection are considered variable consideration under ASC 606. The Company reduces revenue for estimated future returns and price protection which may occur with distributors and retailers ("channel partners"). See Note 2 – Summary of Significant Accounting Policies – Accounts Receivable for additional details. Price protection represents our practice to provide channel partners with a credit allowance to lower their wholesale price on a particular game unit that they have not resold to customers. The amount of the price protection for permanent markdowns is the difference between the original wholesale price and the new reduced wholesale price. Credits are also given for short-term promotions that temporarily reduce the wholesale price. When evaluating the adequacy of sales returns and price protection reserves, the Company analyzes the following: historical credit allowances, current sell-through of channel partners' inventory of the Company's products, current trends in retail and the video game industry, changes in customer demand, acceptance of products, and other related factors. In addition, the Company monitors the volume of sales to its channel partners and their inventories, as substantial overstocking in the distribution channel could result in high returns or higher price protection in subsequent periods. The Company recognized sales allowances and price protection reserves for the nine months ended September 30, 2020 and 2019 in the amount of $1,058,718 and $1,594,623, respectively, which were included as reductions of revenues.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update "(ASU") 2016-02, Leases (Topic 842), which applies a right-of-use model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. The ASU requires a lessor to classify leases as either sales-type, direct financing or operating, similar to existing U.S. GAAP requirements. Classification depends on the same five criteria used by lessees under U.S. GAAP plus certain additional factors. The new leases standard addresses other considerations including identification of a lease, separating lease and non-lease components of a contract, sale and leaseback transactions, modifications, combining contracts, reassessment of the lease term, and remeasurement of lease payments. Early adoption is permitted. This update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In November 2019, the FASB issued ASU 2019-11, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses" ("ASU 2019-11"). ASU 2019-11 is an accounting pronouncement that amends ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The amendments update guidance on reporting credit losses for financial assets. These amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in ASU 2019-11 are effective for annual reporting periods beginning after December 15, 2022, including interim periods within those fiscal years. All entities may adopt the amendments through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. This update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in any interim period for periods for which financial statements have not yet been made available for issuance. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, an entity that elects early adoption must adopt all the amendments in the same period. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In January 2020, the FASB issued Accounting Standards Update No. 2020-01—*Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force)* (ASU 2020-01). The amendments in this ASU clarify certain interactions between the guidance to account for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative or a forward contract or purchased option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option in accordance with Topic 825, Financial Instruments. These amendments improve current U.S. GAAP by reducing diversity in practice and increasing comparability of the accounting for these interactions. ASU 2020-01 is effective for the Company on July 1, 2021. The Company is currently evaluating the impact of this standard on its condensed consolidated financial statements and disclosures.

NOTE 3 - INTANGIBLE ASSETS

On May 29, 2020, the Company secured a licensing agreement with the BARC (TOCA) Limited ("BARC"), the exclusive promoter of the BTCC. Pursuant to the agreement, the Company was granted an exclusive license to use certain licensed intellectual property for motorsports and/or racing video gaming products related to, themed as, or containing the BTCC, on consoles and mobile applications, esports series and esports events (including the Company's esports platform). In exchange for the license, the agreement requires the Company to pay BARC an initial fee in two installments, the first of which was due on June 5, 2020 and the second installment on the earlier of 60 days after the release of the products contemplated by the license or May 29, 2022. Following the initial fee, the agreement also requires the Company to pay royalties, including certain minimum annual guarantees, on an ongoing basis to BARC and to meet certain product distribution, marketing and related milestones, subject to termination penalties. In connection with the licensing agreement, the Company acquired the BTCC license with a cost of $891,999. The Company began recognizing amortization expense during the nine months ended September 30, 2020 over the six-and-a-half year useful life, as the license terminates on December 31, 2026. During the nine months ended September 30, 2020, the Company paid $100,000 in connection with the purchase of the license. As of September 30, 2020, the Company had a remaining liability in connection with the licensing agreement of $791,999, which is included in other non-current liabilities on the condensed consolidated balance sheet.

On August 11, 2020, the Company entered into a licensing agreement with Epic Games International ("Epic") for worldwide licensing rights to Epic's proprietary computer program known as the Unreal Engine 4. Pursuant to the agreement, upon payment of the initial license fee described below, the Company was granted a nonexclusive, nontransferable and terminable license to develop, market and sublicense (under limited circumstances and subject to conditions of the agreement) certain products using the Unreal Engine 4 for its next generation of games. In exchange for the license, the agreement requires the Company to pay Epic an initial license fee that was paid subsequent to September 30, 2020 and will be capitalized as an intangible asset during the fourth quarter of 2020, royalties, support fees and supplemental license fees for additional platforms. During the nine months ended September 30, 2020, Epic did not earn any royalties under the agreement. During a two-year support period, Epic will use commercially reasonable efforts to provide the Company with updates to the Unreal Engine 4 and technical support via a licensee forum. After the expiration of the support period, Epic has no further obligation to provide or to offer to provide any support services. The agreement is effective until terminated under the provisions of the agreement; however, pursuant to the terms of the agreement, the Company can only actively develop new or existing authorized products during a five-year active development period, which terminates on August 11, 2025.

Intangible assets consist of the following:

	Licensing Agreements	Software	Distribution Contracts	Accumulated Amortization	Total
Balance as of January 1, 2020	$ 3,620,000	$ 2,340,000	$ 560,000	$ (1,192,844)	$ 5,327,156
Purchase of intangible assets	891,999	-	-	-	891,999
Amortization expense	-	-	-	(407,646)	(407,646)
Balance as of September 30, 2020	$ 4,511,999	$ 2,340,000	$ 560,000	$ (1,600,490)	$ 5,811,509
Weighted average remaining amortization period at September 30, 2020 (in years)	12.4	4.9	-		

Amortization of intangible assets consists of the following:

	Licensing Agreements	Software	Distribution Contracts	Accumulated Amortization
Balance as of January 1, 2020	$ 311,094	$ 321,750	$ 560,000	$ 1,192,844
Amortization expense	215,432	192,214	-	407,646
Balance as of September 30, 2020	$ 526,526	$ 513,964	$ 560,000	$ 1,600,490

The estimated aggregate amortization expense of intangible assets for the next five years is as follows:

For the Years Ended December 31,	Licensing Agreements	Software	Total
2020	$ 90,870	$ 83,571	$ 174,441
2021	363,481	334,286	697,767
2022	363,481	334,286	697,767
2023	363,481	334,286	697,767
2024	363,481	334,286	697,767
Thereafter	2,440,679	405,321	2,846,000
	$ 3,985,473	$ 1,826,036	$ 5,811,509

NOTE 4 – ACCRUED EXPENSES

Accrued expenses consisted of the following:

	September 30, 2020	December 31, 2019
Accrued royalties	$ 1,215,594	$ 268,558
Accrued professional fees	3,854	81,480
Accrued consulting fees	66,666	166,667
Payable to Le Mans joint venture	-	124,320
Accrued development costs	385,457	145,193
Accrued hosting fees	194,950	-
Accrued rent	43,017	43,017
Accrued taxes	31,320	18,860
Accrued other	17,547	4,843
Total	$ 1,958,405	$ 852,938

NOTE 5 – MEMBER'S EQUITY

Stock Purchase Agreement

On August 18, 2020, the Company entered into a stock purchase agreement with HC2 and Continental General Insurance Company ("Continental") in which the Company has agreed to purchase an aggregate of 106,307 shares of common stock of 704Games, equal to 26.2% of 704Games' equity interests, at a price of $11.2881 per share for an aggregate consideration of $1,200,000. If, within and including the date that is six months from the date of the agreement, the Company completes a purchase of some or all of the (i) 41,204 shares of common stock held by Gaming Nation, Inc. or its affiliates or transferees, (ii) 30,903 shares of common stock held by PlayFast Games, LLC or its affiliates or transferees and (iii) 10,301 shares of common stock held by Leo Capital Holdings, LLC ("Leo Capital") or its affiliates or transferees (the "Subject Shares") at a purchase price higher than $11.2881 per share, then, no later than five days following the completion of the purchase, the Company shall pay each of HC2 and Continental an amount per share equal to the amount by which such purchase price per Subject Share exceeds the greater of (a) $11.2881 or (b) the highest price per share previously paid by the Company for any Subject Shares. During the nine months ended September 30, 2020, the Company recognized an adjustment to non-controlling interest and member's equity attributable to Motorsports Gaming US LLC of $927,102 in connection with the purchase of the 106,307 shares of common stock. Following the Company's purchase of shares from HC2 and Continental, the Company's ownership interest in 704Games increased to 79.7% from 53.5%. See Note 10 – Subsequent Events – Stock Purchase Agreement for additional details.

NOTE 6 – RELATED PARTY TRANSACTIONS

On April 1, 2020, the Company entered into a promissory note with the Company's parent, Motorsport Network, for a line of credit of up to $10,000,000 at an interest rate of 10% per annum. The principal amount under the promissory note was primarily funded through one or more advances from Motorsport Network, including an advance in August 2020 for purposes of acquiring an additional ownership interest in 704Games. Previous non-interest-bearing advances due to Motorsport Network as of December 31, 2019 also were included in the amount outstanding under the promissory note at the time it was executed. The promissory note does not have a stated maturity date and is payable upon demand at any time at the sole and absolute discretion of Motorsport Network, which has agreed, pursuant to a Side Letter Agreement related to the Promissory Note, dated September 4, 2020, not to demand or otherwise accelerate any amount due under the promissory note that would otherwise constrain the Company's liquidity position, including the Company's ability to continue as a going concern. The Company may prepay the promissory note in whole or in part at any time or from time to time without penalty or charge. In the event the Company or any of its subsidiaries consummates certain corporate events, including any capital reorganization, consolidation, joint venture, spin off, merger or any other business combination or restructuring of any nature, or if certain events of default occur, the entire principal amount and all accrued and unpaid interest will be accelerated and become payable. During the nine months ended September 30, 2020, the Company recorded related party interest expense of $439,723. As September 30, 2020, approximately $10.4 million had been borrowed by the Company under the promissory note. See Note 10 – Subsequent Events – Promissory Note Line of Credit for additional details.

From time to time, Motorsport Network, and other related entities pay for Company expenses on the Company's behalf. In addition, Motorsport Network occasionally advances funds through a line of credit to the Company. During the nine months ended September 30, 2020 and 2019, the Company incurred expenses of $524,479 and $833,738 respectively, that were paid by Motorsport Network on its behalf and are reimbursable by the Company under the promissory note. During the nine months ended September 30, 2020 and 2019, the Company received proceeds of $1,462,000 and $2,274,875, respectively, in connection with advances from Motorsport Network.

During the nine months ended September 30, 2020 and 2019, an entity wholly owned by Motorsport Network provided services associated with In-Kind Consideration of $356,447 and $556,152, respectively, to 704Games in connection with the terms of the acquisition. Such amounts are reflected as related party operating expenses on the unaudited condensed consolidated statements of operations.

See Note 7 – Commitments and Contingences – Operating Leases for additional details.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Litigation

Certain conditions may exist as of the date the condensed consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's condensed consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows. As of September 30, 2020 and December 31, 2019, the Company has not accrued any amounts for contingencies.

Services Agreement

On January 1, 2020, the Company entered into a three-year services agreement with Motorsport Network, pursuant to which Motorsport Network will provide exclusive legal, development and accounting services on a full-time basis to support the Company's business functions. The services agreement can be extended by mutual agreement and may be terminated by either party at any time. Pursuant to the services agreement, the Company is required to pay monthly fees to Motorsport Network as follows: (i) $5,000 for legal services, (ii) $2,500 for accounting services and (iii) on an hourly, per use basis, from $15 to $30 per hour for development services.

Operating Leases

The Company leases its facilities under operating leases. The Company's rent expense under its operating leases was $201,173 and $121,560 for the nine months ended September 30, 2020 and 2019, respectively.

On February 21, 2020, the Company entered into a sublease agreement for office space in Charlotte, North Carolina, that provides for rent payments to the Company in the amount of $14,896 per month and ends on August 31, 2024. On March 1, 2021 and each anniversary thereafter for the duration of the term of the sublease, the monthly payment to the Company shall increase by 3% per annum. The security deposit is approximately $30,000. During the nine months ended September 30, 2020, the Company recorded $108,272 of sublease income. Such amount is reflected in other income, net on the unaudited condensed consolidated statements of operations.

On May 15, 2020, the Company entered into a five-year lease agreement for office space in Miami, Florida with the managing member of Motorsport Network. The base rent from the lease commencement date through April 15, 2025 is $3,000 per month. The Company has the option to renew the lease for two separate five-year terms, with monthly rent to be negotiated prior to such extension. The security deposit is $6,000.

On September 9, 2020, the Company entered into a one-year lease agreement for approximately 1,600 square feet of office space in Silverstone, England. The base rent is approximately $6,250 per month over the term of the lease for a total base rent lease commitment of approximately $75,000. The security deposit is approximately $15,000.

Employment Agreement

The Company entered into an employment agreement, effective as of January 1, 2020, with Dmitry Kozko, Chief Executive Officer of the Company, for a term expiring on December 31, 2024. After such term expires, Mr. Kozko will be employed as an employee "at will." Mr. Kozko's base salary will be $500,000 per annum, subject to annual increases to 103% of the base salary paid to Mr. Kozko in the prior calendar year. Mr. Kozko is entitled to participate (in addition to the additional incentive compensation described below) in all equity incentive plans generally available to the Company's executive officers, subject to the compensation committee of the Company determining any awards and performance metrics for such awards under any such plans. Mr. Kozko is also entitled to certain additional incentive compensation outside of the Company's equity incentive plans, subject to the satisfaction of certain conditions pursuant to Mr. Kozko's employment agreement. Mr. Kozko's employment agreement also provides for payments to him and/or vesting acceleration of certain equity awards upon the termination of his employment in certain circumstances and upon a "Change in Control" (as such term is defined in the employment agreement), as applicable.

Joint Venture Agreement

On March 15, 2019, Motorsport Games (Party B) entered into a joint venture agreement with Automobile Club de l'Ouest (Party A), whereby Motorsport Games acquired 45 B Shares, which represented 45% of the equity interests of Le Mans, and Automobile Club de l'Ouest acquired 55 A Shares of Le Mans, which represented the remaining 55% of the equity interests of Le Mans. Both joint venture partners hold proportional voting rights, and Automobile Club de l'Ouest appoints 3 board seats and the Company appoints 2 board seats. Under the joint venture agreement, Motorsport Games and Automobile Club de l'Ouest are jointly and severally liable for the fulfillment of the obligations of the joint venture. The Company, along with Automobile Club de l'Ouest, discuss and approve a budget for the joint venture on an annual basis. To the extent there is a loss for such year, the Company would be required to fund its proportionate share. The parties agreed to make the following in-kind contributions to Le Mans:

i. Automobile Club de l'Ouest has and will continue to provide a dedicated team to develop and implement the business and has and will continue to make the 24 Hours of Le Mans brand available to Le Mans under a separate license agreement; and
ii. Motorsport Games has provided and will continue to provide a dedicated team to develop and implement the business and has and will continue to make itself and its employees, who have experience in e-sports and e-gaming platforms, available to develop the business and create a dedicated gaming platform for use by and to facilitate the continued development of the business.

During the nine months ended September 30, 2020 and 2019, the Company's investment in Le Mans generated a loss of $69,764 and $485,956, which is included in loss attributable to equity method investment in the condensed consolidated statements of operations. As of September 30, 2020, the Company did not have a payable to Le Mans. As of September 30, 2020 and December 31, 2019, there was $65,156 and $0 of investment recorded on the Company's condensed consolidated balance sheets.

See Note 3 – Intangible Assets for additional details.

See Note 5 – Member's Equity – Stock Purchase Agreement for additional details.

NOTE 8 – CONCENTRATIONS

Customer Concentrations

The following table sets forth information as to each customer that accounted for 10% or more of the Company's revenues for the following periods:

	For the Nine Months Ended September 30,	
Customer	2020	2019
Customer A	31.72%	48.87%
Customer B	25.94%	21.24%
Customer D	23.03%	15.07%
Total	80.69%	85.18%

* Less than 10%.

The following table sets forth information as to each customer that accounted for 10% or more of the Company's accounts receivable as of:

Customer	September 30, 2020	December 31, 2019
Customer A	70.67%	82.99%
Customer C	17.88%	*
Total	88.55%	82.99%

* Less than 10%.

A reduction in sales from or loss of these customers would have a material adverse effect on the Company's results of operations and financial condition.

Supplier Concentrations

The following table sets forth information as to each supplier that accounted for 10% or more of the Company's cost of revenues for the following periods:

	For the Nine Months Ended September 30,	
Supplier	2020	2019
Supplier A	37.56%	29.39%
Supplier B	n/a	20.01%
Supplier C	n/a	13.87%
Supplier G	32.95%	*
Total	70.51%	63.27%

* Less than 10%.

NOTE 9 – SEGMENT REPORTING

The Company's principal operating segments coincide with the types of products and services to be sold. The products and services from which revenues are derived are consistent with the reporting structure of the Company's internal organization. The Company's two reportable segments for the nine months ended September 30, 2020 and 2019 were (i) the Gaming segment and (ii) the esports segment. The Company's chief operating decision-maker has been identified as the CEO, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Segment information is presented based upon the Company's management organization structure as of September 30, 2020 and the distinctive nature of each segment. Future changes to this internal financial structure may result in changes to the reportable segments disclosed. There are no inter-segment revenue transactions and, therefore, revenues are only to external customers. As the Company primarily generates its revenues from customers in the United States, no geographical segments are presented. Given that the Company's esports segment just began its operations in late 2018, it has no separate assets. That being said, the Company expects that its esports segment will have separate assets in the future.

Segment operating profit is determined based upon internal performance measures used by the chief operating decision-maker. The Company derives the segment results from its internal management reporting system. The accounting policies the Company uses to derive reportable segment results are the same as those used for external reporting purposes. Management measures the performance of each reportable segment based upon several metrics, including net revenues, gross profit and operating income (loss). Management uses these results to evaluate the performance of, and to assign resources to, each of the reportable segments. The Company manages certain operating expenses separately at the corporate level and does not allocate such expenses to the segments. Segment income from operations excludes interest income/expense and other income or expenses and income taxes according to how a particular reportable segment's management is measured. Management does not consider impairment charges, and unallocated costs in measuring the performance of the reportable segments.

Segment information available with respect to these reportable business segments was as follows:

	For the Nine Months Ended September 30,	
	2020	2019
Revenues:		
Gaming	$ 15,821,290	$ 9,566,873
Esports	290,291	-
Total Segment and Consolidated Revenues	$ 16,111,581	$ 9,566,873
Gross Profit:		
Gaming	$ 10,839,542	$ 5,790,177
Esports	10,556	-
Total Segment and Consolidated Gross Profit	$ 10,850,098	$ 5,790,177

	September 30, 2020	December 31, 2019
Segment Total Assets:		
Gaming	$ 18,590,207	$ 12,777,274
Esports	-	-
Consolidated Total assets	$ 18,590,207	$ 12,777,274

NOTE 10 - SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the unaudited condensed consolidated financial statements were issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustments or disclosure in the condensed consolidated financial statements or notes.

Stock Purchase Agreement

On October 6, 2020, the Company entered into a stock purchase agreement with Leo Capital in which the Company agreed to purchase an aggregate of 10,301 shares of common stock of 704Games, which is equal to 2.5% of the outstanding equity interests of 704Games, at a price of $11.2881 per share for an aggregate consideration of approximately $116,000. Following the Company's purchase of shares from Leo Capital, the Company's ownership interest in 704Games increased to 82.2% from 79.7%.

Promissory Note Line of Credit

On November 23, 2020, the Company and Motorsport Network entered into an amendment to the promissory note dated April 1, 2020, effective as of September 15, 2020. Under the terms of the amendment, the line of credit under the promissory note was increased from $10,000,000 to $12,000,000. All other terms remained the same.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Sole Member
Motorsport Gaming US LLC and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Motorsport Gaming US LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the related consolidated statements of operations, changes in member's equity, and cash flows for the year ended December 31, 2019, the successor period from August 15, 2018 through December 31, 2018, and the predecessor period from January 1, 2018 through August 14, 2018, and the related notes to the consolidated financial statements. In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for the year ended December 31, 2019, the successor period from August 15, 2018 through December 31, 2018, and the predecessor period from January 1, 2018 through August 14, 2018 in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for testing of goodwill impairment effective January 1, 2019 due to the adoption of Accounting Standards Update ("ASU") No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Dixon Hughes Goodman LLP

We have served as the Company's auditor since 2017.

Raleigh, North Carolina
September 4, 2020
(except for Note 5, as to
which the date is October 23, 2020)

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2019	**2018**
Assets		
Current Assets:		
Cash	$ 1,960,279	$ 3,413,427
Accounts receivable, net of sales allowances of $1,891,681 and $1,836,598 as of December 31, 2019 and 2018, respectively	5,092,332	5,203,754
Prepaid expenses and other current assets	77,021	82,423
Total Current Assets	7,129,632	8,699,604
Property and equipment, net	127,406	70,735
Goodwill	137,717	712,732
Intangible assets, net	5,327,156	6,137,406
Other assets	55,363	49,781
Total Assets	$ 12,777,274	$ 15,670,258
Liabilities and Member's Equity		
Current Liabilities:		
Accounts payable	$ 266,854	$ 832,141
Accrued expenses	852,938	989,397
Due to related parties	8,045,522	4,481,196
Total Liabilities	9,165,314	6,302,734
Member's Equity:		
Member's (deficiency) equity attributable to Motorsport Gaming US LLC	(3,064,354)	499,792
Noncontrolling interest	6,676,314	8,867,732
Total Member's Equity	3,611,960	9,367,524
Total Liabilities and Member's Equity	$ 12,777,274	$ 15,670,258

The accompanying notes are an integral part of these consolidated financial statements.

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Successor	Successor	Predecessor
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Revenues	$ 11,850,787	$ 10,768,629	$ 3,988,148
Cost of revenues	4,888,877	4,184,569	1,126,171
Gross Profit	6,961,910	6,584,060	2,861,977
Operating Expenses:			
Sales and marketing (1)	3,771,570	2,429,939	1,114,661
Development (2)	4,784,034	1,694,359	2,207,757
General and administrative	2,605,782	869,928	2,002,377
Depreciation and amortization	401,622	235,485	53,411
Loss on impairment of goodwill	575,015	-	-
Total Operating Expenses	12,138,023	5,229,711	5,378,206
(Loss) Income From Operations	(5,176,113)	1,354,349	(2,516,229)
Interest income	35,728	-	-
Interest expense	-	-	(26,250)
Loss attributable to equity method investment	(608,656)	-	-
Other (expense) income, net	(6,523)	4,904	29,727
(Loss) Income Before Income Taxes	(5,755,564)	1,359,253	(2,512,752)
Income tax benefit	-	-	2,323
Net (Loss) Income	(5,755,564)	1,359,253	(2,510,429)
Less: Net (loss) income attributable to noncontrolling interest	(2,191,418)	859,461	-
Net (Loss) Income Attributable to Motorsport Gaming US LLC	$ (3,564,146)	$ 499,792	$ (2,510,429)

(1) Includes related party expenses of $593,094, $364,294 and $0 for the Year Ended December 31, 2019, for the Period from August 15, 2018 to December 31, 2018 (Successor) and for the Period from January 1, 2018 to August 14, 2018 (Predecessor), respectively

(2) Includes related party expenses of $15,229, $108,375 and $0 for the Year Ended December 31, 2019, for the Period from August 15, 2018 to December 31, 2018 (Successor) and for the Period from January 1, 2018 to August 14, 2018 (Predecessor), respectively

The accompanying notes are an integral part of these consolidated financial statements

MOTORSPORT GAMING US LLC & SUBSIDIARIES
(SUCCESSOR)
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019 AND FOR THE PERIOD FROM AUGUST 15, 2018 TO DECEMBER 31, 2018

	Member's Equity (Deficiency) Attributable to Motorsport Gaming US LLC	Noncontrolling Interest	Total Member's Equity
Balance - August 15, 2018	$ -	$ -	$ -
Change of control adjustments	-	8,008,271	8,008,271
Net income	499,792	859,461	1,359,253
Balance - December 31, 2018	499,792	8,867,732	9,367,524
Net loss	(3,564,146)	(2,191,418)	(5,755,564)
Balance - December 31, 2019	$ (3,064,354)	$ 6,676,314	$ 3,611,960

The accompanying notes are an integral part of these consolidated financial statements

MOTORSPORT GAMING US LLC & SUBSIDIARIES
(PREDECESSOR)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE PERIOD FROM JANUARY 1, 2018 TO AUGUST 14, 2018

	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance - January 1, 2018	188,715	$ 189	$ 17,874,513	$ (14,010,414)	$ 3,864,288
Cumulative effect of adoption of ASC 606	-	-	-	666,927	666,927
Share-based compensation	-	-	546,546	-	546,546
Net loss	-	-	-	(2,510,429)	(2,510,429)
Balance - August 14, 2018	188,715	$ 189	$ 18,421,059	$ (15,853,916)	$ 2,567,332

The accompanying notes are an integral part of these consolidated financial statements

MOTORSPORT GAMING US LLC & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor	Successor	Predecessor
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Cash Flows from Operating Activities:			
Net (loss) income	$ (5,755,564)	$ 1,359,253	$ (2,510,429)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Stock-based compensation expense	-	-	546,546
Depreciation and amortization	861,872	408,078	53,411
Sales return and price protection reserves	55,083	1,836,598	(2,151,487)
Loss on impairment of goodwill	575,015	-	-
Loss on equity method investee	608,656	-	-
Changes in operating assets and liabilities:			
Accounts receivable	56,339	(6,026,720)	5,700,890
Prepaid expenses and other current assets	5,402	1,149,771	(1,147,461)
Other assets	(5,582)	(49,781)	-
Accounts payable	(565,287)	(145,566)	71,862
Accrued expenses	(260,780)	(825,918)	-
Deferred revenue	-	-	2,981
Deferred rent	-	-	(6,367)
Other current liabilities	-	-	832,115
Net Cash (Used In) Provided By Operating Activities	(4,424,846)	(2,294,285)	1,392,061
Cash Flows From Investing Activities:			
Cash acquired in the purchase of 704Games Company	-	1,232,974	-
Acquisition of equity method investee	(484,335)	-	-
Purchase of property and equipment	(108,293)	(6,458)	(17,420)
Net Cash (Used In) Provided By Investing Activities	(592,628)	1,226,516	(17,420)
Cash Flows From Financing Activities:			
Repayment of notes payable - related parties	-	-	(750,000)
Proceeds from (repayments of) advances from related parties	3,564,326	4,481,196	(38,813)
Net Cash Provided By (Used In) Financing Activities	3,564,326	4,481,196	(788,813)
Net (Decrease) Increase In Cash	(1,453,148)	3,413,427	585,828
Cash - Beginning of the Period	3,413,427	-	647,147
Cash - End of the Period	$ 1,960,279	$ 3,413,427	$ 1,232,975
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the period for:			
Interest	$ -	$ -	$ 67,375
Non-cash investing and financing activities:			
Reduction in other current assets due to adoption of ASC 606	$ -	$ -	$ 267,324
Reduction in deferred revenue due to adoption of ASC 606	$ -	$ -	$ 934,249
Net assets (excluding cash) attributable to Motorsport Gaming US LLC acquired in the acquisition of 704Games Company	$ -	$ 7,053,444	$ -
Accrued loss on equity method investee	$ (124,321)	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – BUSINESS ORGANIZATION AND NATURE OF OPERATIONS

Motorsport Gaming US LLC ("Motorsport Games") was established on August 2, 2018 under the laws of the State of Florida. Motorsport Gaming US LLC, through its subsidiaries, including 704Games Company ("704Games"), which Motorsport Games acquired a 53.5% equity interest in on August 14, 2018 (collectively, the "Company"), is a leading racing game developer, publisher and esports ecosystem provider of official motorsport racing series throughout the world, including NASCAR, the iconic 24 Hours of Le Mans endurance race and the associated World Endurance Championship, the British Touring Car Championship (the "BTCC") and others. The Company develops and publishes multi-platform racing video games including for game consoles, personal computer (PC) and mobile platforms. As of the date the financial statements were issued, Motorsport Games' wholly owned and majority owned subsidiaries were as follows:

- 704Games Company
- Racing Pro League, LLC
- MS Gaming Development LLC
- Motorsport Games Limited

In addition, the Company organizes and facilitates esports tournaments, competitions, and events for its licensed racing games as well as on behalf of third-party racing game developers and publishers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liquidity

The Company has not yet achieved profitability and expects to continue to incur cash outflows from operations. It is expected that its operating expenses will continue to increase and, as a result, the Company will eventually need to generate significant revenues to achieve profitability.

The Company expects that its cash on hand will fund its operations for at least one year from the date the financial statements were issued. Although the Company's management believes that it has access to capital resources, there are currently no commitments in place for new financing at this time and there is no assurance that the Company will be able to obtain funds on commercially acceptable terms, if at all. If the Company is unable to obtain adequate funds on reasonable terms, it may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the operations of the Company and its wholly owned and majority owned subsidiaries. The interests of non-controlling members and shareholders are reflected as non-controlling interest in the accompanying consolidated financial statements and, accordingly, profits and losses are allocated to the non-controlling interest in proportion to the ownership percentages of the non-controlling members and shareholders. All intercompany balances and transactions have been eliminated in consolidation. Unless otherwise indicated, information in these notes to the consolidated financial statements relates to continuing operations.

On February 18, 2019, the Company formed its subsidiary, Racing Pro League, LLC, under the laws of the State of Delaware.

On March 15, 2019, Motorsport Games entered into a joint venture agreement whereby the parties formed Le Mans Esports Series Limited ("Le Mans"), of which Motorsport Games acquired a 45% ownership interest. The Company accounts for its investment in its unconsolidated entity, Le Mans, using the equity method of accounting in accordance with Accounting Standards Codification ("ASC") 323. The equity method is an appropriate means of recognizing increases or decreases measured by U.S. GAAP in the economic resources underlying the investments. Under the equity method, an investor recognizes its share of the earnings or losses of an investee in the periods for which they are reported by the investee in its financial statements rather than in the period in which an investee declares a dividend or distribution. An investor adjusts the carrying amount of an investment for its share of the earnings or losses recognized by the investee. See Note 10 – Commitments and Contingencies – Joint Venture Agreement for additional details.

On April 4, 2019, the Company formed its wholly owned subsidiary, MS Gaming Development LLC, under the laws of Russia.

Successor

The consolidated financial statements for the period from August 15, 2018 to December 31, 2018 and for the year ended December 31, 2019 include the accounts of Motorsport Games and its subsidiaries, including 704Games ("Successor"). All significant inter-company accounts and transactions have been eliminated in consolidation.

Predecessor

The financial statements for the period from January 1, 2018 to August 14, 2018 include the accounts of 704Games ("Predecessor").

Predecessor and Successor Periods

As a result of the Company's acquisition of a 53.5% equity interest in 704Games in August 2018, Motorsport Games is the acquirer for accounting purposes and 704Games is the acquiree and the accounting predecessor. The financial statement presentation distinguishes the results into two distinct periods, the period up to August 14, 2018 (the "Acquisition Date") ("Predecessor Period") and the periods including and after that date (the "Successor Period"). The transaction was accounted for as a business combination using the acquisition method of accounting and the Successor financial statements reflect a new basis of accounting that is based on the fair value of the net assets acquired.

As a result of the application of the acquisition method of accounting as of the effective time of the transaction, the accompanying consolidated financial statements include a black line division which indicates that the Predecessor and Successor reporting entities shown are presented on a different basis and are, therefore, not directly comparable. Due to the acquisition accounting, acquired assets and assumed liabilities have been recorded at fair value as of the acquisition date. As such, the predecessor and successor presentation may not be directly comparable.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

The Company's significant estimates used in these consolidated financial statements include, but are not limited to, revenue recognition criteria, including reserves for sales returns and price protection, valuation allowance of deferred income taxes, valuation of acquired companies and equity investments, the recognition and disclosure of contingent liabilities, and goodwill and intangible assets impairment testing. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company's estimates and may cause actual results to differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly-liquid instruments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2019 and 2018, the Company did not have any cash equivalents. The Company maintains cash in bank accounts, which, at times, may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits. The Company has not experienced any losses in such accounts, periodically evaluates the creditworthiness of the financial institutions and has determined the credit exposure to be negligible. As of December 31, 2019 and 2018, the Company had $1,487,254 and $3,163,125 of domestic cash balances in excess of FDIC insured limits. The Company's foreign bank accounts are not subject to FDIC insurance.

Accounts Receivable

Accounts receivable are carried at their contractual amounts, less an estimate for sales allowances. Management estimates the allowance for sales based on previous experience, existing economic conditions, actual sales and inventories on hand. See Note 2 – Summary of Significant Accounting Policies – Revenue Recognition and Sales Allowances - Sales Allowance, Sales Returns and Price Protection Reserves for additional details.

Balances that are still outstanding after management has performed reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. As of December 31, 2019 and 2018, the Company determined that all of its accounts receivable were fully collectible and, accordingly, no allowance for doubtful accounts was recorded. Sales allowances as of December 31, 2019 and 2018 were $1,891,681 and $1,836,598, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, which is provided on the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed as incurred.

Equipment, furniture and fixtures are depreciated over a range of three to five years. Leasehold improvements are amortized over the lives of the leases or estimated useful lives of the assets, whichever is shorter. When assets are sold or otherwise retired, the costs and accumulated depreciation are removed from the books and the resulting gain or loss is included in operating results.

Goodwill and Intangible Assets

The Company has recorded goodwill in connection with its acquisition of 704Games. Under ASC 350, Intangibles—Goodwill and Other ("ASC 350"), goodwill is not amortized but is reviewed annually for impairment, or more frequently, if impairment indicators arise which may indicate that the Company may not be able to recover the carrying amount of the net assets of the reporting unit. The Company has determined that its reporting units align with its operating segments. See Note 13 – Segment Reporting. In evaluating goodwill for impairment, the Company may assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount. If the Company bypasses the qualitative assessment, or if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs a one-step quantitative impairment test by comparing the fair value of a reporting unit with its carrying amount and recognizes a loss on impairment in the event the carrying value exceeds the fair value. In assessing the fair value of a reporting unit, the Company utilizes the Income Approach-Discounted Cash Flow Method as well as the Market Approach-Guideline Public Company Method. See Note 6 – Goodwill for details.

Intangible assets that have finite lives are amortized over their estimated useful lives and are subject to the provisions of ASC 350. The Company's intangible assets consist of the following which were acquired in connection with the acquisition of 704Games:

Intangible Asset	Useful Life
License agreements	16 years
Software	10 years
Distribution contracts	1 year

The Company is a party to a series of license agreements with NASCAR for worldwide rights to use the NASCAR brand. Through the acquisition of 704Games in 2018, the Company obtained the exclusive right, subject to certain limited exceptions, to use certain licensed rights (including the rights of certain NASCAR teams) to develop, promote, advertise, distribute, manufacture and package simulation-style video gaming products, which are NASCAR-branded video game products that have a stock car and/or truck racing theme relating to NASCAR-sanctioned events intended to replicate authentic NASCAR racing competition rules and structure. In addition, the Company has the exclusive right to use simulation-style video gaming products as the platform for conducting and administering esports leagues and events for NASCAR, subject to certain limited exceptions. The Company's current license arrangement with NASCAR, which was extended 10 years simultaneously with the acquisition of 704Games, expires on December 31, 2029. The license arrangement provides for a commitment by both parties to participate in exclusive negotiations to renew the license, beginning March 1, 2028, and lasting for a period of at least 90 days. The license arrangement also requires the Company to pay royalties, including certain minimum annual guarantees, on an ongoing basis to NASCAR and to meet certain product distribution, development, marketing and related milestones.

Impairment of Long-Lived Assets

The Company reviews for impairment of long-lived assets on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. An impairment would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount.

Fair Value of Financial Instruments

The Company measures the fair value of financial assets and liabilities based on ASC 820 "Fair Value Measurements and Disclosures" ("ASC 820"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities;

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable; and

Level 3 — inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

The carrying amounts of accounts receivable, accounts payable, accrued expenses and amounts due to related parties approximate fair value due to the short-term nature of these instruments.

Segment Reporting

The Company uses "the management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments. The Company's chief operating decision maker is the Chief Executive Officer ("CEO") of the Company, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. The Company classified its reportable operating segments into (i) the development and publishing of interactive racing video games, entertainment content and services (the "Gaming segment") and (ii) the organization and facilitation of esports tournaments, competitions and events for the Company's licensed racing games as well as on behalf of third-party video game racing series and other video game publishers (the "esports segment").

Revenue Recognition

On January 1, 2018, the Company adopted ASC Topic 606, "Revenue from Contracts with Customers" ("ASC 606"). The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under prior U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, allocating the transaction price to each separate performance obligation and recognizing revenue as performance obligations are satisfied.

The Company adopted ASC 606 for all applicable contracts using the modified retrospective method, which would have required a cumulative-effect adjustment, if any, as of the date of adoption. The adoption of ASC 606 had a material impact on the Company's consolidated financial statements as of the date of adoption. A required adjustment recognized in retained earnings was due to prior software revenue recognition accounting standards. Because the Company did not have vendor-specific objective evidence of fair value ("VSOE") for unspecified future updates or online hosting, the Company was not able to account for performance obligations separately, and therefore, the entire sales price of most transactions that had multiple performance obligations was recognized ratably over the period the Company expected to provide the future updates and/or online hosting performance obligations (the "Estimated Offering Period"). Under ASC 606, this VSOE requirement was eliminated and was replaced with a requirement to determine the Company's best estimate of the stand-alone selling price of each performance obligation and allocate the transaction price to each distinct performance obligation on a relative stand-alone selling price basis.

The Company currently derives revenue principally from sales of its games and related extra content that can be played by customers on a variety of platforms, which includes game consoles, PCs, mobile phones and tablets. The Company's product and service offerings include, but are not limited to, the following:

1) *Sales of Games* - Full console and mobile games contain a software license that is delivered digitally or via physical disc at the time of sale;

2) *Sales of Extra Content* – Includes (a) extra content that is downloaded by console players that provides the ability to customize and/or enhance their gameplay and (b) virtual currencies that provide mobile players with the ability to purchase extra content that allows them to customize and/or enhance their gameplay; and

3) *Esports Competition Events* - Hosting of online esports competitions that generates sponsorship revenue.

Sales of Games. Sales of games are generally determined to have a singular distinct performance obligation, as the Company does not currently have an obligation to provide future update rights or online hosting. As a result, the Company recognizes revenue equal to the full transaction price at the point in time the customer obtains control of the software license and the Company satisfies its performance obligation.

Sales of Extra Content. Revenue received from sales of extra content are derived primarily from the sale of (a) digital in-game content that is downloaded by the Company's console customers that enhance their gameplay experience, typically by providing car upgrades or additional drivers and (b) virtual currencies that can be used by mobile customers to purchase content that allows them to customize and/or enhance their gameplay. Virtual currencies may not be used for any purpose other than for these in-game purchases. Revenue related to extra content is recognized at the point in time the Company satisfies its performance obligation, which is generally at the time the customer obtains control of the extra content, either by downloading the digital in-game content or by using the virtual currencies to purchase extra content. For console customers, extra content is either purchased in a pack or on a standalone basis. Revenue associated with extra content from console customers is deferred until the content has been delivered digitally to the customer. Revenue associated with virtual currencies is deferred until the virtual currency has been used by the customer to purchase extra content, which is the point in time the customer obtains control.

Esports. The Company recognizes sponsorship revenue associated with hosting online esports competition events over the period of time the Company satisfies its performance obligation under the contract, which is generally the concurrent time the event is held and the customer obtains control. In the event the Company enters into a contract with a customer to sponsor for a series of esports events, the Company allocates the transaction price between the series of events and recognizes revenue over the period of time each event is held and the Company satisfies its performance obligation.

The timing of the Company's revenue recognition may differ from the timing of payment by its customers. A receivable is recorded when revenue is recognized prior to payment and the Company has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied.

During the Successor Periods ended December 31, 2019 and 2018 or during the Predecessor Period ended August 14, 2018, there was no revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods.

The following table summarizes revenue recognized under ASC 606 in the consolidated statements of operations:

	Successor	Successor	Predecessor
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Revenues:			
Gaming	$ 11,775,787	$ 10,768,629	$ 3,988,148
Esports	75,000	-	-
Total Revenues	$ 11,850,787	$ 10,768,629	$ 3,988,148

Identifying Performance Obligations

Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, the Company must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

Determining the Transaction Price

The transaction price is determined based on the consideration that the Company will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires significant judgment based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. See below for additional information regarding our sales returns and price protection reserves.

Allocating the Transaction Price

Allocating the transaction price requires that the Company determine an estimate of the relative stand-alone selling price for each distinct performance obligation.

Principal Versus Agent Considerations

The Company evaluates sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple's App Store, and Google's Play Store, in order to determine whether or not the Company is acting as the principal or agent in the sale to the end customer. Key indicators that the Company evaluates in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has inventory risk before the specified good or service has been transferred to the end customer; and
- which party has discretion in establishing the price for the specified good or service.

Based on an evaluation of the above indicators, the Company determined that, apart from contracts with customers where revenue is generated via the Apple App Store or Google Play Store, the third party is considered the principal and, as a result, the Company reports revenue net of the fees retained by the storefront. For contracts with customers where revenue is generated via the Apple App Store or Google Play Store, the Company has determined that it is the principal and, as a result, reports revenue on a gross basis, with mobile platform fees included within cost of revenues.

Sales Allowance, Sales Returns and Price Protection Reserves

Sales returns and price protection are considered variable consideration under ASC 606. The Company reduces revenue for estimated future returns and price protection which may occur with distributors and retailers ("channel partners"). See Note 2 – Summary of Significant Accounting Policies – Accounts Receivable for additional details. Price protection represents our practice to provide channel partners with a credit allowance to lower their wholesale price on a particular game unit that they have not resold to customers. The amount of the price protection for permanent markdowns is the difference between the original wholesale price and the new reduced wholesale price. Credits are also given for short-term promotions that temporarily reduce the wholesale price. When evaluating the adequacy of sales returns and price protection reserves, the Company analyzes the following: historical credit allowances, current sell-through of channel partners' inventory of the Company's products, current trends in retail and the video game industry, changes in customer demand, acceptance of products, and other related factors. In addition, the Company monitors the volume of sales to its channel partners and their inventories, as substantial overstocking in the distribution channel could result in high returns or higher price protection in subsequent periods. The Company recognized sales allowances and price protection reserves for the Successor Periods ending December 31, 2019 and 2018 in the amount of $2,483,147 and $1,782,403, respectively, which were included as reductions of revenues.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of transactions and events. Under this method, deferred tax assets and liabilities are determined based on the difference between financial statement book values and the tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. If necessary, deferred tax assets are reduced by a valuation allowance to an amount that is determined to be more likely than not recoverable in the foreseeable future. The Company must make significant estimates and assumptions about future taxable income and future tax consequences and tax strategies available to recognize deferred tax assets when determining the amount of the valuation allowance. The additional guidance provided by ASC No. 740, Income Taxes (ASC 740), clarifies the accounting for uncertainty in income taxes recognized in the financial statements. Expected outcomes of current or anticipated tax examinations, refund claims and tax-related litigation and estimates regarding additional tax liability (including interest and penalties thereon) or refunds resulting therefrom will be recorded based on the guidance provided by ASC 740 to the extent applicable. The Company is considered to be disregarded from its owner for U.S. tax purposes. In addition, for its 2019 fiscal year, the Company is the parent company to another disregarded entity, MS Gaming Development LLC, and a regarded entity taxed as a separate corporation, 704Games. 704Games was acquired on August 14, 2018 and the Company has no other material tax effective items other than those items attributed to it from 704Games.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Under ASC 740, the effects of new legislation are recognized upon enactment. Accordingly, the CARES Act is effective beginning in the quarter ended March 31, 2020. The Company does not currently believe that such provisions will have a material impact on the Company's consolidated financial statements.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. The fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Upon the exercise of an award, the Company issues new shares of common stock out of its authorized shares.

Advertising Expenses

The Company recognizes advertising expenses as incurred. Advertising expenses were $3,487,498 and $2,189,645 for the Successor Periods ended December 31, 2019 and 2018, respectively, and $734,561 for the Predecessor Period ended August 14, 2018.

Foreign Currency Translation

The Company's functional and reporting currency is the United States Dollar. The functional currency of the Company's operating subsidiaries are their local currencies (the United States Dollar, the Russian Ruble and Pound Sterling). Assets and liabilities are translated based on the exchange rates at the balance sheet date, while revenue and expense accounts are translated at the average exchange rate in effect during the year. Equity accounts are translated at historical exchange rates. The resulting translation gain and loss adjustments are accumulated as a component of other comprehensive income. Foreign currency gains and losses resulting from transactions denominated in foreign currencies, including intercompany transactions, are included in the results of operations.

The Company recorded approximately $8,000 of transaction losses for the Successor Period ended December 31, 2019. The Company did not have any transaction losses for the Successor Period ended December 31, 2018 and the Predecessor Period ended August 14, 2018. Such amounts have been classified within general and administrative expenses in the accompanying consolidated statements of operations.

Subsequent Events

The Company has evaluated events that have occurred after the balance sheet date but before the financial statements are issued. Based upon that evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed in Note 14, Subsequent Events.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update "(ASU") 2016-02, Leases (Topic 842), which applies a right-of-use model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. The ASU requires a lessor to classify leases as either sales-type, direct financing or operating, similar to existing U.S. GAAP requirements. Classification depends on the same five criteria used by lessees under U.S. GAAP plus certain additional factors. The new leases standard addresses other considerations including identification of a lease, separating lease and non-lease components of a contract, sale and leaseback transactions, modifications, combining contracts, reassessment of the lease term, and remeasurement of lease payments. Early adoption is permitted. This update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating ASC 842 and its impact on its consolidated financial statements and disclosures.

In January 2017, the FASB issued ASU 2017-04, "Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which amends the guidance to eliminate Step 2 from the goodwill impairment test. Instead, under the amendments in the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The amendments will be effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020. The Company early adopted ASU 2017-04 effective January 1, 2019 and, as a result, was able to eliminated Step 2 from its goodwill impairment test that it conducted during the year ended December 31, 2019. See Note 2 – Summary of Significant Accounting Policies – Goodwill and Intangible Assets.

In November 2019, the FASB issued ASU 2019-11, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses" ("ASU 2019-11"). ASU 2019-11 is an accounting pronouncement that amends ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The amendments update guidance on reporting credit losses for financial assets. These amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in ASU 2019-11 are effective for annual reporting periods beginning after December 15, 2022, including interim periods within those fiscal years. All entities may adopt the amendments through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). The Company is currently evaluating ASU 2019-11 and its impact on its consolidated financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. This update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in any interim period for periods for which financial statements have not yet been made available for issuance. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, an entity that elects early adoption must adopt all the amendments in the same period. The Company is currently evaluating ASU 2019-12 and its impact on its consolidated financial statements and disclosures.

NOTE 3 – BUSINESS COMBINATION

On August 14, 2018, Motorsport Games entered into a stock purchase agreement with 704Games for the purchase of 217,352 shares of common stock of 704Games, representing a 53.5% equity interest in 704Games (the "Acquisition"), for the purpose of acquiring the exclusive gaming license agreement with NASCAR to be its official video game developer and publisher. In addition, the Company acquired the right to create and organize esports leagues and events for NASCAR. As a result of the Acquisition, the 704Games' former consolidating parent, HC2 Holdings, Inc.'s ("HC2"), ownership percentage was diluted to 26.2% and HC2 ceased to have majority control of 704Games, resulting in a change in ownership under FASB ASC 805, Business Combinations. Accordingly, the assets acquired and the liabilities assumed were recorded at their estimated fair value based on the third-party valuations. Goodwill from the Acquisition principally relates to intangible assets that do not qualify for separate recognition, including assembled workforce, market presence, and synergies. Goodwill is not tax deductible. Acquired accounts receivable were comprised of outstanding invoices 704Games issued to its customers for the provided services, which were recorded at their estimated fair value.

In exchange for the acquired controlling interest in 704Games, Motorsport Games agreed to pay $4,000,000 cash at closing of the transaction to 704Games, and subject to certain adjustments, to pay $3,000,000 cash to 704Games on February 1, 2019 (the "2019 Payment") and to provide advertising, promotional and other services to 704Games valued at $4,000,000 during the 48 months following the transaction (the "In-Kind Consideration" and, together with the 2019 Payment, the "Delayed Consideration"). During the Successor Periods ended December 31, 2019 and 2018, In-Kind Consideration totaling $641,938 and $472,669, respectively, was provided to 704Games. See Note 9 – Related Party Transactions for additional details.

The Delayed Consideration amount was subject to and conditioned upon 704Games achieving a minimum $15,574,000 in revenue (the "Expected Revenue") for the 2018 calendar year. As the Expected Revenue was less than $15,574,000, the 2019 Payment amount automatically was adjusted to $1,660,000, which also reduced the Delayed Consideration amount dollar-for-dollar for the actual dollar difference between the Expected Revenue and the actual revenue of 704Games for the 2018 calendar year as reflected in the audited financial statements of 704Games for the year ended December 31, 2018. The 2019 Payment in the amount of $1,660,000 was paid by Motorsport Games to 704Games during the year ended December 31, 2019.

Additionally, the terms of the Acquisition required the Company to obtain a long-form amendment to that certain Distribution and License Agreement, dated as of January 1, 2015, by and between the Company and NASCAR Team Properties on or before February 1, 2019. Such long-form amendment was obtained in the required timeframe.

The Company estimated the fair value of the Delayed Consideration using the Monte Carlo simulation using the Geometrics Brownian Motion ("GBM"), where generated random variables using the GBM were applied to the forecasted revenue metrics. The following key assumptions were utilized by the Company: (i) revenue projections, (ii) risk-free rate, which was estimated based on the rate of treasury securities with the same term as the mid-period of the projection periods, and (iii) revenue volatility, which was estimated based on an analysis of historical asset volatilities for similar companies and adjusted for operating leverage to estimate revenue volatility.

The purchase price allocation was completed subsequent to the acquisition date. The aggregate purchase price was allocated to the assets acquired and liabilities assumed as follows:

Purchase Consideration:		
Cash	$	4,000,000
Delayed Consideration:		
2019 Payment at fair value		1,245,550
In-Kind Consideration at fair value		3,753,600
Total Purchase Consideration	$	8,999,150
Less:		
Debt-free net working capital	$	5,895,248
Property and equipment		89,671
In-Kind Consideration receivable		3,753,600
Other non-current assets		36,170
Licensing agreements		3,620,000
Software		2,340,000
Distribution contracts		560,000
Fair Value of Identified Net Assets		16,294,689
Less: Fair Value Attributable to Noncontrolling Interest		(8,008,271)
Fair Value of Identified Net Assets Attributable to Motorsport Gaming US LLC		8,286,418
Remaining Unidentified Goodwill Value	$	712,732

The components of debt free net working capital are as follows:

Current assets:		
Cash	$	5,232,974
Accounts receivable		1,013,632
2019 Payment receivable		1,245,550
Other current assets		1,196,113
Total current assets	$	8,688,269
Less current liabilities:		
Accounts payable and accrued expenses		1,924,044
Due to affiliate		33,880
Deferred revenue		835,097
Total current liabilities	$	2,793,021
Debt free net working capital	$	5,895,248

As of the acquisition date and December 31, 2018, the fair value of the Delayed Consideration was recorded as a liability on the balance sheet of Motorsport Games and as an asset on the balance sheet of 704Games. Accordingly, the Delayed Consideration was eliminated in consolidation as of the acquisition date and December 31, 2018. Except for the fair value of the Delayed Consideration that was eliminated in consolidation as of the acquisition date, the assets and liabilities of 704Games were recorded in the Company's consolidated financial statements as of the acquisition date.

The fair value of the 2019 Payment as of the date of acquisition and as of December 31, 2018 was $1,245,550 and $1,660,000, respectively, which such change in fair value of $414,450 was recognized during the year ended December 31, 2018 as a gain on change in fair value on 704Games' financial statements and as a loss on change in fair value on Motorsport Games' financial statements, with the amounts fully eliminated in consolidation, while noting that the amount of the gain on change in fair value attributable to the non-controlling interest in 704Games was allocated based on its ownership percentage.

As of the date of the Acquisition and December 31, 2019, the Company expects to collect all contractual cash flows related to receivables acquired in the Acquisition. Acquisition related costs are expensed as incurred and are recorded within general and administrative expenses on the consolidated statements of operations. Acquisition related costs were approximately $0 and $10,000 for the Successor Periods ended December 31, 2019 and 2018, respectively. Acquisition related costs were approximately $117,000 for the Predecessor Period ended August 14, 2018.

The Company utilized the excess earnings method to estimate the fair value of the licensing agreements. The following key assumptions were utilized by the Company: (i) the discount rate, which was based on the Company's discount rate plus a 200-basis point premium and (ii) the amortization benefit, which was calculated based on a sixteen year straight line tax amortization.

The Company utilized the relief from royalty method to estimate the fair value of the developed software. The following key assumptions were utilized by the Company: (i) projected revenue from the services attributable to the asset (ii) an arm's length royalty rate that would otherwise be charged by the licensor of the asset to a licensee of the asset, which was estimated to be approximately 5% and (iii) a discount rate that reflects the risk associated with the asset, which was estimated to be approximately 42%. The developed software has an estimated useful life of ten years.

The Company utilized the with and without method to determine the fair value of the distribution contracts. The with and without method is based on the use of two scenarios. The first scenario incorporates the distribution contracts in the projection of cash flows. The second scenario assumes that the Company does not have the distribution contracts in place. The difference in the fair value between the two scenarios indicates the fair value of the distribution contracts. The distribution contracts have an estimated useful life of one year.

The Company had utilized the business enterprise income valuation approach to determine the fair value attributable to the non-controlling interests, which included a discount rate of 40%.

Total revenues of 704Games since the date of acquisition through December 31, 2018 were $10,768,629. Total net income of 704Games since the date of acquisition through December 31, 2018 was $1,843,303.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following balances as of December 31, 2019 and 2018:

	December 31,	
	2019	2018
Furniture and fixtures	$ 52,309	$ 35,743
Computer software and equipment	109,992	42,186
Office equipment	8,132	8,132
Leasehold improvements	6,460	-
	176,893	86,061
Less: accumulated depreciation	(49,487)	(15,326)
Property and equipment, net	$ 127,406	$ 70,735

Depreciation expense was $51,622 and $25,484 for the Successor Periods ended December 31, 2019 and 2018, respectively. Depreciation expense was $53,411 for the Predecessor Period ended August 14, 2018.

NOTE 5 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	Licensing Agreements	Software	Distribution Contracts	Accumulated Amortization	Total
Balance as of August 15, 2018	$ 3,620,000	$ 2,340,000	$ 560,000	$ -	$ 6,520,000
Amortization expense	-	-	-	(382,594)	(382,594)
Balance as of December 31, 2018	3,620,000	2,340,000	560,000	(382,594)	6,137,406
Amortization expense	-	-	-	(810,250)	(810,250)
Balance as of December 31, 2019	$ 3,620,000	$ 2,340,000	$ 560,000	$ (1,192,844)	$ 5,327,156
Weighted average remaining amortization period at December 31, 2019 (in years)	14.6	8.6	-		

Amortization of intangible assets consists of the following:

	Licensing Agreements	Software	Distribution Contracts	Accumulated Amortization
Balance as of August 15, 2018	$ -	$ -	$ -	$ -
Amortization expense	84,844	87,750	210,000	382,594
Balance as of December 31, 2018	84,844	87,750	210,000	382,594
Amortization expense	226,250	234,000	350,000	810,250
Balance as of December 31, 2019	$ 311,094	$ 321,750	$ 560,000	$ 1,192,844

Amortization expense was $810,250 (of which $460,250 is included in cost of revenues and $350,000 is included in operating expenses on the consolidated statements of operations) and $382,594 (of which $172,593 is included in cost of revenues and $210,001 is included in operating expenses on the consolidated statements of operations) for the Successor Periods ended December 31, 2019 and 2018, respectively. There was no amortization expense for the Predecessor Period ended August 14, 2018.

The estimated aggregate amortization expense of intangible assets for the next five years is as follows:

For the Years Ended December 31,	Licensing Agreements	Software	Total
2020	$ 226,250	$ 234,000	$ 460,250
2021	226,250	234,000	460,250
2022	226,250	234,000	460,250
2023	226,250	234,000	460,250
2024	226,250	234,000	460,250
Thereafter	2,177,656	848,250	3,025,906
	$ 3,308,906	$ 2,018,250	$ 5,327,156

NOTE 6 - GOODWILL

The changes in the carrying amount of goodwill are as follow:

Balance - August 15, 2018	$ 712,732
Loss on impairment of goodwill	-
Balance - December 31, 2018	712,732
Loss on impairment of goodwill	(575,015)
Balance - December 31, 2019	$ 137,717

During the Successor Period ended December 31, 2019, due to a projected decrease in revenue and after considering all quantitative and qualitative factors, the Company determined that it was more likely than not that the reporting unit's (704Games) carrying value exceeded its fair value and, as a result, the Company completed quantitative impairment test and recorded a loss on impairment of goodwill of $575,015. As of December 31, 2019, the Company's revenue projections were reduced in order to give effect to the fact that the development of the planned premium esports platform of 704Games was delayed and, therefore, the Company did not generate any revenue in 2019 associated with this premium esports platform. As a result, actual 2019 revenues were significantly less than what was originally projected for the 2019 period due to the premium esports platform never being implemented. This 2019 shortfall also resulted in lower expected revenues for 2020 and 2021. See Note 2 – Summary of Significant Accounting Policies – Goodwill and Intangible Assets for additional details.

NOTE 7 – ACCRUED EXPENSES

Accrued expenses consisted of the following:

	December 31,	
	2019	2018
Accrued software	$ -	$ 255,211
Accrued royalties	268,558	447,830
Accrued professional fees	81,480	43,000
Accrued consulting fees	166,667	66,667
Payable to Le Mans joint venture	124,320	-
Accrued development costs	145,193	-
Accrued advertising fees	-	130,800
Accrued rent	43,017	16,140
Accrued taxes	18,860	19,941
Accrued other	4,843	9,808
Total	$ 852,938	$ 989,397

NOTE 8 – MEMBER'S EQUITY

Stock-Based Compensation

During the Predecessor period ended August 14, 2018, the Company recognized aggregate stock-based compensation expense of $546,546 related to stock options and warrants. As of December 31, 2019, there was no unrecognized stock-based compensation expense.

Stock Options – 704Games

704Games has outstanding ten-year options with two employees to purchase an aggregate of 16,113 shares of common stock at an exercise price of $55.67 per share. Based on the terms of the option agreements, as part of the Acquisition, these options became fully vested.

In applying the Black-Scholes option pricing model to stock options granted during the Predecessor period ended August 14, 2018, the Company used the following assumptions:

	Predecessor
	For the Period From January 1, 2018 to August 14, 2018
Expected term (years)	3.75 - 5,04
Expected volatility	50.53%
Risk free interest rate	2.79% - 2.83%
Expected dividends	0.00%

There we no option grants during the Successor Periods ended December 31, 2019 and 2018.

A summary of the stock option activity during the year ended December 31, 2019 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Intrinsic Value
Outstanding at January 1, 2019	16,113	$ 55.67		
Granted	-	-		
Forfeited	-	-		
Exercised	-	-		
Outstanding at December 31, 2019	16,113	$ 55.67	7.6	$ -
Exercisable at December 31, 2019	16,113	$ 55.67	7.6	$ -

Stock Warrants – 704Games

704Games has outstanding ten-year warrants to purchase 4,000 shares of common stock at an exercise price of $93.03 per share. The issuance date fair value of $187,706 was recognized in the Predecessor period ended August 14, 2018. As of December 31, 2019, the warrants are fully vested, have no intrinsic value and have a weighted average remaining life of 5.4 years.

Stock Appreciation Rights – 704Games

On April 3, 2017, as amended on August 8, 2018, 704Games effected the 2017 Appreciation Plan ("SAR Plan") that provides a means whereby directors, officers, employees, consultants or advisors of 704Games can be granted Stock Appreciation Rights ("SARs") as incentive compensation measured by reference to the value of common stock. A total of 25,734 SARs may be granted under the SAR Plan. The SARs granted under the SAR Plan that vest are to be settled in cash only upon the occurrence of a change of control event, as defined in the SAR Plan.

On August 8, 2018, in connection with the Acquisition, an aggregate of 20,583 SARs were amended, such that their strike price was reduced from $88.76 to $55.67 per share.

As of December 31, 2018, there were 20,583 SARs outstanding with an exercise price of $55.67 per share. During the year ended December 31, 2019, an aggregate of 6,671 SARs were forfeited, such that as of December 31, 2019, there were 13,912 SARs outstanding with an exercise price of $55.67 per share. The Company determined that the SARs do not result in liability classification and no compensation expense should be recognized, as the contingent event (the liquidity event) is not probable as it is outside the control of the employee. The probability of the contingent event will be reassessed by the Company at each reporting period.

NOTE 9 – RELATED PARTY TRANSACTIONS

On August 3, 2018, the Company entered into an agreement with its parent, Motorsport Network, to provide the Company exclusive promotion services for the Company's business, organizations, products and services. The promotion agreement shall remain in effect until such date that Motorsport Network no longer holds at least twenty percent (20%) of the voting interest in the Company, at which time the promotion agreement will terminate automatically, unless otherwise extended by the parties. The Company shall give Motorsport Network an exclusive first look on any media-related activity in consideration of the promotion services.

From time to time, the Company's parent, Motorsport Network, and other related entities pay for Company expenses on the Company's behalf. In addition, Motorsport Network occasionally advances funds to the Company.

During the Successor Periods ended December 31, 2019 and 2018, the Company incurred expenses of $647,513 and $8,027, respectively, that were paid by Motorsport Network on its behalf and are reimbursable by the Company.

During the Successor Periods ended December 31, 2019 and 2018, the Company received proceeds of $2,274,875 and $4,000,500, respectively, in connection with non-interest-bearing advances from Motorsport Network.

During the Successor Periods ended December 31, 2019 and 2018, Motorsport Network provided services to 704Games on behalf of Motorsport Games in connection with the Acquisition In-Kind Consideration of $641,938 and $472,669, respectively. As these services were provided to 704Games by Motorsport Network and not by Motorsport Games, Motorsport Games incurred a liability to Motorsport Network for these services. Accordingly, the value of the services was recorded in the consolidated statements of operations as related party operating expenses with a corresponding amount due to related party liability on the consolidated balance sheets.

As of December 31, 2019 and 2018, there was $8,045,522 and $4,481,196, respectively, related to these transactions included within due to related parties on the consolidated balance sheets. See Note 14 – Subsequent Events – Promissory Note Line of Credit for additional details.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows. As of December 31, 2019 and 2018, the Company has not accrued any amounts for contingencies.

NTP Agreement

As a result of the Acquisition, the Company is a party to an agreement (the "NPT Agreement") with NASCAR® Team Licensing Trust d/b/a NASCAR® Team Properties ("NTP"). As part of the NTP Agreement, the Company has royalty minimums to be paid annually to NTP through December 31, 2029. The NTP Agreement included a warrant issued to NTP to purchase 4,000 shares of the common stock of 704Games, which vested over a four-year period and expires in August 2025. See Note 8 – Member's Equity – Stock Warrants – 704Games for additional details.

Operating Leases

The Company leases its facilities under operating leases. The Company's rent expense under its operating leases was $161,695 and $59,166 for the Successor Periods ended December 31, 2019 and 2018, respectively. The Company's rent expense under its operating lease was $132,587 for the Predecessor Period ended August 14, 2018.

On March 7, 2019, the Company entered into a lease agreement for 2,190 square feet of office space in Orlando, Florida beginning April 1, 2019 and ending April 30, 2021. The base rent ranges from $3,833 to $3,947 per month over the term of the lease for a total base rent lease commitment of approximately $93,000. The security deposit is approximately $4,000.

On May 3, 2019, the Company entered into a lease agreement for 5,586 square feet of office space in Charlotte, North Carolina beginning May 3, 2019 and ending August 31, 2024. The base rent ranges from $13,965 to $16,189 per month over the term of the lease for a total base rent lease commitment of approximately $954,000. The security deposit is approximately $42,000. See Note 14 – Subsequent Events – Sublease Agreement for details associated with a sublease of the office space.

On April 15, 2019, the Company entered into a three-year lease agreement for office space in Moscow, Russia beginning April 15, 2019 and ending April 15, 2022. The base rent is $9,000 per month over the term of the lease for a total base rent lease commitment of approximately $324,000. The security deposit is approximately $10,000.

Future minimum payments under our non-cancellable operating leases as of December 31, 2019 are as follows:

For the Years Ending December 31,	Total
2020	$ 325,758
2021	299,766
2022	208,320
2023	186,782
2024	127,628
	$ 1,148,254

Joint Venture Agreement

On March 15, 2019, Motorsport Games (Party B) entered into a joint venture agreement with Automobile Club de l'Ouest (Party A), whereby Motorsport Games acquired 45 B Shares, which represented 45% of the equity interests of Le Mans, and Automobile Club de l'Ouest acquired 55 A Shares of Le Mans, which represented the remaining 55% of the equity interests of Le Mans. Both joint venture partners hold proportional voting rights, and Automobile Club de l'Ouest appoints 3 board seats and the Company appoints 2 board seats. Under the joint venture agreement, Motorsport Games and Automobile Club de l'Ouest are jointly and severally liable for the fulfillment of the obligations of the joint venture. The Company, along with Automobile Club de l'Ouest, discuss and approve a budget for the joint venture on an annual basis. To the extent there is a loss for such year, the Company would be required to fund its proportionate share. The parties agreed to make the following in-kind contributions to Le Mans:

i. Automobile Club de l'Ouest has and will continue to provide a dedicated team to develop and implement the business and has and will continue to make the 24 Hours of Le Mans brand available to Le Mans under a separate license agreement; and
ii. Motorsport Games has provided and will continue to provide a dedicated team to develop and implement the business and has and will continue to make itself and its employees, who have experience in e-sports and e-gaming platforms, available to develop the business and create a dedicated gaming platform for use by and to facilitate the continued development of the business.

During the year ended December 31, 2019, the Company's investment in Le Mans generated a loss of $608,656, which is included in loss attributable to equity method investment in the consolidated statements of operations. As of December 31, 2019, the Company had a $124,321 payable to Le Mans, which represents the balance due to Le Mans attributable to the Company's proportionate share of the loss generated by Le Mans during 2019. As of December 31, 2019, there was no investment recorded on the Company's consolidated balance sheet.

NOTE 11 - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company establishes valuation allowances against its net deferred tax assets when it is more likely than not that the benefits will not be realized in the foreseeable future.

The components of deferred tax assets and liabilities consist of the following at December 31, 2019 and 2018:

	December 31,	
	2019	2018
Assets:		
Net operating loss carryforwards	$ 2,255,880	$ 1,161,843
Charitable contribution carryforward	780	-
Goodwill	294,822	164,903
Other assets	48,878	559,112
Total assets	2,600,360	1,885,858
Liabilities:		
Depreciable assets	4,847	-
Other intangible assets	973,073	1,113,109
Total liabilities	977,920	1,113,109
Net assets before valuation allowance	1,622,440	772,749
Valuation allowance	(1,622,440)	(772,749)
Net deferred tax (liability) asset	$ -	$ -

A reconciliation between the Company's effective income tax rate and the federal statutory income tax rate for the Successor Periods ended December 31, 2019 and 2018 and the Predecessor Period ended August 14, 2018 is as follows:

	Successor	Successor	Predecessor
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Federal statutory income tax benefit	21.0%	21.0%	21.0%
State taxes, net of federal benefit	-	4.4%	7.9%
Permanent differences	-0.1%	-7.5%	-1.5%
Change in valuation allowance	-14.8%	-25.5%	-27.3%
Effect of flow through entities	-6.1%	7.6%	0.0%
Effective income tax rate	0.0%	0.0%	0.1%

As of December 31, 2019, the Company has United States federal net operating loss carryforwards available to reduce future taxable income in the amount of $8.96 million. Such net operating loss carryforwards are attributable to 704Games. Approximately $3.6 million of the Federal net operating losses do not expire due to changes made by the Tax Cuts and Jobs Act (TCJA). The remaining federal net operating losses of $5.36 million begin to expire in 2035 and the state net operating losses expire between 2030 and 2039. As a result of the 704Games acquisition during the 2018 tax year, certain pre-change federal and state net operating losses were limited under Section 382 of the Internal Revenue Code and were subject to a valuation allowance to the extent they are not expected to be realized in the foreseeable future.

In assessing whether the Company's deferred tax assets will be realized, management considered whether it was more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of the deferred tax assets is dependent upon the ability to generate future taxable income (including reversals of deferred tax liabilities) during periods in which temporary differences become deductible. A valuation allowance was recognized as of December 31, 2019 and 2018, as management concluded that is not more likely than not that the Company will generate sufficient future income to utilize the NOL carryforward and realize the deferred tax assets.

The Company regularly assesses the likelihood of additional tax assessments by jurisdiction and, if necessary, adjusts its tax reserves based on new information or developments. The Company is not currently under any income tax audits or examinations, however, the tax years 2016-2019 remain open for examination.

NOTE 12 – CONCENTRATIONS

Customer Concentrations

The following table sets forth information as to each customer that accounted for 10% or more of the Company's revenues for the following periods:

	Successor	Successor	Predecessor
Customer	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Customer A	39.99%	47.25%	16.49%
Customer B	22.43%	11.22%	24.08%
Customer C	*	18.71%	*
Customer D	15.86%	*	20.80%
Customer E	*	*	18.55%
Total	78.28%	77.17%	79.92%

* Less than 10%.

The following table sets forth information as to each customer that accounted for 10% or more of the Company's accounts receivable as of:

	December 31,	
Customer	2019	2018
Customer A	82.99%	80.57%
Total	82.99%	80.57%

A reduction in sales from or loss of these customers would have a material adverse effect on the Company's results of operations and financial condition.

Supplier Concentrations

The following table sets forth information as to each supplier that accounted for 10% or more of the Company's cost of revenues for the following periods:

Supplier	Successor For the Year Ended December 31, 2019	Successor For the Period From August 15, 2018 to December 31, 2018	Predecessor For the Period From January 1, 2018 to August 14, 2018
Supplier A	28.39%	*	*
Supplier B	22.41%	24.63%	12.29%
Supplier C	15.16%	17.58%	10.11%
Supplier D	*	27.86%	37.86%
Supplier E	10.63%	*	*
Supplier F	*	*	19.70%
Total	76.59%	70.06%	79.96%

* Less than 10%.

NOTE 13 – SEGMENT REPORTING

The Company's principal operating segments coincide with the types of products and services to be sold. The products and services from which revenues are derived are consistent with the reporting structure of the Company's internal organization. The Company's two reportable segments for the Successor Periods ended December 31, 2019 and 2018 and the Predecessor Period ended August 14, 2018 were (i) the Gaming segment and (ii) the esports segment. The Company's chief operating decision-maker has been identified as the CEO, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Segment information is presented based upon the Company's management organization structure as of December 31, 2019 and the distinctive nature of each segment. Future changes to this internal financial structure may result in changes to the reportable segments disclosed. There are no inter-segment revenue transactions and, therefore, revenues are only to external customers. As the Company primarily generates its revenues from customers in the United States, no geographical segments are presented. Given that the Company's esports segment just began its operations in late 2018, it has no separate assets. That being said, the Company expects that its esports segment will have separate assets in the future.

Segment operating profit is determined based upon internal performance measures used by the chief operating decision-maker. The Company derives the segment results from its internal management reporting system. The accounting policies the Company uses to derive reportable segment results are the same as those used for external reporting purposes. Management measures the performance of each reportable segment based upon several metrics, including net revenues, gross profit and operating loss. Management uses these results to evaluate the performance of, and to assign resources to, each of the reportable segments. The Company manages certain operating expenses separately at the corporate level and does not allocate such expenses to the segments. Segment income from operations excludes interest income/expense and other income or expenses and income taxes according to how a particular reportable segment's management is measured. Management does not consider impairment charges, and unallocated costs in measuring the performance of the reportable segments.

Segment information available with respect to these reportable business segments was as follows:

	Successor	Successor	Predecessor
	For the Year Ended December 31, 2019	For the Period From August 15, 2018 to December 31, 2018	For the Period From January 1, 2018 to August 14, 2018
Revenues:			
Gaming	$ 11,775,787	$ 10,768,629	$ 3,988,148
Esports	75,000	-	-
Total Segment and Consolidated Revenues	$ 11,850,787	$ 10,768,629	$ 3,988,148
Gross Profit:			
Gaming	$ 6,909,410	$ 6,584,060	$ 2,861,977
Esports	52,500	-	-
Total Segment and Consolidated Gross Profit	$ 6,961,910	$ 6,584,060	$ 2,861,977
(Loss) Income From Operations:			
Gaming	$ (4,860,903)	$ 1,499,578	$ (2,516,229)
Esports	(275,168)	(134,293)	-
Total Segment and Consolidated (Loss) Income From Operations	$ (5,136,071)	$ 1,365,285	$ (2,516,229)
Depreciation and Amortization			
Gaming	$ 861,872	$ 408,078	$ 53,411
Esports	-	-	-
Total Segment Depreciation and Amortization	$ 861,872	$ 408,078	$ 53,411
Interest Expense:			
Gaming	$ -	$ -	$ 26,250
Esports	-	-	-
Total Segment Interest Expense	$ -	$ -	$ 26,250
Equity in (Loss) Income:			
Gaming	$ -	$ -	$ -
Esports	(608,656)	-	-
Total Segment Equity in (Loss) Income	$ (608,656)	$ -	$ -
Expenditures for Additions to Long-Lived Assets:			
Gaming	$ (108,293)	$ (6,548)	$ (17,420)
Esports	-	-	-
Total Expenditures for Additions to Long-Lived Assets:	$ (108,293)	$ (6,548)	$ (17,420)

	December 31, 2019	December 31, 2018
Segment Total Assets:		
Gaming	$ 12,777,274	$ 15,670,258
Esports	-	-
Consolidated Total assets	$ 12,777,274	$ 15,670,258

NOTE 14 - SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the consolidated financial statements were issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustments or disclosure in the consolidated financial statements or notes.

COVID-19

The global spread of the COVID-19 pandemic has created significant business uncertainty for the Company and others, resulting in volatility and economic disruption. Additionally, the outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the spread of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place, stay-at-home or total lock-down (or similar) orders and business limitations and shutdowns.

As a result of the COVID-19 pandemic, including the related responses from government authorities, the Company's business and operations have been impacted, including the temporary closure of its offices in Orlando, Florida and Moscow, Russia, which has resulted in the Company's employees working remotely. During the COVID-19 outbreak, demand for the Company's games has generally increased, which the Company believes is primarily attributable to a higher number of consumers staying at home due to COVID-19 related restrictions. Similarly, there has been a significant increase in viewership of the Company's esports events since the initial impact of the virus, as these events began to air on both digital and linear platforms, particularly as the Company was able to attract many of the top "real world" motorsport stars to compete. However, several retailers have experienced, and continue to experience, closures, reduced operating hours and/or other restrictions as a result of the COVID-19 pandemic, which has negatively impacted the sales of the Company's products from such retailers. Additionally, in the Company's esports business, the COVID-19 pandemic has resulted in the postponing of certain events to later dates or shifting events from an in-person format to online only.

The Company continues to monitor the evolving situation caused by the COVID-19 pandemic, and it may take further actions required by governmental authorities or that it determines are prudent to support the well-being of its employees, suppliers, business partners and others. The degree to which the COVID-19 pandemic impacts the Company's operations, business, financial results, liquidity, and financial condition will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the pandemic, its severity, actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Adverse economic and market conditions as a result of COVID-19 could also adversely affect the demand for the Company's products and may also impact the ability of its customers to satisfy their obligations to the Company.

Employment Agreement with Dmitry Kozko

The Company entered into an employment agreement, effective as of January 1, 2020, with Dmitry Kozko, Chief Executive Officer of the Company, for a term expiring on December 31, 2024. After such term expires, Mr. Kozko will be employed as an employee "at will." Mr. Kozko's base salary will be $500,000 per annum, subject to annual increases to 103% of the base salary paid to Mr. Kozko in the prior calendar year. Mr. Kozko is entitled to participate (in addition to the additional incentive compensation described below) in all equity incentive plans generally available to the Company's executive officers, subject to the compensation committee of the Company determining any awards and performance metrics for such awards under any such plans. Mr. Kozko is also entitled to certain additional incentive compensation outside of the Company's equity incentive plans, subject to the satisfaction of certain conditions pursuant to Mr. Kozko's employment agreement. Mr. Kozko's employment agreement also provides for payments to him and/or vesting acceleration of certain equity awards upon the termination of his employment in certain circumstances and upon a "Change in Control" (as such term is defined in the employment agreement), as applicable.

Sublease Agreement

On February 21, 2020, the Company entered into a sublease agreement for office space in Charlotte, North Carolina, that provides for rent payments to the Company in the amount of $14,896 per month and ends on August 31, 2024. On March 1, 2021 and each anniversary thereafter for the duration of the term of the sublease, the monthly payment to the Company shall increase by 3% per annum. The security deposit is approximately $30,000.

Promissory Note Line of Credit

On April 1, 2020, the Company entered into a promissory note with Motorsport Network for a line of credit of up to $10,000,000 at an interest rate of 10% per annum. The principal amount under the promissory note was primarily funded through one or more advances from Motorsport Network, including an advance in August 2020 for purposes of acquiring an additional ownership interest in 704Games. Previous non-interest-bearing advances due to Motorsport Network as of December 31, 2019 also were included in the amount outstanding under the promissory note at the time it was executed. The promissory note does not have a stated maturity date and is payable upon demand at any time at the sole and absolute discretion of Motorsport Network, which has agreed, pursuant to a Side Letter Agreement related to the Promissory Note, dated September 4, 2020, not to demand or otherwise accelerate any amount due under the promissory note that would otherwise constrain the Company's liquidity position, including the Company's ability to continue as a going concern. The Company may prepay the promissory note in whole or in part at any time or from time to time without penalty or charge. In the event the Company or any of its subsidiaries consummates certain corporate events, including any capital reorganization, consolidation, joint venture, spin off, merger or any other business combination or restructuring of any nature, or if certain events of default occur, the entire principal amount and all accrued and unpaid interest will be accelerated and become payable. As of the date the financial statements were issued, approximately $10 million had been borrowed by the Company under the promissory note.

Licensing Agreement

On May 29, 2020, the Company secured a licensing agreement with the BARC (TOCA) Limited ("BARC"), the exclusive promoter of the BTCC. Pursuant to the agreement, the Company was granted an exclusive license to use certain licensed intellectual property for motorsports and/or racing video gaming products related to, themed as, or containing the BTCC, on consoles and mobile applications, esports series and esports events (including the Company's esports platform). In exchange for the license, the agreement requires the Company to pay BARC an initial fee in two installments, the first of which was due on June 5, 2020 and the second installment on the earlier of 60 days after the release of the products contemplated by the license or May 29, 2022. Following the initial fee, the agreement also requires the Company to pay royalties, including certain minimum annual guarantees, on an ongoing basis to BARC and to meet certain product distribution, marketing and related milestones, subject to termination penalties.

Services Agreement

On January 1, 2020, the Company entered into a three-year services agreement with Motorsport Network, pursuant to which Motorsport Network will provide exclusive legal, development and accounting services on a full-time basis to support the Company's business functions. The services agreement can be extended by mutual agreement and may be terminated by either party at any time. Pursuant to the services agreement, the Company is required to pay monthly fees to Motorsport Network as follows: (i) $5,000 for legal services, (ii) $2,500 for accounting services and (iii) on an hourly, per use basis, from $15 to $30 per hour for development services.

Stock Purchase Agreement

On August 18, 2020, the Company entered into a stock purchase agreement with HC2 and Continental General Insurance Company ("Continental") in which the Company has agreed to purchase an aggregate of 106,307 shares of common stock of 704Games at a price of $11.2881 per share for an aggregate consideration of $1,200,000. If, within and including the date that is six months from the date of the agreement, the Company completes a purchase of some or all of the (i) 41,204 shares of common stock held by Gaming Nation, Inc. or its affiliates or transferees, (ii) 30,903 shares of common stock held by PlayFast Games, LLC or its affiliates or transferees and (iii) 10,301 shares of common stock held by Leo Capital Holdings or its affiliates or transferees (the "Subject Shares") at a purchase price higher than $11.2881 per share, then, no later than five days following the completion of the purchase, the Company shall pay each of HC2 and Continental an amount per share equal to the amount by which such purchase price per Subject Share exceeds the greater of (a) $11.2881 or (b) the highest price per share previously paid by the Company for any Subject Shares.

Formation of Subsidiary

On February 6, 2020, the Company formed its wholly owned subsidiary, Motorsport Games Limited.

Lease Agreement

On May 15, 2020, 704Games entered into a five-year lease agreement for office space in Miami, Florida with an entity owned by Mike Zoi, the manager of Motorsport Network. The base rent from the lease commencement date through April 15, 2025 is $3,000 per month. The Company has the option to renew the lease for two separate five-year terms, with monthly rent to be negotiated prior to such extension. The security deposit is $6,000.

Shares

Class A Common Stock

Prospectus

Joint Book-Running Managers

Canaccord Genuity **The Benchmark Company**

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq Capital Market listing fee.

	Amount
SEC registration fee	$ 4,364
FINRA filing fee	6,500
Nasdaq Capital Stock Market listing fee	*
Printing expenses	*
Accounting fees and expenses	*
Legal fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous fees	*
Total	$ *

* To be completed by amendment

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of being or having been in any such capacity, if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our certificate of incorporation will include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent authorized by the DGCL.

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers to provide these directors and executive officers additional contractual assurances regarding the scope of the indemnification set forth in our certificate of incorporation and bylaws and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving any of our directors or executive officers regarding which indemnification is sought. The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will also provide for, under certain conditions, the indemnification by the underwriter of the Company and its executive officers and directors for certain liabilities arising under the Securities Act and otherwise.

We intend to obtain insurance policies under which, subject to the limitations of the policies, coverage will be provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Item 15. Recent Sales of Unregistered Securities

On July 20, 2020, the Company entered into a promotional services agreement with Fernando Alonso. Pursuant to this agreement, Mr. Alonso agreed to provide certain promotional services and to perform an advisory role for the Company. Subject to the closing of this offering and the satisfaction of certain other closing conditions, at the time of, or as promptly as possible after the closing of this offering, the Company agreed to issue to Mr. Alonso such number of shares that represents 3.0% of the issued and outstanding shares of the Class A common stock of the Company as of the closing date of this offering. The shares will be issued to Mr. Alonso in reliance upon the exemption from the registration requirements of the Securities Act set forth in Section 4(a)(2) of the Securities Act.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) Exhibits

Exhibit Number	Description of Exhibit	Method of Filing
1.1	Form of Underwriting Agreement	To be filed by amendment hereto
2.1	Form of Plan of Conversion of Motorsport Gaming US LLC	Filed herewith
2.2	Form of Delaware Certificate of Conversion	Filed herewith
2.3	Form of Florida Articles of Conversion	Filed herewith
2.4	Stock Purchase Agreement, dated August 14, 2018, by and between 704Games Company and Motorsport Gaming US LLC	Filed herewith
3.1	Articles of Organization of Motorsport Gaming US LLC, as currently in effect	Filed herewith
3.2	Operating Agreement of Motorsport Gaming US LLC, as currently in effect	Filed herewith
3.3	Form of Certificate of Incorporation of Motorsport Games Inc. (to be effective upon completion of the registrant's conversion from a limited liability company to a corporation)	Filed herewith
3.4	Form of Bylaws of Motorsport Games Inc. (to be effective upon completion of the registrant's conversion from a limited liability company to a corporation)	Filed herewith
4.1	Form of Class A common stock Certificate	Filed herewith
5.1	Opinion of Snell & Wilmer L.L.P.	To be filed by amendment hereto
10.1	Services Agreement, dated January 1, 2020, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.2.1	Exclusive Promotion Agreement, dated August 3, 2018, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.2.2	Amendment to Exclusive Promotion Agreement, effective as of December 1, 2020, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.3	Promissory Note, dated April 1, 2020, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.4	Stockholders' Agreement, dated August 14, 2018, by and among Gaming Nation Inc., PlayFast Games, LLC, Leo Capital Holdings, LLC, HC2 Holdings 2, Inc., Continental General Insurance Company, Motorsport Gaming US LLC and 704Games Company	Filed herewith

10.5	Joint Venture Agreement, dated March 15, 2019, by and among Automobile Club de l'Ouest, Motorsport Gaming US LLC and Le Mans Esports Series Limited	Filed herewith
10.6.1	Limited Liability Company Agreement of Racing Pro League, LLC, effective March 1, 2019	Filed herewith
10.6.2	Amendment to Limited Liability Company Agreement, dated December 11, 2020	Filed herewith
10.7.1*	License Agreement, dated February 11, 2020, by and between National Association for Stock Car Auto Racing, LLC and Racing Pro League, LLC	Filed herewith
10.7.2	Amendment to License Agreement, dated December 11, 2020, by and between National Association for Stock Car Auto Racing, LLC and Racing Pro League, LLC	Filed herewith
10.8.1*	Second Amended and Restated Distribution and License Agreement, dated January 1, 2019, by and between 704Games Company and NASCAR Team Properties	Filed herewith
10.8.2	Amendment to Second Amended Distribution and License Agreement, dated November 30, 2020, by and between 704Games Company and NASCAR Team Properties	Filed herewith
10.9*	License Agreement, dated May 29, 2020, by and between BARC (TOCA) Limited and Motorsport Gaming US LLC	Filed herewith
10.10.1*	Distribution Agreement, dated April 18, 2016, by and between U&I Entertainment, LLC and 704Games Company LLC	Filed herewith
10.10.2	Amendment to Distribution Agreement, dated November 23, 2020, by and between U&I Entertainment, LLC and 704Games Company	Filed herewith
10.11+	Employment Agreement, effective as of January 1, 2020, by and between Motorsport Gaming US LLC and Dmitry Kozko	Filed herewith
10.12+	Offer Letter, effective as January 3, 2020, by and between Motorsport Gaming US LLC and Jonathan New	Filed herewith
10.13.1+	Statement of Terms and Conditions of Employment, dated June 26, 2018, by and between Autosport Media UK Limited and Stephen Hood	Filed herewith
10.13.2+	Letter Agreement, dated April 5, 2019, by and between Autosport Media UK Limited and Stephen Hood	Filed herewith
10.13.3+	Statement of Terms and Conditions of Employment, dated October 1, 2020, by and between Motorsport Games Limited and Stephen Hood	Filed herewith
10.14.1	Promotional Services Agreement, dated July 20, 2020, by and between Motorsport Gaming US LLC and Fernando Alonso Diaz	Filed herewith
10.14.2	Amendment to Promotional Services Agreement, dated November 23, 2020, by and between Motorsport Gaming US LLC and Fernando Alonso Diaz	Filed herewith
10.15+	Form of Motorsport Games Inc. 2021 Equity Incentive Plan	Filed herewith
10.16+	Form of Incentive Stock Option Award Agreement Under the Motorsport Games Inc. 2021 Equity Incentive Plan	Filed herewith
10.17+	Form of Restricted Stock Award Agreement Under the Motorsport Games Inc. 2021 Equity Incentive Plan	Filed herewith
10.18	Grant of the Right of First Refusal, dated May 19, 2020, by and between Motorsport Gaming US LLC and Luminis International B.V.	Filed herewith
10.19*	Software Development and License Agreement, dated May 19, 2020, by and between Motorsport Gaming US LLC and Studio397 B.V.	Filed herewith
10.20*	License Agreement, dated August 11, 2020, by and between Epic Games International S.à.r.l. and MS Gaming Development LLC	Filed herewith

10.21*	Xbox Console Publisher License Agreement, by and between Microsoft Corporation and 704Games Company	Filed herewith
10.22*	PlayStation Global Developer and Publisher Agreement, by and among Sony Computer Entertainment, Inc., Sony Computer Entertainment America LLC, Sony Computer Entertainment Europe Ltd. and 704Games Company	Filed herewith
10.23	Stock Purchase Agreement, dated August 18, 2020, by and among HC2 Holdings 2, Inc., Continental General Insurance Company and Motorsport Gaming US LLC	Filed herewith
10.24+	Form of Stock Option Award Agreement to Dmitry Kozko	Filed herewith
10.25	Lease Agreement, dated May 15, 2020, by and between Lemon City Group, LLC and 704Games Company	Filed herewith
10.26	Side Letter Agreement relating to Promissory Note, dated September 4, 2020, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.27	Stock Purchase Agreement, dated October 6, 2020, by and among Leo Capital Holdings, LLC and Motorsport Gaming US LLC	Filed herewith
10.28	Amendment to Promissory Note, dated November 23, 2020, by and between Motorsport Network, LLC and Motorsport Gaming US LLC	Filed herewith
10.29*	Letter of Intent, dated November 23, 2020, by and between Automobile Club de l'Ouest and Motorsport Gaming US LLC	Filed herewith
21.1	Subsidiaries of the registrant	Filed herewith
23.1	Consent of Dixon Hughes Goodman LLP, Independent Registered Public Accounting Firm	Filed herewith
23.2	Consent of Snell & Wilmer L.L.P.	Contained in Exhibit 5.1
24.1	Powers of Attorney	See signature page

* Portions of the exhibit, marked by brackets, have been omitted because the omitted information (i) is not material and (ii) would likely cause competitive harm if publicly disclosed.

\+ Indicates management contract or compensatory plan.

(b) Financial statement schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Miami, State of Florida, on December 18, 2020.

MOTORSPORT GAMING US LLC

By: */s/ Dmitry Kozko*
Dmitry Kozko
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dmitry Kozko and Jonathan New, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in their name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature		Title	Date
By:	*/s/ Dmitry Kozko* Dmitry Kozko	Chief Executive Officer and Executive Chairman (Principal Executive Officer)	December 18, 2020
By:	*/s/ Jonathan New* Jonathan New	Chief Financial Officer (Principal Financial and Accounting Officer)	December 18, 2020
By:	*/s/ Neil Anderson* Neil Anderson	Director	December 18, 2020
By:	*/s/ Francesco Piovanetti* Francesco Piovanetti	Director	December 18, 2020
By:	*/s/ Rob Dyrdek* Rob Dyrdek	Director	December 18, 2020
By:	*/s/ James William Allen* James William Allen	Director	December 18, 2020

Exhibit 2.1

FORM OF PLAN OF CONVERSION
OF
MOTORSPORT GAMING US LLC

This Plan of Conversion (the "Plan of Conversion") is adopted as of _____, 2020 to convert Motorsport Gaming US LLC, a Florida limited liability company (the "Converting Entity"), into Motorsport Games Inc., a Delaware corporation (the "Converted Entity") by the Converting Entity and its sole member (the "Member").

1. The Converting Entity is a limited liability company governed by the laws of the State of Florida.

2. The Converted Entity will be a Delaware corporation governed by the laws of the State of Delaware. The Converting Entity is continuing its existence in the organizational form of the Converted Entity.

3. The Manager shall file or cause to be filed with the Florida Department of State Division of Corporations the Articles of Conversion attached hereto as Exhibit A, and the date on which such document is filed by the Florida Department of State Division of Corporations shall be the "Effective Date."

4. The Manager shall file or cause to be filed with the Delaware Secretary of State a Certificate of Conversion attached hereto as Exhibit B on the Effective Date.

5. The Converted Entity will be governed by the laws of the State of Delaware and the terms and conditions of the Certificate of Incorporation (the "Certificate") attached hereto as Exhibit C; and in its internal organizational documents including its Bylaws (the "Bylaws") attached hereto as Exhibit D.

6. On the effectiveness of the conversion [____] shares of Class B Common Stock (the "Class B Common Stock") will be issued by the Converted Entity to the holders of outstanding ownership interest and each holder of outstanding ownership interest in the Converting Entity immediately prior to the conversion will receive Common Stock of the Converted Entity equivalent to the holder's ownership interest in the Converting Entity, as set forth in Exhibit E attached hereto.

7. This Conversion Plan shall become effective upon the Effective Date.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned party, on behalf on the Converting Entity, has executed this Conversion Plan as of the date first above written.

Converting Entity

MOTORSPORT GAMING US LLC, a Florida limited liability company

By: _____
Name: Mike Zoi
Title: Manager

Member

MOTORSPORT NETWORK, LLC, a Florida limited liability company

By: _____
Name: Mike Zoi
Title: Manager

EXHIBIT A

FLORIDA ARTICLES OF CONVERSION

[See Exhibit 2.3 to the Registration Statement]

EXHIBIT B

DELAWARE CERTIFICATE OF CONVERSION

[See Exhibit 2.2 to the Registration Statement]

EXHIBIT C

CERTIFICATE OF INCORPORATION

[See Exhibit 3.3 to the Registration Statement]

EXHIBIT D

BYLAWS

[See Exhibit 3.4 to the Registration Statement]

EXHIBIT E

LLC OWNERSHIP INTEREST TO SHARE CONVERSION

LLC Owner	Ownership %	Original Issue Date	Conversion Date	No. of Converted Shares
Motorsport Network, LLC	100%	August 2, 2018	_____, 2019	[_____]

Exhibit 2.2

STATE OF DELAWARE
FORM OF CERTIFICATE OF CONVERSION OF
MOTORSPORT GAMING US LLC
FROM A FLORIDA LIMITED LIABILITY COMPANY
TO A DELAWARE CORPORATION

The company does hereby certify:

1. The jurisdiction where the Limited Liability Company first formed is: Florida.

2. The jurisdiction immediately prior to filing this Certificate is: Florida.

3. The date the Limited Liability Company first formed is: August 2, 2018.

4. The name of the Limited Liability Company immediately prior to filing this Certificate is: Motorsport Gaming US LLC

4. The conversion has been approved in accordance with Section 265 of the Delaware General Corporation Law.

5. The name of the Corporation as set forth in the Certificate of Incorporation is: Motorsport Games Inc.

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of the converting Limited Liability Company have executed this Certificate of Conversion on this __ day of _____, 2020.

By: _____
Name: Mike Zoi
Title: Manager

Exhibit 2.3

FORM OF FLORIDA ARTICLES OF CONVERSION

FLORIDA DEPARTMENT OF STATE DIVISION OF CORPORATIONS

Attached is a form to convert a "Florida Limited Liability Company" into an "Other Business Entity" pursuant to section 605.1045, Florida Statutes. This form is basic and may not meet all conversion needs. The advice of an attorney is recommended.

Pursuant to s. 605.0102(23) a, F.S., entity means: a business corporation, a nonprofit corporation, a general partnership, including a limited liability partnership, including a limited partnership, including a limited liability limited partnership; a limited liability company; a real estate investment trust; or any other domestic or foreign entity that is organized under an organic law.

Filing Fee:	**$**	**25.00**
Certified Copy (optional):	**$**	**30.00**
Certificate of Status (optional):	**$**	**5.00**

Send one check in the total amount payable to the Florida Department of State.

Please include a cover letter containing your telephone number, return address and certification requirements, or complete the attached cover letter.

Mailing Address

Registration Section
Division of Corporations
P. O. Box 6327
Tallahassee, FL 32314

Street Address

Registration Section
Division of Corporations
Clifton Building
2661 Executive Center Circle Tallahassee, FL 32301

For further information, you may contact the Registration Section at (850) 245-6051.

Important Notice: As a condition of conversion, pursuant to s.605.0212(10), F.S., each party to the conversion must be active and current through December 31 of the calendar year this document is being submitted to the Department of State for filing.

COVER LETTER

TO: Registration Section
Division of Corporations

SUBJECT: **Motorsport Gaming US LLC**
Name of Florida Limited Liability Company

The enclosed Articles of Conversion and fee(s) are submitted to convert a Florida Limited Liability Company" into an "Other Business Entity" in accordance with s.605.1045, F.S.

Please return all correspondence concerning this matter to:

Mike Zoi
Contact Person

Motorsport Network, LLC
Firm/Company

5972 NE 4th Avenue
Address

Miami, Florida 33137
City, State and Zip Code

mz@motorsport.com
E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Amanda LeCheminant at **(305) 507-8799**
Name of Contact Person — Area Code and Daytime Telephone Number

Enclosed is a check for the following amount:

[X] $25.00 Filing Fee

[ ]$30.00 Filing Fee and Certificate of Status

[ ]$55.00 Filing Fee and Certified Copy

[ ]$60.00 Filing Fee, Certified Copy, and Certificate of Status

STREET ADDRESS:
Registration Section
Division of Corporations
Clifton Building
2661 Executive Center Circle

MAILING ADDRESS:
Registration Section
Division of Corporations
P. O. Box 6327
Tallahassee, FL 32314 Tallahassee, FL 32301

Articles of Conversion
For
Florida Limited Liability Company
Into
"Converted or Other Business Entity"

The Articles of Conversion is submitted to convert the following **Florida Limited Liability Company into an "Other Business Entity"** in accordance with s. 605.1045, Florida Statutes.

1. The name of the Florida Limited Liability Company converting into the "Other Business Entity" is:

Motorsport Gaming US LLC.

Enter Name of Florida Limited Liability Company

2. The name of the "Converted or Other Business Entity" is:

Motorsport Games Inc.

Enter Name of "Converted or Other Business Entity"

3. The "Converted or Other Business Entity" is a **Corporation**

(Enter entity type. Example: corporation, limited partnership, sole proprietorship, general partnership, common law or business trust, etc.)

organized, formed or incorporated under the laws of **Delaware.**

(Enter state, or if a non-U.S. entity, the name of the country)

The formation document is attached (if applicable).

4. The plan of conversion was approved by the converting Florida Limited Liability Company in accordance with Chapter 605, F.S.

5. This conversion shall be effective in Florida on: ___ /____/ 2020.
(The effective date: 1) cannot be prior to nor more than 90 days after the date this document is filed by the Florida Department of State; AND 2) must be the same as the effective date of the conversion under the laws governing the "Other Business Entity.")

Note: If the date inserted in this block does not meet the applicable statutory filing requirements, this date will not be listed as the document's effective date on the Department of State's records.

6. If the “Converted or Other Business Entity” is an out-of-state entity not registered to transact business in Florida, the “Converted or Other Business Entity”:

a.) Lists the following street and mailing address of an office the Florida Department of State may send and process served on the department pursuant to 605.0117 and Chapter 48.

Street Address: **5972 NE 4th Avenue**
Miami, Florida 33137
Mailing Address: **5972 NE 4th Avenue**
Miami, Florida 33137

7. The “Converted or Other Business Entity” has agreed to pay any members having appraisal rights the amount to which such members are entitled under ss. 605.1006 and 605.1061-605.1072, F.S.

Signed this _____day of _____, 2020

Signature: _____
Must be signed by a Member or Authorized Representative

Printed Name: **Mike Zoi** Title: **Manager**

Fees: Filing Fee: $25.00
Certified Copy: $30.00 (Optional)
Certificate of Status: $5.00 (Optional)

EXHIBIT 2.4

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "***Agreement***") is made as of August 14, 2018, by and between 704GAMES COMPANY, a Delaware corporation (the "***Company***"), and Motorsport Gaming US LLC, a Florida limited liability company (the "***Purchaser***").

WHEREAS, the Company has authorized the issuance of 217,352 newly-issued shares (the "***Shares***") of its common stock, par value $0.001 per share (the "***Common Stock***"), and the sale of the Shares to the Purchaser; and

WHEREAS, the Purchaser desires to purchase the Shares on the terms and conditions set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale of Stock; Consideration; Adjustment; Closing; Use of Proceeds; Covenants.

1.1 Sale and Issuance of Common Stock.

1.1.1 Intentionally Omitted.

1.1.2 On or prior to the Closing, the Company shall have the Shares authorized for issuance and sale to the Purchaser.

1.1.3 Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase at the Closing, and the Company agrees to issue and sell to the Purchaser at the Closing, the Shares at an aggregate consideration equal to Eleven Million U.S. Dollars ($11,000,000) ("***Consideration***"), payable by the Purchaser to the Company in cash and in services in kind, as applicable, as follows:

(a) Four Million U.S. Dollars ($4,000,000), in cash by wire transfer to the Company's bank account, payable at the Closing (the "***Closing Payment***");

(b) Subject to adjustment as set forth in Section 1.3, Three Million U.S. Dollars ($3,000,000), in cash by wire transfer to the Company's bank account, payable on February 1, 2019 (the "***2019 Payment***"), and guaranteed by Motorsport Network, LLC, a Florida limited liability company ("***Motorsport Network***"), pursuant to Section 7 hereof; and

(c) Subject to adjustment as set forth in Section 1.3, Company's receipt during the period from the Closing though the date that is 48 months after the Closing of advertising, promotional and other services set forth on Section 1.1.3(c) of the Disclosure Schedule and valued at Four Million U.S. Dollars ($4,000,000) in the aggregate (the "***In-Kind Consideration***"), which is guaranteed during the period of 48 months after the Closing by Motorsport Network pursuant to Section 7 hereof. The Company may substitute each item of In-Kind Consideration for a different item of In-Kind Consideration with Motorsport's consent, not to be unreasonably withheld, delayed or conditioned. For purposes of valuing the In-Kind Consideration, each item of In-Kind Consideration has been valued at the lowest rate that Motorsport Network or any of its Affiliates has charged any other Person (including Motorsport Network or any of its Affiliates) for the same or similar item or items of In-Kind Consideration.

1.2 Closing.

1.2.1 The purchase and sale of the Shares to the Purchaser pursuant to this Agreement shall take place remotely via the exchange of electronic documents and signatures on the date hereof or at such other time and place as the Company and the Purchaser mutually agree upon (the "***Closing***").

1.2.2 At the Closing, the Company shall deliver to the Purchaser a certificate representing the Shares purchased by the Purchaser registered in the name of the Purchaser against delivery to the Company by the Purchaser of an electronic wire transfer of immediately available funds in an amount equal to the Closing Payment.

1.3 Consideration Adjustment and Termination of 2019 Payment.

1.3.1 The 2019 Payment and the In-Kind Consideration shall be collectively referred to herein as the "***Delayed Consideration***." The Delayed Consideration amount was determined by the parties hereto in reliance on and subject to and conditioned upon the Company achieving a minimum $15,574,000 in revenue (the "***Expected Revenue***") for the 2018 calendar year. If the Expected Revenue is less than $15,574,000, the Delayed Consideration amount shall automatically adjust by reducing the Delayed Consideration amount dollar-for-dollar for the actual dollar difference between the Expected Revenue and the actual revenue of the Company for the 2018 calendar year as reflected in the audited financial statements of the Company for the calendar year ending December 31, 2018 (the "***2018 Audit***"), such reduction to be made first to the 2019 Payment and thereafter, if the 2019 Payment is reduced to zero, to the In-Kind Consideration. Not later than February 26, 2019, the Company shall deliver to the Purchaser the 2018 Audit**.**

1.3.2 If the Company fails to obtain a long-form amendment to that certain Distribution and License Agreement, dated as of January 1, 2015, by and between the Company and NASCAR Team Properties, as amended, that reflects the terms of that certain Amended and Restated Binding Term Sheet, dated as of July 24, 2018, by and between the Company and NASCAR Team Properties, on or before February 1, 2019, the 2019 Payment shall be no longer due nor payable and all Purchaser's obligations with respect to the 2019 Payment shall automatically terminate and be void ab initio.

1.4 Use of Proceeds. Each of the Closing Payment and the 2019 Payment shall be used by the Company solely for (a) subject to the Company's board of directors' approval in accordance with the Stockholders' Agreement (as hereinafter defined), the acquisition of Monster Games, Inc., the Company's current contract software developer, and (b) the working capital of the Company in the ordinary course of the Company's business.

1.5 Name Change. On or before February 28, 2019, the Company shall change the name of the Company to "Motorsport Games, Inc."

1.6 Software. The Company shall use commercially reasonable efforts to, within twelve (12) months after the Closing, either acquire Monster Games, Inc. or build internal software support and game development capabilities required to adequately support internal game development of the Company and any subsidiary thereof.

1.7 Removal of Legends; Further Covenants. Any legend endorsed on a certificate pursuant to Section 3.8 hereof shall be removed (i) if the Shares represented by such certificate shall have been effectively registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or otherwise lawfully sold in a public transaction, (ii) if such Shares may be transferred in compliance with Rule 144 promulgated under the Securities Act free of any volume limitations, or (iii) if the holder of such Shares shall have provided the Company with an opinion of counsel, in form and substance reasonably acceptable to the Company and its counsel and from attorneys reasonably acceptable to the Company and its counsel, stating that a public sale, transfer or assignment of such Shares may be made without registration.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchaser as of the Closing that, except as set forth on the Disclosure Schedule furnished by the Company to the Purchaser in connection with this Agreement:

2.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and proposed to be conducted. The Company is duly qualified to transact business and in good standing in each jurisdiction in which the failure to be so qualified would have a Material Adverse Effect.

2.2 Capitalization.

2.2.1 Authorized and Issued Stock. The authorized capital of the Company consists, or will consist immediately prior to the Closing, of (a) 900,000 shares of Common Stock, of which 188,715 shares are issued and outstanding, and (b) 100,0000 shares of preferred stock, of which 0 are issued and outstanding.

2.2.2 Agreements for Purchase of Shares. Except as set forth in Section 2.2.2 of the Disclosure Schedule and for (i) 16,113 shares of Common Stock issuable upon the exercise of options granted to employees, officers, consultants and directors of, and other persons, (ii) outstanding warrants to purchase 4,000 shares of Common Stock issued to any persons, (iii) the reservation of up to 25,734 stock appreciation rights under the 704Games Company 2017 Appreciation Plan (as amended, the "***Plan***") granted or to be granted to eligible Persons under the Plan, of which 21,686 outstanding stock appreciation rights have been awarded, and (iv) the rights created under this Agreement, there are no outstanding options, warrants, rights (including conversion or preemptive rights) or agreements for the purchase or acquisition from the Company of any shares of its capital stock. Except as set forth in Section 2.2.2 of the Disclosure Schedule, the Company has no commitments or understandings with any eligible employee regarding the granting of stock appreciation rights under the Plan or any shares of Common Stock or preferred stock of the Company or any options, warrants or any other interest or instruments convertible or otherwise exercisable into shares of Common Stock or preferred stock of the Company that have not been granted as of the date hereof.

2.2.3 Outstanding Securities. Section 2.2.3 of the Disclosure Schedule sets forth (i) a list of all holders of Common Stock as of the date of this Agreement, including the number of shares held by each such holder, (ii) a schedule of options granted and outstanding as of the date of this Agreement, including the names of the record holders of such options, the exercise price of such options and the number of the securities to be issued upon exercise of such options, (iii) a schedule of warrants issued and outstanding as of the date of this Agreement, including the names of the record holders of such warrants, the exercise price of such warrants and the number and class of the securities to be issued upon exercise of such warrants, and (iv) a schedule of stock appreciation rights granted and outstanding as of the date of this Agreement, including the names of the record holders of such stock appreciation rights, the strike price per share of such stock appreciation rights and whether such stock appreciation rights are entitled to cash or securities or a combination thereof on any increase in value of such stock appreciation rights.

2.2.4 Post-Closing Capitalization Table. The Company's post-Closing pro forma capitalization on a fully-diluted basis is set forth on the post-Closing capitalization table attached hereto as Section 2.2.4 of the Disclosure Schedule.

2.2.5 409A Compliance. Other than as set forth in Section 2.2.5 of the Disclosure Schedule, all outstanding stock options and other equity-based awards issued or granted by the Company to a party in connection with such party's services to the Company have been granted with exercise prices that equal or exceed the fair market value of the underlying shares of Common Stock subject to such options or other equity-based awards on the date of issuance or grant or as amended or cancelled and re-granted and, to the Company's Knowledge, no stock options or other equity-based awards issued or granted by the Company are subject to the penalties of Section 409A(a)(1) of the Internal Revenue Code of 1986, as amended (the "***Code***").

2.2.6 Vesting. All (a) options, warrants, stock appreciation rights or other similar securities or instruments granted and (b) outstanding Common Stock subject to repurchase by the Company vest as disclosed on Section 2.2.3 of the Disclosure Schedule. Other than as disclosed on Section 2.2.6 of the Disclosure Schedule, no stock plan, stock purchase, stock option or other agreement or understanding for the award, purchase or other acquisition of equity securities or rights to acquire equity securities of the Company between the Company and any holder of any equity securities or rights to acquire equity securities provides for acceleration or other changes in the vesting, exercise, forfeiture or payment provisions of such agreement or understanding as the result of (i) termination of employment or consulting services (whether actual or constructive); (ii) any merger, consolidation, sale of stock or assets, change in control or any other transaction(s) by the Company; or (iii) the occurrence of any other event or combination of events.

2.2.7 Transfer Restrictions. Other than as set forth in the Transaction Documents or as set forth in Section 2.2.7 of the Disclosure Schedule, on the date hereof, (a) there are no restrictions on the issuance or transfer of equity securities of the Company, other than those imposed by federal and state securities laws, (b) no stockholder of the Company is entitled to preemptive or similar statutory or contractual rights regarding any such transfer or issuance, either arising pursuant to any agreement or instrument to which the Company is a party or that are otherwise binding on the Company, (c) no party is entitled to redemption or repurchase of its capital stock or convertible securities of the Company, and (d) there are no agreements or understandings (whether written or verbal) to which the Company is a party which entitle a stockholder, a holder of convertible securities of the Company, or any third party to antidilution protection in connection with the transactions contemplated by the Transaction Documents and/or the future issuance of securities of the Company. For purposes of this Section 2.2.7, antidilution protection shall be interpreted broadly and shall include, without limitation, (i) any increase in the conversion ratio into Common Stock of any convertible securities, rights or other instruments, (ii) any reduction in the exercise price or conversion price of any outstanding convertible securities, (iii) any issuance of additional shares of capital stock of the Company for no consideration or at a purchase price less than the-then fair market value of such securities, or (iv) any issuance of any new warrant, option, stock appreciation rights or other convertible security or other instrument, or the amendment of any existing warrant, option, stock appreciation rights or other convertible security or other instrument.

2.3 Subsidiaries. The Company does not presently own or control, directly or indirectly, any interest in any corporation, association, partnership or other business entity. Except as set forth in Section 2.3 of the Disclosure Schedule, the Company is not a participant in any joint venture, partnership or similar arrangement. Except as set forth in Section 2.3 of the Disclosure Schedule, since its inception, the Company has not consolidated or merged with, acquired all or substantially all of the assets of, or acquired the majority of the outstanding stock of or any controlling interest in, any corporation, partnership, association, or other business entity.

2.4 Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the: (i) authorization, execution and delivery of this Agreement, the Stockholders' Agreement, attached hereto as Exhibit A (the "***Stockholders' Agreement***"), the Shared Services Agreement attached hereto as Exhibit B (the "***Shared Services Agreement***"), the Employment Agreements with Paul Brooks and Ed Martin, substantially in the form(s) attached hereto as Exhibit C (the "***Employment Agreements***", and along with this Agreement, the Stockholders' Agreement, the Shared Services Agreement and the Employment Agreements, collectively, the "***Transaction Documents***"); (ii) the performance of all obligations of the Company hereunder and under the Transaction Documents; and (iii) the authorization, issuance (or reservation for issuance) and delivery of the Shares being sold hereunder has been taken or will be taken on or prior to the Closing. The Company has duly authorized, executed and delivered the Transaction Documents, and such Transaction Documents constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.5 Corporate Power. The Company has all requisite legal and corporate power and authority to execute and deliver the Transaction Documents, to sell and issue the Shares and to carry out and perform its obligations under the terms of the Transaction Documents.

2.6 Valid Issuance.

2.6.1 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms hereof, will be duly and validly issued, fully paid and, subject only to the payment by the Purchaser of the Delayed Consideration, nonassessable. The Shares, when issued, sold and delivered in accordance with the terms hereof, will be free of restrictions on transfer other than restrictions on transfer arising under federal or state securities laws and the Transaction Documents.

2.6.2 Valid Issuance of Common Stock. The outstanding shares of Common Stock of the Company (A) have been duly and validly authorized, issued and delivered, and are fully paid and nonassessable, (B) have the respective rights, preferences and privileges set forth the Second Amended and Restated Certificate of Incorporation of the Company, as amended by that certain Certificate of Amendment to the Certificate of Incorporation of the Company (the "***Restated Certificate***"), and (C) were issued in compliance with, or exempt from, registration or qualification under all applicable federal and state securities laws. The consummation of the transactions contemplated hereunder will not result in any anti-dilution adjustment or other similar adjustment to any outstanding shares of capital stock of the Company or any securities convertible thereto.

2.7 Governmental Consents; Other Consents.

2.7.1 No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by the Transaction Documents, the issuance of the Shares to be issued and sold in connection with this Agreement, except for the filings by the Company pursuant to applicable federal and state securities laws, which will be timely made to the extent required by applicable federal and state securities laws.

2.7.2 Except as those consents listed on Section 2.7 of the Disclosure Schedule, no consents or approval (or waiver in lieu thereof) to the performance by the Company of its obligations under this Agreement and to the consummation of the transactions contemplated by the Transaction Documents is required in connection with the consummation of the transactions contemplated by the Transaction Documents and/or the issuance of the Shares to be issued and sold in connection with this Agreement.

2.8 Litigation. Except as set forth on Section 2.8 of the Disclosure Schedule, there is no action, suit, proceeding or investigation pending or, to the Company's Knowledge, currently threatened against the Company, including, without limitation, any action, suit, proceeding or investigation which questions the validity of the Transaction Documents or the right of the Company to enter into the Transaction Documents or to consummate the transactions contemplated thereby or which one would reasonably expect to result, either individually or in the aggregate, in any Material Adverse Effect or any change in the current equity ownership of the Company, and, to the Company's Knowledge, there is no basis for the foregoing. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened involving the prior employment of any of the Company's employees, their use in connection with the Company's business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements (including, without limitation, non-competition or non-solicitation agreements) with prior employers. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or that the Company intends to initiate.

2.9 Intellectual Property.

2.9.1 Section 2.9.1 of the Disclosure Schedule contains a true and complete list of all domestic and foreign patents, patent rights, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names and copyrights, and all applications for such which are in the process of being prepared, owned by or registered in the name of the Company, or of which the Company is the exclusive licensee. The Company owns or has a right to use all copyright, trade secret rights, patents and patent rights, trademarks, service marks, trademark rights, trade names, trade name rights, moral rights, and other proprietary rights (collectively, "***Intellectual Property***") necessary to conduct its business as now being conducted and as presently proposed to be conducted. No claim against the Company is pending or, to the Company's Knowledge, threatened to the effect that any such Intellectual Property owned or licensed by the Company, or which the Company otherwise has the right to use, is invalid or unenforceable by the Company, and to the Company's Knowledge, there is no reasonable basis for any such claim (whether or not pending or threatened). Except as set forth in Section 2.9.1 of the Disclosure Schedule, there are no outstanding options, licenses or agreements of any kind relating to the Intellectual Property of the Company. Except as set forth in Section 2.9.1 of the Disclosure Schedule, the Company is not bound by or a party to any options, licenses or agreements of any kind with respect to the Intellectual Property (other than object code and internal use software that is generally commercially available ("***Generic Software***")) of any other person or entity. The Company has not violated or infringed or received any communications alleging that the Company has violated or infringed or, by conducting its business as presently proposed, would violate or infringe (i) any of the copyrights or trade secrets or other proprietary rights of any other person or entity or (ii) any of the patents, trademarks, service marks or trade names of any other person or entity. All Intellectual Property developed by and belonging to the Company that is not protected by patents, patent applications, trademark law, or copyright has been kept confidential. Except as set forth in Section 2.9.1 of the Disclosure Schedule, there are no agreements, instruments, contracts, judgments, orders or decrees to which the Company is a party or by which it is bound which provide for indemnification by the Company for infringements of Intellectual Property. With respect to the agreements listed in Section 2.9.1 of the Disclosure Schedule pursuant to which the Company may have indemnification obligations, the Company does not expect to incur any material liability as the result of any such indemnification obligations.

2.9.2 Neither the execution nor delivery of the Transaction Documents, nor the carrying on of the Company's business by the employees, consultants or independent contractors of the Company, nor the conduct of the Company's business as proposed, will, to the Company's Knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees, consultants or independent contractors is obligated.Each former and current employee, consultant or independent contractor to the Company is a signatory to and is bound by agreements setting forth confidentiality and proprietary rights obligations (including, for avoidance of doubt, contemporaneous waiver and assignment of the intellectual property rights and all other rights to work product, technology, ideas and inventions by such person to the Company) of such person to the Company (each, "***Proprietary Rights Agreement***"); provided, however, that such confidentiality and proprietary rights obligations (including such waivers and assignments) are limited only by such exceptions, reservations and carveouts to such confidentiality and proprietary rights obligations as those that are expressly set forth in the Proprietary Rights Agreements listed on Section 2.9.2 of the Disclosure Schedule or that are otherwise described on Section 2.9.2 of the Disclosure Schedule. Except as set forth on Section 2.9.2 of the Disclosure Schedule, no such employee has excluded works or inventions made during his, her or its employment with the Company from his, her or its assignment of inventions pursuant to such individual's or entity's Proprietary Rights Agreement. To the Company's Knowledge, none of its employees are in violation of any other their confidentiality or proprietary rights obligations set forth in such Proprietary Rights Agreements.

2.9.3 Except as set forth in Section 2.9.3 of the Disclosure Schedule, to the Company's Knowledge, the Company has not incorporated or utilized any Public Software (as defined below) in the creation of any source code for any software developed by the Company ("***Company Product***") that (a) would require the Company Source Code to be generally made available or (b) would otherwise impose any limitation, restriction, or condition on the right or ability of Company to use any material portion of any Company Product as currently used in the business or other operations and activities of the Company. As used in this Section 2.9.3, "***Public Software***" means any software that is distributed or licensed as free software (as defined by the Free Software Foundation), open source software (e.g., software distributed under any license approved by the Open Source Initiative as set forth in www.opensource.org on the date of Closing) or under similar licensing or distribution models which require the distribution or making available of source code as well as object code of the software to licensees without charge (except for the cost of the medium) and the right of the licensee to modify the software and redistribute both the modified and unmodified versions of the software. Public Software includes without limitation, software licensed or distributed under any of the following licenses: (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL); (ii) the Artistic License (e.g., PERL); (iii) the Mozilla Public License; (iv) the Netscape Public License; (v) the SugarCRM Public License; (vi) BSD License; or (vii) the Apache License. Section 2.9.3 of the Disclosure Schedule lists all software which does not comply with this representation and includes the name and version of the software, the license under which it was obtained and the use of such software by the Company.

2.9.4 The Company exclusively owns or has exclusive right to use (i) the following websites, domains and URLs: nascaresports.com, nascaresport.com and motorsport.games (subject to NASCAR Team Properties' approval); and (ii) all source code created by Monster Games Inc. for the Company after January 1, 2015 to the extent provided under the Development Agreement, dated as of February 24, 2016, by and between the Company and Monster Games, Inc., as amended by that certain Amendment No. 1, dated March 28, 2018, by and between the Company Monster Games, Inc. (the "***Monster Games Agreement***").

2.10 Specified Contracts; Action.

2.10.1 Section 2.10.1 of the Disclosure Schedule sets forth all contracts, agreements and instruments to which the Company is a party or by which it is bound that involve (collectively, the "***Specified Contracts***"): (i) obligations of, or payments to (contingent or otherwise), the Company in excess of $10,000; (ii) the engagement of any person as an employee or consultant (unless such contract, agreement or instrument employs or engages such employee or consultant on an "at-will" basis with no provision providing for any payment, benefit, acceleration of vesting or other event or effect in connection with a Liquidity Event or termination of services to the Company), (iii) placing of a lien on any asset of the Company (other than Permitted Encumbrances), (iv) the lease of any real or personal property, (v) the guaranty of any obligation for borrowed money or otherwise; (vi) the license of any patent, copyright, trade secret or other proprietary right other than Generic Software to or from the Company, (vii) provisions restricting the development, manufacture or distribution of the Company's products or services, (viii) indemnification by the Company with respect to infringement of proprietary rights (other than indemnification obligations arising from purchase, sale or license agreements entered into in the ordinary course of business), (ix) the obligation to pay any royalty to a third party or (x) obligations for software development that are not cancellable without penalty upon notice of not more than thirty (30) days. All of the Specified Contracts are valid, binding and in full force and effect subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies and to general principles of equity. The Company is not in default or arrears under and, to the Knowledge of the Company, no other party to any Specified Contract is in default or arrears under, any term of any Specified Contract.

2.10.2 For the purposes of Section 2.10.1 above, all obligations and payments involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsection.

2.11 Governmental Compliance; Compliance with Instruments and Contracts.

2.11.1 The Company is not in violation, breach or default of any provisions of any governmental judgment, order, writ or decree to which it is a party, which violation, breach or default would have a Material Adverse Effect. To the Company's Knowledge, there exists no condition, event or act which, after notice, lapse of time or both, constitutes a violation, breach or default under any such governmental judgment, order, writ or decree to which it is a party.

2.11.2 The Company is not in violation of any federal, state, local or foreign law applicable to its business, which violation would have a Material Adverse Effect. The Company has all federal, state, local and foreign governmental licenses, registrations and permits necessary to the conduct of its business, the failure of which to have would be a Material Adverse Effect, such licenses, registrations and permits are in full force and effect, and there have been no violations, failures or lapses of any such licenses, registrations or permits except for violations, failures or lapses that individually and in the aggregate would not have a Material Adverse Effect. No proceeding is pending or, to the Company's Knowledge, threatened to revoke or limit any such licenses, registrations and permits.

2.11.3 Except as set forth in Section 2.11.3 of the Disclosure Schedule, the execution, delivery and performance of the Transaction Documents, the issuance of the Shares pursuant hereto and the consummation of the transactions contemplated by the Transaction Documents will not, with or without the passage of time and giving of notice, or both (i) result in any violation or breach of, or conflict with, or constitute a default under, (A) the Company's Restated Certificate or Amended and Restated Bylaws, each as amended to date, (B) any contract, agreement or instrument to which the Company is a party or by which it is bound, which violation, breach, conflict or default would have a Material Adverse Effect, or (C) any provision of law, statute, rule or regulation or any ruling, writ, injunction, order, judgment or decree of any court, administrative agency or other governmental body, or (ii) cause the creation of any mortgage, pledge, lien, encumbrance or charge (other than a Permitted Encumbrance) upon any of the properties or assets of the Company.

2.12 Title to Property and Assets. Except as set forth in Section 2.12 of the Disclosure Schedule, the Company owns its property and assets free and clear of all mortgages, liens, loans and encumbrances (other than Permitted Encumbrances). Except as set forth in Section 2.12 of the Disclosure Schedule, with respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances (other than Permitted Encumbrances). All facilities, machinery, equipment, fixtures, vehicles and other tangible properties owned, leased or used by the Company necessary for the conduct of the Company's business are, subject to ordinary wear and tear, in good operating condition and repair and are reasonably fit and usable for the purposes for which they are being used.

2.13 Employee Matters.

2.13.1 Section 2.13 of the Disclosure Schedule sets forth, as of the date hereof, the number of full-time employees, part-time employees and individual consultants or individual independent contractors that the Company employs, or engages, as applicable. Section 2.13 of the Disclosure Schedule sets forth a detailed description of all compensation, including salary, commissions, bonus, and deferred compensation paid or payable for each officer, employee, individual consultant and individual independent contractor of the Company who received compensation in excess of $20,000 for the fiscal year ended December 31, 2017 or is anticipated to receive compensation in excess of $20,000 for the fiscal year ending December 31, 2018.

2.13.2 To the Company's Knowledge, none of its executive-level employees (including division directors and vice president-level positions) is obligated under any contract (including licenses or covenants of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. The Company has not received any written or, to the Company's Knowledge, verbal notice alleging that any such violation has occurred. Neither the execution or delivery of the Agreement, nor the carrying on of the Company's business by such employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will, to the Company's Knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

2.13.3 The Company is not delinquent in payments to any of its employees, individual consultants, or individual independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants, or independent contractors. The Company has complied with all applicable foreign, state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification, collective bargaining, and the payment and withholding of taxes and other sums as required by law. The Company has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing. The Company has set aside sufficient reserves for any severance payments to its employees.

2.13.4 Except as set forth in Section 2.13 of the Disclosure Schedule, the Company has not made any representations regarding equity incentives to any officer, employees, director or individual consultant that are inconsistent with the share amounts and terms set forth in Section 2.2.3 of the Disclosure Schedule.

2.13.5 Except as set forth in Section 2.13 of the Disclosure Schedule, each former executive-level employee (including division director and vice president-level positions) whose employment was terminated by the Company has entered into an agreement with the Company providing for the full release of any claims against the Company or any related party arising out of such employment.

2.13.6 Section 2.13 of the Disclosure Schedule sets forth each employee benefit plan maintained, established or sponsored by the Company, or which the Company participates in or contributes to, which is subject to the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all applicable laws for any such employee benefit plan.

2.14 Tax Returns and Payments. The Company has filed all tax returns and reports as required by law. These returns and reports are true and correct in all material respects. The Company has paid all taxes and other assessments due prior to the time penalties would accrue thereon. The provision for taxes of the Company is adequate for taxes due or accrued as of the date thereof. The Company has not elected pursuant to the Code, to be treated as a Subchapter S corporation or a collapsible corporation pursuant to Section 1362(a) or Section 341(f) of the Code. The Company has never had any tax deficiency proposed or assessed against it and has not executed any waiver of any statute of limitations on the assessment or collection of any tax or governmental charge. None of the Company's federal income tax returns and none of its state income or franchise tax or sales or use tax returns has ever been audited by governmental authorities. The Company has withheld or collected from each payment made to each of its employees, the amount of all taxes (including, but not limited to, federal income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes) required to be withheld or collected therefrom, and has paid the same to the proper tax receiving officers or authorized depositories to the extent such are now payable.

2.15 Insurance. The Company has in full force and effect fire and casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow it to replace any of its properties that might be damaged or destroyed. Under the Shared Services Agreement, the Company anticipates having obtained director and officer's insurance in a minimum amount of $1,000,000 per occurrence (the "***D&O Policy***") by August 31, 2018.

2.16 Minute Books. The Company maintains minute books for all meetings of directors, committees and shareholders of the Company. Such minute books have been made available to the Purchaser and contain a complete summary of all meetings of directors, committees and shareholders since January 1, 2015 in all material respects and reflect all transactions referred to in such minutes accurately in all material respects.

2.17 Labor Agreements and Actions.

2.17.1 The Company is not bound by or subject to (and none, of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Knowledge of the Company, has sought to represent any of the employees of the Company. There is no strike or other labor dispute involving the Company pending, or to the Knowledge of the Company threatened, nor does the Company have Knowledge of any labor organization activity involving its employees.

2.17.2 To the Company's Knowledge, no employee intends to terminate his or her employment with the Company, nor does the Company have a present intention to terminate the employment of any employee. Except as set forth in Section 2.17 of the Disclosure Schedule, upon termination of the employment of any employee, no severance or other payments will become due. Except as set forth in Section 2.17 of the Disclosure Schedule, the Company has no policy, practice, plan, or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

2.18 No Voting Arrangements. Except as provided in the Stockholders' Agreement, the Company is not a party or subject to any agreement or understanding, and, to the Company's Knowledge, there are no outstanding agreements, voting trusts, proxies or other arrangements or understandings among any persons and/or entities, which affect or relate to the voting or giving of written consents with respect to any security, or by a director, of the Company.

2.19 Related Party Transactions. No employee, officer or director of the Company, or, to the Knowledge of the Company, member of his or her family, is indebted to the Company, nor is the Company indebted (or committed to make loans or extend or guarantee credit) to any of them. Except as set forth in Section 2.19 of the Disclosure Schedule, to the Company's Knowledge, none of such persons has any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation that competes with the Company, except that employees, officers or directors of the Company, and members of their families may own stock in publicly traded companies that may compete with the Company (representing less than 5% ownership of such company). Except for transactions contemplated by the Transaction Documents or as set forth in Section 2.19 of the Disclosure Schedule, no member of the family of any employee or director of the Company is directly or indirectly interested in any material contract with the Company, and there are no agreements or proposed transactions between the Company and any of its officers, directors, affiliates, or any affiliate thereof that are material to the business of the Company.

2.20 Environmental Laws and Regulations. The Company is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and no material expenditures are or will be required in order to comply with any such existing statute, law or regulation. No Hazardous Materials (as defined below) are used or have been used, stored, or disposed of by the Company or, to the Company's Knowledge, by any other person or entity on any property owned, leased or used by the Company. For the purposes of the preceding sentence, "***Hazardous Materials***" shall mean (a) materials which are listed or otherwise defined as "hazardous" or "toxic" under any applicable local, state, federal and/or foreign laws and regulations that govern the existence and/or remedy of contamination on property, the protection of the environment from contamination, the control of hazardous wastes, or other activities involving hazardous substances, including building materials, or (b) any petroleum products or nuclear materials.

2.21 Employees. The employment of each of the employees of the Company is terminable by the Company at will.

2.22 Intentionally Omitted.

2.23 Manufacturing and Marketing Rights. Other than in accordance with agreements disclosed in Section 2.23 of the Disclosure Schedule, the Company has not granted rights to manufacture, produce, assemble, license, market, distribute or sell its products to any other person and is not bound by any agreement that affects the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products.

2.24 Registration Rights. Except as provided in Schedule 2.24 of the Disclosure Schedule, the Company has not granted or agreed to grant any registration rights, including piggyback rights, to any person or entity.

2.25 Financial Statements; Liabilities. The Company has delivered to the Purchaser its audited balance sheet, income statement and statements of cash flows and changes in stockholder equity at and for the year ended December 31, 2017 and its unaudited balance sheet, income statement and statement of cash flows at and for the five months ended May 31, 2018 (collectively, the "***Financial Statements***"), copies of which are attached as Schedule 2.25 to the Disclosure Schedule. The Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States ("***GAAP***") applied on a consistent basis throughout the periods indicated and with each other, except that the unaudited Financial Statements do not contain all footnotes required by generally accepted accounting principles and, interim financial statements do not include year-end adjustments. The Financial Statements fairly present in accordance with GAAP the financial condition and operating results of the Company as of the dates, and for the periods indicated therein, in all material respects, subject in the case of the unaudited Financial Statements to normal year-end audit adjustments. Except as set forth in the Financial Statements, the Company has no material liabilities (whether known or unknown, accrued, absolute, contingent or otherwise) other than (i) liabilities incurred in the ordinary course of business subsequent to May 31, 2018, (ii) obligations under executory contracts incurred in the ordinary course of business and (iii) liabilities and obligations of a type or nature not required under GAAP to be reflected in the Financial Statements, which, in all such cases, individually and in the aggregate would not have a Material Adverse Effect. Except as disclosed in the Financial Statements, the Company is not a guarantor or indemnitor of any indebtedness of any other person, firm or corporation. The Company maintains a standard system of accounting established and administered in accordance with GAAP. The Company's sales revenue (net of sales allowance of $2,164,568 and $3,836,624 at December 31, 2017 and 2016, respectively) for calendar year 2017 and calendar year 2016 were $10,926,606 and $9,499,945, respectively, and the Company's net loss for calendar year 2017 and calendar year 2016 were ($2,650,132) and ($7,434,423), respectively, in each case as more fully described in the Financial Statements titled "704Games Company Financial Statements as of and for the Years Ended December 31, 2017 and 2016 with Independent Auditors' Report."

2.26 Changes. Except as contemplated by the Transaction Documents (including Section 2.26 of the Disclosure Schedule), since December 31, 2017, there has not been:

2.26.1 any change in the assets, liabilities, financial condition or operating results of the Company from that reflected in the Financial Statements, except changes in the ordinary course of business or changes that have not caused, in the aggregate, a Material Adverse Effect;

2.26.2 any damage, destruction or loss, whether or not covered by insurance, that have caused a Material Adverse Effect;

2.26.3 any waiver by the Company of a material right or of a material debt owed to it;

2.26.4 any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company, except in the ordinary course of business or that would not have a Material Adverse Effect;

2.26.5 any material change or amendment to a Specified Contract;

2.26.6 any material change in any compensation arrangement or agreement with any employee and/or independent contractor (including, without limitation, any bonus, commission or similar arrangements);

2.26.7 any sale, assignment or transfer of any patents, trademarks, copyrights, trade secrets or other intangible assets (other than in connection with the sale or license of the Company's products and services in the ordinary course of business);

2.26.8 any resignation or termination of employment of any executive-level employee (including division directors and vice president-level positions) of the Company;

2.26.9 receipt of written notice, or to the Knowledge of the Company verbal notice, that there has been a loss of, or material order cancellation by, any customer of the Company which would have a Material Adverse Effect;

2.26.10 any mortgage, pledge, grant of a security interest in or lien created by the Company (other than Permitted Encumbrances) with respect to any of its material properties or assets;

2.26.11 any loans or guarantees made by the Company to or for the benefit of its employees, officers or directors, or any members of their families, other than travel advances and other advances made in the ordinary course of its business;

2.26.12 any debt, obligation or liability incurred, assumed or guaranteed by the Company except for those incurred in the ordinary course of the Company's business (but not in excess of $50,000 in the aggregate);

2.26.13 any declaration, setting aside or payment or other dividend or distribution in respect of any of the Company's capital stock, or any direct or indirect redemption, purchase or other acquisition of any of such stock by the Company other than the repurchase of capital stock from employees, officers, directors or consultants pursuant to agreements approved by the Board of Directors of the Company under which the Company has the option to repurchase such shares in accordance with such agreements upon the occurrence of certain events, such as termination of employment or consultancy; or

2.26.14 any agreement by the Company to do any of the things described in this Section 2.26.

2.27 Information. None of the Transaction Documents nor any other statements, documents or certificates made or delivered in connection therewith, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein or therein not misleading.

2.28 Intentionally Omitted.

2.29 Intentionally Omitted.

2.30 OFAC Compliance. Neither the Company, nor any of its officers, directors, managers, employees, agents or affiliates, is a Prohibited Person and, to the Knowledge of the Company, none of the brokers, investors or agents (including foreign agents and foreign counterparties) of the Company or any of its affiliates is a Prohibited Person. The Company and its officers, directors, managers and employees are in compliance with the USA Patriot Act, the IEEPA, the TEA and other anti-terrorism laws, in each case to the extent that any of the foregoing laws are applicable to the Company or any of its respective officers, directors and employees. Neither the Company, nor any of its officers, directors, managers, employees or affiliates has conducted any business or entered into any transaction with any "Foreign Shell Bank" (as defined in the USA Patriot Act) or any "Senior Foreign Political Figure" (as defined in the U.S. Treasury Release entitled "Guidance on Enhanced Scrutiny for Transactions that May Involve Proceeds of Foreign Official Corruption"). Neither the Company nor, to the Company's Knowledge, any of its officers, directors, managers, employees or affiliates has made, offered or agreed to offer anything of value to any foreign or other governmental official, political party or candidate for government office nor have they otherwise taken any action which would cause the Company to be in violation of the Foreign Corrupt Practices Act of 1977, as amended. There have been no audits of the Company's compliance with any of the foregoing laws by any person. The Company acknowledges that U.S. federal regulations and executive orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("***OFAC***") prohibit, among other things, engaging in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals, and if the Company qualifies as a Prohibited Person, the Purchaser may, among other things notify appropriate legal authorities pursuant to applicable law. Neither the Company, nor any person controlling, controlled by, or under common control with the Company, or for whom the Company is acting as agent or nominee in connection with the sale of the Shares or operations of the Company, is a Prohibited Person. Neither the Company, nor any person controlling, controlled by, or under common control with the Company, or for whom the Company is acting as agent or nominee in connection with the sale of the Shares or operations of the Company, is a "Covered Person" within the meaning of the Guidance on Enhanced Scrutiny for Transactions that May Involve the Proceeds of Foreign Official Corruption, issued by the Department of the Treasury, et al., January, 2001. No funds and/or revenues of the Company are directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Specifically, no operations of the Company shall (to the extent that such matters are within the Company's control) cause the Company or the Purchaser to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

2.31 Brokers or Finders. The Company has not engaged any brokers, finders or agents, and the Purchaser has not incurred, and will not incur, directly or indirectly, as a result of any action taken by the Company, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Transaction Documents.

2.32 Legality. Assuming the accuracy of the representations made by the Purchaser in this Agreement, the offer, sale and issuance of the Shares will be exempt from the registration requirements of the Securities Act and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited any offers to sell or has offered to sell all or any part of the Shares to any person or persons so as to bring the sale of such Shares by the Company within the registration requirements of the Securities Act or any applicable state securities laws.

2.33 Obligations of Management. Except as provided in Section 2.33 of the Disclosure Schedule, to the Knowledge of the Company, no officer or executive-level employee (including division directors and vice president-level positions) is working or planning to work less than full time at the Company. No officer or executive-level employee (including division directors and vice president-level positions) is currently working for or, to the Company's knowledge, plans to work for an enterprise that directly competes with the Company.

2.34 Real Property Holding Corporation. The Company is not a real property holding corporation within the meaning of Code Section 897(c)(2) and any regulations promulgated thereunder.

3. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Company as of the Closing that:

3.1 Organization and Good Standing. The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to carry on its business as now conducted and proposed to be conducted.

3.2 Authorization. The Purchaser represents that it has full power and authority to enter into the Transaction Documents. The Transaction Documents to which the Purchaser is a party have been duly authorized, validly executed and delivered on behalf of the Purchaser and are valid and legally binding obligations of the Purchaser enforceable in accordance with their terms, except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms. The Shares will be acquired for investment for the Purchaser's own account not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Purchaser represents that it has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participations to such person or entity or to any third person, with respect to any of the Shares.

3.4 Disclosure of Information. The Purchaser represents that the Purchaser has had an opportunity to ask questions and receive answers from the Company regarding the Company, its business, its management, its financial affairs and the terms and conditions of the offering of the Shares. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchaser to rely thereon.

3.5 Investment Experience. The Purchaser is an investor in securities of companies in the development stage and acknowledges that the Purchaser is able to fend for itself, can bear the economic risk and complete loss of its investment and has such knowledge and experience in financial or business matters that he, she or it is capable of evaluating the merits and risks of the investment in the Shares.

3.6 Restricted Securities. The Purchaser understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Shares it is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act, only in certain limited circumstances. In this connection the Purchaser represents that the Purchaser is familiar with Securities and Exchange Commission ("***SEC***") Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

3.7 No Public Market. The Purchaser understands that no public market now exists for the Shares, and that the Company has made no assurances that a public market will ever exist for the Shares.

3.8 Legend. It is understood that any certificates evidencing the Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

3.9 Accredited Investor. The Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, of the SEC under the Securities Act.

3.10 United States Person. The Purchaser is a United States person (as defined by Section 7701(a)(30) of the Code).

3.12 No General Solicitation. Neither the Purchaser, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation to raise funds from any unaffiliated persons for purposes of acquiring the Shares, or (b) published any advertisement in connection with raising funds from any unaffiliated persons for purposes of acquiring the Shares.

3.13 Specific Laws. The Purchaser acknowledges that U.S. federal regulations and executive orders administered by the OFAC prohibit, among other things, engaging in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals, and if the Purchaser qualifies as a Prohibited Person, the Company may, among other things notify appropriate legal authorities pursuant to applicable law. Neither the Purchaser, nor any person controlling, controlled by, or under common control with the Purchaser, or for whom the Purchaser is acting as agent or nominee in connection with the acquisition of the Shares, is a Prohibited Person. Neither the Purchaser, nor any person controlling, controlled by, or under common control with the Purchaser, or for whom the Purchaser is acting as agent or nominee in connection with the acquisition of the Shares, is a "Covered Person" within the meaning of the Guidance on Enhanced Scrutiny for Transactions that May Involve the Proceeds of Foreign Official Corruption, issued by the Department of the Treasury, et al., January, 2001. No funds tendered for the acquisition of the Shares are directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Specifically, no payment to the Company by the Purchaser shall (to the extent that such matters are within the Purchaser's control) cause the Company to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

3.14 Brokers or Finders. The Purchaser has not engaged any brokers, finders or agents, and the Company has not incurred, and will not incur, directly or indirectly, as a result of any action taken by the Purchaser, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Transaction Documents.

4. Conditions of the Purchaser's Obligations at Closing. The obligations of the Purchaser to consummate the transactions contemplated by this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions.

4.1 Representations and Warranties. The representations and warranties of the Company in Section 2 (other than the Fundamental Representations of the Company) shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date of the Closing with the same effect as though made at and as of such date (except that those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The Fundamental Representations of the Company shall be true and correct in all respects as of the date of the Closing with the same effect as though made as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

4.2 Performance. The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

4.3 Compliance Certificate. An authorized officer of the Company shall deliver to the Purchaser at the Closing, a certificate, executed on behalf of the Company, stating that the conditions specified in Sections 4.1 and 4.2 have been fulfilled as of the Closing.

4.4 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Securities pursuant to this Agreement shall be duly obtained and effective as of such Closing.

4.5 Operations. Since December 31, 2017, except as set forth on Section 2.26 of the Disclosure Schedule, (a) the business of the Company shall have been conducted in the ordinary course, and (b) there shall have been no change that has caused or that is reasonably likely to cause a Material Adverse Effect.

4.6 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing shall not violate the provisions of the General Corporation Law of the State of Delaware.

4.7 Proprietary Rights Agreements. Purchaser shall be satisfied with the accuracy of the representations in Section 2.9.2 regarding the proprietary rights obligations (including such waivers and assignments) of the Company's employees, consultants and independent contractors.

4.8 Third Party Consents. The Company shall have obtained those consents listed on Section 4.8 of the Disclosure Schedule.

4.9 Board of Directors. The number of authorized directors constituting the entire Board of Directors of the Company shall have been set effective as of the Closing at five (5) members, and the following individuals shall be the members of the Board of Directors, effective as of the Closing: Colin Smith, Dmitry Kozko, Yura Barabash, Paul Brooks and Wayne Barr, Jr.

4.10 Employment Agreements. The Company and the other applicable parties to the Employment Agreements shall have entered into the Employment Agreements.

4.11 Stockholders' Agreement. The Company and the other parties thereto (other than the Purchaser) shall have entered into the Stockholders' Agreement.

4.12 No Dividend, etc. Since December 31, 2017, except as set forth on Section 4.12 of the Disclosure Schedule, there shall have been no dividend, redemption or similar distribution in respect of any of the Company's capital stock, or any stock split, recapitalization or stock issuance of any kind in respect of any of the Company's capital stock.

4.13 Shared Services Agreement. The Company and the other parties thereto (other than the Purchaser) shall have entered into the Shared Services Agreement.

4.14 Secretary's Certificate. The Company shall have delivered to the Purchaser a certificate of the Company executed by the Company's Secretary (with a countersignature by the Chief Executive Officer or President of the Company as to the authenticity of the Secretary's signature), and dated as of the date of the Closing, attaching and certifying to the truth and correctness of: (i) the Certificate of Incorporation of the Company as in effect at the time of the Closing, (ii) the Company's Amended and Restated Bylaws as in effect at the time of the Closing, (iii) the resolutions approved by the Board of Directors authorizing the transactions contemplated by the Transaction Documents, (iv) the incumbency of the officers of the Company executing and delivering any documents, certificates or instruments in connection with the Transaction Documents and the transactions contemplated thereby, and (v) good standing certificates (including tax good standing, to the extent provided by the applicable authority(ies) and jurisdictions) with respect to the Company from the applicable authority(ies) in Delaware and any other jurisdiction in which the Company is qualified to do business, dated no more than thirty (30) days prior to the Closing.

4.15 Intentionally Omitted.

4.16 Operating Budget. The Company shall have adopted a twelve (12) month operating budget in substantially the form previously delivered to and approved in writing by the Purchaser (the "***Operating Budget***").

4.17 Waiver of Anti-Dilution. Any and all preemptive, co-sale, right of first refusal, right of first offer and similar rights that are triggered by the issuance of the Shares hereunder or otherwise in connection with transactions contemplated by the Transaction Documents shall have been waived by the stockholders of the Company holding such rights.

4.18 Amendments and Letters of Intent. The Company shall have entered into the amendments and letters of intent set forth on Section 4.18 of the Disclosure Schedule.

4.19 Intentionally Omitted.

4.20 No Debt. The Company at Closing shall be free of debt for borrowed money or evidenced by loan agreements, notes, debentures, bonds or other similar instruments (and for the avoidance of doubt, except for any trade payables and receivables used to fund regular and usual working capital in a regular course of business).

4.21 Ownership Monster Games Source Code. Purchaser shall be satisfied with the accuracy of the representations in Section 2.9.4 regarding the Company's ownership of or right to use the source code created by Monster Games Inc. under the Monster Games Agreement.

4.22 Ownership of Websites, Domains and URLs. Purchaser shall be satisfied with the accuracy of the representations in Section 2.9.4 regarding the Company's ownership of or right to use the following websites, domains and URLs: *nascaresports.com, nascaresport.com and motorsport.games*.

5. Conditions of the Company's Obligations. The obligations of the Company to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or before the date of the Closing, of each of the following conditions.

5.1 Representations and Warranties. The representations and warranties of the Purchaser in Section 3 (other than the Fundamental Representations of the Purchaser) shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date of the Closing with the same effect as though made at and as of such date (except that those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The Fundamental Representations of the Purchaser shall be true and correct in all respects as of the date of the Closing with the same effect as though made as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

5.2 Performance. The Purchaser shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

5.3 Compliance Certificate. An authorized officer of the Purchaser shall deliver to the Company at the Closing, a certificate, executed on behalf of the Purchaser, stating that the conditions specified in Sections 5.1 and 5.2 have been fulfilled as of the Closing.

5.4 Stockholders' Agreement. The Purchaser shall have executed and delivered the Stockholders' Agreement to the Company.

5.5 Shared Services Agreement. The Purchaser and the other parties thereto (other than the Company) shall have entered into the Shared Services Agreement.

5.6 Payment of Closing Payment. The Purchaser shall have delivered the Closing Payment specified in Section 1.1.3(a).

6. Indemnification Provisions.

6.1 Indemnification.

6.1.1 After the Closing, the Company shall indemnify and hold the Purchaser and its officers, managers, directors, members, shareholders, partners and affiliates (each a "***Purchaser Indemnified Party***" and collectively the "***Purchaser Indemnified Parties***") harmless from, and reimburse each of the Purchaser Indemnified Parties for, any loss, damages, liabilities or expenses (including, without limitation, attorney and paralegal fees and costs) resulting or arising from (i) a breach of any representation or warranty of the Company which is contained in this Agreement and/or any of the Transaction Documents, (ii) the Company's breach of or failure to perform, comply with or fulfill any covenant or agreement of the Company contained in this Agreement (other than with respect to Section 1.6 hereof) and/or (iii) any debt of the Company incurred or outstanding on or prior to the date of the Closing, any claims related to product liability and/or employees related liabilities first arising out of any event, act, omission and/or failure to act on or prior to the date of the Closing, and/or any Transaction Expenses.

6.1.2 After the Closing, the Purchaser shall indemnify and hold the Company and its officers, managers, directors, members, shareholders, partners and affiliates (each a "***Company Indemnified Party***" and collectively the "***Company Indemnified Parties***") harmless from, and reimburse each of the Company Indemnified Parties for, any loss, damages, liabilities or expenses (including, without limitation, attorney and paralegal fees and costs) resulting or arising from (i) a breach of any representation or warranty of the Purchaser which is contained in this Agreement, and/or (ii) the Purchaser's breach of or failure to perform, comply with or fulfill any covenant or agreement of the Purchaser contained in this Agreement.

6.2 Notice/Defense. Upon discovery of any breach or claim hereunder or upon receipt of any notice of any claim or suit subject to indemnification under Section 6.1 above, the Purchaser Indemnified Party or the Company Indemnified Party (each, an "***Indemnified Party***") shall promptly give notice thereof (and in no event later than 20 days after receipt of any notice thereof) to the indemnifying party stating in reasonable detail the representations, warranty or other claim with respect to which indemnity is demanded, the facts or alleged facts giving rise thereto, and the amount of liability or asserted liability with respect to which indemnity is sought and, in the case of a claim asserted against the party seeking indemnity, shall thereafter tender to the indemnifying party the defense of such claim at the sole cost and expense of the indemnifying party. Despite such a tender of defense, the Indemnified Party shall in any case have a right to participate in the defense of any such tendered claim or suit, provided, that such participation shall be at such party's sole cost and expense after the indemnifying party has accepted such tender of defense. In the event the indemnifying party does not promptly and affirmatively accept within thirty (30) days thereafter such tender of defense of any claim or suit and thereafter use commercially reasonable efforts to pursue such defense, then the indemnifying party shall thereafter additionally become liable for the reasonable costs incurred by the Indemnified Party (including reasonable attorneys' and paralegals' fees and costs) in enforcing such indemnification claim and/or defending against such claim or suit which is subject to indemnification, provided, that the Indemnified Party shall defend such claim or suit in good faith.

6.3 Additional Indemnification Issues.

6.3.1 The representations, warranties, covenants and agreements contained in this Agreement (including exhibits the schedules hereto) shall survive the Closing. The Company will have no liability, obligation or commitment of any kind or nature, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due (each, a "Liability"), with respect to any claim for any breach or inaccuracy of any representation or warranty in this Agreement or any breach of a covenant or agreement in this Agreement, unless the Purchaser notifies the Company of such a claim on or before the date that is eighteen (18) months from the date of the Closing; provided, however, that any claim for any breach or inaccuracy of any Fundamental Representation of the Company may be made at any time until the date that is 90 days after the expiration of the applicable statute or period of limitations. The Purchaser will have no Liability with respect to any claim for any breach or inaccuracy of any representation or warranty in this Agreement or any breach of a covenant or agreement in this Agreement unless the Company notifies the Purchaser of such a claim on or before the date that is eighteen (18) months from the date of the Closing; provided, however, that any claim for any breach or inaccuracy of any Fundamental Representation of the Purchaser may be made at any time until the date that is 90 days after the expiration of the applicable statute or period of limitations. If the Company or the Purchaser, as applicable, provides proper notice of a claim within the applicable time period set forth above, Liability for such claim will continue until such claim is resolved.

6.3.2 Any liability arising under any claim made under Section 6.1.1 may be, in the Purchaser's option, set off against all or a portion of any unsatisfied obligations (if any are not promptly (but, in any event, within 20 days after the date of the notice of such claim or suit subject to indemnification under Section 6.1.1) satisfied) by the Purchaser to the Company by placing the funds equal to such set off with Branch Banking & Trust Company or, if Branch Banking & Trust Company refuses to act as an escrow agent or refuses to sign the Escrow Agreement (as defined below) in the form attached hereto on Exhibit D, another financial institution operating in the United States of America (the "***Escrow Agent***") pursuant to an Escrow Agreement, to be entered into between the Company, the Purchaser and the Escrow Agent in a form substantially similar to the form attached hereto as Exhibit D (the "***Escrow Agreement***"); it being understood and agreed, however, that the rights of the Indemnified Parties are not limited by any such obligations (if any). The Escrow Agreement shall provide that the Escrow Agent shall disburse the amounts of such set off, plus interest accused thereon less the escrow fees, if any, to either the Company or the Purchaser as is determined by a written settlement agreement among the Company and the Purchaser or by a final, non-appealable order of a court of competent jurisdiction.

6.3.3 The maximum aggregate Liability of each of the Company and the Purchaser with respect to the matters described in this Section 6 will be limited to an amount equal to 25% of the Consideration (the "***Cap***"); provided, however, that any claim relating to any Fundamental Representation will not be subject to the Cap, but shall not exceed, subject to Section 6.3.4 below, $12,000,000 in the aggregate.

6.3.4 No Indemnified Party shall seek, or be entitled to, incidental, indirect, punitive, special or consequential damages in any claim for indemnification under this Section 6 (except insofar as the same are part of a third party claim subject to indemnification), nor shall it accept payment of any award or judgment for such indemnification to the extent that such award or judgment includes such party's incidental, indirect, punitive, special or consequential damages (except insofar as the same are part of a third party claim subject to indemnification). Any amounts payable under this Section 6 shall be treated by the Purchaser and the Company as an adjustment to the Consideration.

7. Guaranty.

7.1 Guaranty of 2019 Payment and In-Kind Consideration. Motorsport Network, the owner of 100% of the issued and outstanding equity of Purchaser ("***Guarantor***"), (a) hereby acknowledges the significant consideration received by and afforded to Guarantor by virtue of the benefits to Purchaser contemplated by this Agreement, and (b) in consideration thereof and subject to the terms of this Section 7.1 hereby irrevocably and unconditionally guaranties to Company the prompt and complete payment of the 2019 Payment and performance (but, for avoidance of doubt, not the payment) of the In-Kind Consideration (the "***Guaranteed Obligations***") as and when the same shall become due and payable with respect to the 2019 Payment or due to be performed, in each case under the terms of this Agreement (the "***Guaranty***"). With respect to the 2019 Payment, it is the express intent of Guarantor that the guaranty set forth herein shall be a guaranty of payment of the 2019 Payment and not a guaranty of collection.

7.2 Performance. In the event that Purchaser fails to make any payment or perform (as applicable) of the Guaranteed Obligations on or prior to the due date thereof, Guarantor, as soon as reasonably practicable, but in no event later than ten (10) Business Days following the due date, shall cause, as applicable, such 2019 Payment to be made to the Company in the manner provided in Section 1.1.3(b) of this Agreement or such In-Kind Consideration to be performed in the manner provided in Section 1.1.3(c) of this Agreement. The Guarantor shall reimburse the Company for all reasonable and duly documented costs and expenses (including without limitation fees and expenses of external legal counsel) incurred in connection with the enforcement of this Guaranty.

7.3 Primary Obligations. This Guaranty is a primary and original obligation of Guarantor, is not merely the creation of a surety relationship, and is an absolute and continuing guaranty of payment which shall remain in full force and effect without respect to future changes in conditions. Guarantor hereby agrees that it is directly liable to the Company, that the obligations of Guarantor hereunder are independent of the obligations of Purchaser or any other guarantor, and that a separate action may be brought against Guarantor, whether such action is brought against Purchaser or any other guarantor or whether Purchaser or any other guarantor is joined in such action. Guarantor hereby agrees that its liability hereunder shall be immediate and shall not be contingent upon the exercise or enforcement by the Company of whatever remedies they may have against Purchaser. Guarantor consents and agrees that the Company shall not be under any obligation to marshal any property or assets of Purchaser or any other guarantor in favor of Guarantor, or against or in payment or performance (as applicable) of any or all of the Guaranteed Obligations, or to pursue any other right or remedy the Company may have against the Purchaser. If the Company is prevented under applicable law or otherwise from demanding payment or performance (as applicable) of the Guaranteed Obligations by reason of any automatic stay, the Company shall be entitled to receive from Guarantor, upon demand therefor, the sums which otherwise would have been due had such demand occurred.

7.4 Waivers.

7.4.1 To the fullest extent permitted by applicable law, Guarantor hereby waives: (a) notice of acceptance hereof; (b) notice of any adverse change in the financial condition of Purchaser or any other guarantor or of any other fact that might increase Guarantor's risk hereunder; (c) notice of presentment for payment or performance (as applicable), demand, protest, and notice thereof as to the Guaranteed Obligations; (d) any right by statute or otherwise to require the Company to institute suit against Purchaser or to exhaust any rights and remedies which the Company has or may have against Purchaser or any other guarantor; (e) except with respect to (i) the right of set-off provided in Section 6.3.2 and (ii) any defense that the Guaranteed Obligations or a part thereof is not earned and/or due under the terms of this Agreement, any right to assert against the Company, any defense (legal or equitable), set-off, counterclaim or claim which Guarantor may now or at any time hereafter have against Purchaser or any other party liable to the Company; (f) any defense (legal or equitable), set-off, counterclaim or claim of any kind or nature, arising directly or indirectly from the present or future lack of validity or enforceability of the Guaranteed Obligations; and (g) any right or defense arising by reason of any claim or defense based upon an election of remedies by the Company. In this regard, Guarantor agrees that it is bound to the payment or performance (as applicable) of the Guaranteed Obligations as fully as if the Guaranteed Obligations were directly owing (when and to the extent earned under the terms of this Agreement) to the Company by Guarantor. Guarantor further waives any defense arising by reason of any defense (other than the defense that the Guaranteed Obligations shall have been indefeasibly paid or performed (as applicable) in the manner provided for by the Agreement) of Purchaser or by reason of the cessation from any cause whatsoever of the liability of Purchaser in respect thereof.

7.4.2 Until such time as the Guaranteed Obligations has been finally and indefeasibly paid or performed (as applicable) in the manner provided for by the Agreement: (a) Guarantor hereby postpones any right of subrogation Guarantor has or may have as against Purchaser or any other person with respect to the Guaranteed Obligations; and (b) Guarantor hereby postpones any right to proceed against Purchaser or any other Person, now or hereafter, for contribution, indemnity, reimbursement, or any other suretyship rights and claims (irrespective of whether direct or indirect, liquidated or contingent), with respect to the Guaranteed Obligations.

7.4.3 Without limiting the generality of any other waiver or other provision set forth in this Guaranty, Guarantor hereby agrees as follows: (a) the Company's right to enforce this Guaranty is not contingent upon the legal enforceability of the Agreement against the Purchaser or the financial inability of Purchaser to pay or perform (as applicable) the Guaranteed Obligations due to the bankruptcy or otherwise of Purchaser; (b) the enforceability of this Guaranty against Guarantor shall continue until Guarantor is released by the Company or this Guaranty expires as set forth below; and (c) Guarantor waives the right to require the Company to (i) proceed against Purchaser or any other Person in connection with the Guaranteed Obligations, or (ii) pursue any other right or remedy for Guarantor's benefit, and agrees that the Company may exercise its right under this Guaranty without taking any action against Purchaser, any other guarantor of the Guaranteed Obligations or any other Person in connection with the Guaranteed Obligations.

7.5 Expiration. This Guaranty, all rights and obligations of Guarantor with respect to this Agreement, shall expire (i) with respect to the 2019 Payment, on the earlier of (a) date that the 2019 Payment is paid in full, (b) the reduction of the 2019 Payment to zero as a result of the adjustment set forth in Section 1.3.1 and (c) termination of the 2019 Payment pursuant to Section 1.3.2; and (ii) with respect to the In-Kind Consideration, the date that is 48 months after the Closing.

7.6 Other. For the avoidance of doubt, nothing in this Agreement shall preclude or restrict Guarantor from entering into any other guaranties or similar arrangements with any other persons or entities, incurring debt and/or operate its business in Guarantor's sole and absolute discretion.

8. Miscellaneous.

8.1.1 Definitions. For the purposes of this Agreement, the following definitions shall apply:

8.1.2 "***Executive Order***" means Presidential Executive Order No. 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, 66 Fed. Reg. 49079 (Sept. 25, 2001).

8.1.3 "***Fundamental Representation***" means (a) with respect to the Company, any representations or warranties of the Company in Sections 2.1 (Organization), 2.2.1 (Authorized and Issued Stock), 2.2.2 (Agreements for Purchase of Shares), 2.2.3 (Outstanding Securities), 2.2.4 (Post-Closing Capitalization Table), 2.4 (Authorization), 2.5 (Corporate Power), 2.6.1 (Valid Issuance of Shares), 2.20 (Environmental Laws and Regulations), 2.12 (Title to Property and Assets), 2.14 (Tax Returns and Payments) and 2.31 (Brokers or Finders); and (b) with respect to the Purchaser, any representations or warranties of the Purchaser in Sections 3.1 (Organization and Good Standing), 3.2 (Authorization), 3.9 (Accredited Investor) and 3.14 (Brokers or Finders).

8.1.4 "***IEEPA***" means the International Emergency Economic Powers Act.

8.1.5 "***Knowledge***" or "***knowledge***" of the Company (or similar terms or phrases) shall mean (a) the actual knowledge of a Knowledge Party and (b) the knowledge that such Knowledge Party should have in the reasonable exercise or his or her professional duties to the Company.

8.1.6 "***Knowledge Party***" shall mean any of Ed Martin, Paul Brooks or Michelle Baker Dillon.

8.1.7 "***Liquidity Event***" shall mean (a) any consolidation or merger of the Company with or into any such other business or businesses, (b) any sale, conveyance or disposition of all or substantially all of the assets of the Company, (c) any transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Company is disposed of and (d) any other form of acquisition of the Company.

8.1.8 "***Material Adverse Effect***" shall mean any change or event that is materially adverse to (a) the Company or its financial condition, results of operations, assets, liabilities, properties, prospects or business, taken as a whole and/or (b) the ability of the Company to consummate the transactions contemplated hereby and by the Transaction Documents on a timely basis; provided, however, that any changes or events resulting from the following items shall not be considered when determining whether a Material Adverse Effect has occurred: (i) changes in economic, political, regulatory, financial or capital market conditions generally or in the industries in which the Company operates, (ii) any acts of war, sabotage or terrorist activities or any changes imposed by any governmental entity, (iii) effects of weather or meteorological events, (iv) any change of law, accounting standards, regulatory policy or industry standards after the date hereof, (v) the announcement, execution, delivery or performance of any Transaction Document or the consummation of any transaction contemplated by any Transaction Document, (vi) any actions taken by, or at the written request of, the Purchaser or its representatives (including any breach by the Purchaser of any Transaction Document) and (vii) any actions required to be taken pursuant to any Transaction Document; provided, further, that with respect to clauses (i) through (iv), the impact of such change, occurrence, event or effect is not disproportionately adverse to the Company, taken as a whole, as compared to other similarly situated companies.

8.1.9 "***Permitted Encumbrance***" shall mean (a) any mechanic's, materialmen's or similar statutory lien incurred in the ordinary course of business of the Company for monies not yet due, (b) any lien for taxes not yet due, (c) any purchase money lien or lien securing rental payments under capital lease arrangements to the extent related to the assets purchased or leased, (d) any recorded easement, covenant, zoning or other restriction on the real property that, together with all other Permitted Encumbrances, does not prohibit or impair the current use, occupancy, value, or marketability of title of the property subject thereto, (e) any lien on any leased real property in favor of a creditor of the lessor or sublessor who leases such leased real property to the Company.

8.1.10 "***Prohibited Person***" means any person: (a) listed in the annex to, or is otherwise subject to sanctions provided in, the Executive Order; (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the annex to, or is otherwise subject to the provisions of the Executive Order; (c) with whom the Company is prohibited from dealing or otherwise engaging in any transaction by any anti-money laundering laws or anti-terrorism laws, including the USA Patriot Act and the Executive Order; (d) that is specified on the most current List of Specially Designated Nationals and Blocked Persons published by the OFAC at its official website, www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf or at any replacement website or other replacement official publication of such list or, to the Knowledge of the Company, is named on any similar list issued post-September 11, 2001 by any U.S. or foreign governmental authority; (e) that is covered by or subject to (or is resident, organized or otherwise located in any country that is covered by or subject to) sanctions under the IEEPA, the TEA or any other applicable laws imposing economic sanctions against or prohibiting transacting business with, for or on behalf of any country, region or individual pursuant to United States law or United Nations resolution; (f) that is named on any applicable list of known suspected terrorists, terrorist organizations or of other sanctioned persons issued by any governmental authority of any jurisdiction in which a Person has conducted or is conducting business; or (g) to the Knowledge of the Company, that is an affiliate (including any principal, officer, immediate family member or close associate) of a person described in one or more of clauses (a) - (f) of this definition of Prohibited Person.

8.1.11 "***TEA***" means the Trading with the Enemy Act.

8.1.12 "***Transaction Expenses***" means all fees and expenses incurred by the Company or at or prior to the Closing in connection with the preparation, negotiation and execution of this Agreement and the Transaction Documents, and the performance and consummation of the transactions contemplated hereby and thereby.

8.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. This Agreement, and the right and obligations set forth herein, shall not be transferred or assigned without the prior consent of the parties hereto, and any transfer or assignment in violation of such restriction shall be null and void. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

8.3 Governing Law; Venue; Waiver of Jury Trial. This Agreement shall be governed by and construed under the laws of the State of Delaware, irrespective of its choice of law principles. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal court sitting in Miami-Dade County, Florida, and if such court will not or cannot hear the case for any reason, the exclusive jurisdiction of any court of the State of Florida sitting in Miami-Dade County, Florida in respect of any action, suit or proceeding arising in connection with this Agreement and the Transaction Documents and the transactions contemplated hereby and thereby, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein). Any and all process may be served in any action, suit or proceeding arising in connection with this Agreement by complying with the provisions of Section 8.6. Such service of process shall have the same effect as if the party being served were a resident in the State of Florida and had been lawfully served with such process in such jurisdiction. The parties hereby waive all claims of error by reason of such service. Nothing herein shall affect the right of any party to serve process in any other manner permitted by law. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND THE TRANSACTION DOCUMENTS AND CONSENT TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.

8.4 Press Release. Any press release or general media communication issued by the Company regarding the transactions contemplated by this Agreement must be approved by the Purchaser. All expenses in connection with such release or communication shall be borne by the Company.

8.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

8.6 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or, if sent by telex or telecopier, upon receipt of the correct answer back, or upon deposit with the United States Post Office, by registered or certified mail, or upon deposit with an overnight air courier, in each case postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten days' advance written notice to the other parties, or if sent by electronic mail to the email address indicated for such party on the signature page hereof, or at such other email address as such party may designate by ten days' advance written notice to the other parties.

8.7 Finders' Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. The Company shall indemnify and hold harmless the Purchaser from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Purchaser or any of its constituent partners, members, stockholders, officers, directors, employees, managers, officers of any affiliate of the Purchaser or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 2.31. The Purchaser shall indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its stockholders, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties of the Purchaser contained in this Section 8.7.

8.8 Expenses; Attorneys' Fees. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party all fees, costs and expenses of the prevailing party in enforcing or interpreting this Agreement, including, without limitation, such reasonable attorneys' and accountants' fees, costs and necessary disbursements (including, without limitation, all fees, costs and expenses of appeals) in addition to any other relief to which such party may be entitled.

8.9 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Purchaser (and as to Section 7, the Guarantor). Any amendment or waiver effected in accordance with this Section 8.9 shall be binding upon each future holder of all Shares purchased hereunder.

8.10 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

8.11 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, term sheets, letters, discussions and understandings of the parties in connection therewith.

8.12 Assurances. Each party to this Agreement shall execute all instruments and documents and take all actions as may be reasonably required to effectuate this Agreement, whether before, concurrently with or after the consummation of the transactions contemplated hereby.

8.13 Representation. Each party to this Agreement acknowledges that Snell & Wilmer L.L.P. ("***Snell & Wilmer***"), outside counsel to the Purchaser has represented solely the Purchaser in the transactions contemplated by the Transaction Documents and may have in the past, or presently, represent the Purchaser. Snell & Wilmer has served as outside counsel to the Purchaser and has assisted in negotiations of the terms of the transactions contemplated by the Transaction Documents solely on behalf of the Purchaser. The Company hereby (a) acknowledges that it has had an opportunity to ask for and have obtained information relevant to such representation, including disclosure of the reasonably foreseeable adverse consequences of such representation; (b) acknowledge that with respect to the transactions contemplated by the Transaction Documents, Snell & Wilmer has represented solely the Purchaser, and not the Company not any stockholder, director or employee of the Company; and (c) gives its informed consent to Snell & Wilmer's representation of the Purchaser in in the transactions contemplated by the Transaction Documents. Snell & Wilmer is hereby expressly made a third party beneficiary of this Agreement for purposes of this Section 8.13.

8.14 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

8.15 Remedies. In case any one or more of the representations, warranties, covenants or agreements set forth in this Agreement shall have been breached by a party hereto, the non-breaching parties hereto may proceed to protect and enforce their rights either by suit in equity or by action at law, including, but not limited to, an action for damages as a result of any such breach or an action for specific performance of any such covenant or agreement. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

8.16 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

8.17 Specific Performance.

8.17.1 The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto or to their heirs, personal representatives, or assigns by reason of a failure to perform any of the obligations under this Agreement and agree that the terms of this Agreement shall be specifically enforceable. If any party hereto or his heirs, personal representatives, or assigns institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party or such personal representative has an adequate remedy at law, and such person shall not offer in any such action or proceeding the claim or defense that such remedy at law exists.

8.17.2 If as of the date of the Closing the representation of the Company in Section 2.2.4 of this Agreement is breached because any person owns or has a legally binding and enforceable right to own shares of the capital stock of the Company (or securities convertible for shares of such capital stock), and such ownership or right causes the Purchaser to own less than own fifty one percent (51%) of the capital stock of the Company, calculated on a fully diluted basis as of the date of the Closing (the "***Minimum Threshold***"), the Purchaser may elect in lieu of its rights under Section 6.1.1 to require the Company to issue such number of shares of Common Stock (with the same powers, preferences and other rights held by the other Common Stock of the Company) necessary to cause the Purchaser to own the Minimum Threshold. For the avoidance of doubt, the calculation of the Minimum Threshold shall exclude any and all stock appreciation rights, phantom stock rights or other rights that are not convertible for shares of the capital stock of the Company.

8.18 No Third Party Beneficiaries. Except as set forth in Section 8.13 and except for the provisions of Section 6 relating to indemnified parties, this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, including any employee or former employee of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

8.19 Execution of Agreement; Counterparts. This Agreement may be executed and delivered (including by facsimile, .pdf or similar electronic transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Company:

704GAMES COMPANY

By: */s/ Paul Brooks*

Name: Paul Brooks

Title: Chief Executive Officer

Address: 550 South Caldwell Street, 17th Floor
Charlotte, NC 28202
Attn: Chief Executive Officer
email: paul@704games.com

Purchaser:

MOTORSPORT GAMING US LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

Address: 5972 NE 4th Avenue
Miami, FL 33137
Attn: Legal
email: amanda@motorsport.com
Attn: Yura Barabash
email: yb@motorsport.com

Solely for Purposes of Section 7:

Motorsports Network, LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

Address: 5972 NE 4th Avenue
Miami, FL 33137
Attn: Legal
email: amanda@motorsport.com
Attn: Yura Barabash
email: yb@motorsport.com

EXHIBITS

Exhibit A	Form of Stockholders' Agreement
Exhibit B	Form of Shared Services Agreement
Exhibit C	Form of Employment Agreements
Exhibit D	Form of Escrow Agreement

Exhibit A

FORM OF STOCKHOLDERS' AGREEMENT

[See Exhibit 10.4 to the Registration Statement]

Exhibit B

FORM OF SHARED SERVICES AGREEMENT

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

Exhibit C

FORM OF EMPLOYMENT AGREEMENTS

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

Exhibit D

FORM OF ESCROW AGREEMENT

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

Exhibit 3.1

Electronic Articles of Organization
For
Florida Limited Liability Company

L18000185473
FILED 8:00 AM
August 02, 2018
Sec. Of State
slsingleton

Article I

The name of the Limited Liability Company is:

MOTORSPORT GAMING US LLC

Article II

The street address of the principal office of the Limited Liability Company is:

5972 NE 4TH AVENUE
MIAMI, FL. US 33137

The mailing address of the Limited Liability Company is:

5972 NE 4TH AVENUE
MIAMI, FL. US 33137

Article III

The name and Florida street address of the registered agent is:

AMANDA LECHEMINANT
5972 NE 4TH AVENUE
MIAMI, FL. 33137

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: AMANDA LECHEMINANT

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
MIKE ZOI
5972 NE 4TH AVENUE
MIAMI, FL. 33137 US

L18000185473
FILED 8:00 AM
August 02, 2018
Sec. Of State
slsingleton

Article V

The effective date for this Limited Liability Company shall be:

08/02/2018

Signature of member or an authorized representative

Electronic Signature: AMANDA LECHEMINANT

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain “active” status.

Exhibit 3.2

OPERATING AGREEMENT

OF

MOTORSPORT GAMING US LLC

THIS OPERATING AGREEMENT, effective as of August 2, 2018 (this "**Agreement**"), of MOTORSPORT GAMING US LLC, a Florida limited liability company (the "**Company**") is entered into by Motorsport Network, LLC, a Florida limited liability company, as the sole member of the Company (the "**Member**"). The Member has directed the formation of a limited liability company pursuant to and in accordance with the Florida Revised Limited Liability Company Act, as amended from time to time (the "**Act**"), and hereby agrees as follows:

1. Formation. The Company was organized under and pursuant to the provisions of the Act by filing the Articles or Organization of the Company (the "**Articles**") with the Secretary of State of the State of Florida (the "**Secretary of State**") on August 2, 2018.

2. Name. The name of the Company is MOTORSPORT GAMING US LLC.

3. Purpose and Powers. The purposes of the Company shall, subject to the provisions of the Act, be to engage in any lawful activity. The Company shall possess and may exercise all of the powers and privileges granted by or under the Act or by or under any other law or this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1. 4. Registered Office. The address of the registered office of the Company in the State of Florida is 5972 NE 4th Avenue, Miami, FL 33137.

5. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Florida are Motorsport Network, LLC, 5972 NE 4th Avenue, Miami, FL 33137.

6. Member. The name and business address of Member are as follows:

Name	Address
Motorsport Network, LLC	5972 NE 4th Avenue, Miami, FL 33137

7. Management of the Company.

(a) The Manager.

(i) The Company shall be managed by a manager appointed by the Member (the "**Manager**"). The Member hereby appoints Mike Zoi as the Manager. The Manager shall remain in office until the Manager (1) is removed by a written instrument signed by the Member, in its sole discretion, (2) resigns in a written instrument delivered to the Member or (3) if a natural person, dies or is unable to serve. In the event of any such vacancy, the Member shall fill the vacancy by appointing a substitute or replacement Manager. A person who so performs its duties shall not have any liability by reason of serving or having served as the Manager. The Manager shall not be liable under a judgment, decree or order of court, or in any other manner, for any debt, obligation or liability of the Company.

(ii) All powers to control and manage the business and affairs of the Company shall be vested exclusively in the Manager and the Manager may exercise all powers of the Company and do all such lawful acts and things as are not by statute, the Certificate or this Agreement directed or required to be exercised or done by the Member and in so doing shall have the right and authority to take all actions which the Manager deems necessary, useful or appropriate for the management and conduct of the business and affairs of the Company. All applications, instruments, contracts, agreements and documents providing for accounts with banks or other financial institutions (and the deposit, holding and transfer of the Company's funds), the conduct of the business of the Company, or the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by the Manager. The Manager shall be an "authorized person" within the meaning of the Act for purposes of executing the Company's Articles. The Member may appoint additional managers to have the duties assigned thereto pursuant to an amendment or restatement of this Agreement. The Manager may also enjoy and utilize the titles of Chief Executive Officer, Chief Financial Officer, President, Chief Operating Officer, Secretary, Treasurer, and one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers.

(b) Indemnification of the Manager. Unless otherwise provided in this Section 7, the Company shall indemnify, save harmless, and pay all judgments and claims against the Manager relating to any liability or damage incurred by reason of any act performed or omitted to be performed by the Manager in connection with the business or affairs of the Company, including reasonable attorneys' fees and costs incurred by the Manager in connection with the defense of any action based on any such act or omission, which attorneys' fees and costs may be paid as incurred. Unless otherwise provided in this Section 7, in the event of any action by the Member against the Manager, including a derivative suit, the Company shall indemnify, save harmless, and pay all expenses of the Manager, including reasonable attorneys' fees incurred in the defense of such action. Notwithstanding the provisions of this Section 7, this Section shall be enforced only to the maximum extent permitted by law and the Manager shall not be indemnified from any liability for which the fraud, intentional misconduct, gross negligence or knowing violation of the law by the Manager is or was material to the cause of action.

(c) Rights and Powers of the Member. The Member shall not have any right or power to take part in the management or control of the Company or its business and affairs or to act for or bind the Company in any way. Notwithstanding the foregoing, the Member has all the rights and powers set forth in this Agreement and, to the extent not inconsistent with this Agreement, in or under the Act. The Member has no voting rights except with respect to those matters specifically set forth in this Agreement and, to the extent not inconsistent herewith, as required in the Act.

8. Dissolution, Liquidation.

(a) The Company shall be dissolved, and its affairs shall be wound up, solely upon the first to occur of the following, unless Member elects to continue the Company to the extent permitted under the Act:

(i) At the time specified in a written consent of Member;

(ii) At any time there is no remaining member of the Company; or

(iii) At the time specified in a decree of judicial dissolution under the Act.

(b) To the fullest extent permitted by law, the foregoing constitutes the only events upon which the Company shall be dissolved and its affairs wound up.

(c) Upon the dissolution of the Company, Member, or its successors or assigns, shall conduct the winding up of the affairs of the Company. The winding up of the Company shall be complete when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made in accordance with the Act.

(d) The existence of the Company shall continue until the cancellation of the Articles as provided in the Act.

9. Capital Contributions; Membership Interests. The Member contributed the following amount, in cash, to the Company as an initial capital contribution in exchange for the membership interests in the Company in the percentage set forth below:

Name	Initial Capital Contribution	Membership Interest Percentage
Motorsport Network, LLC	$ 100	100%.

The obligation of the Member to make a capital contribution is not intended to, and shall not be for the benefit of, enforceable by or provide any rights whatsoever to any person or entity, other than the Company. No other person or entity shall have any right whatsoever, directly or indirectly, through a relationship as a creditor or otherwise with the Member or the Company, to require capital contributions by the Member.

10. Additional Contributions. Member is not required to make any additional capital contribution to the Company.

11. Distributions. Distributions shall be made to Member at the times and in the aggregate amounts determined by Member. Such distributions shall be made in accordance with, and no distribution shall be made if such distribution would violate, the Act.

12. Assignment. Member may assign or otherwise transfer or pledge in whole or in part its Membership Interest.

13. Resignation. Member may resign from the Company to the extent permitted under the Act.

14. Admission of Additional Members. Additional members of the Company may be admitted to the Company at the discretion of, and upon such terms and conditions as shall be approved by, Member.

15. Liability, Indemnification and Exculpation.

(a) Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no member or manager of the Company, including, without limitation, Member or any affiliate, officer, director, shareholder, partner, employee, representative or agent thereof or any other member of the Company (each, a "**Covered Person**" and collectively, the "**Covered Persons**"), shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

(b) Exculpation.

(i) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct or fraud.

(ii) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Member might properly be paid.

(c) Fiduciary Duty.

(i) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person.

(ii) Unless otherwise expressly provided herein, (A) whenever a conflict of interest exists or arises between Covered Persons, or (B) whenever this Agreement or any other agreement contemplated herein or therein provides that a Covered Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Company or Member, the Covered Person shall resolve such conflict of interest, taking such action or providing such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Covered Person, the resolution, action or term so made, taken or provided by the Covered Person shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of the Covered Person at law or in equity or otherwise.

(iii) Whenever in this Agreement a Covered Person is permitted or required to make a decision in (A) its "discretion" or under a grant of similar authority or latitude, the Covered Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other person, or (B) in its "good faith" or under another express standard, the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

(d) Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, willful misconduct or fraud with respect to such acts or omissions; provided, however, that any indemnity under this Section 15 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

(e) Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 15.

(f) Outside Businesses. Member may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company and any member thereof shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper. Member shall not be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and Member shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

16. Notice. Any notice or demand required or permitted to be given or made to or upon any party hereto shall be deemed to have been duly given or made for all purposes if (i) in writing and delivered by hand or overnight express courier service against receipt, or sent by certified or registered mail, postage prepaid, return receipt requested, or (ii) sent by telegram, telecopy or telex, and followed by a copy delivered or sent in the manner provided in clause (i) above, to such party at the address set forth in Section 6 hereof, or at such other address as any party hereto may at any time, or from time to time, direct by notice given to the other party in accordance with this Section 16. The date of giving or making of any such notice or demand shall be the earlier of the date of actual receipt, or five business days after such notice or demand is sent, or, if sent in accordance with clause (ii) of this Section 16, the business day next following the day such notice or demand is actually transmitted. For the purposes of this Section 16, the address of each of Member and the Company is set forth under Section 6 of this Agreement.

17. Expenses. Member will be reimbursed its reasonable costs of managing and/or participating in the management of the Company, including legal, travel, telephone, hotel, meals and related expenses. Member agrees to the extent possible to identify such expected expenses for each fiscal year of the Company and to include them in the Company's proposed budget for such year.

18. Fiscal Year. The Company's accounting period shall terminate as of December 31 of each calendar year, or as otherwise approved by Member in writing.

19. Tax Characterization and Returns. It is the intention of the Member that the Company be disregarded for federal and all relevant or applicable state tax purposes and that the activities of (and all tax matters regarding) the Company be deemed to be the activities of (and tax matters regarding) the Member for such purposes. All provisions of the Articles and this Agreement are to be construed so as to preserve that tax status. The Member is hereby authorized to file any necessary elections with any tax authorities and shall be required to file any necessary tax returns on behalf of the Company with any such tax authorities.

20. Books and Records. At all times during the continuance of the Company, proper and true books of account shall be kept wherein shall be entered particulars of (a) all moneys, goods, or effects belonging to or owing to or by the Company, or paid, received, sold, or purchased in the course of the Company's business, and (b) all such other transactions, matters, and things relating to the business of the Company as are usually entered in books of account kept by persons engaged in businesses of a like kind and character. Said books of account shall be kept at the principal office of Member or at the office of the accountant or other persons or firms retained by the Company.

21. Amendment. This Agreement may only be amended or modified by written consent of Member.

22. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Florida, without giving effect to the principles of conflicts of laws thereof, all rights and remedies being governed by said law.

23. Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any and all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

24. Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns.

25. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

26. Headings. The headings, titles, and subtitles herein are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

[Signature is on following page.]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement effective as of the day and year first above written.

MEMBER:

MOTORSPORT NETWORK, LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Sole Manager

Exhibit 3.3

FORM OF CERTIFICATE OF INCORPORATION
OF MOTORSPORT GAMES INC.,
a Delaware Corporation

MOTORSPORT GAMES INC., a corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies as follows:

ARTICLE I: The name of the Corporation is Motorsport Games Inc. (the "***Corporation***").

ARTICLE II: The address of the registered office of the Corporation in the State of Delaware is c/o Incorporating Services, Ltd., 3500 South DuPont Highway, Dover, Kent County, Delaware 19901. The name of the registered agent at that address Incorporating Services, Ltd.

ARTICLE III: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

ARTICLE IV: This Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of Common Stock authorized to be issued is [100,000,000], [_____] shares of which are designated Class A Common Stock, par value $0.0001 per share (the "***Class A Common Stock"),*** and [_____] shares of which are designated Class B Common Stock, par value $0.0001 per share (the "***Class B Common Stock***"). The total number of shares of Preferred Stock authorized to be issued is [1,000,000] shares, par value $0.0001 per share.

ARTICLE V: The rights, powers, preferences, privileges, restrictions and other matters relating to the Common Stock are as follows:

1. Definitions. For purposes of this Article V, the following definitions apply;

1.1 "***Acquisition***" means (A) any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the shares of capital stock of the Corporation immediately prior to such consolidation, merger or reorganization continue to represent a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its Parent) immediately after such consolidation, merger or reorganization (provided that, for the purpose of this Section V.1.1, all stock, options, warrants, purchase rights or other securities exercisable for or convertible into Common Stock outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of capital stock are converted or exchanged); or (B) any transaction or series of related transactions to which the Corporation is a party in which shares of the Corporation are transferred such that in excess of fifty percent (50%) of the Corporation's voting power is transferred; provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Corporation or any successor or indebtedness of the Corporation is cancelled or converted or a combination thereof.

1.2 "***Asset Transfer***" means a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Corporation.

1.3 "***Board***" means the Board of Directors of the Corporation.

1.4 "***Certificate***" means this Certificate of Incorporation.

1.5 "***Liquidation Event***" means any liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, or any Acquisition or Asset Transfer.

1.6 "***Parent***" of an entity means any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

1.7 "***Securities Exchange***" means the New York Stock Exchange, the Nasdaq Stock Market or any successor markets or exchanges.

2. Identical Rights. Except as set forth in Section V.2.2 below, shares of Class B Common Stock shall not be entitled to any dividends or distributions, including upon any liquidation, dissolution or winding up of the Corporation. Except as provided in the immediately preceding sentence and except as otherwise provided in this Certificate or required by applicable law, shares of Common Stock shall have the same rights and powers, rank equally (excluding voting and other matters as described in Section V.3 below), share ratably and be identical in all respects as to all matters, including:

2.1 Subject to the prior rights of holders of all classes and series of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock (other than the holders of Class B Common Stock with respect to only Class B Common Stock but subject to provisions set forth in Section V.2.2 below) shall be entitled to receive, when, as and if declared by the Board, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board. Any dividends paid to the holders of shares of Common Stock (other than the holders of Class B Common Stock with respect to only Class B Common Stock but subject to provisions set forth in Section V.2.2 below) shall be paid pro rata, on an equal priority, *pari passu* basis, unless different treatment of the shares of any such class or series is approved by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of such applicable class or series of Common Stock treated adversely, voting separately as a class.

2.2 The Corporation shall not declare or pay any dividend or make any other distribution to the holders of Common Stock payable in securities of the Corporation unless the same dividend or distribution with the same record date and payment date shall be declared and paid on all shares of Common Stock; provided, however, that (i) dividends or other distributions payable in shares of Class A Common Stock or rights to acquire shares of Class A Common Stock may be declared and paid to the holders of Class A Common Stock without the same dividend or distribution being declared and paid to the holders of the Class B Common Stock if, and only if, a dividend payable in shares of Class B Common Stock, or rights to acquire shares of Class B Common Stock, are declared and paid to the holders of Class B Common Stock at the same rate and with the same record date and payment date; and (ii) dividends or other distributions payable in shares of Class B Common Stock or rights to acquire shares of Class B Common Stock may be declared and paid to the holders of Class B Common Stock without the same dividend or distribution being declared and paid to the holders of the Class A Common Stock if, and only if, a dividend payable in shares of Class A Common Stock, or rights to acquire shares of Class A Common Stock are declared and paid to the holders of Class A Common Stock at the same rate and with the same record date and payment date; and provided, further, that nothing in the foregoing shall prevent the Corporation from declaring and paying dividends or other distributions payable in shares of one class of Common Stock or rights to acquire one class of Common Stock to holders of all classes of Common Stock.

2.3 If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock or subdivides or combines Class B Common Stock, then the outstanding shares of all Common Stock will be subdivided or combined in the same proportion and manner.

3. Voting Rights.

3.1 Common Stock.

(a) Class A Common Stock. Each holder of shares of Class A Common Stock will be entitled to one vote for each share thereof held at the record date for the determination of the stockholders entitled to vote on such matters.

(b) Class B Common Stock. Each holder of shares of Class B Common Stock will be entitled to ten votes for each share thereof held at the record date for the determination of the stockholders entitled to vote on such matters.

3.2 General. Except as otherwise expressly provided herein or as required by law, the holders of Class A Common Stock and Class B Common Stock will vote together and not as separate series or classes.

3.3 Authorized Shares. The number of authorized shares of common stock may be increased or decreased (but not below the number of shares of Common Stock or, in the case of a class or series of Common Stock, such class or series, then outstanding) by the affirmative vote of the holders of a majority of the voting power of the Class A Common Stock and Class B Common Stock, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law; provided, that the number of authorized shares of Class B Common Stock shall not be increased or decreased without the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, voting as a separate class.

4. Election of Directors. Subject to any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the holders of Class A Common Stock and Class B Common Stock, voting together as a single class, shall be entitled to elect and remove all directors of the Corporation.

5. Liquidation Rights. In the event of a Liquidation Event, subject to the rights of any Preferred Stock that may then be outstanding, the assets of the Corporation legally available for distribution to stockholders (other than the holders of Class B Common Stock with respect to only Class B Common Stock) shall be distributed on an equal priority, pro rata basis (based on the number of shares of Common Stock held by each) to the holders of Class A Common Stock, provided, however, that for the avoidance of doubt, consideration to be paid or received by a holder of Class A Common Stock in connection with any Liquidation Event pursuant to any employment, consulting, severance or similar services arrangement shall not be deemed to be "distribution to stockholders" for the purpose of this Section V.4.

6. Preemptive Rights. No stockholder of the Corporation shall have a right to purchase shares of capital stock of the Corporation sold or issued by the Corporation except to the extent that such a right may from time to time be set forth in a written agreement between the Corporation and a stockholder.

7. Class B Protective Provisions. The Corporation shall not, without the prior affirmative vote (either at a meeting or by written election) of the holders of two-thirds of the outstanding shares of Class B Common Stock, voting as a separate class, in addition to any other vote required by applicable law or this Certificate directly or indirectly, whether by amendment, or through merger, recapitalization, consolidation or otherwise, amend or repeal, or adopt any provision of this Certificate inconsistent with, or otherwise alter, any provision of this Certificate that modifies the voting, par value, rights, powers, preferences, special rights, privileges or restrictions of the Class B Common Stock.

8. Relinquishment of Shares of Class B Common Stock. The sole holder of Class B Common Stock will initially have the right to acquire the same number of shares of Class B Common Stock as the number of shares of Class A Common Stock acquired by such holder at the time immediately prior to the effectiveness (the "***Effective Time***") of the registration statement of the Corporation filed in connection with the IPO (the "***Initial Class A Shares***"). The number of the authorized shares of Class B Common Stock shall equal the number of shares of Class B Common Stock issued to such holder at the Effective Time. In the event such holder of Class B Common Stock relinquishes beneficial ownership of any of such holder's Initial Class A Shares at any time, one share of Class B Common Stock held by such holder will be cancelled for each such share of Initial Class A Shares no longer beneficially owned by such holder or its affiliates. Any pledge of any shares of any shares of the Initial Class A Shares by such holder or its affiliates will not constitute a relinquishment of such beneficial ownership of the Initial Class A Shares. Such holder of shares of Class B Common Stock shall not have transfer, conversion registration or economic rights with respect to such shares of Class B Common Stock.

ARTICLE VI: A. Rights of Preferred Stock. The Board is authorized, subject to any limitations prescribed by law, to provide for the issuance of shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "***Preferred Stock Designation***"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and any qualifications, limitations or restrictions thereof.

B. Vote to Increase or Decrease Authorized Shares. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any Preferred Stock Designation, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

ARTICLE VII: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

A. The business and affairs of the Corporation shall be managed by or under the direction of the Board. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

B. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

C. On or after the closing date (the "***Closing Date***") of the first sale of the Corporation's Common Stock pursuant to a firm commitment underwritten registered public offering (the "***IPO***"), any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders. At all times prior to such sale, unless otherwise provided by law, any action which may be taken at any meeting of stockholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the actions so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

D. Special meetings of stockholders of the Corporation may be called only by the Board, the Chairman of the Board, the Chief Executive Officer, or the President (in the absence of a Chief Executive Officer).

ARTICLE VIII: A. The number of directors shall initially be five and, thereafter, shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

B. Subject to the rights of the holders of any series of Preferred Stock then outstanding, the Board shall be and is divided into two classes, designated Class I and Class II. Class I shall consist of two members and Class II shall consist of three members. The Board is authorized to assign members of the Board already in office to Class I or Class II at the time such classification becomes effective.

C. Subject to the rights of the holders of any series of Preferred Stock then outstanding, each director shall serve for a term ending on the date of the second annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the Corporation's first annual meeting of stockholders held after the effectiveness of this Certificate of Incorporation; and each director initially assigned to Class II shall serve for a term expiring at the Corporation's second annual meeting of stockholders held after the effectiveness of this Certificate of Incorporation; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, disqualification, resignation or removal.

D. There shall be no cumulative voting in the election of directors. Election of directors need not be by written ballot unless the bylaws of the Corporation so provide.

E. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation or other cause (including removal from office by a vote of the stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, or by the sole remaining director, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of office of the class to which they have been elected expires, and until their respective successors are elected, except in the case of the death, resignation or removal of any director. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

F. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any directors, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE IX: A. The stockholders shall have power to adopt, amend, alter or repeal this Certificate. Any adoption, amendment, alteration or repeal of this Certificate by the stockholders shall require, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors.

B. The stockholders shall have power to adopt, amend, alter or repeal the Bylaws of the Corporation. Any adoption, amendment, alteration or repeal of the Bylaws of the Corporation by the stockholders shall require, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting as a single class.

ARTICLE X: A. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

B. If the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of the foregoing provisions of this ARTICLE X by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to actions or omissions occurring prior to, such repeal or modification.

ARTICLE XI: A. Each person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware Law. The right to indemnification conferred in this ARTICLE XI shall also include the right to be paid by the Corporation the expenses incurred in connection with any such proceeding in advance of its final disposition to the fullest extent authorized by Delaware Law. The right to indemnification conferred in this ARTICLE XI shall be a contract right.

B. The Corporation may, by action of its Board, provide indemnification to such of the employees and agents of the Corporation to such extent and to such effect as the Board shall determine to be appropriate and authorized by Delaware Law.

C. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under Delaware Law.

D. The rights and authority conferred in this ARTICLE XI shall not be exclusive of any other right which any person may otherwise have or hereafter acquire. Neither the amendment nor repeal of this ARTICLE XI, nor the adoption of any provision of this Certificate or the Bylaws of the Corporation, nor, to the fullest extent permitted by Delaware Law, any modification of law, shall eliminate or reduce the effect of this ARTICLE XI in respect of any acts or omissions occurring prior to such amendment, repeal, adoption or modification.

ARTICLE XII: To the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate or Bylaws, or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants therein; provided that, if and only if the Chancery Court dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. The federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article XII. Notwithstanding the foregoing, the provisions of this Article XII shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by the undersigned officer, thereunto duly authorized, on this __ day of _____, 2020.

MOTORSPORT GAMES INC.

By: _____

Dmitry Kozko, Chief Executive Officer

FORM OF BYLAWS
OF
MOTORSPORT GAMES INC.

* * * * *

ARTICLE 1
OFFICES

Section 1.01. *Registered Office*. The registered office of the Corporation shall be in the Dover, Kent County, Delaware 19901, State of Delaware.

Section 1.02. *Other Offices*. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 1.03. *Books*. The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2
MEETINGS OF STOCKHOLDERS

Section 2.01. *Time and Place of Meetings*. All meetings of stockholders shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors (or the Chairman in the absence of a designation by the Board of Directors).

Section 2.02. *Annual Meetings*. An annual meeting of stockholders, commencing with the year 20[20], shall be held for the election of directors and to transact such other business as may properly be brought before the meeting.

Section 2.03. *Special Meetings*. Special meetings of stockholders may be called by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, or the President of the Corporation and may not be called by any other person.

Section 2.04. *Notice of Meetings and Adjourned Meetings; Waivers of Notice*. (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended ("***Delaware Law***"), such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Unless these bylaws otherwise require, when a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time, place, if any, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) A written waiver of any such notice signed by the person entitled thereto, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.05. *Quorum*. Unless otherwise provided under the certificate of incorporation or these bylaws and subject to Delaware Law, the presence, in person or by proxy, of the holders of a majority of the voting power of the stock issued and outstanding and entitled to vote shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders present in person or represented by proxy shall adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.06. *Voting*. (a) Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized, or by proxy sent by cable, telegram or by any means of electronic communication permitted by law, which results in a writing from such stockholder or by his attorney, and delivered to the secretary of the meeting. No proxy shall be voted after three (3) years from its date, unless said proxy provides for a longer period.

(c) Votes may be cast by any stockholder entitled to vote in person or by his proxy. In determining the number of votes cast for or against a proposal or nominee, shares abstaining from voting on a matter (including elections) will not be treated as a vote cast. A non-vote by a broker will be counted for purposes of determining a quorum but not for purposes of determining the number of votes cast.

Section 2.07. *Action by Consent*. Unless otherwise restricted by the certificate of incorporation:

(a) On or after the closing date (the "***Closing Date***") of the first sale of the Corporation's common stock pursuant to a firm commitment underwritten registered public offering (the "***IPO***"), any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders; and

(b) At all times prior to such sale, unless otherwise provided by law, any action which may be taken at any meeting of stockholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the actions so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Section 2.08. *Organization*. At each meeting of stockholders, the Chairman of the Board, if one shall have been elected, or in the Chairman's absence or if one shall not have been elected, the director designated by the vote of the majority of the directors present at such meeting, shall act as chairman of the meeting. The Secretary (or in the Secretary's absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

Section 2.09. *Order of Business*. The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting.

Section 2.10. *Nomination of Directors*. Only persons who are nominated in accordance with the procedures set forth in these bylaws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 2.10, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 2.10. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; *provided, however*, that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 60 days after such anniversary date then to be timely such notice must be received by the Corporation no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such stockholder and (ii) the class and number of shares of the Corporation which are beneficially owned by such stockholder and a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder with respect to the Corporation's securities. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this bylaw. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.10, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, and the rules and regulations thereunder with respect to the matters set forth in this Section 2.10.

Section 2.11. *Notice of Business*. At any meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 2.11, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.11. For business to be properly brought before a stockholder meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; *provided, however*, that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 60 days after such anniversary date then to be timely such notice must be received by the Corporation no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting was made. A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by such stockholder and a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder with respect to the Corporation's securities and (d) any material interest of the stockholder in such business. Notwithstanding anything in the bylaws to the contrary, no business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Section 2.11. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of the bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing, provisions of this Section 2.11, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, and the rules and regulations thereunder with respect to the matters set forth in this Section 2.11.

ARTICLE 3
DIRECTORS

Section 3.01. *General Powers*. Except as otherwise provided in Delaware Law or the certificate of incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 3.02. *Number, Election and Term of Office*. The Board of Directors shall consist of five directors. The exact number of directors may from time to time be changed solely by resolution adopted by the affirmative vote of a majority of the entire Board of Directors. The Board shall be divided into two classes, designated Class I and Class II. Class I shall consist of two members and Class II shall consist of three members. Each director shall serve for a term ending on the date of the second annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided, that each director initially appointed to Class I shall serve for an initial term expiring at the corporation's first annual meeting of stockholders following the effectiveness of this provision; and each director initially appointed to Class II shall serve for an initial term expiring at the corporation's second annual meeting of stockholders following the effectiveness of this provision. Notwithstanding the foregoing, each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders.

Section 3.03. *Quorum and Manner of Acting*. Unless the certificate of incorporation or these bylaws require a greater number, a majority of the total number of directors shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting. If a quorum shall not be present at any meeting of the Board of Directors the directors present thereat shall adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.04. *Time and Place of Meetings*. The Board of Directors shall hold its meetings at such place, either within or without the State of Delaware, and at such time as may be determined from time to time by the Board of Directors (or the Chairman in the absence of a determination by the Board of Directors).

Section 3.05. *Annual Meeting*. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such place either within or without the State of Delaware, on such date and at such time as shall be specified in a notice thereof given as hereinafter provided in Section 3.07 herein or in a waiver of notice thereof signed by any director who chooses to waive the requirement of notice.

Section 3.06. *Regular Meetings*. After the place and time of regular meetings of the Board of Directors shall have been determined and notice thereof shall have been once given to each member of the Board of Directors, regular meetings may be held without further notice being given.

Section 3.07. *Special Meetings*. Special meetings of the Board of Directors may be called by the Chairman of the Board or the President and shall be called by the Chairman of the Board, President or Secretary on the written request of three directors. Notice of special meetings of the Board of Directors shall be given to each director at least three days before the date of the meeting in such manner as is determined by the Board of Directors.

Section 3.08. *Committees*. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matter: (a) approving or adopting, or recommending to the stockholders, any action or matter expressly required by Delaware Law to be submitted to the stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 3.09. *Action by Consent*. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions, are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.10. *Telephonic Meetings*. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or such committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.11. *Resignation*. Any director may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the Secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.12. *Vacancies*. Unless otherwise provided in the certificate of incorporation, vacancies on the Board of Directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors may be filled solely by a majority of the directors then in office (although less than a quorum) or by the sole remaining director. Each director so elected shall hold office for a term that shall coincide with the term of the Class to which such director shall have been elected. If there are no directors in office, then an election of directors may be held in accordance with Delaware Law. Unless otherwise provided in the certificate of incorporation, when one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in the filling of the other vacancies.

Section 3.14. *Compensation*. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses.

Section 3.15. *Preferred Stock Directors*. Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filing of vacancies, removal and other features of such directorships shall be governed by the terms of the resolutions applicable thereto adopted by the Board of Directors pursuant to the certificate of incorporation, and such directors so elected shall not be subject to the provisions of Sections 3.02, 3.12 and 3.13 of this Article 3 unless otherwise provided therein.

ARTICLE 4
OFFICERS

Section 4.01. *Principal Officers*. The principal officers of the Corporation shall be a Chief Executive Officer, President, one or more Vice Presidents, a Treasurer and a Secretary who shall have the duty, among other things, to record the proceedings of the meetings of stockholders and directors in a book kept for that purpose. The Corporation may also have such other principal officers, including one or more Controllers, as the Board may in its discretion appoint. One person may hold the offices and perform the duties of any two or more of said offices, except that no one person shall hold the offices and perform the duties of (i) President and Secretary and/or (ii) Chief Executive Officer and Secretary.

Section 4.02. *Election, Term of Office and Remuneration*. The principal officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting thereof. Each such officer shall hold office until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal. The remuneration of all officers of the Corporation shall be fixed by the Board of Directors. Any vacancy in any office shall be filled in such manner as the Board of Directors shall determine.

Section 4.03. *Subordinate Officers*. In addition to the principal officers enumerated in Section 4.01 herein, the Corporation may have one or more Vice Presidents, Assistant Treasurers, Assistant Secretaries and Assistant Controllers and such other subordinate officers, agents and employees as the Board of Directors may deem necessary, each of whom shall hold office for such period as the Board of Directors may from time to time determine. The Board of Directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4.04. *Removal*. Except as otherwise permitted with respect to subordinate officers, any officer may be removed, with or without cause, at any time, by resolution adopted by the Board of Directors.

Section 4.05. *Resignations*. Any officer may resign at any time by giving written notice to the Board of Directors (or to a principal officer if the Board of Directors has delegated to such principal officer the power to appoint and to remove such officer). The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.06. *Powers and Duties*. The officers of the Corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the Board of Directors.

ARTICLE 5
CAPITAL STOCK

Section 5.01. *Certificates for Stock; Uncertificated Shares*. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of shares represented by certificates of the same class and series shall be identical. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, or the Chief Executive Officer, President or Vice President, and by the Treasurer or an assistant Treasurer, or the Secretary or an assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation shall not have power to issue a certificate in bearer form.

Section 5.02. *Transfer of Shares*. Shares of the stock of the Corporation may be transferred on the record of stockholders of the Corporation by the holder thereof or by such holder's duly authorized attorney upon surrender of a certificate therefor properly endorsed or upon receipt of proper transfer instructions from the registered holder of uncertificated shares or by such holder's duly authorized attorney and upon compliance with appropriate procedures for transferring shares in uncertificated form, unless waived by the Corporation.

Section 5.03. *Authority for Additional Rules Regarding Transfer*. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of the stock of the Corporation, as well as for the issuance of new certificates in lieu of those which may be lost or destroyed, and may require of any stockholder requesting replacement of lost or destroyed certificates, bond in such amount and in such form as they may deem expedient to indemnify the Corporation, and/or the transfer agents, and/or the registrars of its stock against any claims arising in connection therewith.

ARTICLE 6
GENERAL PROVISIONS

Section 6.01. *Fixing the Record Date*.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by Delaware Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by Delaware Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6.02. *Dividends*. Subject to limitations contained in Delaware Law and the certificate of incorporation, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

Section 6.03. *Year*. The fiscal year of the Corporation shall commence on January 1 and end on December 31 of each year. The fiscal year of the corporation may be changed by the board of directors.

Section 6.04. *Corporate Seal*. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words “Corporate Seal, Delaware”. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 6.05. *Voting of Stock Owned by the Corporation*. The Board of Directors may authorize any person, on behalf of the Corporation, to attend, vote at and grant proxies to be used at any meeting of stockholders of any corporation (except this Corporation) in which the Corporation may hold stock.

Section 6.06. *Exclusive Forum*. To the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the corporation to the corporation or the corporation’s stockholders, (iii) any action asserting a claim against the corporation arising pursuant to any provision of the D.G.C.L. or the corporation’s Certificate of Incorporation or Bylaws, or (iv) any action asserting a claim against the corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants therein; provided that, if and only if the Chancery Court dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. The federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Notwithstanding the foregoing, the provisions of this Section 6.6 shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Section 6.07. *Amendments*. These bylaws or any of them, may be altered, amended or repealed, or new bylaws may be made, by the stockholders entitled to vote thereon at any annual or special meeting thereof or by the Board of Directors. Unless a higher percentage is required by the certificate of incorporation as to any matter which is the subject of these bylaws, all such amendments must be approved by the affirmative vote of the holders of 66⅔% of the total voting power of all outstanding securities of the Corporation then entitled to vote generally in the election of directors, voting together as a single class.

Exhibit 4.1

[FORM OF CLASS A COMMON STOCK CERTIFICATE]

Certificate No.
-[____]-

MOTORSPORT GAMES INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
CLASS A COMMON STOCK

Number of Shares
-[_____]-

SEE REVERSE FOR
CERTAIN DEFINITIONS
CUSIP: [ ]

THIS CERTIFIES THAT _____ IS THE OWNER OF _____ FULLY PAID AND NON-ASSESSABLE SHARES OF THE CLASS A COMMON STOCK, PAR VALUE OF $0.0001 PER SHARE, OF

MOTORSPORT GAMES INC.
(THE "CORPORATION")

TRANSFERABLE ON THE BOOKS OF THE CORPORATION IN PERSON OR BY DULY AUTHORIZED ATTORNEY UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY THE TRANSFER AGENT AND REGISTERED BY THE REGISTRAR. WITNESS THE SEAL OF THE CORPORATION AND THE FACSIMILE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.

DATED: _____

[Corporate Seal]
Delaware

[_____]

[_____]

MOTORSPORT GAMES INC.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT MIN ACT -	_____Custodian_____
TEN ENT -	as tenants by the entireties		(Cust) (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ HEREBY SELLS, ASSIGNS AND TRANSFERS UNTO _____

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER(S) OF ASSIGNEE(S))

_____

_____

_____

(PLEASE PRINT OR TYPEWRITE NAME(S) AND ADDRESS(ES), INCLUDING ZIP CODE, OF ASSIGNEE(S))

_____ SHARES OF THE CAPITAL STOCK REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS _____ ATTORNEY TO TRANSFER THE SAID STOCK ON THE BOOKS OF THE WITHIN NAMED CORPORATION WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED: _____ _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

_____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15).

Exhibit 10.1

SERVICES AGREEMENT

This Services Agreement (the "**Agreement**"), effective as of January 1, 2020 (the "**Effective Date**") confirms the terms on which Motorsport Network, LLC, a Florida limited liability company, having its principal office at 5972 NE 4th Avenue, Miami, Florida 33137 ("**MSN")** will provide certain services to Motorsport Gaming US LLC, a Florida limited liability company, having its principal office at 5972 NE 4th Avenue, Miami, Florida 33137 (**"MSG"**).

Whereas, MSN has the various resources and capabilities to provide the support services as set forth herein (the "**Services**");

Whereas, MSG desires to obtain such services to support its business functions;

Whereas, MSN has agreed to provide such services as a benefit to MSG.

NOW, THEREFORE, in consideration of the obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Description of Services.

1.1 Beginning as of the Effective Date, MSN will provide to MSG the following services on an exclusive, full-time basis:

i. Legal services;
ii. Development services
iii. Accounting services;

2. MSN's Obligations.

2.1 MSN shall:

i. Apply all necessary skill and expertise to the performance of the Services;
ii. Provide the Services in a timely and efficient manner;
iii. Comply with all reasonable advice, standards and instructions given by MSG;

3. MSG's Obligations.

MSG shall provide MSN with all necessary information, support and cooperation which MSN may reasonably require in order to carry out its obligations in a timely and efficient manner.

4. Term and Termination.

The Term of this Agreement is three (3) years from the Effective Date. Any extension of the Term will be subject to mutual written agreement between the parties. Either party may terminate this Agreement immediately by giving written notice to the other party. Notice by email shall be sufficient.

5. Fees.

5.1 MSG shall pay MSN monthly fees as follows:

i. Legal Services - $5,000.00 monthly, paid on a monthly basis, starting on the Effective Date of this Agreement;
ii. Development Services – on a per use basis, subject to the rates set forth in **Exhibit A**.
iii. Accounting Services - $2,500.00 monthly, paid on a monthly basis, starting on the Effective Date of this Agreement;

6. Confidentiality.

6.1 MSN acknowledges that its officers, directors, representatives, employees, and/or agents may have access to information that is treated as confidential and proprietary by MSG and its affiliates, in each case whether spoken, written, printed, electronic, or in any other form or medium (collectively, the "Confidential Information"). Any Confidential Information that MSN develops in connection with the Services, shall be subject to the terms and conditions of this clause. MSN agrees to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of MSG in each instance, and not to use any Confidential Information for any purpose except as required in the performance of the Services. MSN shall notify MSG immediately in the event he becomes aware of any loss or disclosure of any Confidential Information.

6.2 Confidential Information shall not include information that:

i. is or becomes generally available to the public other than through MSG's breach of this Agreement; or

ii. is communicated to MSN by a third party that had no confidentiality obligations with respect to such information.

7. Intellectual Property Rights.

7.1 MSG is and shall be, the sole and exclusive owner of all right, title, and interest throughout the world in and to all the results and proceeds of the Services performed under this Agreement, including but not limited to videos, articles and/or photos (collectively, the "Deliverables"), including all copyrights, trademarks, trade secrets, and other intellectual property rights (collectively "Intellectual Property Rights") therein. MSN agrees that all deliverables generated in connection with the Services are hereby deemed a "work made for hire" as defined in 17 U.S.C. § 101 for MSG. If, for any reason, any of the deliverables do not constitute a "work made for hire," MSN hereby irrevocably assigns to MSG in each case without additional consideration, all right, title, and interest throughout the world in and to the deliverables, including all Intellectual Property Rights therein.

8. Assignment.

MSN shall not assign any rights, or delegate or subcontract any obligations, under this Agreement without MSG's prior written consent. Any assignment in violation of the foregoing shall be deemed null and void. MSG may freely assign its rights and obligations under this Agreement at any time.

9. Relationship of the Parties.

MSN shall supply its services hereunder to MSG as an independent contractor and nothing in this Agreement shall create or be construed as implying a relationship of master and servant, employer and employee, or render MSN an agent or partner of MSG and MSN shall not hold themselves out as such and shall not have any right or power and shall not do or attempt to do any act to bind MSG in any way.

10. Miscellaneous.

10.1 This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

10.2 This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto, and any of the terms thereof may be waived, only by a written document signed by each party to this Agreement or, in the case of waiver, by the party or parties waiving compliance.

10.3 This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule. Each party irrevocably submits to the exclusive jurisdiction and venue of the federal and state courts located in the Miami-Dade County, Florida in any legal suit, action or proceeding arising out of or based upon this Agreement or the Services provided hereunder.

10.4 If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

10.5 This Agreement may be executed in multiple counterparts and by facsimile signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

[Signatures on Following Page]

AGREED BY:

MOTORSPORT NETWORK LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

MOTORSPORT GAMING US LLC

By: */s/ Dmitry Kozko*
Name: Dmitry Kozko
Title: CEO

Exhibit A

Development Services Rate Card

Frontend - $15/hr
Backend - $20/hr
Mobile (both platforms together) - $30/hr

Exhibit 10.2.1

EXCLUSIVE PROMOTION AGREEMENT

This Confidentiality and Non-Disclosure Agreement (the "**Agreement**") is entered into and is effective as of August 3, 2018 (the "**Effective Date**") by and between Motorsport Gaming US LLC a Florida limited liability company ("**MSG**"), on the one hand, and Motorsport Network, LLC a Florida limited liability company ("**MSN**").

WHEREAS, MSG is in the business of developing and publishing video games in the racing genre, as well as facilitating virtual racing esports activities; and

WHEREAS, MSN is in the business of creating and distributing motorsport related media and entertainment content; and

WHEREAS, the parties desire to work together to provide mutually beneficial benefits to one another.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **PROMOTION BY MSN.** To the extent that it uses its and its affiliates' various media platforms to promote business, organizations, products and services in the racing video game genre and related esports activities, MSN shall exclusively promote the businesses, organizations, products and services of MSG and its subsidiaries during the term of this Agreement (the "**Exclusive Promotion**").

2. **CONSIDERATION.** In exchange for the Exclusive Promotion set forth in Section 1, MSG agrees to give MSN an exclusive first look on any media-related activity.

3. **TERM.** This Agreement shall remain in effect from the Effective date until such date that MSN no longer holds at least a twenty percent (20%) of the current outstanding interest in MSG, at which time this Agreement will terminate automatically.

4. **CONFIDENTIALITY.** Neither of the Parties to this Agreement shall disclose to the public or to any third party the existence of this Agreement other than with the express prior written consent of the other party, except as may be required by law. Except as may be required by law or court order, all information exchanged by the parties in the process of working with each other under this Agreement not otherwise already public, will be held in confidence.

5. **GOVERNING LAW AND OTHER PROVISIONS.**

   a. No Partnership or Agency. to, establish any partnership or joint venture between the parties, constitute either party the agent of the other party, or authorize either party to make or enter into any commitments for or on behalf of the other party. Each party confirms it is acting on its own behalf and not for the benefit of any other person.
   b. No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.
   No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
   c. No one other than a party to this agreement, their successors and permitted assignees, shall have any right to enforce any of its terms.
   d. No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorized representatives).
   e. This Agreement shall at all times be governed by, construed, interpreted and enforced in accordance with the laws of the state of Florida, without giving effect to the rules or principles relating to the conflict of laws of Florida or of any other jurisdiction.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first written above.

MOTORSPORT NETWORK LLC		MOTORSPORT GAMING US LLC	
Signature:	*/s/ Mike Zoi*	Signature:	*/s/ Mike Zoi*
Name:	Mike Zoi	Name:	Mike Zoi
Title:	Manager	Title:	Manager

Exhibit 10.2.2

AMENDMENT TO EXCLUSIVE PROMOTION AGREEMENT

This Amendment to Exclusive Promotion Agreement (as defined below) is effective as of December 1, 2020 (this "**Amendment**").

WHEREAS, Motorsport Gaming US LLC, a Florida limited liability company ("**Motorsport Games**"), and Motorsport Network LLC, a Florida limited liability company ("**Motorsport Network**"), entered into that certain Exclusive Promotion Agreement, effective as of August 3, 2018 (the "**Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Section 5.d. of the Agreement allows the parties to modify the Agreement if agreed in writing by both Motorsport Games and Motorsport Network.

WHEREAS, Motorsport Games and Motorsport Network desire to amend Section 4 of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Motorsport Games and Motorsport Network hereby agree that the Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

   Amendment. Section 4 of the Agreement is hereby amended by adding the following sentence at the end of Section 4:

   "Notwithstanding the foregoing, the Parties and/or its direct and indirect parent entities shall have the right to disclose this Agreement and its terms and conditions as required by the applicable securities laws, rules and regulations."

2. **Limited Effect**. Except as expressly amended and modified by this Amendment, the Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

3. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of Florida without regard to principles of conflicts of law.

4. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

MOTORSPORT GAMING US LLC		**MOTORSPORT NETWORK LLC**	
By:	*/s/ Dmitry Kozko*	By:	*/s/ Mike Zoi*
Print name:	Dmitry Kozko	Print name:	Mike Zoi
Title:	CEO	Title:	Manager

Exhibit 10.3

PROMISSORY NOTE

(LINE OF CREDIT UP TO $10,000,000.00)

UP TO U.S. $10,000,000.00

Effective Date: April 1, 2020
Executed and Delivered in Miami, Florida

ON DEMAND (or as otherwise provided in this Note), FOR VALUE RECEIVED, the undersigned, MOTORSPORT GAMING US, LLC, a Florida company ("**Maker**"), does hereby promise to pay to the order of MOTORSPORT NETWORK, LLC, a Florida limited liability company ("**Holder**"), the principal sum of up to U.S. $10,000,000.00.

1. Interest. This promissory note (this "**Note**") bears interest at a rate of ten percent (10%) per annum, compounded quarterly (the "Interest") based upon a 365-day year.

2. Funding of Advances; Payment. The principal amount of this Note has been and shall continue to be funded by Holder to Maker in one or more advances in the amount of each such advance and on the date of each such advance (each, an "**Advance Date**") as determined by Maker and Holder (each, an "**Advance**" and collectively, the "**Advances**"). The Advance(s) and Advance Date(s) shall be set forth in Annex A attached to this Note (such Annex A to be updated from time to time after any new Advances are made). All sums payable by Maker hereunder shall be payable to Holder by wire transfer to the bank account as Holder may designate from time to time in writing, in currency as shall be legal tender at the time of payment for the payment of public and private debts in the United States of America. The entire outstanding principal balance of this Note and all accrued and unpaid interest hereunder shall be paid in full in a single payment upon demand by Holder (unless earlier payment is required in accordance with the terms and conditions of this Note, including, without limitation, paragraphs 3 and 4 below).

The undersigned Maker hereby expressly acknowledges and agrees that this Note is a demand note and matures upon issuance, and that the indebtedness hereunder shall be payable upon demand (unless earlier payment is required in accordance with the terms and conditions of this Note), and that Holder may, at any time in its sole and absolute discretion, without notice and without reason and whether or not any Event of Default (as defined below) or Corporate Event (as defined below) shall have occurred and/or exist under this Note, without notice, demand that this Note and the indebtedness hereunder be immediately paid in full. Holder may from time to time make demand for partial payments under this Note and these demands shall not preclude Holder from demanding at any time that this Note be immediately paid in full. Further, the demand nature of this Note shall not be deemed to be modified, limited or otherwise affected by any reference to any Default in this Note, and to the extent that there are any references to any Events of Default or Corporate Events hereunder.

3. Prepayment. This Note may be voluntarily prepaid by Maker in whole or in part at any time or from time to time without penalty or charge. Any partial prepayment made with respect to this Note shall reduce the outstanding principal balance hereunder.

4. Acceleration Upon Corporate Event; Acceleration Upon Event of Default. In the event Maker or any other entity in the consolidated group of Maker (including parent entity of Maker or direct or indirect subsidiary of Maker or such parent entity) consummates any capital reorganization, consolidation, joint venture, spin off, merger or any other business combination or restructuring of any nature whatsoever (a "**Corporate Event**"), the entire principal amount and all accrued and unpaid interest hereunder shall be accelerated and become payable by Maker to Holder on the date of consummation of such Corporate Event. Further, the entire unpaid principal balance of this Note shall become immediately due and payable upon the occurrence of any of the following events (each, an "**Event of Default**"):

(a) Maker shall: (i) apply for or consent to the appointment of a receiver, trustee, liquidator, or custodian of itself or of all or a substantial part of its property,(ii) admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of any of its creditors, (iv) be dissolved or liquidated in full or in part,(v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing; or

(b) Maker seeks the appointment of a receiver, trustee, liquidator, or custodian of Maker or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization, or other relief with respect to Maker or the debts thereof under any bankruptcy, insolvency, or other similar law or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) days of commencement; or

(c) Maker fails to pay the principal amount under this Note when due and payable (whether on demand by Holder or due to an Event of Default or a Corporate Event) and such failure continues for five (5) business days from the date of such failure.

5. Use of Proceeds. The entire principal amount under this Note shall be used for working capital, operations, acquisitions, investments or any other purposes of Maker as determined by Maker.

6. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses, sections or subsections contained in this Note shall not affect the enforceability of the remaining portions of this Note or any part hereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses, sections or subsections contained in this Note shall be declared invalid, this Note shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, section or sections, or subsection or subsections had not been inserted.

7. Time is of the Essence. Time shall be of the essence with respect to the terms of this Note.

8. Amendments. Except as expressly stated herein to the contrary, this Note may not be amended or modified in any way, except by a written instrument executed by Maker and Holder.

9. Assignment. No party to this Note may assign or transfer this Note, nor may any of such party's rights hereunder be assigned or transferred in any manner to any person or entity.

10. Governing Law; Venue. This Note shall be governed by and construed in accordance with the local laws of the State of Florida without reference to that state's rules regarding choice of law. The exclusive venue for all actions or disputes relating to this Note shall be a state of federal court located in Miami-Dade County, Florida and the parties irrevocably submit to personal jurisdiction before that court, and agree not to assert, by way of motion, as a defense or otherwise in any such suit, action or proceeding that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Note or the subject matter hereof may not be enforced by such court or that the court lacks personal jurisdiction over them.

11. Jury Trial Waiver. EACH OF MAKER AND HOLDER VOLUNTARILY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS NOTE OR ANY OTHER DOCUMENT RELATED HERETO, OR THE TRANSACTIONS OR OBLIGATIONS UNDER WHICH THIS NOTE WAS DELIVERED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS NOTE.

12. Presentation. All parties now or hereafter liable with respect to this Note, whether Maker, endorser or any other person or entity, hereby expressly waive presentation, demand of payment, protest, notice of demand of payment, protest and notice of non-payment, or any other notice of any kind with respect hereto.

13. Waiver. No delay or failure on the part of Holder in the exercise of any right or remedy hereunder or at law or in equity, shall operate as a waiver thereof, and no single or partial exercise by Holder of any right or remedy hereunder, under any loan agreement or security agreement, or at law or in equity shall preclude or estop another or further exercise thereof or the exercise of any other right or remedy.

14. Counterparts. This Note may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Note, facsimile signatures or signatures transmitted by electronic mail in pdf format shall be deemed originals.

IN WITNESS WHEREOF, Maker has executed this Note as of the Effective Date set forth above.

MAKER:

MOTORSPORT GAMING US LLC

By: */s/ Dmitry Kozko*
Name: Dmitry Kozko
Title: CEO

HOLDER ACCEPTS AND ACKNOWLEDGES:

MOTORSPORT NETWORK, LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

ANNEX A

Schedule of Advance(s) and Advance Date(s)
(to be updated from time to time after any new Advances are made)

Advance Date	Advance Amount (in U.S. Dollars)
September 30, 2018	$4,473,169
March 31, 2019	$1,891,322
June 30, 2019	$499,973
September 30, 2019	$428,791
December 31, 2019	$707,526
March 31, 2020	$258,917

Exhibit 10.4

STOCKHOLDERS' AGREEMENT

This STOCKHOLDERS' AGREEMENT ("**Agreement**"), effective as of August 14, 2018 (the "**Effective Date**"), is entered into by and among **Gaming Nation Inc.**, an Ontario corporation ("**GN**"), **PlayFast Games, LLC**, a North Carolina limited liability company ("**PF**"), **Leo Capital Holdings, LLC**, an Illinois limited liability company ("**Leo**"), **HC2 Holdings 2, Inc.**, a Delaware corporation ("**HC2**"), **Continental General Insurance Company**, a Texas corporation ("**CGI**"), and **Motorsport Gaming US LLC**, a Florida limited liability company ("**Motorsport**" and together with GN, PF, Leo, HC2 and CGI, the "**Stockholders**"), and **704Games Company**, a Delaware corporation (formerly DMi, Inc.) (the "**Company**"), with respect to the following:

RECITALS:

WHEREAS, the Company, GN, PF, Leo and HC2 previously entered into that certain Amended and Restated Investor Rights Agreement, dated as of April 12, 2016 (the "**Prior Agreement**").

WHEREAS, Motorsport is purchasing, concurrently with the Effective Date, from the Company 217,352 newly issued shares of the Company's common stock, par value $0.001 per share ("**Common Stock**") pursuant to that certain Stock Purchase Agreement, dated on or about the date hereof, between the Company and Motorsport (the "**Purchase Agreement**").

WHEREAS, the obligations in the Purchase Agreement are conditioned upon (i) termination of the Prior Agreement as of the Effective Date and (ii) the execution and delivery of this Agreement; and

WHEREAS, the Stockholders beneficially own the number of shares of the outstanding common stock, par value $0.001 per share, of the Company (the "**Common Stock**"), and Series A Convertible Participating Preferred Stock (the "**Preferred Stock**" and collectively with Common Stock, the "**Shares**") as follows:

Stockholder	Number of Shares
GN	41,204 shares of Common Stock
HC2	54,807 shares of Common Stock
PF	30,903 shares of Common Stock
Leo	10,301 shares of Common Stock
CGI	51,500 shares of Common Stock
Motorsport	217,352 shares of Common Stock

WHEREAS, the Stockholders and the Company desire to enter into this Agreement to supersede in its entirety the Prior Agreement and to provide for (1) certain restrictions on the transfer and disposition of the Shares, and (2) certain other terms, rights, and obligations concerning the Shares and the operations, business, and affairs of the Company, all as more specifically provided herein.

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements and covenants contained herein, the Parties agree as follows:

1. **Definitions.**

As used herein, the following words shall have the following meanings:

1.1 "**Act**" shall mean the Securities Act of 1933, as amended.

1.2 "**Affiliate**" shall mean any Person who directly or indirectly controls, is controlled by, or is under common control with the specified Person.

1.3 "**Agreement**" shall mean this Stockholders' Agreement.

1.4 "**Board**" shall mean the Board of Directors of the Company.

1.5 "**Change of Control**" means (i) the Disposition of all or substantially all of the assets of the Company to any Person; (ii) a Disposition resulting in more than fifty percent (50%) of the Shares being held by one or more Persons; or (iii) a merger, consolidation, recapitalization, reorganization or similar transaction of the Company.

1.6 "**Company**" shall mean 704GAMES COMPANY, a Delaware corporation (formerly DMi, Inc.), and its successors and assigns.

1.7 "**Disposition**" (and, in the verb form, "**Dispose**") shall mean any assignment, transfer, sale, exchange, conveyance, disposition, gift or testamentary disposition whatsoever, whether voluntary, involuntary, by operation of law or otherwise.

1.8 "**Equity Securities**" shall mean (i) any Common Stock, Preferred Stock, any other preferred stock or other security of the Company, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock, any other preferred stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock, or any other preferred stock or other security or (iv) any such warrant or right.

1.9 "**Offered Shares**" shall have the meaning set forth in Section 3.2.

1.10 "**Offering Stockholder**" shall have the meaning set forth in Section 3.2.

1.11 "**Parties**" shall mean the Company and each of the Stockholders. "**Party**" shall mean one of the foregoing.

1.12 "**Percentage Interest**" shall mean, with respect to a Stockholder as of any date, such Stockholder's portion of all outstanding Shares, expressed as a percentage, and adjusted from time to time in accordance with this Agreement. The percentage referenced in the preceding sentence shall be determined by dividing (x) the total number of Shares held by such Stockholder as of such date by (y) the total number of outstanding Shares held by all Stockholders as of such date.

1.13 "**Person**" shall mean an individual, firm, partnership, corporation, or other legal or business entity, howsoever characterized.

1.14 "**Remaining Shares**" shall have the meaning set forth in Section 3.2.

1.15 "**Remaining Stockholder**" shall have the meaning set forth in Section 3.2.

1.16 "**Securities**" shall mean and include any securities of the Company the holders of which are entitled to vote for members of the Board, including without limitation, all shares of Common Stock, Preferred Stock and any other preferred stock or other security of the Company by whatever name called, now owned or subsequently acquired by the Stockholders, however acquired, whether through stock splits, stock dividends, reclassifications, recapitalizations, conversions, similar events or otherwise.

1.17 "**Stockholder**" and "**Stockholders**" shall mean the Stockholders as reflected in the introductory paragraph above, any Stockholders subsequently added to this Agreement pursuant to Section 2.2, and their legal representatives, permitted successors, and permitted assigns.

1.18 "**Transfer**" shall mean to Dispose or pledge, encumber, hypothecate, or otherwise create a security interest, whether voluntary, involuntary, by operation of law or otherwise.

2. **Issuance of Shares.**

2.1 The Parties understand that the Shares have not been registered under the Act and have been issued in reliance in part upon the exemptions afforded under Regulation D or Section 4(a)(2) of the Act; nor have such Shares been registered or qualified under the securities laws of any state securities laws.

2.2 Subject to the restrictions and provisions of this Agreement, including Section 5.3, the Board shall be authorized to sell additional shares of Common Stock or Preferred Stock, provided that any new Stockholder executes and agrees to be bound by the terms of this Agreement by executing a counterpart to this Agreement.

2.3 Each certificate, if any, representing the Shares of the Company shall bear on the face of the same the following legend:

> "The sale or other transfer for consideration of the shares represented by this certificate or any interest therein is subject to the restrictions of a Stockholders' Agreement effective as of August 14, 2018, as the same may be amended or restated from time to time (the "**Stockholders' Agreement**"). A copy of the Stockholders' Agreement is available for inspection during normal business hours at the principal executive office of the Company. All the terms and provisions of the Stockholders' Agreement are hereby incorporated by reference and made a part of this certificate. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

3. **Transfers.**

3.1 All Transfers Limited.

(a) Except as provided in Section 3.3, no Stockholder shall Transfer any Shares (including rights to receive distributions with respect to such Shares), whether in order to secure any debt or obligation or otherwise, and whether voluntarily or involuntarily, without the complying with the provisions of Section 3.2.

(b) Subject to the restrictions of this Agreement, no Stockholder shall Dispose of all or any part (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of the Shares owned by it unless and until the transferee, and such transferee's spouse (if any) executes and delivers to the Company a counterpart signature page of this Agreement, and any spousal consent (if applicable), whereby such transferee (and such transferee's spouse, if applicable) shall become bound by the provisions of this Agreement (and the spousal consent) in the same manner and to the same extent as the other Stockholders (or their spouses, as applicable).

(c) Subject to Section 3.1(d) below, any Transfer in violation of this Section 3.1 shall be void ab initio and of no force or effect.

(d) Notwithstanding anything to the contrary contained in this Agreement or otherwise, each Stockholder may Transfer any Shares (including rights to receive distributions with respect to such Shares) to such Stockholders' Affiliate without any consent of approval of the Board, any other Stockholder and without the Legacy Director Approval.

3.2 Rights of First Refusal.

(a) Notice of Intent to Dispose. If a Stockholder wishes to Dispose of any of his, her or its Shares (an "**Offering Stockholder**"), such Offering Stockholder must first give written notice of such intent to the Company (the "**Disposition Notice**"). The Disposition Notice shall (i) be accompanied by a signed copy of any proposed Disposition agreement or offer letter and (ii) name the proposed transferee, describe such transferee's business background and specify the class and series of Shares to be sold (each, an "**Offered Share**"), the number of Offered Shares, the price per Offered Share, the payment terms the intended date of such Disposition and the other material terms and conditions to such Disposition. Promptly on receipt of the Disposition Notice, the secretary of the Company shall forward a copy of the Disposition Notice to each member of the Board.

(b) Company Right of First Refusal. For twenty (20) days following delivery of the Disposition Notice to the Company in accordance with this Agreement (the "**Company Exercise Period**"), the Company shall have the right of first refusal (but not an obligation) to purchase the Offered Shares. The purchase price and terms for such right of first refusal shall be the same price per Share and terms and conditions as those offered to the proposed transferee. If the Company exercises the option on or prior to the expiration of the Company Exercise Period, as to all or part of the Offered Shares, the Company shall give notice of that fact to the Offering Stockholder.

(c) Stockholders' Secondary Right of First Refusal. If the Company does not exercise its right of first refusal as to all of the Offered Shares on or prior to the expiration of the Company Exercise Period, then the Stockholders other than the Offering Stockholder (the "**Remaining Stockholders**") shall have a right of first refusal (but not an obligation) to purchase any Offered Shares not purchased by the Company (the "**Remaining Shares**").

(i) Notice. A copy of the Disposition Notice shall be given by the Company to the Remaining Stockholders promptly, and in any event no less than two (2) days, following the earlier of: (a) the day following the Company's election not to exercise its right of first refusal as to all of the Offered Shares; or (b) the expiration of the Company Exercise Period. The purchase price and terms for the Remaining Stockholders' right of first refusal shall be the same price per Share and terms and conditions as those offered to the proposed transferee.

(ii) Exercise. Within twenty (20) days after the delivery of the Disposition Notice to the Remaining Stockholders (the "**Stockholder Notice Period**"), any Remaining Stockholder desiring to acquire any part or all of the Remaining Shares shall deliver to the CEO or President of the Company a written election to purchase such Remaining Shares. Notwithstanding the foregoing, if more than one Remaining Stockholder wishes to purchase all of the Remaining Shares, then each Remaining Stockholder shall have the right to purchase its Percentage Interest of Remaining Shares (as determined with respect to the Remaining Stockholders) or such Remaining Shares as the Remaining Stockholders may otherwise agree among themselves, each at the same price per Share and terms and conditions as those offered to the proposed transferee.

(iii) Undersubscription of Transfer Stock. If rights of first refusal have been exercised by the Company or any Remaining Stockholders pursuant to this Section 3.2 with respect to some but not all of the Offered Stock by the expiration of the Stockholder Notice Period, then the Company shall, within three (3) days after the expiration of the Stockholder Notice Period, send written notice (the "**Undersubscription Notice**") to those Remaining Stockholders who fully exercised their right of first refusal within the Stockholder Notice Period (the "**Exercising Stockholders**"). Each Exercising Stockholder shall, subject to the provisions of this Section 3.2(c)(iii), have an additional right to purchase all or any part of the balance of any such remaining unsubscribed Remaining Shares at the same price per Share and terms and conditions as those offered to the proposed transferee. To exercise such right, an Exercising Stockholder must deliver an Undersubscription Notice to the Offering Stockholder and the Company within ten (10) days after the expiration of the Stockholder Notice Period. In the event there are two (2) or more such Exercising Stockholders that choose to exercise such right of first refusal for a total number of Remaining Shares in excess of the number available, the Remaining Shares available for purchase under this Section 3.2(c)(iii), shall be allocated to such Exercising Stockholders pro rata based on the number of shares of Offered Stock such Exercising Stockholders have elected to purchase pursuant to their rights of first refusal (without giving effect to any shares of Offered Stock that any such Exercising Stockholder has elected to purchase pursuant to the Undersubscription Notice). If the rights to purchase the remaining shares are exercised in full by the Exercising Stockholders, the Company shall immediately notify all of the Exercising Stockholders and the Offering Stockholder of that fact.

(d) Closing. Within five (5) days after the expiration of the Stockholder Notice Period or the Undersubscription Period (as applicable) the CEO or President of the Company shall notify each Remaining Stockholder who exercised its right of first refusal of the number of the Remaining Shares as to which such Remaining Stockholder's election is effective. The closing of the purchase of Offered Stock by the Company and the Remaining Stockholders (as applicable) shall take place, and all payments from the Company and the Remaining Stockholders (as applicable) shall have been delivered to the Offering Stockholder, by the later of (i) the date specified in the Proposed Disposition Notice as the intended date of the proposed transferee; and (ii) one hundred twenty (120) days after delivery of the Disposition Notice.

(e) Not All Shares Purchased. If not all of the Offered Shares are subscribed for, the Offering Stockholder is free to Dispose all of the Offered Shares not subscribed for to the transferee named in the Disposition Notice, subject to Section 3.4 hereof. This Disposition may occur at any time within forty-five (45) days following the expiration of the Stockholder Notice Period or the Undersubscription Period (as applicable) and shall be made at the price and on the terms and conditions stated in the Disposition Notice. The Offering Stockholder shall not be entitled to Dispose of the Shares without again complying with this Section unless the Offered Shares are actually Disposed of within such forty-five (45) day period to the proposed transferee named, and at the price and on the terms and conditions specified, in the Disposition Notice.

(f) Dispositions Not Subject To Right Of First Refusal. The following Dispositions ("**Permitted Dispositions**") shall not be subject to the rights of first refusal set forth in this Section 3.2:

(i) Dispositions Among Stockholders. Any Stockholder may effect the Disposition of such Shares by Disposing such Shares to another Stockholder in an arm's length transaction for said Shares' fair market value.

(ii) Inter Vivos Dispositions. Any Stockholder who is a natural person may Dispose, by inter vivos Disposition, any or all of his, her, or its Shares to a trust primarily for such Stockholder's (and/or his or her immediately family's) benefit so long as such Stockholder is and remains a trustee of the trust and, as such, has sole voting and disposition control on behalf of the trust with respect to such Shares, and provided that all terms and conditions set forth in this Agreement shall apply to such Shares as if still held by the transferor Stockholder. Any Shares Disposed pursuant to this Section 3.2(b) subsequently may be Disposed back to the Disposing Stockholder, in which case the terms and conditions of this Agreement shall also apply.

(iii) Company Repurchase Rights. The Company may repurchase Shares from any Stockholder at the lower of cost or the then current fair market value for such Shares pursuant to the terms of any separate written agreement to which such Stockholder is a party containing vesting or repurchase provisions with respect thereto.

(iv) Drag-Along or Tag-Along. A Disposition may be effected pursuant to (1) the exercise of the drag-along rights set forth in Section 3.3 and (2) the tag-along rights set forth in Section 3.4 hereof.

(v) Equityholder Disposition. Any Stockholder who is a corporation, limited partnership or limited liability company may effect the Disposition of such Shares by Disposing such Shares to its stockholders, members, partners or Affiliates.

3.3 Drag-Along Rights

(a) Participation. If the holders of at least 85% of the Company's then issued and outstanding voting securities approve or agree to effect (the "**Approving Stockholders**") a Change of Control (a "**Drag-Along Sale**"), then, each Stockholder (each, a "**Drag-Along Stockholder**") shall participate in such Drag-Along Sale in the manner set forth in this Section 3.3.

(b) Sale of Stock; Sale of Assets. Subject to compliance with Section 3.3(c) and Section 3.3(d):

(i) If the Drag-Along Sale is structured as a Change of Control involving the sale of Shares, then each Drag-Along Stockholder shall sell, with respect to all Shares included in the Drag-Along Sale, the same proportion of his, her or its Shares being sold by the Company's other Stockholders and holders of the Equity Securities (on an as converted into Common Stock basis), and on the same terms and conditions as the Company's other Stockholders and holders of the Equity Securities; and

(ii) If the Drag-Along Sale is structured as a sale of all or substantially all of the consolidated assets of the Company or as a merger, consolidation, recapitalization, reorganization or similar transaction of the Company or other transaction requiring the consent or approval of the Stockholders, then notwithstanding anything to the contrary in this Agreement, each Drag-Along Stockholder shall (A) vote (in person, by proxy or by written consent, as requested) all of its Shares in favor of the Drag-Along Sale (and any related actions necessary to consummate such sale) and otherwise consent to and raise no objection to such Drag-Along Sale and such related actions and (B) refrain from taking any actions to exercise, and shall take all actions to waive, any dissenters', appraisal, or other similar rights that it may have in connection with such transaction.

(c) Drag-Along Notice. The Approving Stockholders shall exercise their rights pursuant to this Section 3.3 by delivering a written notice (the "**Drag-Along Notice**") to each Drag-Along Stockholder no more than ten (10) days after the execution and delivery by all of the parties thereto of the definitive agreement entered into with respect to the Drag-Along Sale (the "**Drag-Along Agreement**") and, in any event, no later than twenty (20) days prior to the closing date of such Drag-Along Sale. The Drag-Along Notice shall attach a copy of the Drag-Along Agreement and all ancillary agreements (including any form of ancillary agreement) proposed to be executed in connection with the Drag-Along Sale and describe in reasonable detail (i) the name(s) of the parties to the Drag-Along Sale, (ii) the proposed date, time, and location of the closing of the Drag-Along Sale and (iii) the proposed amount and form of consideration in the Drag-Along Sale, including, if applicable, the purchase price per Share and the other material terms and conditions of the Drag-Along Sale.

(d) Conditions of Sale. The obligations of the Drag-Along Stockholders in respect of a Drag-Along Sale under this Section 3.3 are subject to the satisfaction of the following conditions:

(i) The consideration to be received by each Drag-Along Stockholder shall be the same form and price per Share to be received by each other Drag-Along Stockholder (on a fully diluted and exercised basis) and the terms and conditions of such sale shall be the same as those upon which each other Drag-Along Stockholder sells its Shares;

(ii) If any Drag-Along Stockholder is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-Along Stockholders;

(iii) Each Drag-Along Stockholder shall execute the same Drag-Along Agreement and any related ancillary agreements in connection with the Drag-Along Sale (in each case, as applicable) and make or provide the same representations, warranties, covenants (including covenants not to compete and other restrictive covenants), indemnities (directly to the third party purchaser and/or indirectly pursuant to a contribution agreement, as required by the Board), purchase price adjustments, escrows, and other obligations as each other Drag-Along Stockholder makes or provides in connection with the Drag-Along Sale; and

(iv) Each Drag-Along Stockholder's liability for indemnification in the Drag-Along Sale (including for the inaccuracy of any representations and warranties made by the Company), is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Drag-Along Stockholder of any representations, warranties and covenants provided by all Drag-Along Stockholders), and is pro rata in proportion to and does not exceed the amount of consideration paid to such Drag-Along Stockholder in connection with such Drag-Along Sale.

(e) Cooperation. Each Drag-Along Stockholder shall take all actions as may be reasonably necessary to consummate the Drag-Along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by each other Drag-Along Stockholder.

(f) Fees and Expenses. The fees and expenses of the Stockholders (either directly or indirectly by the Company) incurred in connection with a Drag-Along Sale and for the benefit of all Drag-Along Stockholders, to the extent not paid or reimbursed by the Company or the third party purchaser, shall be shared by all the Drag-Along Stockholders on a pro rata basis, based on the aggregate monetary consideration received by each such Stockholder in the Drag-Along Sale.

3.4 Tag-Along Rights.

(a) If a Stockholder desires to Dispose of any or all of its Shares, such Disposition is subject to the restrictions set forth in this agreement (including the rights of first refusal set forth in Section 3.2), and if there are any Remaining Shares after the expiration of the Stockholder Notice Period or the Undersubscription Period (as applicable), each Remaining Stockholder may elect to exercise its right to participate with the Offering Stockholder in the proposed Disposition (the "**Tag-Along Sale**") at the same price per Share and terms and conditions as those offered to the proposed transferee.

(b) Each Remaining Stockholder who desires to exercise its tag-along right must give the Offering Stockholder a written notice prior to the expiration of Stockholder Notice Period. If any Remaining Stockholder elects to participate in such Disposition (each such Person so electing to participate is a "**Tag-Along Stockholder**"), each Tag-Along Stockholder will be entitled to sell in the contemplated Disposition, at the same price per Share and terms and conditions, the number of Remaining Shares equal to the product of (i) the quotient determined by dividing (A) the Percentage Interest of the Tag-Along Stockholder by (B) the sum of the Percentage Interests of the Offering Stockholder and all of the Tag-Along Stockholders, *multiplied by* (ii) the number of Remaining Shares to be sold in the Tag-Along Sale. For the avoidance of doubt, all numbers included in such formula shall be determined after taking into account any Remaining Shares bought or sold (or to be bought or sold) pursuant to the Remaining Stockholders' rights of first refusal set forth in Section 3.2. For example, if there were 20 Remaining Shares, and if the Offering Stockholder's Percentage Interest at such time was 10% and if the sum of the Tag-Along Stockholders' Percentage Interests at such time was 75%, the Offering Stockholder would be entitled to sell 2.35 Remaining Shares ((10% ÷ 85%) x 20 Shares) and the Tag-Along Stockholders would be entitled to sell 17.65 Remaining Shares ((75% ÷ 85%) x 20 Shares).

(c) The Offering Stockholder will not Dispose of any of its Shares to the prospective transferee if the prospective transferee declines to allow the participation of any Tag-Along Stockholder.

(d) If the closing of such Tag-Along Sale does not occur within one hundred twenty (120) days after the date of the Disposition Notice with respect thereto, or if the actual price per Share and terms and conditions of the Tag-Along Sale are not the same price per Share and terms and conditions as those offered to the proposed transferee by the Offering Stockholder, the Tag-Along Stockholders shall be entitled to revoke their election to participate in such Tag-Along Sale, in which event any subsequent Disposition of Shares by such Offering Stockholder shall once again become subject to the provisions of Section 3.1, Section 3.2 and this Section 3.5. The exercise or non-exercise of the rights of a Stockholder hereunder to participate in one or more sales of Shares made by an Offering Stockholder shall not adversely affect a Stockholder's right to participate in subsequent sales of Shares.

(e) Dispositions Not Subject To Tag-Along Rights. Permitted Dispositions (for the avoidance of doubt, other than Permitted Distributions effected under Section 3.2(f)(iv)(2)) shall not be subject to the tag-along rights set forth in this Section 3.4.

4. **Other Agreements**.

4.1 Covenant Not to Compete; Non-Solicitation.

(a) As used in this Section 4.1, the following terms shall have the following meanings:

(i) "**Applicable Platform**" means Sony PlayStation, Microsoft Xbox, Nintendo Wii, personal computers utilizing or that will utilize from time to time during the during the Restricted Period (as defined below) Microsoft Windows as the operating system, and any mobile phone or tablet devices utilizing Apple OS X, Apple iOS, Android, Blackberry OS, Microsoft Windows or any successor platform, operating system or online version thereof, and any other similar platform, operating system or online version utilized by the Company.

(ii) "**Restricted Business**" means the business of developing, marketing, licensing and/or selling any video gaming product that (A) is playable on an Applicable Platform, (B) is licensed to the Company on an exclusive basis from time to time during the Restricted Period or developed by the Company or any of its subsidiaries exclusively for the use by the Company, and (C) that has a motorsports theme that is intended to replicate authentic motorsports racing vehicles, competition rules and structure and/or fantasy motorsports racing.

(b) In consideration for the mutual promises contained herein, each Stockholder agrees that, for a period during which any such Person holds or beneficially owns the Shares or any other securities of the Company plus three (3) years following the date after any such Person ceases to hold or beneficially own the Shares or any other securities of the Company (the "**Restricted Period**"), neither such Stockholder, nor its Affiliates, shall engage in the Restricted Business, whether directly or indirectly, as a partner, stockholder, officer, director, employee, consultant, independent contractor, agent, sole proprietor, manager or other personal or representative capacity, within the United States of America; provided, however, that nothing herein shall in any manner (i) prohibit any Stockholder or any Affiliate thereof from owning, as a passive investment, up to two percent (2%) of the outstanding equity securities of any Person listed on any national securities exchange, (ii) restrict any direct or indirect holder or beneficial owner of equity in PF, or (iii) restrict Motorsport or any of its Affiliates with respect to its development and licenses of the gaming products.

(c) Each Stockholder agrees and covenants that, during the Restricted Period, it will not, anywhere in the world, individually or collectively, directly or indirectly, cause, induce, encourage, or assist any Person to (i) call on or solicit any supplier, vendor, business partner, independent contractor, client or customer of the Company for purposes of diverting such customer to a competing business, or induce or encourage (or attempt to induce or encourage) any supplier, vendor, business partner, independent contractor, client or customer or other Person to cease conducting business with the Company; or (ii) induce or encourage (or attempt to induce or encourage) any employee of the Company to leave such employment, whether for purposes of employing or contracting any such employee in a competing business or for any other reason; provided, however, nothing in this Section 4.1(c) shall prevent or preclude any Stockholder from, directly or indirectly, (A) offering employment through public advertising or general solicitations to the public not targeting employees of the Company, or (B) soliciting, hiring, or otherwise engaging any former employee of the Company whose employment was terminated by the Company more than six (6) months prior to the date of such solicitation, hiring, or engagement.

(d) The Parties agree that to the extent any provision or portion of Section 4.1 shall be held, found, or deemed to be unreasonable, unlawful, or unenforceable by a court of competent jurisdiction, that any such provision or portion thereof shall be deemed to be modified to the extent necessary in order that any such provision or portion thereof shall be legally enforceable to the fullest extent permitted by applicable law. The Parties do further agree that any court of competent jurisdiction shall, and the Parties hereto do hereby expressly authorize, require and empower any court of competent jurisdiction to, enforce any such provision thereof in order that any such provision or portion thereof shall be enforced to the fullest extent permitted by applicable law.

4.2 Confidentiality.

(a) Each Stockholder shall keep confidential and not divulge any information (including all client lists, business plans, and analyses) concerning the Company, including its client information, assets, business, operations, financial condition, or prospects ("**Information**"), and use such Information only in connection with the operation of the Company; provided, however, that nothing herein shall prevent any Stockholder from disclosing such Information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Stockholder, (iii) to the extent compelled by legal process or required pursuant to subpoena, interrogatories or other discovery requests, (iv) to the extent necessary in connection with the exercise of any remedy hereunder, (v) to other Stockholders, (vi) to such Stockholder's legal and accounting advisors that in the reasonable judgment of such Stockholder need to know such Information or (vii) to the extent necessary in connection with such Stockholder's performance of duties to the Company as an employee or otherwise; provided, further, that in the case of clause (i), (ii) or (iii), such Stockholder shall notify the Company of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Information so disclosed is accorded confidential treatment. Upon the termination of any Stockholder's employment with the Company for any reason, such Stockholder shall promptly return all Information to the Company or provide the Company with written certification that all such Information has been destroyed.

(b) The restrictions of this Section 4.2 shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Stockholder in violation of this Agreement; (ii) is or becomes available to a Stockholder on a non-confidential basis prior to its disclosure to the receiving Stockholder, (iii) is or has been independently developed or conceived by such Stockholder without use of the Company's Information or (iv) becomes available to the receiving Stockholder on a non-confidential basis from a source other than the Company or any other Stockholder, provided, that such source is not known by the recipient of the information to be bound by any obligation of confidentiality to the Company or any disclosing Stockholder or any of their representatives.

(c) As a violation by any Party of this Section 4.2 would cause irreparable injury to the Company, and there is no adequate remedy at law for such violation, the Company shall, notwithstanding anything to the contrary herein, have the right in addition to any other remedies available, at law or equity, to equitable relief against the Stockholder from violating such provisions. The Parties hereby waive any and all defenses they may have on the grounds of lack of jurisdiction or competence of the court to grant an injunction or other equitable relief, or otherwise. The existence of this right shall not preclude any other rights and remedies at law or in equity that the Company may have.

4.3 Consent to Specific Performance under the Purchase Agreement. Each Stockholder hereby consents to the issuance of Shares to Motorsport (and waives its rights under Section 6.1 of this Agreement) to the limited extent such issuance is made pursuant to the enforcement by Motorsport of its rights under and in accordance with Section 8.17 of the Purchase Agreement, which is set forth below:

> "If as of the date of the Closing the representation of the Company in Section 2.2.4 of this Agreement is breached because any person owns or has a legally binding and enforceable right to own shares of the capital stock of the Company (or securities convertible for shares of such capital stock), and such ownership or right causes the Purchaser to own less than own fifty one percent (51%) of the capital stock of the Company, calculated on a fully diluted basis as of the date of the Closing (the "**Minimum Threshold**"), the Purchaser may elect in lieu of its rights under Section 6.1.1 to require the Company to issue such number of shares of Common Stock (with the same powers, preferences and other rights held by the other Common Stock of the Company) necessary to cause the Purchaser to own the Minimum Threshold. For the avoidance of doubt, the calculation of the Minimum Threshold shall exclude any and all stock appreciation rights, phantom stock rights or other rights that are not convertible for shares of the capital stock of the Company."

5. **Voting Provisions Relating to the Board; Special Approval Rights.**

5.1 Board Size and Composition.

(a) Each Stockholder shall vote, or cause to be voted, at a regular or special meeting of stockholders (or by written consent) all Securities owned by such Stockholder (or as to which such Stockholder has voting power or voting control) in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at five (5) directors.

(b) On the date hereof and from time to time and at all times thereafter, in any election of the Company's directors, the Stockholders shall each vote at any regular or special meeting of stockholders (or by written consent) all Securities owned by such Stockholder (or as to which such Stockholder has voting power or voting control) to elect three (3) directors nominated by Motorsport and two (2) directors nominated by the holders of a majority of the shares of the Company's capital stock held by GN, PF, Leo, HC2 and CGI.

(c) Any vote taken to remove any director elected pursuant to this Section 5.2, or to fill any vacancy created by the resignation, removal or death of a director elected pursuant to this Section 5.2, shall also be subject to the provisions of this Section 5.2.

5.2 Failure to Designate a Board Member. In the absence of any designation from the Persons or groups with the right to designate a director as specified above, the director previously designated by them and then serving shall be reelected if still eligible to serve as provided herein. The Stockholders agree to execute any written consents required to perform the obligations of this Agreement, and the Company agrees at the request of any party entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

5.3 Special Approval Rights. The Company shall not without Legacy Director Approval:

(a) Increase or decrease the number of members of the Board;

(b) Take any action which results in a Change of Control (other than in connection with a Disposition of Shares in accordance Section 3.3 or any Transfer of Shares in accordance with Section 3.1 and 3.2);

(c) Amend, alter or repeal this Agreement or the certificate of incorporation, articles of incorporation, certificate of formation, articles of organization, certificate of limited partnership, articles of limited partnership, bylaws, limited liability company agreement, operating agreement, partnership agreement, stockholder agreement, shareholder agreement or any other organizational document of the Company or any subsidiary thereof;

(d) Liquidate, dissolve or wind-up the business and affairs of the Company, effect any merger, consolidation, recapitalization, reorganization or similar transaction in which the Company is a constituent party, or effect the sale, lease, transfer, exclusive license or other Disposition, in a single transaction or series of related transactions, by the Company of all or substantially all the assets of the Company;

(e) Create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock, or increase the authorized number of shares of any class or series of capital stock;

(f) (i) Reclassify, alter or amend any existing security of the Company that is pari passu with the Common Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Common Stock in respect of any such right, preference, or privilege, or (ii) reclassify, alter or amend any existing security of the Company that is junior to the Common Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or *pari passu* with the Common Stock in respect of any such right, preference or privilege;

(g) Purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Company other than (i) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (ii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Company or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

(h) Incur any (i) obligations for borrowed money or advances, in each case in excess of $1,500,000 in any fiscal year of the Company; (ii) obligations evidenced by bonds, debentures, notes, loan agreements or similar instruments, in each case in excess of $1,500,000 in any fiscal year of the Company; (iii) indebtedness secured by any lien on property owned or acquired by such person, in each case in excess of $1,500,000 in any fiscal year of the Company; (iv) non-contingent obligations for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions, in each case in excess of $1,500,000 in any fiscal year of the Company or (v) contingent obligations in respect of the foregoing, in each case in excess of $1,500,000 in any fiscal year of the Company;

(i) Enter into or be a party to, or amend, alter or waive, any agreement or transaction with any director, officer, or employee of the Company or any Affiliate or "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person; except for agreements or transactions contemplated by this Agreement or the Purchase Agreement (other than for purposes this exception, agreements and transactions regarding claims for indemnification or escrow between the Company and any Purchaser Indemnified Party (as defined in the Purchase Agreement));

(j) Abandon the business of developing and commercializing games utilizing NASCAR intellectual property or enter into a material new line of business (other than iRacing hosting);

(k) Sell, assign, license, pledge, or encumber material assets, technology or intellectual property of the Company with aggregate value of $1,500,000 or greater, other than in the ordinary course of business;

(l) (i) Adopt, amend or terminate any incentive plans, agreements or arrangements, or (ii) increase the number of shares of capital stock reserved pursuant to any stock incentive plans or reserved for future issuance to employees or directors of, or consultants or advisors to, the Company or any of its subsidiaries pursuant to any other plan, agreement or arrangement;

(m) (i) Make an assignment for the benefit of creditors; (ii) file a voluntary petition in bankruptcy, (iii) become the subject of an order for relief or be declared insolvent in any federal or state bankruptcy or insolvency proceeding (unless such order is dismissed within ninety (90) days following entry); (iv) file a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation; (v) file an answer or other pleading admitting or failing to contest the material allegation of a petition filed against the Company in any proceeding similar in nature to those described in the preceding clause, or otherwise failing to obtain dismissal of such petition within one hundred twenty (120) days following its filing; or (vi) seek, consent to, or acquiesce in, the appointment of a trustee, receiver, or liquidator of all or any substantial part of the Company's properties;

(n) Until the earlier of the date when (i) Motorsport shall have made the 2019 Payment in accordance with the Purchase Agreement, (ii) the reduction of the 2019 Payment to zero as a result of the adjustment set forth in Section 1.3.1 of the Purchase Agreement and (iii) termination of the 2019 Payment pursuant to Section 1.3.2 of the Purchase Agreement, amend or modify, or make any expenditures or incur any obligations inconsistent with, the operating budget and business plan delivered to Motorsport on August 2, 2018 and approved and adopted by the Company's Board on August 14, 2018;

(o) Do any of the foregoing directly or indirectly or with respect to any subsidiary of the Company; and/or

(p) Agree to do any of the foregoing.

As used herein, "**Legacy Director Approval**" shall mean the prior affirmative vote or prior written consent of at least one director nominated by the holders of a majority of the shares of the Company's capital stock held by GN, PF, Leo, HC2 and CGI.

5.4 No "Bad Actor" Designees. Each Person with the right to designate or participate in the designation of a director as specified above hereby represents and warrants to the Company that, to such Person's knowledge, none of the "bad actor" disqualifying events described in Rule 506(d)(1)(i)-(viii) under the Act (each, a "**Disqualification Event**"), is applicable to such Person's initial designee named above except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Any director designee to whom any Disqualification Event is applicable, except for a Disqualification Event to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable, is hereinafter referred to as a "**Disqualified Designee**." Each Person with the right to designate or participate in the designation of a director as specified above hereby covenants and agrees (A) not to designate or participate in the designation of any director designee who, to such Person's knowledge, is a Disqualified Designee and (B) that in the event such Person becomes aware that any individual previously designated by any such Person is or has become a Disqualified Designee, such Person shall as promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

6. **Preemptive Right**.

6.1 For so long as a Stockholder holds Shares, such Stockholder shall have the pre-emptive right to purchase up to a *pro rata* percentage of all Equity Securities (as defined below) that the Company may propose to sell and issue after the date hereof, such percentage to be equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Common Stock issuable or issued upon conversion of the Securities or upon the exercise of outstanding warrants or options) of which such Stockholder is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the Securities or upon the exercise of any outstanding warrants or options) immediately prior to the issuance of the Equity Securities.

6.2 If the Company proposes to issue any Equity Securities, it shall give each Stockholder a written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Stockholder will have twenty (20) days after receiving such notice from the Company within which to exercise this preemptive right in writing by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased.

6.3 Notwithstanding anything herein to the contrary, the pre-emptive rights in this Section 6 shall not be applicable to (i) the issuance of securities that are exempted from such pre-emptive right by the unanimous written consent of the Board, (ii) issuances of securities (and issuances of securities issued upon exercise of such securities) pursuant to any equity incentive plan, option plan, or similar arrangement for directors, officers, employees or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case as duly adopted by the Board, (iii) issuances of securities in connection with the Company's acquisition of or merger with a third party entity or business with the prior approval of the Board and Legacy Director Approval pursuant to Section 5.4(d) above, (iv) issuances of securities in connection with any bank or lease financing to the Company duly approved by the Board; (v) issuances of securities in connection with any stock split or stock dividend by the Company; (vi) securities issued or issuable pursuant to options granted by the Company to Paul Brooks and Ed Martin to purchase 9,932 and 6,181 Shares of Common Stock, respectively; (vii) the Company entering into that certain amendment, which has been adopted by the board of the Company, to the warrant issued by the Company to NASCAR Team Properties to purchase 4,000 Shares of Common Stock, to the extent such amendment is entered in order to ensure that such warrant does not terminate upon the consummation of the transactions set forth in the Purchase Agreement, as well as any securities issued or issuable pursuant to such warrant; and (viii) the issuance of any Shares pursuant to the Purchase Agreement.

7. **Financial Statements; Observer Rights**.

7.1 Financial Statements**.**

(a) The Company shall deliver to each Stockholder:

(i) as soon as practicable, but in any event within twenty (20) days after the end of each fiscal year of the Company, preliminary unaudited statements of income and of cash flows for such fiscal year and an unaudited balance sheet and statement of stockholders' equity as of the end of such fiscal year, all prepared in accordance with generally accepted accounting principles in the United States ("**GAAP**") (except that such financial statements may (A) be subject to normal year-end audit adjustments; and (B) not contain all notes thereto that may be required in accordance with GAAP) (the "**Annual Financial Statement**");

(ii) as soon as practicable, but in any event within sixty (60) days after the end of each fiscal year of the Company (A) a balance sheet as of the end of such year, (B) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the annual operating plan and capital budget for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, with all such financial statements to be prepared in accordance with GAAP and audited and certified by an independent registered public accounting firm of regionally recognized standing selected by the Company (the "**Audited Financial Statements**");

(iii) as soon as practicable, but in any event within ten (10) days after the end of each of the first three (3) quarters of each fiscal year of the Company, preliminary unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments; and (B) not contain all notes thereto that may be required in accordance with GAAP) (the "**Quarterly Financial Statements**");

(iv) as soon as practicable, but in any event within twenty (20) days after the end of each of the first three (3) quarters of each fiscal year of the Company, final Quarterly Financial Statements;

(v) as soon as practicable, but in any event within thirty (30) days after the end of each of the non-quarter/year end months of each fiscal year of the Company, unaudited statements of income and an unaudited balance sheet as of the end of such fiscal month, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments; and (B) not contain all notes thereto that may be required in accordance with GAAP) (the "**Monthly Financial Statements**");

(vi) contemporaneously with the delivery of, and with respect to, the financial statements called for in Sections 7.1(a)(ii) and (iv), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Section 7.1(a)(iv)) and fairly present in all material respects the financial condition of the Company and its results of operation for the periods specified therein; and

(vii) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Stockholder may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 7.1 to provide information (A) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (B) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(b) Notwithstanding the foregoing, such financial statements shall be distributed within a time frame that will permit a Stockholder to, and shall provide such information concerning the operations of the Company as may be required for a Stockholder (or its Affiliates) to, prepare and timely submit filings with the Securities and Exchange Commission.

(c) If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

(d) Notwithstanding anything else in this Section 7.1 to the contrary, the Company may cease providing the information set forth in this Section 7.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided, however, that the Company's covenants under this Section 7.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

7.2 Observer Rights**.**

(a) As long as Leo owns at least one (1) Share of Common Stock, the Company shall invite a representative of Leo, who shall initially be Randall O. Rissman, to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree in writing to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided, further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Stockholder or its representative is a competitor of the Company.

(b) As long as HC2 owns at least one (1) Share of Common Stock, the Company shall invite a representative of HC2, who shall initially be AJ Stahl, to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree in writing to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided, further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Stockholder or its representative is a competitor of the Company.

(c) As long as PF owns at least one (1) Share of Common Stock, the Company shall invite a representative of PF, who shall initially be Brad Keselowski, to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree in writing to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided, further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Stockholder or its representative is a competitor of the Company.

(d) As long as GN owns at least one (1) Share of Common Stock, the Company shall invite a representative of GN, who shall initially be Scott Secord, to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree in writing to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided, further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Stockholder or its representative is a competitor of the Company.

7.3 Assistance with Financial Reporting and Presentations. The Company shall, and shall cause its subsidiaries and their respective officers, managers, employees and representatives to, use commercially reasonable efforts to provide such cooperation in connection with the preparation of reports and information requests pursuant to HC2's investment review requirements, applicable law or regulation, reports or presentations to Stockholders. HC2 shall provide advance notice to the Company and it should respond within a reasonable amount of time to the requests. The nature of such requests will be other financial and operational data that cannot be found in the financial statements provided in Section 7.1.

8. **Termination of Agreement**

This Agreement shall terminate on the earliest of:

8.1 Intentionally Omitted;

8.2 IPO. Upon an initial public offering of the Company's equity securities; or

8.3 One Stockholder. At such time as only one (1) Stockholder remains, the Shares of all others having been Disposed of or repurchased.

9. **Spousal Consents**. By executing this Agreement, each of the Stockholders represents and warrants that he or she has secured the permission and consent of his or her respective spouse to enter into this Agreement and fully perform his or her respective obligations hereunder. Each Party whose spouse is not a Party to this Agreement shall obtain the signature of his or her spouse on the spousal consent in the form attached hereto as Exhibit A.

10. **After-Acquired Shares**. Shares acquired subsequent to the execution of this Agreement by a Stockholder shall be subject to the provisions of this Agreement to the same extent, and in the same manner, as Shares owned by a Stockholder on the date hereof.

11. **Press Releases**. Any press release or general media communication issued by the Company and/or any a Stockholder must be approved in writing by Motorsport prior to issuance of any such press release or general media communication.

12. **Termination of the Prior Agreement and Release**. The Company, GN, PF, Leo and HC2 hereby agree that the Prior Agreement, together with any and all rights, claims, liabilities and obligations imposed upon the parties thereto, is hereby terminated and void. Each of GN, PF, Leo and HC2, for itself and for its successors and assigns, hereby releases, remises, acquits, discharges and forever frees the Company, its successors and assigns, and Company's other shareholders, officers, directors, representatives, employees and affiliates of and from any and all manner of actions, causes, causes of actions, claims for attorneys' fees, suits, debts, liabilities, accounts, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, expenses, executions, claims and demands, with respect to or relating to or arising under or out of the Prior Agreement.

13. **General Provisions**.

13.1 Acknowledgement Concerning Counsel. Each of the Stockholders and the Company acknowledges and understands that this Agreement was prepared by Snell & Wilmer L.L.P., counsel for Motorsport, and that Snell & Wilmer L.L.P. does not represent any of the other Stockholders or the Company with respect to this Agreement, but only represents Motorsport. Each other Party acknowledges that, in executing this Agreement, such Person has had the opportunity to seek the advice of independent legal counsel, and such Person has read and understood all of the terms and provisions of this Agreement. Snell & Wilmer L.L.P. is hereby expressly made a third party beneficiary of this Agreement for purposes of this Section 13.1.

13.2 Agreement to Perform Necessary Acts; Specific Performance. Each Party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Party shall be entitled to specific performance of the agreements and obligations of the other Parties hereunder and to such other injunction or other equitable relief as may be granted by a court of competent jurisdiction. Each Party to this Agreement hereby certifies all corporate, company or other requisite action with respect to such Party necessary for the authorization, execution and delivery of this Agreement by such Party and the performance of the obligations of such Party under this Agreement has been taken prior to such Party's execution and delivery of this Agreement.

13.3 Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which he, she, or it may be entitled.

13.4 Entire Agreement; Amendments. This Agreement (including the Exhibit attached hereto, which is hereby incorporated by reference and made apart hereof) constitutes the entire and final agreement among the Parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements, understandings, commitments, communications and representations made among the Parties, whether written or oral, with respect to the subject matter hereof; provided, however, that with respect to the restrictive covenants contained in Section 4, this Agreement does not supersede or replace any prior agreements between the Company and any Stockholder other than the Prior Agreement. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of all Parties to this Agreement.

13.5 Successors, Assigns, and Transferees. This Agreement shall be binding on, and shall inure to the benefit of, the Parties to it and their respective heirs, legal representative, successors, and assigns. Each transferee or any subsequent transferee of Shares of the Company, or any interest in such Shares, shall, unless this Agreement expressly provides otherwise, hold such Shares or interest in the Shares subject to all of the provisions of this Agreement and shall make no further Dispositions except as provided in this Agreement. The rights and obligations of the Stockholders hereunder are not assignable without the prior consent of the Board and Legacy Director Approval (which shall not be unreasonably withheld, delayed or conditioned). Except in connection with an assignment by the Company by operation of law to the acquirer of the Company in accordance with this Agreement, the rights and obligations of the Company hereunder may not be assigned under any circumstances.

13.6 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

13.7 Notices. Notices permitted or required under this Agreement shall be in writing and shall be given to the address on the signature page below by personal delivery (in which case notice shall be deemed given upon such personal delivery), by certified or registered mail (in which case notice shall be deemed given on the third business day after deposit with adequate postage), with next-business-day instruction by a recognized courier service (in which case notice shall be deemed given on the next business day), by electronic mail to the email address indicated for such Party on the signature page hereof (in which case notice shall be deemed given on the same date as the transmission of such email, unless such transmission occurs after regular business hours, in which case notice shall be deemed given on the next business day).

13.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, irrespective of its choice of law principles. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal court sitting in Miami-Dade County, Florida, and if such court will not or cannot hear the case for any reason, the exclusive jurisdiction of any court of the State of Florida sitting in Miami-Dade County, Florida in respect of any action, suit or proceeding arising in connection with this Agreement and the transactions contemplated hereby and thereby, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein). Any and all process may be served in any action, suit or proceeding arising in connection with this Agreement by complying with the provisions of Section 13.7. Such service of process shall have the same effect as if the party being served were a resident in the State of Florida and had been lawfully served with such process in such jurisdiction. The parties hereby waive all claims of error by reason of such service. Nothing herein shall affect the right of any party to serve process in any other manner permitted by law. THE PARTIES HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND THE TRANSACTION DOCUMENTS AND CONSENT TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.

13.9 Captions and Pronouns. The captions of sections in this Agreement are for the convenience of the reader only and are not intended to be part of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identification of the person, firm, corporation, or other entity referred to may require.

13.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or .PDF delivered via email will constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date set forth above.

704GAMES COMPANY

By: */s/ Paul Brooks*

Name: Paul Brooks

Title: Chief Executive Officer

Address: 550 South Caldwell Street, 17th Floor
Charlotte, NC 28202

Attn: Chief Executive Officer

Email: paul@704games.com

PLAYFAST GAMES, LLC

By: */s/ Paul Brooks*

Name: Paul Brooks

Title: Managing Member

Address: 2500 Red Fox Trl
Charlotte, NC 28211

Attn: Paul Brooks

Email: paul@peaklandplace.com

GAMING NATION INC.

By: */s/ Scott Secord*
Name: Scott Secord
Title: President/CEO

Address: 207 Queens Quay, Suite 500
Toronto, ON

Attn:
Email: ssecord@gamingnationinc.co

HC2 HOLDINGS 2, INC.

By: */s/ Michael J. Sena*
Name: Michael J. Sena
Title: Chief Financial Officer

Address: 450 Park Avenue, 30th Floor
New York, NY 10022

Attn: Michael J. Sena
Email: msena@hc2.com

LEO CAPITAL HOLDINGS, LLC

By: */s/ Randy Rissman*
Name: Randy Rissman
Title: Manager

Address:

Attn:
Email:

CONTINENTAL GENERAL INSURANCE COMPANY

By: */s/ James P. Corcoran*

Name: James P. Corcoran

Title: Executive Chairman

Address: 450 Park Avenue, 30th Floor
New York, NY 10022
Attn: James P. Corcoran

Email: jpcorcoran@jpcorcoran.com

MOTORSPORT GAMING US LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

Address: 5972 NE 4th Avenue
Miami, FL 33137
Attn: Legal and Yura Barabash
Email: amanda@motorsport.com and
yb@motorsport.com

EXHIBIT A

SPOUSAL CONSENT

I acknowledge that I have read the foregoing Stockholders' Agreement (the "Agreement"), and that I know and understand its contents. I am aware by its provisions, my spouse agrees to sell the shares of the capital stock ("Shares") of 704GAMES COMPANY, a Delaware corporation, including my interest in them, upon certain events. I hereby approve of the provisions of the Agreement and consent to such sale; and I agree that I will not make any transfer of, or otherwise deal with, the Shares of my interest therein during my lifetime except as expressly permitted by the Agreement. Upon my death, I agree that I will not make any transfer of, or otherwise deal with, my interest in the Shares, whether by bequest or by application of residuary clause of my will or otherwise, in any manner which would have the effect of causing the Shares to cease being subject to the Agreement.

I further acknowledge that (a) I have had a fully opportunity to review the Agreement, (b) have been urged to seek independent legal advice regarding the terms of the Agreement and this Spousal Consent, and (c) that the Company's attorneys or agents have not acted as legal counsel or tax advisor either for me or my spouse.

I hereby appoint my spouse, _____, as my authorized representative to hereafter amend or otherwise modify the terms and conditions of the Agreement and to vote my interest in the Shares as defined therein, for any purposes which are contemplated within the terms and conditions of the Agreement, even to the extent they relate to my community property interest.

Executed on _____, 2018.

Name:

Spouse of

Exhibit 10.5

Execution Version

DATED 15 March 2019

AUTOMOBILE CLUB DE L'OUEST (1)

and

MOTORSPORT GAMING US LLC (2)

and

LE MANS ESPORTS SERIES LIMITED (3)

Joint Venture Agreement

In respect of Le Mans eSports Series Limited

Walker Morris LLP
Tel: +44 113 283 2500
Ref: OOD/VVM/ AUT01469.1

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THIS AGREEMENT is made on 15 March 2019

BETWEEN:

(1) **AUTOMOBILE CLUB DE L'OUEST**, a company registered in France with company number W 723 000 156 and whose registered office is at Circuit des 24 Heures, CS 21928, 72 019 Le Mans Cedex 2, France (**Party A**);

(2) **MOTORSPORT GAMING US LLC**, a company incorporated in Florida, USA with company number L18000185473 and whose registered office is at 5972 NE 4th Avenue, Miami, FL 33137, USA (**Party B**); and

(3) **LE MANS ESPORTS SERIES LIMITED**, a company registered in England with company number: 11862316 and whose registered office is at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT (the **Company**).

BACKGROUND:

(A) In consideration of the investments which Party A and Party B have already made to the Business, the parties have agreed to enter into this agreement to regulate the management and control of the Company and set out the rights and obligations of each of the Shareholders.

(B) The parties acknowledge that, prior to the date of this agreement, they have been running the Business on an informal basis and have each invested capital into the Business and, in addition, made or will continue to make the following non-capital contributions to the Business:

i. Party A has and will continue to provide a dedicated team to develop and implement the Business and has and will continue to make the 24 Hours of Le Mans brand available to the Company under a separate licence agreement; and

ii. Party B has provided and will continue to provide a dedicated team to develop and implement the Business and has and will make itself and its employees, who have experience in e-sports and e-gaming platforms, available to the Company to develop the Business and create a dedicated gaming platform for use by and to facilitate the continued development of the Business.

(C) As a result of the arrangements set out in recital (B) above and the contributions which have been made prior to the date of this agreement and which are expected to be made by the parties after the date of this agreement, the shareholdings of the Company on its incorporation will be:

i. Party A will be issued with 55 A Shares; and

ii. Party B will be issued with 45 B Shares.

AGREED TERMS:

1 DEFINITION AND INTERPRETATION

1.1 In this agreement and the schedules the following words have the following meanings:

24 Hours of Le Mans means the world oldest active sports car race in endurance racing organized by the ACO and is held on the Circuit de la Sarthe;

A Directors means the directors appointed from time to time by the holders of a majority of the A Shares pursuant to clause 4.2;

A Shares means the A ordinary shares of £0.01 each in the capital of the Company;

ACO means Automobile Club de l'Ouest;

Act means the Companies Act 2006, as amended from time to time;

Articles means the articles of association to be adopted by the Company in accordance with clause 3.1;

Associated Person means in relation to a company, a person (including an employee, agent or subsidiary) who performs services for or on behalf of that company;

B Directors means the directors appointed from time to time by the holders of a majority of the B Shares pursuant to clause 4.3;

B Shares means the B ordinary shares of £0.01 each in the capital of the Company;

Board means the board of directors for the time being of the Company, including any committee appointed by the board of directors;

Business means the business of the Company set out in clause 2.1;

Business Day means a day (other than a Saturday or Sunday) on which clearing banks are generally open for a full range of banking transactions in the City of London;

Buyer has the meaning given to it in clause 15.1.1;

Call Option has the meaning given to it in clause 14.3;

Call Option Notice has the meaning given to it in clause 14.3;

Chairman means the chairman of the Company appointed in accordance with clause 4.4;

CEO means the chief executive office of the Company appointed in accordance with clause 4.6;

Company Board Meeting means a meeting of the Board to approve (i) the appointment of Stephen Hood, Dmitry Kozko, Gerard Neveu, Pierre Fillon and Marie Alvarez-Garzon as directors of the Company; (ii) the nomination of Gerard Neveu, Pierre Fillon and Marie Alvarez-Garzon as A Directors; (iii) the nomination of Stephen John Hood and Dmitry Kozko as B Directors; (iv) the appointment of Oakwood Corporate Secrtetary Limited as the secretary of the Company; (v) the circulation of the Written Resolution to the Shareholders; and (vi) the signing of this agreement by a director on behalf of the Company;

Company Written Resolution means a written resolution of the Shareholders adopting the Articles.

Confidential Information means the existence or terms of this agreement and all data or information (whether technical, commercial, financial or of any other type) in any form acquired under, pursuant to or in connection with, this agreement and any information used in or relating to the business of the Company, any of its subsidiaries, any Shareholder or Group Member (including information relating to products (bought, manufactured, produced, distributed or sold), services (bought or supplied), operations, processes, formulae, methods, plans, strategy, product information, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs), and which are for the time being confidential to the relevant entity;

Controlled has the meaning given to it by section 450 of the CTA;

CTA means the Corporation Tax Act 2010;

Defaulting Shareholder has the meaning given to it in clause 14.1;

Equity Share Capital has the meaning given to it by section 548 of the Act;

Event of Default has the meaning given to it in clause 14.3;

FIA means Fédération Internationale de l'Automobile;

FIA World Endurance Championship means the auto racing world championship organized by the ACO and sanctioned by the FIA;

Group Member means any company which is a member of the same group (as that term is defined in section 1261(1) of the Act) as either of the Shareholders (as applicable);

in the agreed form means in the form of a draft agreed between the parties prior to the date of this agreement and initialled by or on behalf of them for the purposes of identification;

in the agreed proportions means 55 per cent in respect of Party A and 45 per cent in respect of Party B or (if different) such other proportions as equal, at the time when any loan finance falls to be contributed by Party A and Party B under clause 8 or any liability arises under clause 8 (as the case may be), the percentages which the nominal value of the Shares beneficially owned by Party A and Party B respectively in the Equity Share Capital of the Company bears to the entire issued share capital of the Company and **agreed proportion** shall be construed accordingly;

Intellectual Property means patents, utility models, rights to inventions, copyright and related rights (including in computer software), moral rights, trade marks, service marks, trade names, business names, domain names, rights in trade dress or get-up, rights to goodwill or to sue for passing off or for unfair competition, rights in designs, rights in computer software, database rights, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

London Stock Exchange means London Stock Exchange plc;

Prescribed Price has the meaning given to it in clause 14.3;

Recipient has the meaning given to it in clause 28.3;

Seller has the meaning given to it in clause 15.1.1;

Sender has the meaning given to it in clause 28.3;

Shareholders means Party A and Party B or any person or persons to whom they have transferred their Shares in accordance with the terms of this agreement and the Articles;

Shares means the A Shares and B Shares and any shares issued in exchange for those shares by way of conversion or reclassification and any shares representing or deriving from those shares as a result of any increase in, or the reorganisation or variation of, the capital of the Company;

subsidiary and holding company shall have the meanings ascribed to such expressions by section 1159 of the Act;

Warranties means those warranties on the part of each Shareholder contained in clause 11; and

Vice Chairman means the vice chairman of the Company appointed in accordance with clause 4.5;

1.2 The rules of interpretation set out in clauses 1.2 to 1.11 (inclusive) apply in this agreement.

1.3 Clause headings do not affect the interpretation of this agreement and references to clauses are to clauses in this agreement.

1.4 A **person** shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality).

1.5 Any reference to a **Party** means Party A and Party B and the Company and any other person who adheres to this agreement as a Party.

1.6 Words in the singular include the plural and in the plural include the singular.

1.7 A reference to a statute, statutory provision, subordinate legislation, EU Directive or other enactment:

1.7.1 is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment; and

1.7.2 includes any statute, statutory provision, subordinate legislation, EU Directive or other enactment which it amends or re-enacts,

except to the extent that any such amendment, extension or re-enactment made after the date of this agreement would increase the liability of any Party.

1.8 Any reference to a statute or statutory provision includes any subordinate legislation made under it. A reference to **laws** means all applicable laws (whether civil, criminal or administrative), legislation, statutes, directives, regulations, rules, judgments, decisions, decrees, treaties, orders, civil codes, instruments, subordinate legislation, by-laws, rules of common law and any other legislative measures or decisions in any jurisdiction.

1.9 Save as otherwise provided in this agreement and save where the context does not otherwise admit, words and expressions defined in the Act have the same meaning in this agreement as the meaning defined in the Act.

1.10 Any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.11 Unless the context requires otherwise, references in this agreement to a date or time shall be the date and/or time in England.

2 OBJECTS OF THE COMPANY

2.1 The primary object of the Company shall be to carry on the promotion of and running of an electronic sports events business replicating races of the FIA World Endurance Championship and the 24 Hours of Le Mans on an electronic gaming platform and such other business as the Board may agree from time to time in writing should be carried on by the Company.

2.2 The central management and control of the Company shall be exercised in England and each of the Shareholders shall use its best endeavours to ensure that the Company is treated by all relevant authorities as being resident for taxation and other purposes in England.

3 CONDITIONS

3.1 The obligations of the Parties are subject to and conditional upon the satisfaction of each of the following conditions:

3.1.1 the adoption of the Articles by the Company;

3.1.2 the holding of the Company Board Meeting;

3.1.3 the passing of the Company Written Resolution;

3.1.4 the appointment of Gerard Neveu, Pierre Fillon and Marie Alvarez-Garzon as A Directors;

3.1.5 the appointment of Stephen Hood and Dmitry Kozko as B Directors;

3.1.6 the appointment of Marie Alvarez-Garzon as the Chairman;

3.1.7 the appointment of Dmitry Kozko as the Vice Chairman;

3.1.8 the appointment of Gerard Neveu as the CEO; and

3.1.9 the appointment of Oakwood Corporate Secretary Limited as secretary of the Company.

3.2 The Parties shall use their best endeavours to ensure that all the provisions of clause 3.1 are complied with not later than 10 Business Days after the date of this agreement but if by that date any of those provisions have not been satisfied or waived in writing by the Parties this agreement shall be null and void without any claim or liability by any Party against any other Party save in respect of this clause 3.2.

4 APPOINTMENT OF DIRECTORS

4.1 The maximum number of directors of the Company holding office at any time shall be five unless otherwise expressly agreed in writing by each Party.

4.2 The holders of a majority of the A Shares shall be entitled in accordance with the Articles to appoint up to three persons as directors of the Company and at any time to require the removal or substitution of any A Director so appointed by it pursuant to the powers conferred on the holders of the A Shares pursuant to the Articles.

4.3 The holders of a majority of the B Shares shall be entitled in accordance with the Articles to appoint up to two persons as directors of the Company and at any time to require the removal or substitution of any B Director so appointed by it pursuant to the powers conferred on the holders of the B Shares pursuant to the Articles.

4.4 The Chairman shall be nominated by a majority of the holders of the A Shares from time to time who at any time may require the removal or substitution of that Chairman. The first Chairman shall be Marie Alvarez-Garzon.

4.5 The Vice Chairman shall be nominated by a majority of the holders of the B Shares from time to time who at any time may require the removal or substitution of that Vice Chairman. The first Vice Chairman shall be Dmitry Kozko.

4.6 The CEO shall be nominated by a majority of the Board from time to time who at any time may require the removal or substitution of that CEO. The first CEO shall be Gerard Neveu.

4.7 If the Chairman is not present at any meeting of the Board the following shall be applied:

4.7.1 first, if the Vice Chairman is present at that Board meeting, he shall act as the chairman of that meeting;

4.7.2 second, if the Vice Chairman is not present at that meeting but the CEO is present, he shall act as chairman of that meeting;

4.7.3 third, if the CEO is not present at that meeting then the members of the Board present at that Board Meeting shall elect another A Director to act as chairman of that meeting before any other business is carried on.

The parties acknowledge that the material to be discussed at any meeting of the Board will be prepared by the CEO.

4.8 The parties shall procure that the Board shall meet in person at least two times in each calendar year in either Paris or London (unless otherwise agreed by the parties).

4.9 The parties shall procure that meetings of the Board shall be held via electronic means or in person in each calendar month.

5 CONDUCT OF THE COMPANY'S AFFAIRS

The Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of those rights and powers) that at all times during the term of this agreement:

5.1 the business of the Company consists exclusively of the Business;

5.2 the Shareholders shall each be entitled to examine the separate books and accounts to be kept by the Company and to be supplied with all relative information, including monthly management accounts and operating statistics and all other trading and financial information in such form as they may reasonably require to keep each of them properly informed about the business of the Company and, if applicable, each subsidiary of the Company and generally to protect their interests;

5.3 the auditors of the Company, and, if applicable, each subsidiary of the Company shall be BDO UK LLP or such other firm of chartered accountants as the Parties may agree should be appointed;

5.4 the registered office of the Company and, if applicable, each subsidiary of the Company shall be at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT or at such other place as the Shareholders may agree;

5.5 the Company shall comply with the provisions of the Articles;

5.6 the Articles will not be altered and no further articles of association or resolutions inconsistent with the Articles will be adopted or passed unless the terms of those articles or resolutions have been previously approved in writing by each of the Shareholders;

5.7 the Company shall procure that any company which becomes a subsidiary of the Company at any time during the term of this agreement shall adopt articles of association in a form approved by the Shareholders;

5.8 the Board will determine the general policy of the Company and, if applicable, each subsidiary of the Company (subject to the express provisions of this agreement) including the scope of their respective activities and operations and the Board will reserve to itself all matters involving major or unusual decisions.

6 STAFF

6.1 The Company shall recruit and employ such staff as the Board shall from time to time consider necessary for the proper conduct of the Business and each of the Shareholders shall (if so requested by the Board) second executive personnel to the Company on a full time basis and otherwise on terms to be agreed between the Shareholders.

6.2 If the Board determines that any person so seconded to the Company is not suitable for employment in connection with the Business it may require the Shareholder who has seconded that person to the Company to withdraw and replace that person or to take such other steps as it may deem necessary or expedient.

6.3 All the salaries, wages, allowances, travelling and accommodation expenses and other benefits to which the staff of the Company may be entitled and all necessary employer's pension and national insurance contributions shall, except where otherwise agreed, be borne and paid by the Company.

7 LOAN FINANCE

7.1 The Shareholders shall each use their respective reasonable endeavours to procure that the requirements of the Company for working capital to finance the Business are met as far as practicable by borrowings from banks and other similar lending sources on the most favourable terms reasonably obtainable (including but not limited to the terms regarding interest, repayment and security), and provided such terms are agreed at a meeting of the Board. The Shareholders agree that any such financing shall be on a non or limited recourse basis on such terms as shall be agreed from time to time by the Board and that any security required in respect of that finance shall be provided by the Company which shall, if necessary and so determined by resolution of the Board, be empowered to mortgage, charge, pledge or otherwise encumber its assets as security for that finance.

7.2 All working capital requirements of the Company for the purpose of the Business which exceed the Company's resources and which cannot be financed from external sources shall be contributed to the Company by each Shareholder pro rata to the number of Shares that it holds by way of loan capital (which shall accrue the market rate of interest applicable at that time or such other terms as may be agreed between the Shareholders). Each Shareholder shall be required to make such loan capital available to the Company after being given not less than 20 Business Days' prior notice in writing by the Board specifying the date upon which the capital is required. These loans shall rank equally in all respects as to repayment, finance charges and otherwise and shall be made on terms that no repayment to one Shareholder shall be made by the Company unless at the same time a pro rata repayment is made to the other Shareholder.

7.3 If any party advances funds, with the prior consent of the Board, in excess of its agreed proportion then those funds so advanced shall attract an annual interest rate of 100 BP. above the Overnight US Dollar LIBOR interest rate from time to time which shall accrue on a daily basis.

7.4 Notwithstanding clause 7.3, the parties to this agreement agree that any failure by either of the Shareholders to provide capital at any time in accordance with the provisions of clause 7.2 on the date specified by the Board shall constitute an event of default for the purposes of clause 14.3(a).

8 GUARANTEES GIVEN BY THE SHAREHOLDERS

8.1 Unless agreed by the Shareholders in writing, the aggregate amount of any liability arising under guarantees, indemnities and covenants (together guarantees) given at any time during the term of this agreement by the Shareholders (or either of them), whether jointly or severally, to secure the indebtedness and obligations of the Company and, if applicable, each subsidiary of the Company for the proper purposes of the Business shall be borne by the Shareholders pro rata to the number of Shares held by each Party, including any legal and other costs which the relevant guarantor may be ordered to pay or otherwise incurs in any action brought to enforce any such guarantees irrespective of whether or not the Shareholders are liable as co-sureties to the creditor enforcing the relevant guarantee and whether or not they are liable jointly or severally and by the same or different instruments.

8.2 Where one of the Shareholders has made any payment or provided other consideration either:

8.2.1 in consequence of a judgment given against the Shareholders (or either of them) or in consequence of any order made by a court of competent jurisdiction in any action brought to enforce any guarantees as are referred to in clause 8.2; or

8.2.2 in proper satisfaction or compromise of any demand made on any Shareholder under any guarantee (including a payment into court which has been accepted) and, the quantum of that payment exceeds or would exceed that Shareholder's pro rata share, in accordance with this clause 8.2, of the sum for which judgment has been entered or the claim has been satisfied or compromised (as the case may be), then that Shareholder shall be entitled to be indemnified by or to recover contribution from the other Shareholder.

8.3 If any judgment referred to in clause 8.2 is varied or reversed on appeal the amount of the final judgment (including any costs awarded) shall be borne by the Shareholders in the agreed proportions insofar as that amount exceeds the amount of any earlier judgment in the relevant action which may have been paid and borne by the Shareholders under this clause 8.

8.4 No payment shall be made by a Shareholder in satisfaction or compromise of any demand referred to in clause 8.2.2 and no steps shall be taken to appeal against any judgment or to recover from the Company (whether by right of indemnity or subrogation or otherwise) any sum of money paid to a claimant under any of the guarantees referred to in clause 8.2, without prior consultation with the other Shareholder.

8.5 Any sum payable by way of indemnity or contribution in accordance with this clause 8 shall be paid within 20 Business Days of receipt of written notice requesting payment together with evidence of payment under any of the guarantees referred to in clause 8.2 and if the Shareholder who is requested to indemnify or contribute fails to do so within that period, then the Shareholder making that claim for indemnification or contribution shall be entitled to be paid interest by the defaulting Shareholder on the amount of that indemnity or contribution at the rate of five per cent per annum above the base rate of Barclays Bank plc from time to time in force, which interest shall accrue on a daily basis from the date of the notice to the date of actual payment.

8.6 If at any time after one Shareholder has made payment to the other Shareholder under an indemnification or contribution in accordance with this clause 8, any Shareholder recovers all or part of any sum of money or other consideration paid or provided to a claimant under any of the guarantees, whether the money is recovered by right of indemnity or subrogation against the Company or by obtaining final judgment against that claimant in any action relating to any of the guarantees or in any other way, then the sum so recovered (including any award for costs previously borne by the Shareholders in the agreed proportions) shall be apportioned between the Shareholders in the agreed proportions and the Shareholder receiving the sum of money or other consideration shall account to the other Shareholder for its pro rata share of the sum of money or other consideration forthwith or as soon as practicable after receipt.

8.7 No Shareholder shall take or receive from the Company or any other person any security in connection with any guarantees given under clause 8.1 without the prior written consent of the other Shareholder. Any security so taken or received (or any sum of money received in respect of any guarantee) shall be held by the relevant Shareholder as trustee for the Shareholders so that they shall share the benefit of the security or money in the agreed proportions.

8.8 Nothing embodied in this agreement shall operate to deprive any Shareholder of any rights or remedies available to it at law against the other Shareholder as co-surety under a guarantee, except insofar as any right or remedies are inconsistent with or excluded by the terms of this agreement.

8.9 Each Shareholder shall upon request from time to time by the other Shareholder provide all evidence as may be reasonably required to establish that it has sufficient financial resources to meet its due proportion of any actual or contingent liability under the guarantees or under the provisions of this clause 8.

9 DISPOSAL OR CHARGING OF THE SHARES

No Shareholder shall, except with the prior written consent of the other, create or permit to subsist any pledge, lien or charge over, or grant any option or other rights or dispose of any interest in, all or any of the Shares held by it (otherwise than by a transfer of those Shares in accordance with the provisions of the Articles) and any person in whose favour any pledge, lien, or charge is created or permitted to subsist or any option or rights are granted or any interest is disposed of shall be subject to and bound by the same limitations and provisions as embodied in this agreement.

10 EXERCISE OF VOTING RIGHTS

Each Shareholder undertakes with the other as follows:

10.1 to exercise all voting rights and powers of control available to it in relation to the Company so as to give full effect to the terms and conditions of this agreement including, where appropriate, the carrying into effect of its terms as if they were embodied in the Articles; and

10.2 generally to use its best endeavours to promote the Business and the interests of the Company.

11 WARRANTIES

Each Party warrants to the other as at the date of this agreement that:

11.1 it has full power and authority to enter into this agreement; and

11.2 it has full power and authority and has obtained all necessary consents to perform the obligations expressed to be assumed by it under this agreement (and any other agreement or arrangement required to be entered into by it in connection with this agreement), that the obligations expressed to be assumed by it hereunder are legal and valid and are binding and enforceable against it in accordance with their terms and that the execution, delivery and performance by it of this agreement and each such other agreement and arrangement will not:

11.2.1 result in a breach of, or constitute a default under, any agreement or arrangement to which it is a party or by which it is bound or, in the case of a corporation, under its constitutional documents; or

11.2.2 result in a breach of any law or order, judgement or decree of any court governmental agency or regulatory body to which it is a party or by which it is bound.

12 ANTI-CORRUPTION

Each Shareholder undertakes to the other that:

12.1 it will not, and will procure that the Company will not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010;

12.2 it has and will maintain in place, and will procure that the Company has and will maintain in place adequate procedures (within the meaning of section 7 of the Bribery Act 2010) to prevent any Associated Person from undertaking any conduct that would give rise to an offence under section 7 of the Bribery Act; and

12.3 from time to time, at the reasonable request of the other Shareholder, it will confirm in writing that it has complied with its undertakings under clause 12.1 and 12.2 and will provide any information reasonably requested by the other Party to demonstrate compliance.

13 SURRENDER OF LOSSES ELIGIBLE FOR TAX RELIEF

Unless the Shareholders otherwise agree in writing, all of the Company's trading losses and other amounts eligible for relief from taxation shall be carried forward by the Company and not surrendered (in whole or in part) to the Shareholders.

14 CALL OPTION

14.1 If either Shareholder commits or suffers an Event of Default (the **Defaulting Shareholder**), then the other Shareholder shall be entitled in its discretion to require the defaulting Shareholder to sell all (but not part) of the Shares held or beneficially owned by the Defaulting Shareholder (the **Call Option Shares**) by delivering a Call Option Notice.

14.2 If a Call Option is exercised, the Shareholder exercising the Call Option shall deliver to the other Shareholder within 10 Business Days of the date of the Call Option Notice a duly executed transfer of the Call Option Shares in favour of the other Shareholder (or as it may direct) for the Prescribed Price. The Call Option Shares so transferred shall be deemed to be sold by the transferor with full title guarantee free from any lien, charge or encumbrance and with all rights attaching to those Call Option Shares with effect from the date of the transfer and clause 15 shall apply.

14.3 For the purpose of this clause 14 the following expressions shall have the following meanings:

Call Option means the call option set out in clause 14.1;

Call Option Notice means a written notice delivered to a Defaulting Shareholder at any time within 15 Business Days of the date of the occurrence of the Event of Default stating that the Call Option is exercised;

Event of Default means the occurrence of any of the following:

(a) that Shareholder commits a material breach of its obligations under this agreement or the Articles and, in the case of a breach capable of remedy, failing to remedy that breach within 10 Business Days of being notified of that material breach in writing by the other Shareholder; or

(b) any distress, execution, sequestration or other process being levied or enforced upon or sued out against the property of that Shareholder which is not discharged within five Business Days; or

(c) the inability of either Shareholder to pay its debts in the normal course of business; or

(d) either Shareholder ceasing or threatening to cease wholly or substantially to carry on its business, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other Shareholder (such approval not to be unreasonably withheld or delayed); or

(e) any encumbrancer taking possession of or an administrator, receiver or trustee being appointed over the whole or any part of the undertaking, property or assets of that Shareholder; or

(f) the making of an order or the passing of a resolution for the winding up of that Shareholder, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other Shareholder (such approval not to be unreasonably withheld);

(g) an event analogous to any of the events set out in paragraphs (b) to (f) (inclusive) in any overseas jurisdiction or under any foreign law; and

Prescribed Price shall mean such sum in respect of the Call Option Shares forming the subject matter of the Call Option as may be agreed between the Shareholders within 10 Business Days of the date of the Call Option Notice or (if such agreement cannot be reached) such sum as the auditors of the Company for the time being shall state to be in their opinion the fair value of the Call Option Shares forming the subject matter of the option as between a willing buyer and a willing seller contracting on arm's length terms, having regard to the fair value of the Business as a going concern as at the date of the Call Option Notice and by reference to the current revenue and order book of the Company at that applicable time, but without taking into account (if it is the case) that the Call Option Shares represent a minority or majority interest in the Company.

15 COMPLETION OF SALES OF SHARES

15.1 All sales of Shares to be made under this agreement between the Shareholders shall be completed at the registered office of the Company when, subject to the provisions of clause 15.2:

15.1.1 the purchasing Shareholder (the **Buyer**) shall pay to the selling Shareholder (the **Seller**) the purchase price of the Shares in pounds sterling by way of CHAPS transfer;

15.1.2 the Seller shall deliver to the Buyer a duly executed transfer of the shares to be sold accompanied by the relative certificate or certificates and such other documents as may be necessary to transfer the shares to the Buyer or its nominees;

15.1.3 the Shareholders shall procure that any such transfer shall, subject to stamping, be approved for registration by the Board; and

15.1.4 the Seller shall procure that the directors and officers of the Company who are nominees of the Seller shall resign.

15.2 By way of security for the performance of a Defaulting Shareholder of its respective obligations under the Call Option, each of the Shareholders irrevocably appoints the other as his agent to do all such acts and execute all such documents as may be necessary to effect the sale and transfer of the Call Option Shares in accordance with clause 14.

15.3 Notwithstanding any other provisions of this agreement or any other rights of the parties (including rights of set off at common law or in equity) the Company and/or the Buyer, as the case may be, shall be entitled to set off against any monies which would (but for this clause 15.3) be payable or repayable by the Company or the Buyer to the Seller any amount or amounts owed to or claimed by the Company or the Buyer, as the case may be, by or from the Seller (including any sums in respect of breaches of the provisions of this agreement).

16 INTELLECTUAL PROPERTY

16.1 Any Intellectual Property owned by a Shareholder or created by a Shareholder during the course of this agreement shall remain the property of that Shareholder and that Intellectual Property shall not vest in the Company or the other Shareholder.

16.2 The parties acknowledge that Party A intends to exclusively licence the brand "24 Hours of Le Mans" or such other brand as agreed by Party A to the Company subject always to a licence agreement in a form acceptable to by Party A.

17 CONFIDENTIALITY

17.1 Each Shareholder shall use its best endeavours to keep confidential (and to ensure that its employees, agents, subsidiaries and other companies controlled by it, and the employees and agents of those subsidiaries and other companies, shall keep confidential) any Confidential Information and shall not use or disclose any such information except:

17.1.1 with the prior written consent of the other Shareholder;

17.1.2 as may be required by law (including without limitation any order of a court of competent jurisdiction) or by the rules of any recognised stock exchange, or governmental or other regulatory body (when the party concerned shall, if practicable, supply a copy of the required statement, release or disclosure to the other Shareholder and incorporate any amendments or additions reasonably requested by it);

17.1.3 where it relates to the Company or any of its subsidiaries and is disclosed in good faith for the advancement of the business of the Company or its subsidiaries or;

17.1.4 where it has come into the public domain otherwise than by the breach by that Party of this clause.

17.2 Each of the Shareholders shall use all reasonable endeavours to procure that the Company and, if applicable, each of its subsidiaries ensure that their officers, employees and agents observe a corresponding obligation of confidence to that set out in clause 17.1.

17.3 The obligations of each of the Shareholders in clause 17.1 shall continue without limit in time and notwithstanding termination of this agreement for any cause.

17.4 No Party shall be entitled to make or permit or authorise the making of any press release or other public statement or disclosure concerning this agreement or any of the transactions contemplated in it except as permitted above or with the prior written consent of the other parties.

18 NO PARTNERSHIP

None of the provisions of this agreement shall be deemed to constitute a partnership between the Shareholders and neither of them shall have any authority to bind the other in any way.

19 COSTS

19.1 Each Shareholder shall bear its own costs in connection with the preparation and execution of this agreement.

19.2 All costs, legal fees, registration fees, capital duty and other expenses incurred in the formation of the Company shall be borne and paid by the Company.

20 DURATION

20.1 This agreement shall continue in full force and effect until the first to occur of the following dates:

20.1.1 the date on which the Shareholders cease to be beneficially entitled in aggregate to 25 per cent or more of the equity share capital of the Company or otherwise cease between them to control (as defined by section 450 of the CTA) the affairs of the Company; or

20.1.2 the date of commencement of the Company's winding-up, provided that the terms of this agreement shall nevertheless continue to bind the Shareholders after such termination to such extent and for so long as may be necessary to give effect to the rights and obligations embodied in this agreement.

20.2 This agreement shall cease to have effect as regards any Shareholder who ceases to hold any shares in the Company save for any provisions of this agreement which are expressed to continue in force after that termination (including without limitation, clauses 17 (Confidentiality), 25 (Severability) 30 (Choice of Law and Jurisdiction) and to give effect to the rights and obligations embodied in this agreement.

21 ASSIGNMENT

Neither of the Shareholders shall assign or transfer or purport to assign or transfer any of its rights or obligations under this agreement without the prior written consent of the Board, except to a wholly owned subsidiary of the proposing assignor upon that subsidiary executing a deed in accordance with the provisions of clause 22 and the assignor guaranteeing by deed under seal the due performance of the assignee's obligations under that deed.

22 SUCCESSORS AND ASSIGNS

This agreement shall enure for the benefit of and be binding on the respective successors in title and permitted assigns of each Shareholder who shall procure that upon transferring any of its Shares in accordance with this agreement or the Articles, that each transferee shall execute a deed of adherence.

23 THIRD PARTY RIGHTS

A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

24 WAIVER, FORBEARANCE AND VARIATION

24.1 No failure or delay in exercising or enforcing any right or remedy under this agreement shall constitute a waiver of that right or remedy and no single or partial exercise or enforcement of any right or remedy under this agreement shall preclude or restrict the further exercise or enforcement of any such right or remedy. A waiver of a breach of any of the terms of this agreement or of a default under this agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this agreement. A waiver or a breach of any of the terms of this agreement or of a default under this agreement will not prevent a Party from subsequently requiring compliance with the waived obligation. The rights and remedies provided in this agreement are cumulative and not exclusive of any rights and remedies provided by law.

24.2 This agreement shall not be varied or cancelled, unless that variation or cancellation shall be expressly agreed in writing by a duly authorised director of each Party.

25 SEVERABILITY

If any of the provisions of this agreement is found by a court or other competent authority to be void or unenforceable, that provision shall be deemed to be deleted from this agreement and the remaining provisions of this agreement shall continue in full force and effect. Notwithstanding the foregoing, the Shareholders shall, immediately following the decision as to the validity or enforceability of a provision, negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.

26 ENTIRE AGREEMENT

26.1 This agreement and the documents referred to in it, constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between the parties relating to the subject matter of this agreement. Each of the Shareholders acknowledges and agrees that in entering into this agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding, (whether negligently or innocently made) of any person (whether a Party or not) other than as expressly set out in this agreement as a warranty. The only remedy available to the Shareholders for breach of the Warranties shall be for breach of contract under the terms of this agreement. Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

26.2 Notwithstanding clause 26.1, it is acknowledged that the parties intend to review and, if required, amend the contents of this agreement when the Board determines that the Company is ready to implement the development of an e-gaming platform in connection with Business which will be made available to the wider public.

27 THE TERMS OF THIS AGREEMENT TO PREVAIL

In the event of any ambiguity or conflict arising between the terms of this agreement and those of the Articles, the terms of this agreement shall prevail as between the Shareholders.

28 NOTICES

28.1 Any notice given under this agreement may be:

28.1.1 delivered by hand or courier;

28.1.2 sent by prepaid first class recorded delivery post (airmail if posted to or from a place outside the United Kingdom) to the postal address and for the attention of the person specified or referred to in clause 28.5 (or such other address or person as each Party may notify to the other in accordance with clause 28.6); or

28.1.3 sent by email.

28.2 Any notice referred to in clause 28.1 shall be deemed to have been given:

28.2.1 if delivered by hand or courier, at the time of delivery;

28.2.2 if sent by pre-paid first class recorded delivery post, at 10.00 am on the second Business Day after the day it is posted;

28.2.3 if sent by airmail, at 10.00 am local time (at the place of receipt) on the fifth Business Day after it is posted; or

28.2.4 if sent by email, one hour after the time of despatch provided it is sent before 4.00 pm local time (at the place of receipt) on any Business Day and in any other case at 10.00 am local time (at the place of receipt) on the next following Business Day after the date of despatch.

28.3 Where a notice is sent to a Party (the **Recipient**) by email, the Party sending the notice (the **Sender**) must send or deliver a copy of such notice to the Recipient in accordance with the provisions of clause 28.1.1 or clause 28.1.2 by 5.00 pm on no later than the fifth Business Day after the date on which the original notice is deemed to have been delivered in accordance with clause 28.2.4. Failure by the Sender to send or deliver such copy notice shall not invalidate the service or delivery of the original notice (or delay the time the original notice is deemed to have been given under clause 28.2).

28.4 In proving the sending or delivery of a notice it shall be enough to prove that delivery was made, that the envelope containing the notice was properly addressed and sent to the relevant postal address as a pre-paid first class recorded delivery letter or a valid email was properly sent to the relevant email address, in each case in accordance with this clause 28.

28.5 The following are (or refer to) the addresses of Party A and Party B for the purposes of this clause 28:

Party A	**Party B**
Address: As set out at the start of this agreement (marked for the attention of Pierre Lucas).	Address: As set out at the start of this agreement (marked for the attention of Amanda LeCheminant).
Email address: p.lucas@lemans.org	Email address: amanda@motorsport.com

28.6 A Party may notify the other Party of a change to its name, postal address, email address or relevant contact for the purposes of clause 28.5. Such notice shall be effective on the fifth Business Day after the date on which such notice is deemed to have been sent or delivered in accordance with this clause 28 or such later date as may be specified in the notice.

28.7 For the purposes of this clause 28, **notice** shall include any request, demand, instruction, information, communication or other document.

28.8 This clause 28 does not apply to the service of any proceedings or other documents in any legal action or proceedings.

29 COUNTERPARTS

This agreement may be executed in any number of counterparts by the different parties or separate counterparts, each of which, when executed and delivered, shall constitute an original but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of this agreement (but, for the avoidance of doubt, not just the signature page) by facsimile transmission or in pdf format shall take effect as delivery of an executed counterpart of this agreement. If such method is adopted, without prejudice to the validity of this agreement, each Party shall provide the others with the original assigned counterpart agreement as soon as reasonably practicable following the date of this agreement.

30 CHOICE OF LAW AND JURISDICTION

30.1 This agreement shall be governed by and construed in accordance with English Law.

30.2 Each Party irrevocably submits to the exclusive jurisdiction of the English courts in relation to all matters (including non-contractual matters) arising out of or in connection with this agreement).

This agreement has been signed and dated by and on behalf of the Parties on the date stated at the beginning of it.

SCHEDULE 1 – DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on 20[●]

BETWEEN:

(1) **[**[●] of [●]**] [**[●] **LIMITED** (company number [●]) whose registered office is at [●]] ("**Covenantor**");

(2) [●] **LIMITED** (registered in England and Wales under number [●]) whose registered office is at [●] (the "**Company**");

(3) [Current Shareholders].

BACKGROUND:

(A) This deed is supplemental to a shareholders' agreement made on 20[●] between [●] (as amended by [insert details of any instrument modifying the original agreement])] (**Shareholders' Agreement**).

(B) The Covenantor wishes to be registered as the holder of [number] [A] [B] Shares.

AGREED TERMS:

1 Words and expressions defined in the Shareholders' Agreement shall (unless the context requires otherwise) have the same meaning when used in this deed.

2 The Covenantor confirms that [it][he] has been supplied with a copy of the Shareholders' Agreement (a copy of which is attached to this deed and has been initialled by or on behalf of each of the parties (**Parties**)) and covenants with each of the Parties to observe, perform and be bound by all the terms of the Shareholders' Agreement other than Clauses [●] as if [it][he] were a party to it or named in it as [●].

3 Each of the other parties to this deed covenants with the Covenantor that the Covenantor shall be entitled to the benefit of the terms of the Shareholders' Agreement as if [it][he] were a party to it and named in it as [●].

4 The Covenantor acknowledges, for the avoidance of doubt, that [it][he] is not relying on any warranties or representation made to [it][him] by any other shareholder.

5 This deed shall be governed by and construed in accordance with English law.

The Parties intend this document to be a deed and accordingly they execute and deliver it as such.

[SIGNATURE BLOCKS]

SIGNED on behalf of AUTOMOBILE CLUB DE L'OUEST)

/s/ Pierre Fillon
Authorised Signatory
)
Pierre Fillon

[JV Agreement signature page – Party A]

SIGNED on behalf of MOTORSPORT GAMING US LLC)
)

/s/ Mike Zoi
Authorised Signatory
Mike Zoi

[JV Agreement signature page – Party B]

SIGNED on behalf of LE MANS ESPORTS SERIES LIMITED)
)

/s/ Gerard Neveu
Authorised Signatory
Gerard Neveu

[JV Agreement signature page – Company]

Exhibit 10.6.1

LIMITED LIABILITY COMPANY AGREEMENT

RACING PRO LEAGUE, LLC
(A Delaware Limited Liability Company)

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. MEMBERS SHOULD BE AWARE THAT THEY SHALL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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LIMITED LIABILITY COMPANY AGREEMENT
OF
RACING PRO LEAGUE, LLC
(A Delaware Limited Liability Company)

This **LIMITED LIABILITY COMPANY AGREEMENT** (this "Agreement"), made and entered into effective as of March 1, 2019 (the "Effective Date"), is by and between the Persons fully executing this Agreement below and **RACING PRO LEAGUE, LLC**, a Delaware limited liability company (the "Company").

BACKGROUND STATEMENT

The Company was formed on February 18, 2019 by the filing of its certificate of formation by the Delaware Secretary of State. The parties hereto hereby set forth this agreement regarding the management of the Company and the respective rights and obligations of the parties hereto.

STATEMENT OF AGREEMENT

The parties hereto agree as follows:

ARTICLE I

GENERAL

1.1 Formation of Company. The Company was formed and organized under and shall be operated in accordance with the Delaware Act.

1.2 Defined Terms. Capitalized terms not otherwise defined in the text hereof shall have the meanings given to them in **Article XVII**.

1.3 Conflicts with the Certificate of Formation and the Delaware Act. To the extent permitted by law, if this Agreement conflicts with the Company's certificate of formation, this Agreement shall control and govern. To the extent permitted by law, if this Agreement conflicts with the Delaware Act, this Agreement shall control and govern. Further, if (a) this Agreement addresses a matter for which the Delaware Act provides a default rule, (b) the Delaware Act permits a limited liability company agreement to modify such default rule, and (c) this Agreement so modifies such default rule (even if such modification does not explicitly refer to such rule), this Agreement shall control and govern.

1.4 Purpose and Powers. The Company is formed for the purpose of (i) creating, owning and operating a stock car and/or stock truck racing themed, mass market, Esports multiplayer competition video gaming league based on the *NASCAR Heat* video game series, as more fully set forth herein (the "ELeague"), as described on **Exhibit D**, and pursuant to the terms and conditions of the NTP License Agreement and NASCAR License Agreement for so long as such agreements are in effect, and thereafter, pursuant to the terms and conditions of any other applicable third party license agreements which may or may not incorporate the *NASCAR Heat* title, and (ii) engaging in all other lawful transactions and business activities determined from time to time by the Board. The Company shall have any and all powers necessary or desirable to carry out the purposes and business of the Company, to the extent that the same may be lawfully exercised by limited liability companies under the Delaware Act.

1.5 Name. The business of the Company shall be conducted under the name Racing Pro League, LLC, or such other name determined by the Board.

1.6 Principal Office. The principal office of the Company shall be maintained at such place determined by the Board.

1.7 Registered Agent and Office. The registered agent and office of the Company shall be as provided in the Company's certificate of formation or as otherwise determined by the Board.

1.8 Status of Members. The Members shall not be managers of the Company for purposes of the Delaware Act by virtue of their status as Members.

ARTICLE II

CAPITALIZATION

2.1 Capitalization Schedule. The Board shall create and maintain a schedule (the "Capitalization Schedule") that sets forth the Units issued by the Company and the holders thereof. Any changes to such schedule made by the Board pursuant to the preceding sentence shall not constitute an amendment of this Agreement. The Capitalization Schedule as of the date hereof is attached hereto as **Exhibit A**. To the extent not already admitted, the Persons identified thereon are hereby admitted as Members as of the date hereof.

2.2 Types of Units. Each Interest shall be represented by Units. The Units shall be deemed securities for purposes of any applicable Uniform Commercial Code. The Units may be certificated in a form determined by the Board.

2.3 Issuances of Securities. The Company is hereby authorized to issue an unlimited number of securities. Subject to the other terms and conditions of this Agreement, the Board may create a new class or series of securities of the Company, having such terms, rights, benefits, powers, privileges and obligations as the Board shall determine. Subject to the other terms and conditions of this Agreement, the Board shall have the power and authority to offer and sell securities of the Company to any Person and admit a Person as a Member. Subject to the other terms and conditions of this Agreement, the issuance of securities may be made in exchange for such cash, property, or services, and on such other terms and conditions, as the Board determines. A Person to whom securities in the Company have been issued shall not become a Member, with the rights and privileges associated therewith, until such Person becomes a party to this Agreement by executing the Joinder Certificate attached hereto as **Exhibit B**.

2.4 Preemptive Rights.

(a) Overview. Subject to the other terms and conditions of this Agreement (including Supermajority Approval by the Board), except for Excluded Securities, the Company shall not, and shall cause each other Company Entity not to, issue, sell, offer, or exchange any securities in the Company or such Company Entity (as applicable) unless, in each case, the Company or the applicable Company Entity shall have first given written notice (an "Offer Notice") to each Member, which shall state the Company's or such Company Entity's intention to offer securities, the types and amount of securities to be offered, the purchase price to be paid therefor and a summary of the other material terms of the proposed offering, and offer (a "Preemptive Offer") to issue to each Member such Person's Pro Rata Share of such securities upon the terms and subject to the conditions set forth in the Offer Notice.

(b) Exercise of Rights. A Preemptive Offer shall remain open and irrevocable for a period of 30 days from the date it is delivered to the Members (the "Initial Acceptance Period"). A Member may accept a Preemptive Offer, in whole or in part, by delivering a written notice to the Company within the Initial Acceptance Period specifying the amount of securities the Member elects to purchase (the "Accepted New Securities"). Any such acceptance shall constitute an irrevocable, legally binding obligation of such Member to purchase the Accepted New Securities on the terms set forth in the Offer Notice.

(c) Allocation of Available Securities. If, at the end of the Initial Acceptance Period, the Members collectively have not accepted for purchase all of the securities subject to a Preemptive Offer, such remaining securities (the "Available New Securities") shall be re-allocated for purchase among those Members agreeing to purchase their full Pro Rata Share of the securities pursuant to this **Section 2.4**, such re-allocation to be made as follows: (i) First, each such Member shall be entitled to purchase its Pro Rata Share of the Available New Securities (treating such Members as the only Members for purposes of determining their Pro Rata Share); (ii) Second, if any Available New Securities are not so purchased, each Member that agreed to acquire its adjusted Pro Rata Share of the remaining Available New Securities pursuant to clause (i) shall be entitled to purchase its Pro Rata Share of the then remaining Available New Securities (treating such Members as the only Members for purposes of determining their Pro Rata Share); and (iii) Third, the process set forth in clause (ii) shall be repeated with respect to any remaining Available New Securities until all of the securities are allocated and accepted for purchase among the Members or such Members notify the Company that they do not intend to purchase any more securities. Notwithstanding the foregoing, the allocation of Available New Securities for purchase among the Members shall be completed within 35 days of the end of the Initial Acceptance Period (such period, together with the Initial Acceptance Period, the "Acceptance Period").

(d) Open Issuance Period. If the Members do not elect to purchase all of the securities subject to a Preemptive Offer, the Company or the applicable Company Entity may, subject to the other terms of this Agreement, issue, sell, offer or exchange the remaining unsubscribed portion of such securities to any Person or Persons at a price not less than, and upon terms (including terms that may be included in any side letter or other similar agreement) no more favorable to the offeree than, those specified in the Offer Notice at any time within 90 days after the expiration of the Acceptance Period (the "Open Issuance Period"). If the Company or such Company Entity does not issue, sell, offer or exchange the remaining unsubscribed portion of such securities during the Open Issuance Period, then the right of the Company or such Company Entity to do so shall expire with respect to any such unsold securities and the obligations of this **Section 2.4** shall be reinstated.

2.5 Resignation of Member Status. A Member may resign and withdraw from the Company in its capacity as a Member, as contemplated by Section 18-603 of the Delaware Act, only with the approval of the Board. A resigning and withdrawing Member (a) shall cease to be a Member, (b) shall no longer be entitled to participate as a Member in accordance with the terms of this Agreement. A resigning and withdrawing Member shall not be entitled to and shall not receive any special distribution from the Company in connection with such resignation and withdrawal (such as the distributions contemplated by Section 18-604 of the Delaware Act). Any attempted resignation and withdrawal not made in accordance with this **Section 2.5** shall be null and void.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.1 Capital Contributions.

(a) Initial Contributions. As of the date hereof, each of the initial Members hereby contributes, transfers, assigns and conveys to the Company, free and clear of any Liens, the business plan of the Company and any and all right, title and interest it has in such business plan, as currently conducted and as contemplated to be conducted pursuant to such business plan or otherwise, and shall receive the Units in exchange therefor set forth opposite their name on the Capitalization Schedule effective as of the date hereof.

(b) Additional Contributions.

(i) Commitment Period of the 704Games Member.

(A) From the Effective Date through December 31, 2021 (the "Commitment Period"), if the Company's cash flow with respect to Fiscal Years 2019, 2020 and 2021, as applicable, is insufficient to fund the payment of those Company Liabilities incurred by the Company with respect to each such Fiscal Year, then the 704Games Member shall pay such Company Liabilities or make capital contributions to the Company in an amount necessary to fund such operational shortfalls up to a maximum aggregate annual amount of Seven Hundred Thousand Dollars ($700,000) (the "Cap") as reasonably required to pay Company Liabilities from time to time, and the 704Games Member shall not receive any additional Units in exchange for any such additional capital contributions relating to the Commitment Period (such obligation of the 704Games Member to make capital contributions during the Commitment Period, the "Capital Commitment"). Notwithstanding the foregoing and subject to Board governance and approval terms as enumerated in **Article VI**, the Board may elect to raise the Cap in any given year.

(B) If the 704Games Member fails to make any capital contribution required during the Commitment Period, or if the Cap is reached and the Company still requires funding, then each Member will be given the opportunity to participate in a Member Loan (as defined below). Each Member that elects to make a Member Loan (each, a "Funding Member") may, without limiting any other remedies available to such Members or the Company, fund all or a portion of the 704Games Member's capital contribution obligation or the Company's funding needs, as applicable, and if more than one Member desires to fund all or a portion thereof, then such Funding Members shall fund such capital contribution obligation *pro rata* in accordance with their respective Units or on such other basis as the Funding Members may agree. The entire amount funded by the Funding Member shall be treated as a loan (a "Member Loan") to the Company (and not as a capital contribution), bearing interest at a rate, compounded annually, equal to the then-current fair market interest rate applicable to similar loan transactions available to the Company from third parties on arms'-length terms, as reasonably determined by the Board.

(ii) After the Commitment Period. After the Commitment Period, the Board may from time to time submit written requests to the Members (each, a "Capital Call") to make capital contributions to the Company to fund Company Liabilities. If the Members elect to satisfy any such Capital Call by making capital contributions to the Company *pro rata* in accordance with their respective Units, then no additional Units shall be issued to the Members in exchange for any such additional capital contributions. If any Member elects not to make a capital contribution in response to such a Capital Call, then any Members electing to make a capital contribution and any other Persons that may desire to make a capital contribution in connection with an issuance pursuant to **Section 2.3** shall receive Units in exchange for such capital contributions in accordance with such terms as may be mutually agreed upon by the Board and such Member(s) and/or other Person(s).

(iii) Contribution Limits. Except as otherwise set forth herein, other than the 704Games Member and its Capital Commitment during the Commitment Period, no Member shall be (i) permitted to make additional capital contributions to the Company without the approval of the Board, or (ii) required to make additional capital contributions to the Company without the consent of such Person.

(c) Contribution of Property In-Kind. Any capital contribution of assets other than cash shall be valued at their fair market value as of the date of contribution, as agreed to by the contributing Person and the Board.

3.2 Service Contributions.

(a) **704Games Member**. Subject to the limitations set forth herein and all required approvals and Supermajority approvals of the Board, all day-to-day operations of the Company and the ELeague will be managed by the 704Games Member, acting as a manager of the Company for all purposes under the Delaware Act and other applicable law (the 704Games Member, when acting in such capacity hereunder may be referred to as the "Managing Member"). The Managing Member shall create an annual budget and operating plan for the Company for each Fiscal Year (the "Operating Plan"), which shall be submitted to the Board for approval on an annual basis no later than forty-five (45) days in advance of the start of the ELeague regular season for which Operating Plan is to be applied (or, in the case of the first year of the Commitment Period, promptly following the execution of this Agreement), in each case together with a statement of cash flows for the then-current year and a projected statement of cash flows for the immediately succeeding year for the Company and the 704Games Member, together with such additional information as the Board may request to ensure that the 704Games Member will be able to satisfy its Capital Commitment. The Managing Member shall provide all personnel and other support reasonably required, considering the Company's overall needs, for the first-class execution of the Operating Plan for the Company, including without limitation the Company's technical, development and back-office functional needs, and subject to the limitations set forth herein and all required approvals and Supermajority approvals of the Board, may sign any deeds, mortgages, bonds, contracts, or other instruments that may be executed lawfully on behalf of the Company, except where the signing and execution thereof is delegated by the Board to another Officer or agent. Any fees payable to the Managing Member for such services will be subject to approval by a Supermajority of the Board; it being understood that if the fees for such services are set forth in the Operating Plan approved by the Board no further approval from the Board is needed for the payment of such fees. In addition to the Capital Commitment contemplated by **Section 3.1(b)(i)(A)** and the support and services to be provided by the Managing Member pursuant to this **Section 3.2**, the 704Games Member shall provide the support and services to the Company set forth in **Exhibit E** (the "704Games Deliverables"), and further, the 704Games Member hereby grants to the Company a non-exclusive free license to use the technology and platform included in the *NASCAR Heat*-entitled video games, which license shall remain in effect regardless of whether the 704Games Member is a Member. Each Member acknowledges and agrees that any original design, materials, engineering, services, data, graphics, products, artwork or compilation or derivative created for, on behalf of, or as part of the services provided by the 704Games Member to the Company shall be deemed to be "work for hire" and owned by the Company or assigned to the Company throughout the universe in perpetuity, excluding the engineering, data, technology, platform, underlying source code, game engines and intellectual property rights relating thereto (including technical oversight of servers, registration, storefront, administration, lobbies and web app) specifically relating to the *NASCAR Heat*-entitled video games only, and that are not created for use in the ELeague. No Member shall use any such materials contrary to the rights of the Company or in any way other than as contemplated by this Agreement. The 704Games Member shall execute promptly all papers, documents and/or letters of assignment requested by the Board to assign and convey to the Company all rights, including without limitation any copyrights and rights to obtain copyrights in copyrightable subject matter, to products and services developed for the Company by the 704Games Member. If the 704Games Member ceases to be a Member, the Board may appoint a Person to serve as a replacement Managing Member and provide services to the Company similar to those set forth herein with respect to the 704Games Member in its capacity as the Managing Member or such other services as may be agreed by the Board and such Person.

(b) **RTAP Member**. Each year the RTAP Member shall deliver (or shall cause its members that are ETeams to deliver, as the case may be) the support and services to the Company as set forth as the RTAP Deliverables in **Exhibit F** (the "RTAP Deliverables"). Regarding the RTAP Deliverables, the Members acknowledge and agree that: (i) the RTAP Member's support of the ELeague is vital to the overall success of the ELeague; and (ii) at the request of the RTAP Managers, the Board shall review and discuss in good faith the RTAP Deliverables on an annual basis to ensure that (y) such deliverables make sense in light of the level of success of their execution, and (z) reflect the items best suited for the most successful support of the ELeague by the RTAP Member.

3.3 No Third Party Rights. No third party shall have any interest in or right to any asset or claim of the Company that represents a Capital Commitment or a capital contribution of a Member that has not been contributed to the Company. The provisions of this **Article III** are not intended and shall not be construed to be for the benefit of any creditors or other Persons (other than the Members in their capacity as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have any claim against) the Company or any of the Members, and no such creditor or other Person shall obtain any right under any such provision or shall by reason of any such provision make any claim in respect of any debt, liability or obligation, or otherwise, against the Company or any of the Members. In no event shall any Member be deemed to have any obligation to make capital contributions to the Company except to the extent required by this Agreement. The foregoing provisions of this **Section** 3.3 shall not be construed to limit the obligation of the 704Games Member to make capital contributions specifically contemplated hereunder or restrict the right of the Board to make Capital Calls specifically contemplated or permitted hereunder.

3.4 Loans. Other than a Member Loan, an Member may make a loan to the Company only with the approval of the Board, any such loan shall not be considered a capital contribution, and the interest rate on any such loan shall be a market rate agreed upon by the Member making the loan and the Board.

3.5 No Interest on Capital. Except as specifically provided for herein, no interest shall be paid by the Company on capital contributions made by the Members or on positive balances in their Capital Accounts.

3.6 No Redemption or Return of Capital. Except as specifically provided for herein, no Member shall have the right to require the Company to redeem any of its Units or to return any portion of its contributed capital.

ARTICLE IV

ALLOCATION OF NET PROFITS AND NET LOSSES

4.1 Fiscal Year and Tax Year. The fiscal year of the Company (the "Fiscal Year") for financial statement purposes shall end on December 31 or such other date determined by the Board. The tax year of the Company (the "Tax Year") for U.S. federal income tax purposes shall end on December 31 unless otherwise required by law.

4.2 Capital Accounts. A separate Capital Account shall be maintained for each Member shall have only one Capital Account.

4.3 Members Receiving Allocations. All Net Profits and Net Losses shall be allocated to the Members as of the last day of the Tax Year for which the allocation is to be made. Notwithstanding the foregoing, if there is a Transfer of Units during a Tax Year, Net Profits and Net Losses shall be allocated between the transferor and the transferee of such Units to reflect their varying interests during the year in a manner selected by the Board and permissible under U.S. federal tax law, which in all cases shall take into account any extraordinary non-recurring items of profit or loss of the Company.

4.4 Allocation of Net Profits and Net Losses. As of the end of each Fiscal Year, and after giving effect to the other allocations contemplated by this Agreement and any contributions and distributions made during such Fiscal Year, the Net Profits and Net Losses (if any) for such Fiscal Year shall be allocated among the Members so that, as nearly as possible, the balance of each such Member's Capital Account is the same as such Member's Target Capital Account balance.

4.5 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704- 2(f), notwithstanding any other provision of this **Article IV**, if there is a net decrease in Company Minimum Gain during any year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This **Section 4.5(a)** is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Debt Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this **Article IV**, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any year, each Member that has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This **Section 4.5(b)** is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this **Section 4.5(c)** shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this **Article IV** have been made as if this **Section 4.5(c)** were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit balance in its Capital Account at the end of any year that is in excess of the amount such Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this **Section 4.5(d)** shall be made only if and to the extent that such Member would have a deficit balance in its Capital Account in excess of the amount the Member is obligated to restore after all other allocations provided for in this **Article IV** have been made as if **Section 4.5(c)** and this **Section 4.5(d)** were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any year shall be specially allocated to the Members *pro rata* in accordance with their respective Capital Account balances.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any year shall be specially allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent that, under Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required in determining apital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Units, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their respective Capital Account balances in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

4.6 Loss Limitation. Net Losses allocated pursuant to **Sections 4.4** and **4.5** shall not exceed the maximum amount of Net Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Net Losses pursuant to **Sections 4.4** and **4.5**, the limitation set forth in this **Section 4.6** shall be applied on an Member by Member basis, and Net Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Members' Capital Accounts to allocate the maximum permissible Net Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

4.7 Curative Allocations. The allocations set forth in **Sections 4.5** and **4.6** (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this **Section 4.7**. Therefore, notwithstanding any other provision of this **Article IV** (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to **Section 4.4**.

4.8 **Tax Allocations: Code Section 704(c)**. In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated to the Members to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value) using one or more methods set forth in Regulations Section 1.704-3 selected by the Board. In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for U.S. federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Board. Allocations pursuant to this **Section 4.8** are solely for purposes of U.S. federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profits, Net Losses, other items, or distributions pursuant to any provision of this Agreement.

4.9 **Other Allocation Rules**. The Members are aware of the income tax consequences of the allocations made by this **Article IV** and hereby agree to be bound by the provisions of this **Article IV** in reporting their shares of Company income and loss for income tax purposes. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Members' interests in the Company's Net Profits are in proportion to their Units. To the extent permitted by Regulations Section 1.704-2(h)(3), the Board shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or an Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

4.10 **Adjustments to Capital Accounts**. The Board may, upon the sale or other issuance of securities, the making of additional capital contributions, or at such other times permitted by Regulations Section 1.704-1(b)(2)(iv), adjust the book value of the Company's assets pursuant to Regulations Section 1.704-1(b)(2)(iv)(f) to reflect their then fair market value, and in such event the Capital Account of each Member shall be adjusted to reflect that Member's share of unrealized gain or loss, as provided in this **Article IV**, as if such assets had been sold for its then fair market value as determined by the Board.

4.11 **Proposed Regulations Election**. The Company and each current and future Member hereby agree, pursuant to Proposed Regulations Section 1.83-3(e), Notice 2005-43, and all final or successor regulations, revenue procedures and similar authority, that (a) the Company is authorized and directed to elect the safe harbor under which the fair market value of securities of the Company that are issued in connection with the performance of services is treated as being equal to the liquidation value of those securities on or after the date such regulations become final, and (b) the Company and each Member, including any Person to whom securities in the Company are issued in connection with the performance of services, agree to comply with all requirements of the safe harbor with respect to all securities issued in connection with the performance of services while the election remains effective. The Company shall prepare and execute such documents and retain such records as are required by the final regulations. In the discretion of the Board, the Company may revoke such safe harbor election in such manner as the final regulations provide.

ARTICLE V

DISTRIBUTIONS

5.1 Persons Entitled to Distributions. Distributions of Company assets shall be made to the Persons that are Members on the actual date of distribution. Any distribution by the Company to a Person shown on the Company's records as a Member shall acquit the Company, the Managers and the Officers of all liability to any other Person that may be interested in such distribution by reason of any Transfer of such Person's Units for any reason.

5.2 Timing of Distributions. Except as otherwise provided herein, the Company shall make distributions to the Members at any time and from time to time as determined by the Board in its sole and absolute discretion, provided that such distributions are permitted under any lending agreements to which the Company is a party and under applicable law.

5.3 Conditions to and Terms of Distributions. The determination by the Board to make a distribution may include the imposition on all Members of certain terms and conditions on the receipt of any distributions hereunder (including, but not limited to, the repayment or return of all or any portion of such distributions to the Company in order to satisfy the Company's indemnification and other obligations in connection with the divestiture of any assets of any Company Entities). All distributions shall be further subject to the retention and establishment of reserves, or payment to third parties, of such funds as the Board deems necessary with respect to Company Liabilities.

5.4 Distribution Priorities. Except as otherwise set forth herein, subject to the prior repayment in full of any principal and interest amounts owed in connection with any Member Loans, all distributions of distributable cash and, subject to Section 5.5 below, other assets by the Company shall be made to the Members and debited to their respective Capital Accounts in accordance with the following:

(a) First, one hundred percent (100%) to the Members with a Net Capital Contribution, *pro rata* in accordance with their respective Net Capital Contributions, until the Net Capital Contributions of all Members have been reduced to zero; and

(b) Thereafter, to the Members *pro rata* in accordance with their respective Units.

The Company shall not have the power to consummate a Sale of the Company unless the acquisition agreement, purchase agreement, agreement or plan of merger or consolidation or other similar agreement for such transaction provides that the consideration payable to the Members shall be distributed in a manner consistent with this Section 5.4. For purposes of this Agreement, distributions shall not include any redemptions, repurchases, recapitalizations or exchanges of Units or other securities of the Company, any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Units.

5.5 Distribution of Assets In Kind.

(a) General. No Member shall have any right to demand or receive a distribution in a form other than cash. The Board, as determined by a Supermajority of the Board, shall have the authority to distribute assets other than cash to the Members so long as (i) each Member receives an undivided interest in such assets in proportion to its share of the distribution to be made, or (ii) each Member receives a combination of cash and assets with a value at the time of distribution equal to the value of its proportionate share of the total assets to be distributed.

(b) Valuation. Any assets of the Company distributed in kind shall be valued at their fair market value at the time of distribution, which shall be determined by a Supermajority of the Board. The Net Profits or Net Losses for each distributed asset shall be determined as if the asset had been sold at its fair market value, and such Net Profits or Net Losses shall be allocated to the Members as provided in **Article IV** and shall be properly credited or charged to the Capital Accounts of the Members prior to the distribution of the assets.

5.6 Tax Distributions. With respect to each Fiscal Year, the Board shall cause the Company to use commercially reasonable efforts to distribute to each Member an amount of cash estimated by the Board to equal the aggregate U.S. federal, state, local and non-U.S. tax liability such Member would have incurred in respect of its Interests for such year (such distribution a "Tax Distribution"), to the extent each Member has not already received sufficient distributions for such Fiscal Year for such purpose. With respect to each Member, such amount shall be determined (a) as if such Member was subject to tax on all taxable income and gains allocated to it by the Company with respect to such Fiscal Year (net of all items of deductible loss or expenses) at an assumed tax rate of forty percent (40%) (taking into account, in determining U.S. federal taxable income, any allowable deduction for state or local taxes) with respect to the character of the allocated income and gain, as determined from time to time by the Board, (b) as if any increase in such tax liability as a result of any audit adjustment with respect to tax items for prior Fiscal Years (and any liability for interest and penalties attributable to such adjustment) constituted a tax liability of such Member with respect to the current Fiscal Year, and (c) as if all allocations of losses to such Member for prior Fiscal Years had been carried forward by such Member and applied to reduce, to the maximum extent permitted under applicable law, such Member's tax liability with respect to income and gains allocated to such Member by the Company in such Fiscal Year. Tax Distributions made to an Member shall constitute an advance of, and shall be charged against, the next distributions to be made to such Member pursuant to **Section 5.4(a)(ii)** or **5.4(b)**, as applicable. No Tax Distributions shall be made in violation of applicable law, with respect to the issuance of securities to any Person, or with respect to a Sale of any Company Entity or a dissolution of any Company Entity.

5.7 Amounts Withheld.

(a) General. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld. The Company is authorized to withhold from payments, distributions or allocations to the Members, and to pay over to any U.S. federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other U.S. federal, state or local law or any foreign law, and shall allocate any such amounts to the Members with respect to which such amounts were withheld. Any "imputed underpayment amount" within the meaning of Section 6225 of the Code (as amended by the Bipartisan Budget Act of 2015) paid or payable by the Company as a result of an adjustment with respect to any Company item, including any interest or penalties with respect to any such adjustment, shall be treated as if it were paid by the Company as a withholding payment with respect to the appropriate Members, and the Board shall determine in its discretion the portion of an imputed underpayment amount attributable to each Member or former Member. The Board shall be entitled to make such adjustments to allocations and distributions hereunder as it may deem necessary or advisable in connection with the foregoing provisions.

(b) Indemnification and Reimbursement. If the Company is obligated to pay any amount to a governmental agency (or otherwise makes a payment) with respect to a Member (including, without limitation, U.S. federal withholding taxes with respect to foreign members, state personal property taxes, state unincorporated business taxes, etc.), then such Member shall indemnify the Company in full for the entire amount paid (including, without limitation, any interest, penalties and expenses associated with such payments). The amount to be indemnified shall be charged against the Capital Account of the indemnifying Member, as applicable, in a manner determined by the Board and, at the option of the Board, either:

(i) The indemnifying Member shall make a cash payment to the Company equal to the full amount to be indemnified promptly upon notification of an obligation to indemnify the Company, plus interest at a rate equal to the lower of 12% and the highest rate permitted by law, compounded annually, on such amount from the date of payment by the Company (and the indemnification amount, but not the interest, shall be added to the indemnifying Member's Capital Account in a manner determined by the Board but shall not be treated as a capital contribution); or

(ii) The Company shall reduce subsequent distributions that otherwise would be made to the indemnifying Member until the Company has recovered the amount to be indemnified, plus interest at a rate determined by the Board on such amount from the date of payment by the Company (and, notwithstanding anything to the contrary contained herein, the amount withheld shall not be treated as a capital contribution to the Company).

ARTICLE VI

GOVERNANCE

6.1 General Power and Authority of the Board. Subject to the terms of this Agreement and notwithstanding anything to the contrary in the Delaware Act, the authority to manage the business and operations of the Company shall be vested exclusively in the Board, and the Board is hereby authorized and empowered, on behalf and in the name of the Company to (a) carry out any and all of the powers, objectives and purposes of the Company, (b) perform all acts and enter into and perform all contracts and other undertakings, and (c) engage in all activities and transactions which it may in its sole and absolute discretion deem necessary, advisable or incidental thereto. The members of the Board (each a "Manager") shall constitute the Company's managers for all purposes under the Delaware Act and other applicable law. Notwithstanding the foregoing or anything to the contrary in the Delaware Act, no Manager, acting in his capacity as a Manager, shall be entitled to sign for or take any action individually on behalf of the Company without being authorized by the Board.

6.2 General Power and Authority of the Members. Except for the Managing Member, and except as specifically set forth herein and notwithstanding anything to the contrary contained in the Delaware Act, (a) a Member shall not take any part in the management or control of the affairs of the Company, shall not undertake any activities on behalf of the Company and shall have no power to sign for or to bind the Company, and (b) a Member shall have no right or authority to vote or otherwise approve any action to be taken by or on behalf of the Company. There shall be no requirement for any meeting of the Members or any group of Members, but any Member may request a meeting of the Members by giving at least three (3) business days' notice to all other Members (which meeting may be held by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other). With respect to those matters specifically requiring the consent or approval of any Members pursuant to this Agreement, such consent or approval shall be effective only if one or more written consents, describing the action or matter to be approved, shall be signed by those Members required to approve such action or matter hereunder and delivered to the Company for inclusion in the Company's records; provided, however, that if any Member to whom a proposed written consent is delivered either (i) does not execute and deliver to the Company such consent within 30 days after the receipt thereof, or (ii) does not notify the Company in writing within such 30-day period that such Member is not in favor of and does not approve the action or matter contemplated by such consent, then such Member shall be deemed to have approved the action or matter contemplated by such consent for purposes of this Agreement. Consents may be delivered by electronic mail or other customary electronic means. Except to the extent (if any) expressly provided herein or required by law, no action, transaction or decision proposed to be taken by the Company shall require the unanimous approval of the Members.

6.3 Designation of Managers.

(a) Overview; Appointments. Subject to **Section 6.3(e)**, the number of Managers constituting the Board shall be seven (7). The Managers shall be designated and appointed as follows:

(i) *The 704Games Managers*. For so long as it is a Member, the 704Games Member shall have the right to appoint two (2) Managers (each, a "704Games Manager"), which appointment may be made in writing by the 704Games Member, with a notice to the Board but shall not require the approval of the Board.

(ii) *The RTAP Managers*. The RTAP Member shall have the right to appoint two (2) Managers (each, a "RTAP Manager"), which appointment may be made in writing by the RTAP Member, with a notice to the Board but shall not require the approval of the Board.

(iii) *The NASCAR Managers*. For so long as NASCAR is a service provider and licensor of the Company pursuant to the NASCAR License Agreement, NASCAR shall have the right to appoint two (2) Managers that are representatives of NASCAR (each, a "NASCAR Manager"), which appointment may be made in writing by NASCAR, with a notice to the Board but shall not require the approval of the Board. If the NASCAR License Agreement expires or is terminated, the offices of the NASCAR Managers shall terminate and the number of Managers constituting the Board shall be reduced by two (2). For clarity, the NASCAR Managers shall only have rights to vote pursuant to **Section 6.5(d)** with respect to the NASCAR Voting Matters, and the participation of the NASCAR Managers on the Board, attendance at meetings of the Board and access to information related thereto shall otherwise be in a nonvoting observer capacity.

(iv) *Chairperson*. The RTAP Member shall have the right to appoint one (1) Manager to serve as the Chairperson of the Board (the "Chairperson"), which appointment shall initially be the Executive Director of the RTAP Member and any successor appointment to which may be made by written consent resolution.

(b) Persons Who May Serve As Managers. Managers must be natural persons, but need not be residents of Delaware or Members.

(c) Term. Notwithstanding anything to the contrary in the Delaware Act, the term of each natural person serving as a Manager shall expire and such natural person shall cease to be a Manager upon (i) the duly-effected removal of such natural person as a Manager, (ii) the natural person's death or Incapacity, (iii) the delivery of written notice of resignation by such natural person to the Board, or (iv) the Member that appointed such Manager ceasing to be a Member.

(d) Removals. A Manager may be removed only by the Person(s) with the authority to appoint such Manager pursuant to **Section 6.3(a)**, notice of which shall be given in writing by such Party to the Board.

(e) Vacancies. Any vacancy occurring in the Board may be filled only by the Person(s) having the ability to appoint the Manager represented by such vacancy pursuant to **Section 6.3(a)**. If for any reason such Person(s) fail to fill any Manager vacancy, such position shall remain vacant until filled in accordance with this Agreement. For purposes of determining quorum and the number of Manager votes required for approval or Supermajority approval of the Board or unanimous votes (unless expressly stated otherwise), the number of Managers of the Company shall not include any Manager positions that are vacant.

(f) Initial Managers. As of the Effective Date, (i) the 704Games Managers were Colin Smith and Ed Martin, (ii) the RTAP Managers shall be Jon Wood and Joseph Damato, (iii) the NASCAR Managers shall be Craig Neeb and Tim Clark, and (iv) the Chairperson shall be Jonathan Marshall. As of December 1, 2019, the 704 Games Managers shall be Dmitry Kozko and Ben Rossiter-Turner.

(g) Quorum. A quorum of any meeting of the Board shall require the presence, whether in person or by proxy, of at least one 704 Games Manager, one RTAP Manager and one NASCAR Manager. No action may be taken by the Board unless the appropriate quorum is present at a meeting.

6.4 Compensation of Managers; Reimbursement of Expenses. A Manager shall not receive compensation from the Company for serving as a Manager unless otherwise approved by the Board; provided, that nothing contained herein shall prohibit a Manager from being compensated by the Company pursuant to a separate agreement for services rendered as an employee or independent contractor of the Company or any of its Affiliates. The Company shall reimburse the Managers for the fair market value of reasonable out-of-pocket expenses incurred by them in the good faith performance of their duties hereunder, including expenses incurred in connection with the attendance of meetings of the Board.

6.5 Meetings and Actions of the Board.

(a) Meetings Generally. Regular meetings of the Board may be held at such places within or without the State of Delaware and at such times as the Board may from time to time determine, provided the Board shall have a regular meeting no less frequently than quarterly. The Board may provide, by resolution, the time and place for the holding of regular meetings. Special meetings of the Board may be called by or at the request of the Chairperson of the Board or any Manager. Such a meeting may be held either within or outside the State of Delaware, as fixed by the Person or Persons calling the meeting.

(b) Notice of Meetings. Regular meetings of the Board may be held with ten (10) business days prior written notice. The Person or Persons calling a special meeting of the Board shall, at least two business days before the meeting, give or cause to be given written notice thereof to all Managers. The Company shall take all actions reasonably requested by the Person or Persons calling a meeting to facilitate the delivery of such written notice. Such notice must specify the purpose for which the meeting is called. When a meeting is adjourned to a different date, time or place, written notice shall be given of the new date, time or place. Any Manager may waive notice of any meeting before, during or after the meeting. The waiver must be in writing, signed by the Manager and delivered to the Company for inclusion in the Company's records. A Manager's attendance at or participation in a meeting waives objection to lack of notice or defective notice of the meeting, unless the Manager at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

(c) Proxies. A Manager may vote in person or by proxy and such proxy may be granted in writing, including by means of Electronic Transmission . Every proxy shall be revocable in the discretion of the Manager executing it unless otherwise provided in such proxy, provided that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(d) Voting Rights. Except as otherwise set forth in this Agreement and notwithstanding anything to the contrary in the Delaware Act, each Manager other than the Chairperson shall have one vote with respect to each matter presented to the Board for approval or determination; provided, that the NASCAR Managers shall only have rights to vote with respect to the matters indicated on **Exhibit C** as ***"Including NASCAR"*** (such matters, the "NASCAR Voting Matters"), and the participation of the NASCAR Managers on the Board, attendance at meetings of the Board and access to information related thereto shall otherwise be in a nonvoting observer capacity. In the event a matter is presented to the Board for approval or determination for which approval of a Supermajority of the Board is needed, and there is only a Majority of the Board following the voting of the Managers other than the Chairperson, then the Managers constituting the votes representing the Majority may petition the Chairperson to cast an affirmative vote in order to secure the approval of a Supermajority of the Board, and in such case, the Chairperson shall have one vote with respect to such matter presented to the Board for approval or determination.

(e) Action by the Board. Except as otherwise provided herein and notwithstanding anything to the contrary in the Delaware Act, the following shall be the act of the Board hereunder and for purposes of the Delaware Act:

(i) with respect to any action or determination other than matters requiring a Supermajority of the Board, the affirmative vote of a Majority of the Board. "Majority" with respect to a vote of the Board means (i) with respect to any action or determination other than NASCAR Voting Matters or matters requiring a Supermajority of the Board, the affirmative vote of three (3) out of four (4) of the Managers on the Board (excluding the NASCAR Managers) and (ii) with respect to NASCAR Voting Matters that do not require a Supermajority of the Board, the affirmative vote of four (4) out of six (6) of the Managers on the Board.

(ii) with respect to any action or determination requiring a Supermajority of the Board, the affirmative vote of a Supermajority of the Board. "Supermajority" with respect to a vote of the Board means (i) with respect to any action or determination other than NASCAR Voting Matters, the affirmative vote of four (4) out of four (4) of the Managers on the Board (excluding the NASCAR Managers) and (ii) with respect to NASCAR Voting Matters, the affirmative vote of five (5) out of six (6) of the Managers on the Board.

Except to the extent expressly provided herein or required by law, no action, transaction or decision proposed to be taken by the Company shall require unanimous approval of the Managers. Any action required or permitted to be taken by the Board, whether or not a meeting of the Board was held in connection with such action, shall be deemed taken when one or more written consents, describing and approving the action to be taken, shall be provided (including by electronic mail) by the Managers required to take such action pursuant to this Agreement and delivered to the Company for inclusion in its records, and if such an action is to be taken in the absence of a meeting, then all Managers shall be given a copy of any such proposed written consent at least two Business Days prior to the effectiveness of such action to provide their approval or disapproval of such action.

(f) Presumption of Assent. A Manager who is present at a meeting of the Board or a committee of the Board when board action is taken is deemed to have assented to the action taken unless (i) he or she objects at the beginning of the meeting, or promptly upon his or her arrival, to holding the meeting or to transacting business at the meeting, (ii) his or her dissent or abstention from the action taken is entered in the minutes of the meeting, or (iii) he or she files written notice of his or her dissent or abstention with the presiding individual of the meeting before its adjournment or with the Company immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a Manager who votes in favor of the action taken.

(g) Participation in Meeting by Telephone. Members of the Board, or of any committee thereof, may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

(h) Committees of the Board. The Board may create committees of the Board and appoint Managers and other Persons to serve on such committees; provided, that at least one (1) 704Games Manager, one (1) RTAP Manager, and one (1) NASCAR Manager shall be offered the right to join each such committee; provided, further, that any such committee shall act by a vote in a manner consistent with the manner in which the Board votes and in the event a Supermajority is needed to pass a measure and only a Majority vote is obtained, the members of a committee may petition the Chairperson to cast an affirmative vote in order to secure the approval of a committee in a manner similar to the Board, and in such case, the Chairperson shall have one vote with respect to such matter being considered by such committee for approval or determination. Each committee shall have and may exercise any authority specifically granted to it by the Board. The Board shall form a committee to create the competition structure, a code of conduct and other related player/gamer requirements of the ELeague, the initial descriptions as of the date hereof for which are set forth as the "Competition Structure" on **Exhibit D**. Except as may be otherwise authorized by the Board, the provisions in this Agreement governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board apply to committees of the Board established under this **Section 6.5(h)**.

6.6 Matters Requiring Approval of the Board. The actions identified on **Exhibit C** as "Matters Requiring Board Approval" may not be taken by or on behalf of any Company Entity (by amendment, merger, consolidation or otherwise), including by the Managing Member or any officer of any Company Entity or any committee of the Board, without the Majority approval of the Board or Supermajority approval of the Board, as specified therein. To the extent any such action is taken without such approval, such action shall be voidable by the Board.

6.7 No Appraisal Rights. To the greatest extent permitted by law, no Member shall have any contractual appraisal rights, dissenters' rights or other similar rights with respect to any transaction or other matter involving or relating to the Company.

6.8 Delegation of Authority; Officers.

(a) General. The Board may from time to time delegate to one or more natural persons (each an "Officer") any portion of its authority granted hereunder and under the Delaware Act as the Board deems appropriate. No such delegation shall relieve any Manager of its duties and obligations, or limit the power and authority of the Board, set forth herein and under the Delaware Act. The same natural person may hold any two or more offices, but no Officer may act in more than one capacity where action of two or more Officers is required. Each Person selected to become an Officer must execute the Joinder Certificate attached hereto as **Exhibit B**, pursuant to which such Person agrees to be bound by the provisions of this Agreement, prior to taking office.

(b) Appointment and Term. The Officers of the Company shall be appointed and removed by the Board or by a duly appointed Officer authorized by the Board to appoint and remove one or more Officers. Each Officer shall hold office until his or her death, Incapacity, resignation, retirement or removal. Any Officer may be removed by the Board or such other Officer appointing such Officer at any time with or without cause. An Officer may resign at any time by communicating his or her resignation to the Board or to such other Officer responsible for appointing him or her, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date.

(c) Compensation of Officers. The compensation of all Officers shall be fixed by or under the authority of the Board or, subject to **Section 6.5**, another Officer with the power and authority to appoint and remove such Officer, and no Officer shall serve the Company in any other capacity and receive compensation therefor unless such additional compensation shall be duly authorized. The appointment of an Officer does not itself create contract rights.

(d) General Authority. Each Officer shall be subject to the authority, oversight and supervision of the Board and each Officer having the power and authority to appoint and remove such Officer, and each Officer shall be responsible for implementing the decisions of such Persons and for conducting the Ordinary Course of Business of the Company, including, subject to the policies and limitations established by, and the authority, oversight and supervision of, such Persons and subject to the terms of this Agreement, including **Section 6.5**: (i) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Company; (ii) the acquisition or disposition of assets of the Company in the Ordinary Course of Business; (iii) the use of the assets of the Company in the Ordinary Course of Business (including the conduct of the operations of the Company and the repayment of obligations of the Company); and (iv) the negotiation, execution and performance of any contracts or other instruments on behalf of the Company in the Ordinary Course of Business. The acts of the Officers shall bind the Company when taken within the scope of their authority.

(e) Officer Positions.

(i) *General Manager*. Subject to the control of the Board and the terms of this Agreement, the General Manager shall be an executive officer of the Company and shall control the management of the Company. The General Manager may sign any deeds, mortgages, bonds, contracts, or other instruments that may be executed lawfully on behalf of the Company, except where the signing and execution thereof is delegated by the Board to another Officer or agent. Further, the General Manager shall perform all duties incident to the office and such other duties assigned to him or her by the Board from time to time.

(ii) *Vice Presidents*. The Vice Presidents, in the order of their appointment unless otherwise determined by the Board, shall be executive officers of the Company and, in the absence or Incapacity of the General Manager, perform the duties and exercise the powers of that office. Further, they shall perform such other duties assigned to them by the General Manager or the Board from time to time.

(iii) *Secretary*. The Secretary shall be an executive officer of the Company and shall (A) keep accurate records of the acts and proceedings of all meetings of the Board, the committees thereof and the Members, (B) maintain the Company's books and records, (C) sign such instruments as may require his or her signature, (D) attest to the signature or certify the incumbency or signature of any other Officer, and (E) perform all duties incident to the office of secretary and such other duties assigned to him or her by the General Manager or the Board from time to time. The Secretary may assign all or any portion of his or her responsibilities to one or more Assistant Secretaries.

6.9 Other Company Entity Boards. All Company Entities other than the Company shall be governed in a manner consistent with the applicable provisions of this Agreement in all material respects (including with respect to board composition, quorum and notice requirements and approval requirements); provided, however, that this **Section 6.9** shall be deemed satisfied where the Company is the sole member and manager of any Company Entity that is a limited liability company. Subject to the foregoing provisions of this **Section 6.9**, the Company shall take such actions, and shall cause the other Company Entities to take such actions, to ensure that the provisions of the organizational documents applicable to the board of managers, board of directors or other similar governing body of any Company Entity are consistent with the corresponding provisions of this Agreement.

ARTICLE VII

DUTIES; STANDARDS OF CONDUCT; LIABILITY; INDEMNIFICATION

7.1 Duties; Standards of Conduct.

(a) Managers and Officers. The Managers and the Officers shall have a duty not to commit an act or omission that represents Misconduct. Officers may have other duties and may be subject to other standards of conduct, in each case as prescribed by the Board from time to time. Except as set forth in the preceding sentences with respect to Managers and Officers or as otherwise expressly set forth in this Agreement, to the maximum extent permitted by law (including Section 18-1101(c) of the Delaware Act), and notwithstanding applicable provisions of law or equity or otherwise, Exculpated Parties shall have no fiduciary duties (whether by contract, under agency law, under common law or otherwise) to the Company, its Members or other Persons and shall not be subject to any standards of conduct; provided, that if the Chairperson is petitioned to cast a vote on a matter submitted to the Board for approval pursuant to **Section 6.5(d)**, then in connection with exercising such right to vote, the Chairperson shall have a duty of loyalty to act in the best interest of the Company and the Members by not putting any interest of an individual Member ahead of the interests of the Company and the Members taken as a whole; provided, that the foregoing shall not be deemed to limit the presumption of business judgment to which the Chairperson is entitled in connection with exercising such right to vote. A Manager and an Officer may consult with legal counsel, accountants, appraisers, investment bankers and other similar consultants and advisers selected by him or her with reasonable care, and any act or omission made in reliance upon the opinion of any such Person as to matters that such Manager or Officer reasonably believes to be within such Person's professional or expert competence shall conclusively be presumed to have been made in accordance with the duties and standards of conduct of such Manager or Officer under this **Section 7.1(a)**, so long as such Manager or Officer made a good faith effort to inform such Person of all the material facts pertinent to such opinion. Each Member may have different financial, regulatory, income tax, and other status and circumstances in comparison to other Members, which may give rise to conflicts of interest among the Members with respect to the operation of the Company Entities' business and affairs. Exculpated Parties shall not be required, when making decisions or taking action with respect to the Company or any other Company Entity, to take into consideration any such differences.

(b) Members. To the maximum extent permitted by law (including Section 18-1101(c) of the Delaware Act), and notwithstanding applicable provisions of law or equity or otherwise, Members (in their capacity as Members) shall have no fiduciary duties (whether by contract, under agency law, under common law or otherwise) to the Company, its Members or other Persons and shall not be subject to any standards of conduct.

7.2 Conflict of Interest Transactions. Except for transactions expressly contemplated herein, the Company may not, directly or indirectly, engage in any contract or transaction with one or more of its Managers or Officers or with any entity in which one or more of its Managers or Officers have a financial interest unless the material facts of the transaction and the Manager's or Officer's interest were disclosed or known to the Board and a majority of the disinterested members of the Board authorized, approved or ratified the transaction.

7.3 Business Opportunities.

(a) Each Member shall offer to the Company any business opportunity created or obtained by or presented to it relating to any opportunity for professional esports leagues relating to the official NASCAR related series for Cup, Xfinity or Truck (to the extent such series are still active), and is intended to replicate authentic NASCAR racing competition rules and structure (including, but not limited to, points standings calculation, schedule, multiple national series, inclusion of NASCAR-sanctioned tracks, race duration, etc.), but excluding professional esports leagues based on third-party casual games that may include some core characteristics of authentic NASCAR racing but also include distinguishing creative liberties which are not consistent with authentic NASCAR racing, including but not limited to virtually-recreated racetracks where various fictitious elements such as obstacles, zero gravity, etc. are introduced to render the gameplay more challenging (and thus less authentic in nature) (a "Business Opportunity"). The Board shall determine whether such Business Opportunity should be pursued by the Company (whether directly or through a subsidiary or joint venture in which the Company would participate). If a Member presents such a Business Opportunity to the Company and the Board affirmatively declines to accept or pursue such Business Opportunity, then such Member shall be entitled to pursue such Business Opportunity independently (without the use or benefit of any Company assets, and subject to the Member's continued compliance with its obligations hereunder).

(b) Subject to Section 7.3(a), the Members expressly acknowledge and agree that, notwithstanding anything to the contrary contained in this Agreement: (i) each Member and their respective Affiliates, and its and their respective directors, managers, officers, owners, employees, agents and representatives are permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in any business in which a Company Entity is engaged (an "Other Business"); (ii) Members have and may develop a strategic relationship with businesses that are and may be competitive or complementary with a Company Entity; (iii) none of the Members shall be prohibited, by virtue of its respective investment in the Company or its service on the Board or other services to the Company, from pursuing and engaging in any such activities or Other Business; (iv) none of the Members shall be obligated to inform or present the Company or the Board of any such opportunity, relationship or investment; (v) the Members shall not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of the Members; (vi) the involvement of the Members in any Other Business shall not constitute a conflict of interest by such Persons with respect to the Company or its Members or any Company Entity; and (vii) the Members shall not be precluded, restricted, or limited in any way from engaging in any and all business activities and receiving fees or any other remuneration in connection with any activities of any type or nature, in each case for their own account or for the accounts of others.

7.4 Limited Liability; Exculpation.

(a) Overview. To the maximum extent permitted by law, no current or past Manager, Officer or Member shall be liable for the debts, liabilities or obligations of the Company solely by reason of being a Manager, Officer or Member or participating in the management of the Company's affairs.

(b) Actions or Omissions Relating to the Company. Subject to **Section 7.4(c)**, to the maximum extent permitted by law, a Manager, a Member (when acting as such), an Officer and each such Person's Affiliates, and each such Person's and its Affiliates respective directors, managers, officers, owners, employees, agents and representatives (each an "Exculpated Party") shall not be liable to the Company or any Member for any cost, expense (including attorneys' fees), damage, liability, or other similar amount (collectively, "Damages") arising, directly or indirectly, from or in connection with any act or omission of such Exculpated Party or any of its Affiliates, directors, managers, officers, owners, employees or representatives that in any way relates to or is incidental to the Company, any other Company Entity or of any of their respective properties, business, or affairs.

(c) Exculpation Exceptions. Except as otherwise provided herein or in any separate agreement between an Exculpated Party and the Company, the limitation of or exculpation from liability under **Section 7.4(b)** with respect to any Manager or Officer, shall not apply to any Damages that arise, directly or indirectly, from or in connection with any act or omission that represents Misconduct.

(d) Amendment. Any amendment, repeal or modification of this **Section 7.2** shall not alter any right or protection of any Person hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

(e) Consequential Damages. IN NO EVENT SHALL ANY EXCULPATED PARTY BE LIABLE TO THE COMPANY OR ANY MEMBER FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR ANY OTHER INDIRECT DAMAGES.

7.5 Indemnification.

(a) Overview. Subject to **Section 7.5(b)**, to the maximum extent permitted by law, the Company shall indemnify and hold harmless each Exculpated Party (each an "Indemnitee") who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed civil, criminal, administrative, investigative or arbitrative action, suit or proceeding (and any appeal therein) relating to the Company, whether or not brought by or on behalf of the Company (a "Proceeding"), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a Manager or Officer, or while a Manager or Officer is or was serving at the request of the Company as a manager, director, officer, partner, venture partner, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against all Damages reasonably incurred by such Indemnitee arising, directly or indirectly, from or in connection with any act or omission of such Indemnitee or any of its Affiliates, directors, managers, officers, owners, employees or representatives that in any way relates to or is incidental to the Company, any other Company Entity or of any of their respective properties, business, or affairs.

(b) Indemnification Exceptions. Except as otherwise provided herein or in any separate agreement between an Indemnitee and the Company, the indemnification protection under **Section 7.5(a)** with respect to any Manager or Officer shall not apply to any Damages that arise, directly or indirectly, from or in connection with any act or omission that represents Misconduct.

(c) Indemnification Priority. The Company hereby acknowledges that the rights to indemnification, advancement of expenses and/or insurance provided pursuant to this **Section 7.5** may also be provided to certain Indemnitees by other sources (such other sources, collectively, the "Affiliate Indemnitors"). The Company hereby agrees that, as between itself and the Affiliate Indemnitors: (i) the Company is the indemnitor of first resort with respect to all such indemnifiable claims against such Indemnitees, whether arising under this Agreement or otherwise (*i.e.*, its obligations to such Indemnitees are primary and any obligation of the Affiliate Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnitees are secondary); (ii) the Company shall be required to advance the full amount of expenses incurred by such Indemnitees and shall be liable for the full amount of all Damages paid in settlement to the extent legally permitted and as required by the terms of this Agreement (or any other agreement between the Company and such Indemnitees), without regard to any rights such Indemnitees may have against the Affiliate Indemnitors; and (iii) the Company irrevocably waives, relinquishes and releases the Affiliate Indemnitors from any and all claims against the Affiliate Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company agrees to indemnify the Affiliate Indemnitors directly for any amounts that the Affiliate Indemnitors pay as indemnification or advancement on behalf of any such Indemnitee and for which such Indemnitee may be entitled to indemnification from the Company in connection with serving as a Manager or Officer (or equivalent titles) of the Company or any other Company Entity. The Company further agrees that no advancement or payment by the Affiliate Indemnitors on behalf of any such Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from the Company shall affect the foregoing and the Affiliate Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnitee against the Company, and the Company shall cooperate with the Affiliate Indemnitors in pursuing such rights. The Company and the Indemnitees acknowledge that the Affiliate Indemnitors are express third-party beneficiaries of the terms of this **Section 7.5**.

(d) Insurance. The Company may purchase and maintain insurance, at its expense, to protect itself and any Indemnitee against any Damages, whether or not the Company would have the power to indemnify such Indemnitee against such Damages under this **Section 7.5**. Without limiting the foregoing, the Company shall obtain, within ninety (90) days of the date hereof, from a financially sound and reputable insurance company, directors' and officers' liability insurance in an amount determined by, and on terms and conditions reasonably acceptable to, the Members, and shall use commercially reasonable efforts to cause such insurance to be maintained until such time as the Board determines that such insurance should be discontinued.

(e) Expenses. If an Indemnitee becomes involved in any capacity in any Proceeding, the Company shall periodically reimburse the Indemnitee for its reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith; provided, however, that (i) such periodic reimbursement of expenses shall not be available in the case of a legal action brought against an Indemnitee by or on behalf of the Company to the extent such action reasonably includes claims that, if resolved against such Indemnitee, would not be indemnifiable under this Agreement (provided this clause (i) shall not affect the Indemnitee's right to recover such expenses if and to the extent it ultimately prevails on such claims), and (ii) the Indemnitee promptly shall repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company in connection with such Proceeding pursuant to this **Section 7.5**.

(f) Company Contributions. If for any reason (other than solely by operation of the terms of this Agreement) the indemnification provided herein is unavailable to an Indemnitee, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnitee as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Indemnitee on the other, but also the relative fault of the Company and the Indemnitee as well as any other relevant equitable considerations, taking into account any Misconduct on the part of the Indemnitee.

(g) Amendment. Any amendment, repeal or modification of this **Section 7.5** shall not alter any right or protection of any Person hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

(h) Non-Exclusivity of Rights. The right to indemnification and to the advancement of expenses conferred in this **Section 7.5** shall not be exclusive of any other right that any Person may have or hereafter acquire under any applicable law or any other agreement or document with the Company.

ARTICLE VIII

TRANSFER LIMITATIONS

8.1 Transfers Generally.

(a) Overview. Notwithstanding anything to the contrary in the Delaware Act, any Transfer or purported Transfer of Units (including, without limitation, the Economic Interest associated therewith) shall be null and void unless made strictly in accordance with the terms and conditions of this Agreement, including the provisions of this **Article VIII**. Except as otherwise specified herein, the restrictions, terms and conditions of this Agreement shall remain in effect as to all Units held now or in the future by a Member, whether or not disposed of in accordance with the terms and conditions of this Agreement.

(b) Transfer of Units. No Member may Transfer any Units, voluntarily or involuntarily, unless such Transfer is approved by the Board (other than a Transfer pursuant to **Section 8.3** (Transfer upon death) or a Sale unanimously approved by the Members) and:

(i) Such Transfer is made to the Company;

(ii) Such Transfer is made pursuant to **Section 8.2** (Transfer to an Affiliate) or **Section 8.3** (Transfer upon death); or

(iii) Such Transfer is made after compliance with **Article IX** (Transfer made in accordance with the right of first refusal process or in a Tag-Along Transaction).

All Transfers to be made pursuant to clauses (ii) and (iii) above also shall be subject to **Section 8.7**. No transferee of Units shall be a Member unless admitted in accordance with **Section 8.6**.

8.2 Transfer to Affiliates. A Member may Transfer Units to an Affiliate of such Member so long as such Member and such Affiliate execute and deliver a document pursuant to which (a) such Transferring Member and the proposed transferee represent and warrant that the transferee is an Affiliate of the Transferring Member, (b) such Affiliate agrees not to Transfer its Units except back to the Transferring Member, to another Affiliate of the Transferring Member, or as otherwise permitted by **Section 8.1**, and (c) such Transferring Member and the proposed transferee agree to be jointly and severally liable for all obligations of such Persons hereunder. No Transfer of Units under this **Section 8.2** shall be effective unless and until the foregoing requirements are satisfied in full. Additionally, all Transfers of Units made pursuant to this **Section 8.2** shall be subject to the provisions of **Section 8.7**.

8.3 Transfer Upon Death if a Member is a natural person. The legal representative of a deceased Member may Transfer the deceased Member's Units, without liquidation thereof, to the Person or Persons entitled thereto under the applicable laws of testate or intestate succession without the approval of any Person. The legal representative of a deceased Member shall promptly notify the Company of such Member's death. Except as expressly set forth herein, the legal representative of the deceased Member and any distributee of the deceased Member's Units may not require that any such Units be purchased or liquidated by the Company. Additionally, all Transfers of Units made pursuant to this **Section 8.3** shall be subject to the provisions of **Section 8.7**.

8.4 Rights and Obligations of Transferors. Notwithstanding anything to the contrary in the Delaware Act:

(a) Rights. To the extent applicable, any transferor of Units shall, after the effectiveness of the Transfer, cease to be a Member with respect to the Transferred Units and no longer be entitled to participate as a Member in accordance with the terms of this Agreement with respect to the Transferred Units; and

(b) Obligations. Any transferor of Units (i) unless otherwise approved by the Board, shall remain liable to the Company for all of the obligations associated with the Transferred Units (notwithstanding the assumption of such obligations by the transferee), and (ii) except to the extent otherwise provided for herein, shall remain subject to the terms and conditions of this Agreement that, by their context, would reasonably be likely to apply following a Transfer (including, without limitation, **Sections 12.2**, **13.1**, **14.7**, **16.1**, **16.7**, **16.8**, **16.9 16.10**, **16.12** and **16.14**).

8.5 Rights and Obligations of Transferees. Notwithstanding anything to the contrary in the Delaware Act:

(a) Rights. Any transferee of Units that is not admitted as a Member with respect to the Transferred Units in accordance with **Section 8.6** (i) shall not be a Member with respect to the Transferred Units, (ii) shall not be entitled to participate as a Member in accordance with the terms of this Agreement with respect to the Transferred Units,. A transferee of Units shall be deemed to have made the capital contributions in respect of such Units that the transferor made or was deemed to have made with respect to such Units, and any reference in this Agreement to a distribution to a transferee of Units shall include any distributions previously made to the transferor of such Units; and

(b) Obligations. Any Permitted Transferee of Units (i) shall assume all of the obligations of the transferor with respect to the Transferred Units (but such assumption shall not release the transferor from such obligations unless otherwise approved by the Board), (ii) shall be subject to the terms and conditions of this Agreement, and (iii) shall be subject to any claims or offsets that the Company has against the transferor with respect to the Transferred Units regardless of when any such claims or offsets may arise.

8.6 Admission of Transferees as Members. Notwithstanding anything to the contrary in the Delaware Act, a transfer shall only be effective, and the transferee of Units shall be admitted as a Member with respect thereto, only after the following conditions are satisfied: (a) the Board approves the admission of the transferee as a Member, which approval shall not be unreasonably withheld, conditioned or delayed; (b) the transferee becomes a party to this Agreement by executing the Joinder Certificate attached hereto as **Exhibit B**; and (c) the transferor and transferee execute and acknowledge any additional documents and instruments the Board may deem reasonably necessary or desirable to effect such Transfer and admission.

8.7 Further Restrictions on Transfer. The Board may condition the effectiveness of a Transfer of Units upon the Company's receipt of evidence, in form and substance acceptable to the Board, that all tax withholding obligations have been satisfied in connection with such Transfer. Except for Transfers of Units made to the Company or in a Sale unanimously approved by the Members, a Member may not Transfer any Units, and a Transfer by a Member shall not be effective, unless and until the transferor or transferee provides the Company with a written opinion of counsel, in form and substance reasonably acceptable to the Board, (a) that the Transfer shall not cause the Company to become subject to any additional regulatory requirements or restrictions of any nature, (b) that the Transfer shall not cause a violation of applicable law (including U.S. federal and state securities laws) or this Agreement, (c) that the Transfer shall not cause the Company to become a "publicly traded partnership" within the meaning of Code Section 7704(b), and (d) as to such other matters requested by the Board. The Board may waive this requirement in whole or in part. Further, the transferor or transferee of the Units shall reimburse the costs and expenses (including reasonable attorneys' fees) incurred by the Company in connection with the Transfer.

8.8 Indemnification by Transferor. If the Company or any Manager becomes involved in any capacity in any Proceeding (including any Proceeding relating to the failure to withhold all applicable amounts for tax purposes) brought by or against any Person in connection with any Transfer or proposed Transfer by a Member of its Units or the admission as a Member of the corresponding transferee, the Transferring Member shall be liable for reimbursing the Company and such Manager for all legal and other expenses (including the cost of any investigation and preparation) incurred by them in connection therewith, and to the fullest extent permitted by law shall indemnify each of them against all Damages to which any of them may become subject in connection with such Transfer or proposed Transfer. In the case of a Transfer that is consummated, the transferor and its transferee shall be jointly and severally liable for the payment of all such expenses and for such indemnification. The foregoing provisions shall survive any termination of this Agreement.

ARTICLE IX

RIGHTS OF REFUSAL; TAG-ALONG RIGHTS

9.1 Right of Refusal. Subject to **Section 9.3**, a Member may Transfer Units only in accordance with the following procedures:

(a) Member's Offer. The Member shall first deliver to the Company and the Members a written notice (a "Notice of Transfer"), which shall (i) state the Member's intention to Transfer Units to any buyer(s), the name or names of such buyer(s), the amount and type of Units to be Transferred, the purchase price to be paid therefor and the nature thereof, and a summary of the other material terms of the proposed Transfer, and (ii) offer the Members the right and option to acquire such Units upon the terms and subject to the conditions of the proposed Transfer as set forth in the Notice of Transfer. Any such offer shall remain open and irrevocable for the periods set forth below (and to the extent such offer is accepted during such periods, until the consummation of the Transfer contemplated thereby).

(b) Right of Refusal. The Members shall have the right and option, for a period of 30 days after the delivery of the Notice of Transfer (the "Initial Refusal Right Acceptance Period"), to accept all or any part of the Units so offered, at the purchase price and on the terms stated in the Notice of Transfer. In connection with the exercise of its rights contemplated by this **Section 9.1(b)**, each Member may accept for purchase all or any part of such Member's Pro Rata Share of the Units to be Transferred by the Member. Each Member shall accept such offer by delivering a written notice to the Member within the Initial Refusal Right Acceptance Period specifying the amount of Units such Member shall purchase (the "Member Accepted Units"). Any such acceptance shall constitute an irrevocable, legally binding obligation of such Member to purchase such Member Accepted Units on the terms set forth in the Notice of Transfer. If, at the end of the Initial Refusal Right Acceptance Period, the Members collectively have not accepted for purchase all of the Units to be Transferred by the Member, such remaining Units (the "Available Units") shall be re-allocated for purchase among those Members agreeing to purchase their entire Pro Rata Share of the Units pursuant to this **Section 9.1(b)**, such re-allocation to be made as follows: (i) first, each such Member shall be entitled to purchase its Pro Rata Share of the Available Units (treating such Members as the only Members for purposes of determining their Pro Rata Share); (ii) second, if any Available Units are not so purchased, each Member who agreed to acquire its entire adjusted Pro Rata Share of the remaining Available Units pursuant to clause (i) shall be entitled to purchase its Pro Rata Share of the then remaining Available Units (treating such Members as the only Members for purposes of determining their Pro Rata Share); and (iii) third, the process set forth in clause (ii) shall be repeated with respect to any remaining Available Units until all of the Units are allocated and accepted for purchase among the Members or such Members notify the Member that they do not intend to purchase any more Units. Notwithstanding the foregoing, the allocation of Available Units for purchase among the Members shall be completed within 20 days of the end of the Initial Refusal Right Acceptance Period (such period, together with the Initial Refusal Right Acceptance Period, the "Refusal Right Acceptance Period").

(c) Open Transfer Period. If the Members do not elect to purchase all of the Units offered for Transfer by the Member pursuant to **Section 9.1(b)**, the Member may, subject to the other terms of this Agreement, sell all (but not less than all) of the unsold Units originally proposed to be sold, at the purchase price to the proposed buyer(s), and on the other terms stated in the Notice of Transfer, at any time within 90 days after the expiration of the Refusal Right Acceptance Period (the "Open Transfer Period"). To the extent the Member Transfers such Units during the Open Transfer Period, the Member shall promptly notify the Company of (i) the amount of Units, if any, that the Member then owns, (ii) the amount of Units the Member has Transferred, (iii) the terms of such Transfer, and (iv) the name of the new owner or owners of any Units that are Transferred. If the Member does not Transfer all of the offered Units during the Open Transfer Period, then the right of the Member to Transfer such unsold Units shall expire with respect to any such unsold Units and the obligations of this **Section 9.1** shall be reinstated; provided, however, that at any time during the Open Transfer Period, the Member may terminate the offer and reinstate the procedure provided in this **Section 9.1** without waiting for the expiration of the Open Transfer Period.

(d) Closing. All Transfers of Units to the Members subject to a Notice of Transfer shall be consummated contemporaneously at the principal office of the Company on the later of (i) a mutually reasonably acceptable business day as soon as practicable, but in no event more than 30 days after the expiration of the Refusal Right Acceptance Period, (ii) the fifth business day following the expiration or termination of all waiting periods under any law applicable to such Transfers, and (iii) at such other time and/or place as the parties to such Transfers may agree. The delivery of certificates or other instruments evidencing such Units, duly endorsed for transfer, shall be made on such date against payment of the purchase price for such Units in accordance with the terms set forth in the Notice of Transfer. If the consideration originally proposed to be paid for such Units, as set forth in the Notice of Transfer, was property, services or other non-cash consideration, and any applicable Member is unable for any reason to pay for such Units in the same form of non-cash consideration, such Member may pay the cash value equivalent thereof, as determined in good faith by the Board.

9.2 Tag-Along Rights.

(a) Tag-Along Transaction and Notice. If any Units proposed to be Transferred by a Member are not purchased by the Members pursuant to **Section 9.1** and will be Transferred by such Member pursuant to a transaction permitted under **Section 9.1(c)** (a "Tag-Along Transaction"), the Member (the "Tag-Along Member") shall promptly deliver to the Company and the Members a written notice (a "Tag-Along Notice") of its intention to Transfer Units to any buyer(s), the identity of such buyer(s), the amount and type of the Units to be Transferred, the purchase price to be paid therefor and the nature thereof, the Implied Transaction Value, and a summary of the other material terms of the proposed Transfer.

(b) The Tag-Along Right. In any Tag-Along Transaction, the Tag-Along Member shall grant to each Member the right (the "Tag-Along Right"), but not the obligation, which right shall be irrevocable for a period of 15 days after the beginning of the Open Transfer Period (the "Tag-Along Period"), to Transfer up to a number of Units in the Tag-Along Transaction (in addition to the Units to be sold by the Tag-Along Member) having the same aggregate Implied Transaction Value as the Units to be sold by the Tag-Along Member to such buyer(s), on the same terms and conditions set forth in the Tag-Along Notice.

(c) Exercise of the Tag-Along Right. The Tag-Along Right may be exercised in whole or in part at the option of each Member. Notice of a Member's exercise its Tag-Along Right shall be evidenced by a writing signed by the Member and delivered to the Company and the selling Member prior to the end of the Tag-Along Period, setting forth the number of Units the Member elects to Transfer (the "Tag-Along Participation Amount").

(d) Reduction of Units Sold. The Tag-Along Member shall use commercially reasonable efforts to obtain the inclusion of the entire Tag-Along Participation Amount of each Member in the proposed Tag-Along Transaction. If the applicable buyer(s) are unwilling to purchase all the Units requested to be sold (*i.e.*, all of the Units to be sold by the Tag-Along Member and the Tag-Along Participation Amounts of all Members exercising their Tag-Along Right), then the number of Units to be sold in the Tag-Along Transaction shall be allocated among the Tag-Along Member and such Members so that each such Person may sell, to the greatest extent possible, a number of Units representing its Pro Rata Share of the total purchase price to be paid by the buyer(s).

(e) Type of Securities to be Transferred. For the avoidance of doubt, if a Member exercises its Tag-Along Right, it shall Transfer Units in the Tag-Along Transaction, notwithstanding any additional economic rights or other rights, privileges and benefits associated with such securities in comparison to the Units subject to the Tag-Along Right.

(f) Closing.

(i) *Overview*. Subject to **Section 9.2(f)(ii)**, as a condition precedent to participating in a Tag-Along Transaction, each participating Member shall join (*pro rata* based on the consideration to be received) in any purchase documentation evidencing the Tag-Along Transaction agreed to by the Tag-Along Member and all indemnification obligations (including escrows, holdback or other similar arrangements to support such indemnity obligations) and other obligations to which the Tag-Along Member agrees in connection with such transaction (other than any obligations that relate specifically to such participating Member, such as indemnification with respect to representations and warranties given by the participating Member regarding title to and ownership of its Units, as to which obligations such participating Member shall be solely liable), in each case so long as such documentation and obligations are consistent with the terms and conditions specified in the Tag-Along Notice, provided no Member shall be required to enter into any covenants not to compete or not to solicit. The closing of any Tag-Along Transaction shall occur in accordance with the terms and conditions of such documentation. Each party to such transaction shall bear its own costs and expenses associated therewith, unless otherwise agreed to by the applicable parties.

(ii) *Form and Allocation of Consideration*. In connection with a Tag-Along Transaction, (i) each participating Member shall receive the same form of consideration for Units as is received by other participating Persons in respect of their Units, and (ii) if the Tag-Along Member is given an option as to the form or amount of consideration to be received in the Tag- Along Transaction, each participating Member shall be given the same option.

9.3 Exclusions. The requirements of this **Article IX** shall not apply to (a) any Transfer of Units with respect to which the Board waives the application of this **Article IX**, (b) any Transfer of Units made to the Company, (c) any Transfer of Units made in compliance with **Section 8.2** (Transfer to an Affiliate) or **Section 8.3** (Transfer upon death), and (d) any Transfer of Units made pursuant to a Sale unanimously approved by the Members.

ARTICLE X

[INTENTIONALLY OMITTED]

ARTICLE XI

11.1 [INTENTIONALLY OMITTED]

ARTICLE XII

CERTAIN COVENANTS

12.1 Information Rights.

(a) Deliverables. The Company shall, and shall cause the other Company Entities to, deliver to each Member:

(i) *Annual Audited Financial Statements*. To the extent requested in writing by a Member, as soon as practicable after the end of each Fiscal Year a consolidated balance sheet of the Company Entities as at the end of such Fiscal Year, and consolidated statements of income and cash flows of the Company Entities for such Fiscal Year, audited by an independent accounting firm and prepared in accordance with PCAOB standards or GAAP, the cost of which audit shall once requested be borne by the Company and reflected in the Operating Plan;

(ii) *Quarterly Financial Statements*. As soon as practicable after the end of the first, second and third quarterly accounting periods in each Fiscal Year an unaudited consolidated balance sheet of the Company Entities as at the end of such quarterly period and unaudited consolidated statements of income and cash flows of the Company Entities for such period and for the current Fiscal Year to date, prepared in accordance with PCAOB standards or GAAP; and

(iii) *Other Information*. Any other financial or operational information relating to any Company Entity reasonably requested by such Member in writing promptly following the delivery of the request therefor.

(b) Access to Information. The Company shall, and shall cause the other Company Entities to, provide each Member and its agents and representatives with reasonable access to their respective personnel, services providers (including auditors), properties, contracts, books and records, and other documents and data, whether in written, electronic or visual form, subject to time, location and other restrictions as the applicable Company Entity may reasonably impose.

12.2 Confidential Information. The following provisions shall apply to each Member:

(a) Confidentiality. An Member shall keep all Confidential Information in strict confidence. Without limiting the foregoing, an Member shall use the same degree of care in protecting the Confidential Information as such Member uses to protect its own confidential information and trade secrets. Confidential Information may be disclosed by such Member only to such natural persons affiliated with such Member who have a reason to have access to such Confidential Information in connection with their duties and responsibilities; provided, however, that all such Persons are apprised of the contents of this **Section 12.2** and are directed to treat such information confidentially; and provided, further, that such disclosing Member shall accept liability for any acts or omissions by any such Person that would be in contravention of this **Section 12.2** if such Person were a party to this Agreement. Each Member acknowledges and agrees that the Company Entities derive independent economic value from the Confidential Information not being generally known, that the Confidential Information is the subject of reasonable efforts to maintain its secrecy, and that disclosure of the Confidential Information is likely to cause substantial and irreparable competitive harm to the Company Entities.

(b) Use of Confidential Information. Confidential Information may be used by Members only for monitoring their investment in the Company. The Members agree that they shall not use any Confidential Information for any other purpose, including use in conducting or furthering their own business or that of any Affiliates or any competing businesses.

(c) Exceptions. The obligations of limited use and nondisclosure as contained herein shall not be deemed to restrict use or disclosure of any Confidential Information by a party if (i) such Confidential Information is or becomes generally publicly known without breach of this Agreement, (ii) such Confidential Information was known to a party prior to receipt thereof from or on behalf of the Board or the Company, (iii) such party subsequently acquires lawful means to such Confidential Information from a third party who is under no obligation of confidentiality or non-use owed to any Company Entity, (iv) the Board approves such use or disclosure, or (v) such party is required by law to disclose such Confidential Information and such party complies with **Section 12.2(d)**.

(d) Disclosure Required by Law. If any Member is required by law or is required or requested by any regulatory, self-regulatory or other supervisory authority having jurisdiction or authority over such Member to disclose any Confidential Information and intends to make such disclosure, such Member shall, unless prohibited by law, promptly notify the Board in writing, which notification shall include the nature of the legal or other requirement or request and the extent of the required or requested disclosure. In the case of disclosures required by law or in connection with litigation as contemplated above, an Member shall disclose only that portion of the Confidential Information that is legally required to be disclosed and shall disclose such Confidential Information only to those third parties to which disclosure is legally required. In the case of all disclosures pursuant to this **Section 12.2(d)**, the disclosing Member shall exercise commercially reasonable efforts, and shall cooperate with the Board, to preserve the confidentiality of such disclosed Confidential Information consistent with applicable law.

ARTICLE XIII

DISPUTE RESOLUTION; REMEDIES

13.1 Dispute Resolution.

(a) Negotiation. The parties agree to attempt to resolve any dispute arising out of or relating to this Agreement by good faith negotiation, which negotiation attempt shall occur between or among the parties involved in such dispute (the "Dispute Parties") within fifteen (15) Business Days after written notice of the dispute.

(b) Mediation. If the Dispute Parties are unable to reach agreement, the Dispute Parties shall submit the matter for mediation before resorting to arbitration. The mediation shall be conducted on a confidential basis by a mediator agreed to by the Dispute Parties. The Dispute Parties shall select a mediator within fifteen (15) Business Days after reaching an impasse in negotiations and schedule the mediation within twenty (20) more days, or at the earliest date the mediator is available thereafter.

(c) Arbitration. Any dispute arising out of or relating to this Agreement or alleged breach thereof that cannot be resolved as provided in **Section 13.1(a)** or **13.1(b)** shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties agree to arbitration before a single arbitrator. The Dispute Parties shall mutually agree to an arbitrator from a list of arbitrators recognized by AAA, and if they are unable to so agree, they shall follow AAA's rules to select the arbitrator. The Dispute Parties shall share the costs of such arbitrator equally between or among them. Each party shall bear its own expenses of preparation for arbitration. The location of any arbitration will be Charlotte, North Carolina.

13.2 Equitable Relief. Each party hereto acknowledges and agrees that any breach of this Agreement would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, notwithstanding the provisions of **Section 13.1**, nothing contained herein shall limit the ability of a party to seek a temporary restraining order, preliminary injunctive relief, appointment of a receiver, specific performance or other equitable remedies or relief to which a party may be entitled or to exercise any other right granted hereunder. In the event a party violates the provisions hereof, and in addition to any other remedy provided by law, any other party may seek to enjoin the other by appropriate injunctive proceedings from violating this Agreement. The parties hereby agree to submit to the exclusive jurisdiction of the state and federal courts in North Carolina for purposes of any action contemplated by this **Section 13.2** and further agree that the proper and exclusive venues for the resolution of any such actions are the Mecklenburg County, North Carolina Superior Court or the United States District Court for the Western District of North Carolina, Charlotte Division.

13.3 Jury Trial Waiver. To the fullest extent permitted by law, each party hereby expressly irrevocably waives any rights to a jury trial in connection with any litigation arising out of or relating to this Agreement, and each party may file an original counterpart or a copy of this **Section 13.3** with any court of competent jurisdiction as written evidence of the forgoing jury trial waiver by the parties.

ARTICLE XIV

ACCOUNTING AND RECORDS

14.1 Books and Records. The Board and the Officers shall cause the Company to maintain at the Company's principal place of business separate books of accounts which shall show a complete and accurate record of the assets, liabilities, operations, transactions and financial condition of the Company Entities, including the costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the conduct of, and transactions by, the Company Entities and the operation of their business and affairs in accordance with both GAAP and U.S. federal income tax accounting rules as provided in this Agreement. The accounting methods of the Company Entities shall be consistently applied.

14.2 Tax Matters. The Board shall cause to be prepared and filed on a timely basis all necessary foreign, U.S. federal, state, and local tax returns of the Company. The Board shall appoint a Person to serve as the Company's "partnership representative" in accordance with Section 6223 of the Code ("Company Representative"). The initial Company Representative shall be the 704Games Member. Notwithstanding any other provision hereof, the Company Representative (a) shall provide each Member with prompt notice of all tax audits, appeals, litigation, and related matters with respect to any Company Entity and keep them informed of developments relating thereto, (b) shall give each Member an opportunity for it and its legal or tax advisors to participate in all such proceedings, (c) shall not concede or settle any such tax matters without the approval of the Board, (d) to the greatest extent possible shall make the election described in Section 6226(a) of the Code unless otherwise approved by Board, and (e) shall endeavor to make decisions and elections and allocate tax burdens among Members in an equitable manner.

14.3 Tax as Partnership. The Members intend that the Company shall be treated as a partnership for U.S. federal income tax purposes and for state income tax purposes in those states that follow U.S. federal tax classifications. Accordingly, this Agreement shall be construed in a manner that ensures the Company's classification as a partnership for U.S. federal income tax purposes at all times.

14.4 Tax Returns and Information. The Board shall cause all tax returns that the Company is required to file to be prepared and timely filed (including extensions) with the appropriate authorities. The Board shall use commercially reasonable efforts to cause to be delivered to each Member within 90 days after the end of each Fiscal Year or a Sale of the Company, information pertaining to the Company and its operations for the previous Fiscal Year that is necessary for the Members to prepare their respective U.S. federal and state income tax returns for such Fiscal Year.

14.5 Tax Withholding. The Company shall provide a Member with (a written notice before withholding and paying over (or causing the Company or any other entity involved in managing the Company to withhold and pay over) to any taxing authority any amount purportedly representing a tax liability of such Member with respect to its Units, and (b) the opportunity to contest with the Company or the relevant taxing authority that such withholding and payment is required, in whole or in part. Any such notice shall include a description of the basis for such withholding and payment, as well as a copy or description of any claim of the relevant taxing authority that such withholding and payment is required by law.

14.6 Tax Refunds and Exemptions. The Company shall exercise commercially reasonable efforts to assist each Member in obtaining any available tax refunds, exclusions from income, exemptions from withholding, benefits under tax treaties, and other similar relief, and in otherwise making any tax- related filings, applications, or elections, in connection with such Member's investment in the Company and any investment by the Company, including, without limitation, by assisting such Member in obtaining information concerning the source, character and amount of the Company's income required for the making of any applicable tax filings, applications or elections or the contesting of any taxes.

14.7 Electronic Delivery of Schedule K-1. Each Member (a) consents to receive Schedule K-1 (Partner's Share of Income, Deductions, Credits, etc.) from the Company electronically via electronic mail, the Internet or another electronic reporting medium in lieu of paper copies, and (b) agrees to confirm this consent electronically at a future date in a manner set forth by the Company at such time.

14.8 Valuation of Company Assets. The Board shall value the assets and liabilities of the Company at such times as a valuation may be necessary or advisable pursuant to this Agreement. The valuation of assets hereunder shall be at fair market value, which shall be determined using information, techniques and pricing methods that the Board determines to be reliable and consistent. The Board may subject any asset or security value to an illiquidity discount, minority position discount or other similar discount, if the Board deems it appropriate or necessary.

ARTICLE XV

DISSOLUTION AND WINDING UP

15.1 Term. The Company shall begin on the date of the filing of its certificate of formation and shall continue until dissolved in accordance with the terms hereof. Except as expressly provided herein or in the Delaware Act, no Member shall have the right to cause a dissolution of the Company. The representations, warranties and covenants of the parties hereto shall survive any dissolution of the Company, except where a provision explicitly states otherwise or the context of a provision implicitly contemplates a finite duration.

15.2 Events of Dissolution. The Company shall be dissolved upon the earlier of any of the following (each an "Event of Dissolution"): (a) the approval of a dissolution by the Board and each of the 704Games Member and the RTAP Member (in each case, solely to the extent such Person is a Member as of such time); and (b) any other event that requires or results in a dissolution of the Company under the Delaware Act.

15.3 Up the Company. If an Event of Dissolution occurs, the Board shall cause the winding up of the affairs of the Company and a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors to enable the Members to minimize the normal losses attendant upon a liquidation. In connection with winding up the affairs of the Company, the Board shall cause the collection of the Company's assets, the disposition of those assets that shall not be distributed in kind to the Members, and the discharge of the Company's liabilities. The proceeds from liquidation of Company assets shall be applied as follows: (a) first, payment shall be made to the creditors of the Company to the extent permitted by law, and reasonable reserves shall be established for any unforeseen liabilities or obligations if appropriate; and (b) second, all remaining proceeds shall be distributed to the Members in accordance with **Section 5.4**.

15.4 No Deficit Capital Account Restoration. If any Member has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all years, including the year during which such liquidation occurs), such Member shall have no obligation to make any contribution of capital to the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

15.5 Allocations During Liquidation. During the period commencing on the first day of the year during which an Event of Dissolution occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to **Section 15.3**, the Members shall continue to share Net Profits, Net Losses, gain, loss and other items of Company income, gain, loss or deduction in the manner provided in **Article IV**.

15.6 Character of Liquidating Distributions. All payments made in liquidation of Units of a Member shall be made in exchange for Units of such Member in property pursuant to Code Section 736(b)(1), including the interest of such Member in Company goodwill.

15.7 Deemed Distribution and Recontribution. Notwithstanding any other provision of this **Article XV**, in the event the Company is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but no Event of Dissolution has occurred, the Company's assets shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for U.S. federal income tax purposes, the Company shall be deemed to have distributed its assets in kind to the Members, who shall be deemed to have taken such assets subject to all liabilities of the Company. Immediately thereafter, the Members shall be deemed to have recontributed the assets in kind to the Company, which shall be deemed to have taken the assets subject to all such liabilities.

15.8 Sharing of Proceeds From a Sale of the Company. The parties agree that, to the extent cash and other assets are received by the Members directly in connection with a Sale of the Company, such cash and assets shall be deposited with the Company promptly after the receipt thereof and divided among the Members in proportion to the total distributions they would receive pursuant to **Section 5.4**. The Members may, however, waive the application of all or any portion of this **Section 15.8** to any transaction or series of related transactions if the Members unanimously determine that the deposit of such cash and assets with the Company is unnecessary to achieve the intent hereof.

ARTICLE XVI

MISCELLANEOUS

16.1 Costs and Expenses. Each party to this Agreement shall pay its own costs and expenses, including attorneys' fees, incurred in connection with the preparation, execution and delivery of this Agreement; except as described in the definition of "Net Capital Contribution."

16.2 Notices. All notices, consents, waivers and other communications required hereunder shall be in writing and shall be either delivered by hand, delivered by electronic mail, or mailed by registered or certified mail or by a nationally recognized overnight delivery service, postage prepaid, or as otherwise may be specifically required by the Company, if to an Member, to the Member at the electronic mail or physical address set forth in such Member's signature page to this Agreement, and if to the Company, to the physical address of the Company's registered office or principal place of business. Each such notice or other communication shall be deemed to have been duly given and to be effective (a) if delivered by hand, immediately upon delivery if delivered on a Business Day during normal business hours and, if otherwise, on the next Business Day, (b) if delivered by electronic mail, on the calendar day immediately following the day on which such transmission was sent, (c) if mailed, on the third Business Day following deposit in the U.S. mail, or (d) if sent by a nationally recognized overnight delivery service, on the day of delivery by such service or, if not a Business Day, on the first Business Day after delivery.

16.3 Amendment of this Agreement. This Agreement may be amended with the written agreement of all of the Members.

16.4 Construction. Each party acknowledges that such party and its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement. References to "Sections" or "Articles" refer to corresponding Sections or Articles of this Agreement unless otherwise specified. Unless the context requires otherwise, the words "include," "including" and variations thereof mean without limitation, the words "hereof," "hereby," "herein," "hereunder" and similar terms refer to this Agreement as a whole and not any particular Section or Article in which such words appear, and any reference to a statute, regulation or law shall include any amendment thereof or any successor thereto and any rules and regulations promulgated thereunder. Unless the context requires otherwise, words in the singular include the plural, words in the plural include the singular, and words importing any gender shall be applicable to all genders. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Currency amounts referenced herein are in U.S. Dollars. References to a number of days refer to calendar days unless Business Days are specified. Except as otherwise specified, whenever any action must be taken on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under generally accepted accounting principles as recognized by the American Institute of Certified Public Accountants. Except as otherwise expressly provided in this Agreement, including without limitation **Article VII**, a Manager, Member and Member may vote, consent, approve or disapprove of any matter, make any determination, election or calculation, or otherwise take any action permitted or required of such Peron under this Agreement, in each case in such Person's sole and absolute discretion.

16.5 Reproduction of Documents. This Agreement and all documents relating thereto, including, without limitation, any consents, waivers, amendments and modifications that may hereafter be executed, and certificates and other information previously or hereafter furnished to any party hereto, may be reproduced by any party by any photographic, microfilm, miniature photographic, electronic data storage or other similar process, and any party may destroy any original document so reproduced. The parties hereto agree and stipulate that any such reproduction shall be as admissible in evidence as the original itself in any judicial or administrative Proceeding (whether or not the original is in existence) and that enlargement, fax or further reproduction of such reproduction shall likewise be admissible in evidence.

16.6 Further Assurances. At any time or from time to time after the date hereof, each Member shall cooperate in good faith with the Board and the Company and, at the request of the Board, execute and deliver any further instruments or documents and take all such further action as the Board may deem reasonably necessary or advisable to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

16.7 Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, it shall be construed to the maximum extent possible to comply with all of the terms and conditions of the Delaware Act. If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Agreement shall be invalid or unenforceable under the Delaware Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed to limit any term or provision to make it enforceable or valid within the requirements of any applicable law, and, in the event such term or provision cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable provisions.

16.8 Waiver of Compliance; Consents. A Person's noncompliance with any provision of this Agreement may be waived prospectively or retroactively in writing by those Persons that have the power to amend such provision. No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless such waiver or renunciation is set forth in a signed writing, (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement. Any consent or waiver required or permitted by this Agreement shall be binding only if in writing.

16.9 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

16.10 Third-Party Beneficiary. Except with respect to **Article V**, **Section 16.14** and as otherwise expressly set forth in this Agreement, no provision hereunder is intended to be for the benefit of or enforceable by any third party, including any creditor of the Company; provided, that for so long as NASCAR is a service provider and licensor of the Company pursuant to the NASCAR License Agreement, NASCAR shall be deemed a third party beneficiary for purposes of enforcing the rights herein related to the NASCAR Managers.

16.11 Counterparts. This Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same document. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The signature of any party to any counterpart shall be deemed a signature, and may be appended, to any other counterpart.

16.12 Integration; Entire Agreement. This Agreement, as amended hereafter from time to time in accordance with the terms hereof, sets forth the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, constitutes the one and only limited liability company agreement in respect of the Company's business and affairs, and supersedes all prior written and oral statements, including any prior representation, statement, condition or warranty, term sheet, letter of intent, memorandum of understanding or other similar document. Notwithstanding the foregoing, the parties acknowledge and agree that the Company or an Affiliate thereof may enter into an employment agreement, restricted interest agreement, award agreement, indemnification agreement or other similar agreement with a party that has the effect of establishing rights under, or altering or supplementing the terms of, this Agreement with respect to such party. In furtherance, but not in limitation, of the foregoing, the parties acknowledge and agree that (a) the application of any provisions of this Agreement relating to the Transfer of Interests or confidentiality with respect to any party hereto shall be in addition to and shall supplement, and shall not waive, modify, supersede or otherwise amend, any provisions relating to the same subject matters contained in any other such agreement between the Company and such party (*e.g.*, any employment agreement, restricted interest agreement or award agreement), and to the extent such provisions conflict or are inconsistent, the provisions that provide the greater or more beneficial rights or remedies to the Company with respect to such subject matter shall control and govern, and (b) the application of any provisions of this Agreement relating to the exculpation and indemnification protection of any party hereto shall be in addition to and shall supplement, and shall not waive, modify, supersede or otherwise amend, any provisions relating to the same subject matters contained in any other such agreement between the Company and such party (*e.g.*, any indemnification agreement), and to the extent such provisions conflict or are inconsistent, the provisions that provide the greater or more beneficial rights or remedies to such party with respect to such subject matter shall control and govern. Each party acknowledges and agrees that each such agreement is a separate agreement solely between the parties thereto, no such agreement shall be deemed to be incorporated into this Agreement or to make any other party a third-party beneficiary thereof, and no Members shall be entitled to copies of any such agreements entered into with any other party.

16.13 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted transferees.

16.14 Certain Acknowledgements. Upon execution and delivery of a counterpart to this Agreement or a joinder to this Agreement, each Member shall be deemed to acknowledge to the Company as follows: (a) such Member is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization; (ii) such Member has the full capacity, power, right and authority to enter into this Agreement, to be legally bound hereby and to fully perform its obligations hereunder, and such actions have been duly and validly authorized by all necessary corporate action on the part of such Member; (c) the determination of such Member to acquire Units in connection with this Agreement or any other agreement that has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the properties, business, prospects or condition (financial or otherwise) of the Company and its Subsidiaries which may have been made or given by any other Member or by any agent or employee of any other Member; and (d) no other Member has acted as an agent of such Member in connection with making its investment hereunder and no other Member shall be acting as an agent of such Member in connection with monitoring its investment hereunder.

ARTICLE XVII

DEFINED TERMS

The following capitalized terms shall have the meanings specified below:

"704Games Member" or "704Games" means 704Games Company, a Delaware corporation.

"AAA" has the meaning set forth in **Section 13.1(c)**.

"Accepted New Securities" has the meaning set forth in **Section 2.4(b)**.

"Acceptance Period" has the meaning set forth in **Section 2.4(c)**.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant year, after giving effect to the following adjustments:

(a) Credit to such Capital Account of any amounts which such Member is obligated to restore pursuant to the penultimate sentences in Regulations Sections 1.704-2(g)(1) and 1.704- 2(i)(5); and

(b) Debit to such Capital Account the items described in Regulations Sections 1.704- 1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any Person to which it refers, any other Person that, directly or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with, such subject Person.

"Affiliate Indemnitor" has the meaning set forth in **Section 7.5(c)**.

"Agreement" has the meaning set forth in the introductory statement of this document.

"Available New Securities" has the meaning set forth in **Section 2.4(c)**.

"Available Units" has the meaning set forth in **Section 9.1(b)**.

"Bankruptcy" means, with respect to any Person, the occurrence of any of the events contemplated by Section 18-304 of the Delaware Act with respect to such Person.

"Board" means the group of Managers with full, exclusive and complete authority and discretion in the management of the Company's affairs as more specifically set forth in **Article VI**.

"Business Day" means any day or part of a day on which the New York Stock Exchange is open for business.

"Business Opportunity" has the meaning set forth in **Section 7.3(a)**.

"Cap" has the meaning set forth in **Section 3.1(b)(i)(A)**.

"Capital Account" means, with respect to any Member, the capital account maintained for such Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited (i) such Member's capital contributions, (ii) such Member's distributive share of Net Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to **Sections 4.5**, **4.6** or **4.7**, and (iii) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member. The principal amount of a promissory note that is not readily traded on an established securities market and is contributed to the Company by the maker of the note (or an Member related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704- 1(b)(2)(iv)(d)(2);

(b) To each Member's Capital Account there shall be debited (i) the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, (ii) such Member's distributive share of Net Losses and any items in the nature of expenses or losses that are specially allocated to such Member pursuant to **Sections 4.5**, **4.6** or **4.7**, and (iii) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company;

(c) In the event Units are Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor **to** the extent it relates to the Transferred Units; and

(d) In determining the amount of any liability for purposes **of** subparagraphs (a) and (b) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members), are computed in order to comply with such Regulations, the Board may make such modification, provided it is not likely to have a material effect on the amounts distributed to any Person pursuant to this Agreement upon the dissolution of the Company. The Board also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704- 1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

"Capitalization Schedule" has the meaning set forth in **Section 2.1**.

A "Change of Control" means, with respect to any Person that is an entity, the consummation of a transaction or series of transactions pursuant to which any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the beneficial owner, directly or indirectly, of equity in such Person representing a majority of the total voting power of then-outstanding equity of such Person entitled to vote generally in the election of (or otherwise appoint or designate) the Person's directors, managers or other similar management.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the introductory statement of this document.

"Company Entity" means the Company and each Subsidiary.

"Company Liabilities" means the Company's obligation or need (as determined by the Board) in the regular course of business to (a) pay expenses, (b) establish reserves and pay liabilities of the Company, (c) fund the Company's indemnification obligations hereunder, and (d) meet any other need or obligation that the Board may determine.

"Company Minimum Gain" means "partnership minimum gain" as defined in Regulations Section 1.704-2(b)(2) and determined in accordance with Regulations Section 1.704-2(d).

"Company Representative" has the meaning set forth in **Section 14.2**.

"Confidential Information" means (a) the identity of the parties of this Agreement and the terms of this Agreement, and (b) all proprietary or confidential business, financial, technical and other information of any Company Entity (whether in written, oral or electronic form) relating to a Company Entity or any of its Affiliates, including but not limited to all product and service specifications, marketing and business plans, customer and competitor information, supplier information, pricing information, business arrangements with third parties, know-how, trade secrets and other intellectual property, investment and performance history, assets, policies, plans, strategies, methods and procedures. Confidential Information shall not include any information belonging to a Member that was independently developed by such Member.

"Control" (including the terms "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or affairs of a Person, whether through ownership of voting securities, by contract, as executor or trustee, or otherwise. The existence and possession of Control with respect to a Person shall be determined by the Board, provided that a Person's ownership, directly or indirectly, of more than 50% of the voting power or the value of another Person shall be deemed to constitute Control of such Person.

"Damages" has the meaning set forth in **Section 7.4(a)**.

"Delaware Act" means the Delaware Limited Liability Company Act, as amended.

"Depreciation" means, for any given Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset of the Company for such year, except that if the Gross Asset Value of an asset differs from its adjusted basis for U.S. federal income tax purposes at the beginning of such year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for U.S. federal income tax purposes of an asset at the beginning of such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"Dispute Parties" has the meaning set forth in **Section 13.1(a)**.

"Economic Interest" means the proprietary interest of a Member in the capital, income, losses, credits, and other economic rights and interests of the Company, including the right of the Member to receive distributions from the Company. For the avoidance of doubt, an Economic Interest also represents a "limited liability company interest" as defined in Section 18-101(8) of the Delaware Act.

"Event of Dissolution" has the meaning set forth in **Section 15.2**.

"Excluded Securities" means:

(a) The Units issued on the date hereof;

(b) Units issuable upon a split, combination or other similar capitalization event with respect to the Company that is approved by the Board;

(c) Units issued or issuable pursuant to the acquisition of another business or the consummation of a joint venture, in each case that is approved by the Board;

(d) Units issued or issuable in connection with a collaboration, license, development, marketing or other similar agreement or strategic partnership approved by the Board;

(e) Securities of a wholly owned Subsidiary issued to the Company or another wholly owned Subsidiary of the Company;

(f) Securities issued in a conversion of the Company into another form of business entity other than a limited liability company; and

(g) Any other securities to be issued by the Company or any other Company Entity that are excluded with the approval of the Board.

"Exculpated Party" has the meaning set forth in **Section 7.4(b)**.

"Fiscal Year" has the meaning set forth in **Section 4.1**.

"Funding Member" has the meaning set forth in **Section 3.1(b)(i)(B)**.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by an Member to the Company shall be the gross fair market value of such asset, as determined by the Board;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by the Board as of the following times: (i) the acquisition of additional Units in the Company by any Person in exchange for more than a *de minimis* capital contribution or upon the exercise of an option; (ii) the distribution by the Company to an Member of more than a de minimis amount of Company property as consideration for Units; (iii) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company; and (iv) liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Board; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (f) of the definition of "Net Profits" and "Net Losses" or **Section 4.10**; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (b) or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Net Profits and Net Losses.

"Incapacity" means, with respect to any natural person, the determination that such natural person lacks the capacity to manage his or her affairs or make decisions regarding himself or herself, his or her family or his or her property, as agreed to by such person, as determined by a court of competent jurisdiction, or as reasonably determined by the Board.

"Indemnitee" has the meaning set forth in **Section 7.5(a)**.

"Initial Acceptance Period" has the meaning set forth in **Section 2.4(b)**.

"Initial Refusal Right Acceptance Period" has the meaning set forth in **Section 9.1(b)**.

"Interest" means all of an Member's rights and obligations as an Member in the Company, including (a) any Economic Interest, (b) any right to participate in the management or approve actions proposed by persons responsible for the management of the Company, and (c) any right to inspect the books and records of or receive information from the Company.

"Implied Transaction Value" means, with respect to any Unit, the value of such Unit determined as if the Company were to be liquidated for proceeds with a value equal to the total value for the Company implied by the purchase price set forth in the applicable Tag-Along Notice and assuming such proceeds were then distributed by the Company to the Members in a total liquidation in accordance with the terms hereof.

"Liens" means any mortgage, pledge, hypothecation, rights of others, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge or similar restrictions or limitations, including any restriction on the right to vote, sell or otherwise dispose of any security or asset.

"Manager" has the meaning set forth in **Section 6.1**.

"Managing Member" has the meaning set forth in **Section 3.2**.

"Member" means a member of the Company, as such term is used in Section 18-101(11) of the Delaware Act.

"Member Accepted Units" has the meaning set forth in **Section 9.1(b)**.

"Member Loan" has the meaning set forth in **Section 3.1(b)(i)(B)**.

"Misconduct" means, with respect to a Person, that a court of competent jurisdiction has made a final determination without further opportunity for appeal that such Person has committed an act or omission in connection with the management and operation of the Company that constitutes actual fraud, gross negligence, willful misconduct or a material breach of this Agreement. Unless there is a specific finding that Misconduct has occurred (or where such a finding is an essential element of a judgment or order), the termination of any Proceeding by judgment, order or settlement, or upon a plea of nolo contendere or its equivalent, shall not, by itself, create a presumption for the purposes of this Agreement that the Person in question committed Misconduct. Notwithstanding anything to the contrary contained herein, an act or omission taken by a Person in connection with the management and operation of the Company shall not constitute Misconduct if such act or omission is (a) in the reasonable judgment of such Person, necessitated by any applicable law, rule, request or regulation or order of any court or administrative agency, or (b) made in compliance with the terms of this Agreement.

"NASCAR" means National Association for Stock Car Auto Racing, Inc., a Florida corporation.

"NASCAR License Agreement" means the Letter of Intent, dated December 6, 2018, among NASCAR, the RTAP Member and the 704Games Member until such time as it is terminated or superseded by a separate "License Agreement" as contemplated therein, in either case pursuant to which NASCAR has (i) granted to the Company a right and license to use certain names, trademarks, trade names, service marks, trade dress, and logos of NASCAR ("NASCAR Marks") for purposes of advertising, marketing and promoting the ELeague and ELeague events, and (ii) committed to execute certain expected deliverables as enumerated therein.

"Net Capital Contributions" means, with respect to a Member as of any given time, an amount equal to:

(a) The aggregate value of the cash capital contributions made by such Member to the Company, on or after the date hereof, with respect to its Units as of such time, which (i) for the RTAP Member shall include any third party documented out-of-pocket expenses actually incurred in connection with the drafting and negotiation of this Agreement, the ETeam Agreement, and the other agreements and materials related to the formation of the ELeague up to an amount of $50,000 unless any such excess has been approved by a Supermajority of the Board, and (ii) for the 704Games Member, its cash Capital Commitment contributions and its reasonable, verifiable and direct out-of-pocket ELeague-specific programming/technology costs incurred in connection with the services provided pursuant to **Section 3.2**, but only if such costs are necessary for ELeague play (as opposed to *NASCAR Heat* video game play), and are approved by the Board (pursuant to its approval of the applicable Operating Plan or by separate approval); minus

(b) The aggregate amount of the cash and the fair market value of the assets distributed by the Company to such Member with respect to such Member's Units pursuant to **Section 5.4(a)** as of such time.

"Net Profits" or "Net Losses" means, with respect to any Fiscal Year, an amount equal to the Company's taxable income or loss for such year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition of "Net Profits" and "Net Losses" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition of "Net Profits" and "Net Losses" shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Net Profits or Net Losses;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704- (b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to **Sections 4.5**, **4.6** or **4.7** shall not be taken into account in computing Net Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to **Sections 4.5**, **4.6** or **4.7** shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1) and 1.704-2(i)(2).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Notice of Transfer" has the meaning set forth in **Section 9.1(a)**.

"NTP Rights Agreement" means that certain Amended and Restated Distribution and License Agreement between the 704Games Member and NASCAR Team Properties ("NTP") as of August 1, 2018, as amended, and including any extensions and/or renewals thereof, pursuant to which NTP licensed to the 704Games Member the exclusive right to utilize certain intellectual property rights of NASCAR and NASCAR Cup Series competitors to (i) develop, manufacture and commercially exploit NASCAR- branded video games (e.g. the *NASCAR Heat* video game series) intended to replicate authentic NASCAR-sanctioned racing competition rules and structure (including but not limited to points standings calculation, schedule, multiple national series, inclusion of NASCAR-sanctioned tracks, race duration and which includes 12 or more active drivers, etc.) and (ii) create and administer Esports competitions based upon such aforementioned video games. For purposes of this Agreement, the NTP Rights Agreement shall be deemed to include any subsequent or substitute agreement between NTP and the 704Games Member (or their respective affiliates, successors or assigns) relating to the rights granted in the NTP Rights Agreement.

"Offer Notice" has the meaning set forth in Section 2.4(a).

"Officer" has the meaning set forth in Section 6.8(a).

"Open Issuance Period" has the meaning set forth in Section 2.4(d).

"Open Transfer Period" has the meaning set forth in Section 9.1(c).

"Operating Plan" has the meaning set forth in Section 3.2.

"Ordinary Course of Business" means, with respect to any Company Entity, an action taken by such Company Entity that (a) is consistent with the past practices of such Company Entity and is taken in the ordinary course of the normal day-to-day operations of such Company Entity, and (b) is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Company Entity.

"Other Business" has the meaning set forth in **Section 7.3(b)**.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704- 2(i)(3).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Regulations Sections 1.704-2(i)(l) and 1.704-2(i)(2).

"Person" means and includes a natural person, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Preemptive Offer" has the meaning set forth in **Section 2.4(a)**.

"Pro Rata Share" means:

(a) *Preemptive Right*. With respect to a Preemptive Offer made to a Member under **Section 2.4**, the quotient (expressed as a percentage) obtained by dividing (i) the total number of outstanding Units held by such Member on the first day of the Acceptance Period, by (ii) the total number of outstanding Units on the first day of the Acceptance Period;

(b) *Right of First Refusal*. With respect to the exercise of a Member's right of first refusal under **Section 9.1**, the quotient (expressed as a percentage) obtained by dividing (i) the total number of outstanding Units held by such Member on the first day of the Refusal Right Acceptance Period, by (ii) the total number of outstanding Units on the first day of the Refusal Right Acceptance Period; and

(c) *Tag-Along Right*. With respect to a Person's percentage share of the total purchase price to be paid by buyer(s) in a Tag-Along Transaction under **Section 9.2**, an amount equal to the quotient (expressed as a percentage) obtained by dividing (i) the total Implied Transaction Value of the Units that such Person intended or elected to sell in such transaction (*e.g.*, the Implied Transaction Value of the Units to be sold by the Tag-Along Member or the Implied Transaction Value of the Tag-Along Participation Amount of an exercising Member), by (ii) the total Implied Transaction Value of all Units that all Persons intended or elected to sell in such transaction (*e.g.*, the Implied Transaction Value of the Units to be sold by the Tag-Along Member and the Implied Transaction Value of the Tag-Along Participation Amount of all exercising Members).

"Proceeding" has the meaning set forth in **Section 7.5(a)**.

"Refusal Right Acceptance Period" has the meaning set forth in **Section 9.1(b)**.

"Regulations" means the regulations promulgated by the U.S. Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Regulations shall include any corresponding provision or provisions of succeeding, similar, substitute, proposed or final Regulations.

"Regulatory Allocations" has the meaning set forth in **Section 4.7**.

"RTAP Member" means RTA Promotions, LLC, a North Carolina limited liability company, together with its permitted Transferees.

"Sale" means, with respect to any entity:

(a) The acquisition of securities in such entity (whether from such entity or the owners thereof) by any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) by means of any transaction or series of related transactions (including, without limitation, any equity acquisition, reorganization, merger or consolidation), other than a transaction or series of related transactions in which the beneficial owners of the outstanding securities of such entity on a fully-diluted basis immediately prior to such transaction or series of related transactions continue to retain, in substantially the same proportion of ownership as prior to the transaction or series of related transactions (either by such securities remaining outstanding or by such securities converting into securities of the surviving entity), at least a majority of both the total voting power and the total economics associated with the outstanding securities of such entity or such surviving entity on a fully-diluted basis immediately after such transaction or series of related transactions; or

(b) The sale, lease, transfer, exclusive license, conveyance or other disposition, in a single transaction or series of related transactions, by such entity or one or more direct or indirect subsidiaries thereof, of all or substantially all of the assets of such entity and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more direct or indirect subsidiaries of such entity if all or substantially all of the assets of such entity and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except in each case where such sale, lease, transfer, exclusive license, conveyance or other disposition is to a direct or indirect wholly owned subsidiary of such entity.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" has the meaning set forth in Section Error! Reference source not found..

"Subsidiary" means, with respect to the Company, any other Person that, directly or indirectly through one or more intermediaries, is Controlled by the Company.

"Tag-Along Member" has the meaning set forth in Section 9.2(a).

"Tag-Along Notice" has the meaning set forth in Section 9.2(a).

"Tag-Along Participation Amount" has the meaning set forth in Section 9.2(c).

"Tag-Along Period" has the meaning set forth in Section 9.2(b).

"Tag-Along Right" has the meaning set forth in Section 9.2(b).

"Tag-Along Transaction" has the meaning set forth in Section 9.2(a).

"Target Capital Account" means an amount, determined with respect to each Member, equal to (a) the hypothetical distributions such Member would receive pursuant to **Section 5.4** if (i) each asset of the Company (other than cash) was sold for an amount of cash equal to such asset's Gross Asset Value as of the end of the applicable Fiscal Year, (ii) each liability of the Company was satisfied in cash in accordance with its terms (limited, with respect to each "Non-recourse liability," as defined in Section 1.704-2(b)(3) of the Regulations, to the Gross Asset Value of the asset or assets securing such Non-recourse liability), and (iii) all remaining cash of the Company (including the net proceeds of such hypothetical transactions and all cash otherwise available after the hypothetical satisfaction of all the aforementioned liabilities) were distributed in full to the Members pursuant to **Section 5.4**; minus (b) if upon such hypothetical liquidation, instead of receiving a distribution such Member would be obligated to make a capital contribution to the Company or would otherwise be liable for the obligations of the Company, an amount equal to such hypothetical contribution obligation or liability (taking into consideration any similar contribution obligations or liabilities of other Members so that their respective Capital Account balances correspond as closely as possible to the manner in which economic responsibility for such items would be borne by the Members under the terms of this Agreement and applicable law); minus (c) the sum of (i) the amount of such Member's share of partnership minimum gain (as defined in Regulations Sections 1.704-2(g)(1) and (3)) and (ii) the amount of such Member's share of partner nonrecourse debt minimum gain (as defined in Regulations Section 1.704-2(i)(5)).

"Tax Distribution" has the meaning set forth in **Section 5.6**.

"Tax Year" has the meaning set forth in **Section 4.1**.

"Transfer" means any sale, conveyance, pledge, donation, hypothecation, encumbrance, disposition, transfer (including, without limitation, a transfer by divorce or by will or intestate distribution or in connection with an equitable distribution), gift or attempt to create or grant a security interest in any security or interest therein or portion thereof, whether voluntary or involuntary, by operation of law or otherwise, and any contract to do any of the foregoing. A Change of Control of a Member shall be deemed to constitute a Transfer of such Member's Units. Notwithstanding the foregoing, a pledge of only an Economic Interest in a Member's Units shall not constitute a Transfer; provided, that the Member provides notice of such pledge to the Board.

"Units" means the increments by which Interests are expressed.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement is hereby executed under seal as of the day and year first above written.

RACING PRO LEAGUE, LLC

By: 704Games Company, its Managing Member

By: */s/ Dmitry Kozko*
Name: Dmitry Kozko
Title: CEO
Address:
5972 NE 4th Ave
Miami, FL 33137
USA
Email: dk@motorsport.com

704Games Company

By: */s/ Dmitry Kozko*
Name: Dmitry Kozko
Title: CEO
Address:
301 Camp Road, Suite 104.
Charlotte, NC 28206
Email: dk@motorsport.com,
stephen.hood@motorsport.com, legal@motorsport.com

RTA Promotions, LLC

By: */s/ Jonathan S. Marshall*
Name: Jonathan Marshall
Title: Executive Director
Address:
701 North Church Street, Unit 1
Charlotte, NC 28202

Email: jsm@raceteamalliance.com

EACH OTHER MEMBER SHALL BECOME A PARTY TO THIS AGREEMENT BY EXECUTING THE JOINDER CERTIFICATE ATTACHED HERETO AS EXHIBIT B, WHICH SHALL BE ATTACHED TO THIS AGREEMENT AND CONSTITUTE A PART HEREOF.

EXHIBIT A

CAPITALIZATION SCHEDULE

Member	Units
RTA Promotions, LLC	100,000
704Games Company	100,000
Total	**200,000**

EXHIBIT B

JOINDER CERTIFICATE

[certificate follows this page]

JOINDER CERTIFICATE

RACING PRO LEAGUE, LLC
(a Delaware Limited Liability Company)

By signing this Joinder Certificate, the undersigned accepts and agrees to be a party to and bound by the terms and provisions of the Limited Liability Company Agreement of **RACING PRO LEAGUE, LLC**, dated effective as of March 1, 2019, as it may be amended from time to time.

The undersigned is executing this Joinder Certificate in its capacity as Member.

Dated: _____.

PLEASE SIGN BELOW IF A NATURAL PERSON *

By: _____
Name: _____
Address: _____
_____
_____
_____

Email: _____

PLEASE SIGN BELOW IF <u>NOT</u> A NATURAL PERSON

Entity Name:_____
By: _____
Name: _____
Title: _____
Address: _____
_____
_____
_____

Email: _____

* If the signatory is a natural person, married and acquiring or holding an ownership interest in the company, such natural person's spouse must execute and deliver to the company a spousal consent in a form provided by the company as a condition to the effectiveness of this joinder certificate.

EXHIBIT C

MATTERS REQUIRING BOARD APPROVAL

Supermajority of the Board

1. The creation, authorization, designation, reclassification, modification, issuance or sale of any class or series of any securities of any Company Entity or any "phantom" equity or equity appreciation rights in any Company Entity;

2. The admission of any Person as a member of any Company Entity or withdrawal of any Person as a member of any Company Entity (except relating to a Sale unanimously approved by the Members);

3. The redemption or repurchase of any securities in any Company Entity;

4. Any Transfer of Units (other than a Transfer pursuant to **Section 8.3** (Transfer upon death) or a Sale unanimously approved by the Members) or waiver of the application of **Article IX** with respect to a Transfer;

5. The filing or consent to the filing of a petition for or against any Company Entity under any U.S. federal or state bankruptcy, insolvency or reorganization act;

6. The voluntary dissolution and winding up of any Company Entity, it being understood that, pursuant to **Section 15.2**, the approval of each of the 704Games Member and the RTAP Member (in each case, solely to the extent such Person is a Member as of such time) is also required;

7. The consummation of a Sale by any Company Entity, except for a Sale of 100% of the Company or substantially all of the assets of the Company which shall require unanimous approval of the Members;

8. Any transaction between the Company and the 704Games Member, including any fees payable for services provided by the 704Games Member to the extent not set forth in the approved Operating Plan;

9. Any Capital Call or capital contributions (other than those of the 704Games Member in connection with its Capital Commitment during the Commitment Period), including the valuation of the Company and other terms of any issuance of Units to a Member or other Person;

10. Any change to the number of ETeams available for sale and the terms on which those ETeams may be sold;

11. The adoption of the Operating Plan for each Fiscal Year and any amendments or modifications thereto; provided, however, that if no such Operating Plan for a Company Entity is approved for any Fiscal Year, the last approved Operating Plan for such Company Entity shall represent the Operating Plan for such Company Entity for such Fiscal Year (excluding any extraordinary and nonrecurring items);

12. The making of capital expenditures by any Company Entity in excess of what is contemplated by the then-current Operating Plan;

13. The making of a material change to any Company Entity's principal line of business or the commencement of any new material line of business by any Company Entity that is not contemplated by the then-current Operating Plan;

14. The creation, incurrence or assumption of any indebtedness for borrowed money of any Company Entity (which shall include for purposes hereof capitalized lease obligations and guarantees or other contingent obligations for indebtedness for borrowed money) other than Member Loans and trade payables and accrued expenses incurred in the Ordinary Course of Business;

15. Except as otherwise permitted by this Agreement, the making of any agreement, contract, obligation, promise or undertaking (whether oral or written and whether express or implied) on behalf of any Company Entity that requires it to pay amounts in excess of $25,000 individually or $50,000 in the aggregate that is not contemplated by the then-current Operating Plan;

16. The amendment of a Company Entity's certificate of formation, limited liability company agreement or other organizational and governance documents, including this Agreement;

17. Any change to the form of ETeam Agreement;

18. ***"Including NASCAR"***: Entering into, amending, or terminating any agreement for sponsorship, marketing or promotion of the ELeague, including any ELeague event; provided, that the Board shall not approve any such agreement with a third party that is a sponsor of NASCAR, with respect to its sponsor, or any ETeam (or an affiliate thereof that operates a NASCAR series race team), with respect to its sponsor, without the prior written consent of NASCAR or such ETeam, as applicable; and

19. ***Including NASCAR"***: Any action set forth above that constitutes a change to the Competition Structure.

Majority of the Board

20. ***"Including NASCAR"***: Any changes to the Competition Structure, other than as set forth above as requiring Supermajority approval;

21. ***"Including NASCAR"***: Entering into, amending, or terminating any agreement for the broadcast or streaming of any ELeague event(s);

22. Any use of the NASCAR Marks in advertising and promotion of the ELeague pursuant to the NASCAR License Agreement, which shall be ***"Including NASCAR"*** with respect to any such use outside of the normal course of the Company's administrative and non-consumer facing common and customary business practices in its use of the NASCAR Marks, such as, without limitation, sales and promotional materials, all based upon previously approved mock-ups as reviewed and approved by a Supermajority of the Advisory Board, such approval not to be unreasonably withheld, conditioned or delayed;

23. Any requested consent to a sale, transfer or change of control of an ETeam or other assignment of an ETeam's rights under its applicable ETeam Agreement;

24. Any amendment an ETeam Agreement or waiver of the Company's rights or an ETeam's obligations under an ETeam Agreement;

25. The creation of any new Company Entity;

26. The appointment of any officer of any Company Entity;

27. The declaration or payment of any dividends, distributions or other similar payments by any Company Entity to its owners;

28. The repayment of any outstanding indebtedness of any Company Entity except when due in accordance with its terms or to the extent set forth in the then current Operating Plan;

29. The mortgage, encumbrance, creation or incurrence of any Liens on any Company Entity's assets other than: (i) in connection with indebtedness approved by Supermajority of the Board; (ii) imposed by law (such as Liens of carriers, warehousemen, mechanics, materialmen and landlords), and other similar Liens incurred in the Ordinary Course of Business for a Company Entity, for sums not constituting borrowed money and that are not overdue for a period of more than 30 days; (iii) Liens for taxes, assessments or other governmental charges or statutory obligations that are not delinquent or remain payable without penalty; and (iv) purchase money security interests with respect to equipment and other personal property acquired in the Ordinary Course of Business for the Company Entity, provided the Company Entity complies with the other provisions of this **Exhibit C**;

30. The (i) hiring of any employee, or the engagement of any consultant, independent contractor or other Person who shall provide services to any Company Entity, to whom the Company Entity would pay more than $50,000 in any 12-month period, (ii) the appointment of a chief executive officer, chief financial officer or other C-suite executives for any Company Entity, or (iii) the modification, amendment or termination of any existing employment or other similar service arrangement with any Person contemplated by clauses (i) or (ii), unless relating to a modification or amendment made in the Ordinary Course of Business;

31. The adoption of or increase in the payments or benefits payable under any profit-sharing, bonus, deferred compensation, savings, insurance, pension, retirement or other employee benefit plan for or with any employees or other service providers of any Company Entity;

32. The initiation of a lawsuit by any Company Entity, the confession of any judgment against any Company Entity, or the settlement of any uninsured loss of a Company Entity;

33. The conversion of any Company Entity into another form of business entity or into an entity organized under a jurisdiction other than its then-current jurisdiction of organization;

34. The consummation of any joint venture by any Company Entity with another Person, an investment by any Company Entity in another Person (excluding wholly owned Subsidiaries), or the acquisition of substantially all of the assets or securities of another Person (excluding wholly owned Subsidiaries) and not requiring consent of a Supermajority of the Board;

35. The making of any change to any accounting policy of any Company Entity that would deviate from GAAP;

36. The approval of any ETeam sponsorship;

37. ***"Including NASCAR"***: Specific categories, types and brands of sponsors associated with ETeam sponsorships in the ELeague, subject to the provisions of the NASCAR License Agreement; and

38. Other actions expressly described herein that require the approval of the Board.

EXHIBIT D

ELEAGUE STRUCTURE

The ELeague will initially be structured to include up to a total of thirty-two (32) teams competing in the ELeague competitive events (each an "ETeam"). ETeam ownership will be memorialized through a standard contract adopted by the Board and entered into between the Company and the respective ETeam owner (the "ETeam Agreement"). Notwithstanding the foregoing, the Company anticipates that the ELeague will have between twelve (12) and sixteen (16) ETeams when it launches, which will be made up of ETeams owned by current members of the RTAP Member ("RTAP Member Teams") as well as Person(s) that are not current members of the RTAP Member ("Non-RTAP Member Teams") as follows:

(a) Each of the twelve (12) RTAP Member Teams will be offered one (1) ETeam at no cost in return for specific ELeague support obligations as outlined herein (RTAP Member Teams will not be required to accept an ETeam – only those that enter into an ETeam Agreement (as defined below) will receive an ETeam).

(b) Once all RTAP Member Teams have notified the Company whether they are willing to enter into an ETeam Agreement or are otherwise declining the offer, the remaining open ETeams of the first "up to sixteen (16)" in the initial offering will be offered in the following order of preference:

(i) First, to Non-RTAP Member Teams who hold a NASCAR Cup Series charter agreement;

(ii) Second, provided that there is at least one (1) of the original sixteen (16) ETeams available, then one (1) ETeam will be offered to JR Motorsports; and

(iii) Third, if any open ETeams remain after application of (i) and (ii) above, then any remaining ETeams of the original sixteen (16) ETeams shall be offered to the other race teams that compete on a full-time basis in one of any of the Cup, Xfinity or Truck series of races sanctioned by NASCAR.

(c) The sale of any ETeam as provided in subsection (i), (ii) or (iii) above shall be at the Additional Team Price (as defined below).

(d) At some time in the future, as the Board shall determine, additional ETeams may be sold at the Additional Team Price.

(e) The term "Additional Team Price" shall mean the ETeam sale price as determined by the Board, which may be adjusted from time to time.

(f) Notwithstanding the foregoing, the Board may change the number of ETeams available for sale from time to time and the terms on which those ETeams may be sold.

COMPETITION STRUCTURE

Driver Draft:

(a) The following individuals will be eligible for the initial ELeague Driver Draft:

- The top 100 ELeague qualifiers from the *NASCAR Heat* video game "Tier 2" competition level (50 Xbox players and 50 PlayStation players); and
- Any and all ETeam owner employees who satisfy a certain minimum criterion determined by the Board.

(b) 704Games will track the statistics of the top 100 qualifiers and create a "draft book" of eligible drivers for the ETeam owners to review prior to the Driver Draft.

(c) 704Games will make commercially reasonable efforts to vet all eligible drivers prior to the Driver Draft.

(d) Eligible drivers will be required to submit a short video of themselves prior to the Driver Draft.

Schedule and Gameplay Competition:

(a) Fourteen (14) race schedule, with twelve (12) regular season races, a "wild card" race and a Championship finale;

(b) Some race events may be executed live, in front of a live audience as determined by the Board;

(c) Races will be thirty (30) to forty (40) minutes in duration;

(d) Races across all three (3) NASCAR-sanctioned national series with two (2) Xfinity Series races, two (2) Gander Outdoors Series truck races and twelve (12) Cup Series races, each running in their respective race vehicles;

(e) Inclusion of all track types: short tracks, speedways, superspeedways and road courses;

(f) Exhibition races planned for off-weeks;

(g) Race schedule structured to align with NASCAR Series race schedule where appropriate;

(h) ELeague races will be scheduled on a standard weeknight so as to not conflict with iRacing events (and vice versa);

(i) ELeague races to have multiple pit stops for more exciting racing;

(j) Common, simple point system (similar to the NASCAR Cup Series point system); and

(k) At the end of the ELeague regular season (after race #12), the top ten (10) ETeams (adding together the points earned by both of the ETeams' eDrivers) qualify for the four (4) race playoff.

EXHIBIT E

704GAMES DELIVERABLES

- Annual technology and platform development required to build, maintain and operate NASCAR Heat, including underlying source code and game engines (including technical oversight of servers, registration, storefront, administration, lobbies and web app).
- Necessary 704Games, NASCAR and track licensing rights for use in creating and promoting the ELeague.
- Motorsport Network digital media ELeague promotion (transferred from a commitment of hard assets as part of Motorsport Network's investment in 704Games) of up to $150,000 annually.
- 704Games digital media promotion (allocated from 704Games' digital media marketing budget to promote annual game sales) of up to $150,000 annually.
- Coordination with third parties for ELeague broadcast/streaming rights, as well as gaming platform relationships.
- All aspects and costs associated with the production and facilitation of live events (e.g., in-person championship events).
- Non-cash weekly race prizing for winners of the ELeague up to an aggregate value of $10,000 per year
- Cash amounts as unanimously agreed by the Members for the prize fund, which prize fund the ETeams will also contribute to as mutually agreed.
- Each ETeam will be allowed a maximum of four (4) different race vehicle liveries in total for use on its race vehicles per season free of charge, to be allocated amongst such ETeam's race vehicles as determined by the ETeam. Beyond that, any additional race vehicle livery update will be charged by 704Games to the applicable ETeam (approximate cost is $4,500 per race vehicle livery update).

EXHIBIT F

RTAP DELIVERABLES

- Granting of ETeam owners' relevant intellectual property rights to the Company on a non-exclusive basis for promotion and marketing of the ELeague.

- Full-year commitment and participation of an ETeam will consist of resources to support two (2) race cars/EDrivers (one for each gaming platform of Xbox and PlayStation) throughout each season (including draft and the race schedule, or such other event schedule as determined by the Company).

- Digital/social media promotion of ETeam and the ELeague (including on ETeam websites and social media outlets) for approximately twenty (20) weeks (ETeams will use reasonable, good faith efforts to include Cup Series driver websites and social media outlets to the above).

- RTAP members who own ETeams will also commit (through the end of the 2020 Cup Series season) to utilize the "contingency space" on their respective Cup Series race cars at least one (1) Cup Series race to promote the ELeague (to be determined by the RTAP Member in its sole discretion but after meaningful consultation with the Company).

- Facilitation of annual ETeam/EDriver agreements, including equivalent payment for services for two (2) EDrivers – payment will be capped at Seven Thousand Five Hundred Dollars ($7,500) per EDriver and contributed to the eNHPL prize pool.

- Payment of expenses associated with ETeam participation in the ELeague, including EDriver travel and accommodations when necessary (up to $5,000 per EDriver).

- NASCAR Cup Series driver appearances, as well as Team President and/or Team Owner appearances at select ELeague events, subject to mutually agreed upon scheduling.

- Cup Series team and ETeam merchandise for weekly ELeague prizing (the "open" tier of competition structure), as mutually agreed upon.

- Cash amounts as unanimously agreed by the Members for the prize fund, which prize fund the ETeams will also contribute to as mutually agreed.

Exhibit 10.6.2

AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT

This Amendment to the LLC Agreement (as defined below) is effective as of December 11, 2020 (this "**Amendment**").

WHEREAS, Racing Pro League, LLC, a Delaware limited liability company (the "**Company**"), 704Games Company, a Delaware corporation ("**704GAMES**"), and RTA Promotions, LLC, a Delaware limited liability company ("**RTA**"), entered into that certain Limited Liability Company Agreement of Racing Pro League, LLC effective as of March 1, 2019 (the "**LLC Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the LLC Agreement.

WHEREAS, Section 16.3 allows the LLC Agreement to be amended with the written agreement of all members of the Company.

WHEREAS, 704GAMES and RTA, being all of the members of the Company, desire to amend the LLC Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, 704GAMES and RTA hereby agree that the LLC Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**.

   Section 12.2(c) of the LLC Agreement is hereby amended by adding a new sentence in the end of such Section 12.2(c) as follows: "Notwithstanding anything to the contrary set forth herein or any other document, 704Games and/or its direct and indirect parent entities shall have the right to disclose this Agreement, any amendments or modifications thereto, and their respective terms and conditions as required by the applicable securities laws, rules and regulations."

   The definition of "Change of Control" in Article XVII of the LLC Agreement is hereby amended to add the following sentence in the end of such definition: "Notwithstanding anything to the contrary contained herein, an initial public offering of securities of Motorsport Gaming US LLC, a parent of 704Games Company, and any subsequent issuances of securities by Motorsport Gaming US LLC shall not be deemed a Change of Control regardless of any direct or indirect change in beneficial ownership of a majority of the total voting power of then-outstanding equity in Motorsport Gaming US LLC."

3. **Limited Effect**. Except as expressly amended and modified by this Amendment, the LLC Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of Delaware without regard to principles of conflicts of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

RACING PRO LEAGUE, LLC

By: 704Games Company, its Managing Member
By: */s/ Dmitry Kozko*
Print name: Dmitry Kozko
Title: CEO

704Games Company

By: */s/ Dmitry Kozko*
Print name: Dmitry Kozko
Title: Director

RTA Promotions, LLC

By: */s/ Jonathan S. Marshall*
Print name: Jonathan S. Marshall
Title: Executive Director

Exhibit 10.7.1

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

LICENSE AGREEMENT

This license agreement, also referenced as Document #502698, (the "Agreement") shall be effective upon execution, by and between National Association for Stock Car Auto Racing, LLC f/k/a National Association for Stock Car Auto Racing, Inc. ("NASCAR"), a corporation organized under the laws of the state of Florida, having its principal place of business at International Motorsports Center, One Daytona Boulevard, Daytona Beach, Florida 32114 ("Licensor"), and Racing Pro League, LLC, a Delaware limited liability company, having its principal place of business at 301 Camp Road, Suite 104, Charlotte, North Carolina 28206 ("Licensee") (collectively the "Parties", or each a "Party").

Background

WHEREAS, 704Games Company ("704Games") is a video game publisher and has entered into an Amended and Restated Distribution and License Agreement with NASCAR Team Properties ("NTP") as of August 1, 2018 (the "NTP Rights Agreement"), in which NTP licensed to 704Games the exclusive right to utilize certain intellectual property rights of NASCAR and NASCAR Cup Series competitors to (i) develop, manufacture and commercially exploit Simulation Style Video Gaming Products and (ii) create and administer Esports competitions utilizing Simulation Style Video Gaming Products as the platform for such competition;

WHEREAS, the NTP Rights Agreement has been amended pursuant to the LOI (as defined below);

WHEREAS, NASCAR is the sanctioning body of stock car and/or stock truck racing in North America and is engaged in, among other things, the sanctioning of racing events and merchandising of various products relating to stock car and stock truck racing, and is the owner of certain trademarks and service marks and the goodwill therein;

WHEREAS, RTA Promotions, LLC ("RTAP") is owned by thirteen (13) prominent auto racing organizations that compete in the NASCAR Cup Series (among other racing series) created to help its members (i) collectively promote and grow the sport of stock car racing, (ii) advance the long term interests of the race teams and stock car racing, and (iii) aid in the commercial exploitation of the intellectual property of its members;

WHEREAS, 704Games, RTAP and National Association for Stock Car Auto Racing, Inc. ("NASCAR, Inc.) have previously entered into a Letter of Intent, effective as of December 6, 2018, and subsequently amended, (collectively, the "LOI") for purposes of creating the ELeague (as defined herein);

WHEREAS, pursuant to the recent reorganization of NASCAR, Inc., all rights and obligations of NASCAR, Inc. under the LOI have been assigned to and assumed by NASCAR;

WHEREAS, 704Games and RTAP are preparing to enter into a joint venture (the "JV Agreement") and have formed Licensee for purposes of governing, conducting and operating the ELeague; and

WHEREAS, NASCAR and Licensee desire to enter into this Agreement to govern NASCAR's involvement with the ELeague and the related transactions described in the LOI and hereby acknowledge that this Agreement supersedes, nullifies, replaces and terminates each Party's rights in the LOI upon the execution of this Agreement.

Agreement

In consideration of the terms and conditions set forth herein, the parties hereby agree as follows:

1. GRANT OF LICENSE.

(a) General. Subject to the terms and conditions of the Agreement., of which the attached Terms and Conditions are a part, Licensor hereby grants to Licensee an exclusive, non-transferable (except as provided in this Agreement), limited right and license to incorporate the Marks (as defined in the Terms and Conditions) on Schedule 1 into the ELeague name and use the Marks for the development, distribution, operation, execution, Advertising, marketing and Promotion of the ELeague and its events in the Territory. This grant of license in no way extends to any other marks other than the Marks listed on Schedule 1, including, but not limited to any future mark developed by Licensor (other than a replacement or redesign of a Mark which shall be included within the Marks listed on Schedule 1, provided that such replacement or redesigned Marks are subject to the terms set forth in this Agreement and Licensee expressly acknowledges in writing such replacements or redesigns), or an existing mark owned or licensed by Licensor, even if aforementioned marks include in part or whole portions of the Marks listed on Schedule 1. Furthermore, Licensor reserves all rights not expressly granted to Licensee in this Agreement.

(b) Combined Mark. Subject to the terms and conditions of the Agreement, the Parties may mutually develop a Combined Mark and Licensee shall have the exclusive, non-transferable, limited right and license to use such Combined Mark in all execution, Advertising and/or Promotion of the ELeague. Any use of the Combined Mark upon the expiration and/or termination of this Agreement shall be subject to Sections 6(b) and 13 of the Terms & Conditions of this Agreement.

(c) Advertising and Promotional Activities by Licensee. It is agreed and understood by the Parties that in addition to Licensee's use of the Marks, the grant of license in this Agreement contemplates Licensee's ability to allow ELeague broadcast/streaming partners, sponsors and live event venues ("ELeague Partners") the right to use the Marks and/or Combined Mark in Advertising, Promotion and/or live broadcast/streaming solely of the ELeague and /or ELeague events, subject to the terms and conditions of this Agreement. All such relationships with ELeague Partners that include use of the Marks and/or Combined Mark shall be subject to separate written agreements that must be approved by the Advisory Board and subject to the NASCAR Advisory Board members' voting participation as enumerated in Section 5(a) of this Agreement, except that the Parties acknowledge and agree that the NASCAR Advisory Board members shall have sole discretionary approval over (i) any ELeague sponsorship, and (ii) the actual use of the Marks and/or Combined Mark as further enumerated in Section 7 of the Terms and Conditions of this Agreement, with such approval not to be unreasonably delayed.

(d) Advertising and Promotional Activities by ETeam. Licensor hereby grants to Licensee a limited, non-exclusive, sub-licensable license to allow each ETeam the right to use (a) the then-current name of the ELeague to refer to ETeam, ETeam's drivers or their affiliation with the ELeague, and (b) the ELeague name and approved trademark that are visible on ETeam's e-vehicles solely in connection with the display of images of the e-vehicles as seen in ELeague competition, in any and all media now known or hereafter created (including print, broadcasts by and through television, cable television, radio, satellite signal, digital signal, transmissions over the Internet, and public online services authorized by Licensee) for sponsorship, endorsement, promotions or advertising activities of ETeam, or e-drivers, and to promote the ELeague events and other news reporting, provided that (x) no such use shall enhance, enlarge, or otherwise alter the ELeague name or approved trademark, and (y) the foregoing does not grant to any Person any right for (or to authorize) the use or endorsement of the ELeague name or approved trademark in such a way as to create or imply Licensor's or the ELeague's endorsement of any third party brand, product or service without Licensor's express written consent in its sole discretion.

(e) Advertising and Promotional Activities by Licensor. Licensee, for itself and on behalf of its Affiliates and each ETeam, acknowledge and agree that Licensor may use and exploit, on a non-exclusive basis, ETeam intellectual property, as submitted for use in ELeague competition, during the Term, in any medium (including print, broadcasts by and through television, cable television, radio, pay-per-view, closed-circuit television, satellite signal, digital signal, film productions, audiotape productions, transmissions over the Internet, and public and private online services authorized by Licensee) solely for (a) promoting or advertising the ELeague, (b) news reporting in respect of the ELeague, or (c) any telecast, broadcast or other programming with respect to the ELeague, and the Licensee, for itself and on behalf of its Affiliates and each ETeam, hereby grants (and shall use reasonable efforts to cause each other applicable Stock Car and/or Truck Racing Theme ETeam Affiliate to grant in accordance with this Section 1(e)) to Licensor, in perpetuity, all rights thereto for such purposes.

(f) Reservation of Rights; Acknowledgments.

(i) General Reservation. Licensee acknowledges that Licensor shall have the right at all times during the Term to: (i) license third parties to produce other NASCAR-branded games which may contain core characteristics of Simulation Style Video Gaming Products provided they are utilized with additional distinguishing creative liberties which are not consistent with authentic NASCAR racing; and/or (ii) allow such aforementioned third-party products to be used in video game based competitive gaming events and Esports competitions; provided that such third-party products and activities do not otherwise conflict with the exclusive rights granted to Licensee under this Agreement.

(ii) [***]

(iii) ELeague Broadcast/Streaming Rights. Licensee shall not be permitted to enter into or negotiate broadcasting or streaming agreements to broadcast or stream any ELeague events utilizing the Marks without the Advisory Board's approval per Section 5(a) of this Agreement. It's agreed and understood however that users participating in the ELeague events may stream their game race feeds to Twitch, YouTube, Facebook and other online game platforms; and both Parties may, after reasonable consultation and approval of the Advisory Board, stream or broadcast online the ELeague competitions to NASCAR.com and NASCAR Mobile (and/or other digital platforms owned and controlled by NASCAR or its affiliates) and/or molorsportnetwork.com, motorsport.tv, motorsport.com, Autosport.com, Motorsport-Total.com, GPUpdate.net and Motor I.com (and any other digital platform approved by Licensor on a case-by-case basis), respectively, at no fee, subject to any required technical operational expenses or any other fees associated with ELeague events happening at track or during the NASCAR race broadcast windows. Further, however, for any ELeague events occurring at track during a NASCAR National Series event weekend, Licensee acknowledges there may be additional agreements with separate terms and conditions, including fees, with third party promoters and/or Licensor's affiliates that are required for streaming such events on third party online game platforms (including, without limitation, Twitch, motorsportnetwork.com, motorsport.tv, and motorsport.com). Licensee further acknowledges that there are certain guidelines and restrictions established by Licensor's agreements with its broadcast partners (i.e., NBC and Fox, etc.) and promoters and agrees to abide by and not violate such guidelines and restrictions as communicated to Licensee by Licensor.

(iv) Betting/Gambling. Licensee is not permitted to utilize, or authorize the use of, any of Licensee's products, games and/or rights associated with this Agreement, including, without limitation, the Marks, in connection or association with any wagering and/or gambling-related activities without Licensor's express written approval, which shall be provided at Licensor's sole discretion. Notwithstanding the foregoing, the Parties acknowledge and agree that such aforementioned language will not prohibit Licensee from engaging in any sweepstakes promotions, as approved by Licensor pursuant to the terms of this Agreement, relating to the promotion of the ELeague that conform to the applicable sweepstakes laws, rules and regulations of the jurisdictions in which such sweepstakes promotions are conducted.

(v) International Esports Series. All of Licensee's ELeague competitions shall be based on the NASCAR National Series. In the event Licensor brings Licensee an Esports opportunity based on the NASCAR National Series that targets an international market outside of Licensee's operating structure for its ELeague competitions and Licensee declines such offer or the parties fail to agree to terms, Licensor may inquire from any third party regarding creating and hosting such Esports competitions; provided that Simulation Style Video Gaming Products are utilized as the platform of such competition and a separate fee or other consideration is paid to 704Games, RTAP, Licensee and/or NTP along with mutually agreeable terms and conditions. It is agreed and understood that Licensee shall have no rights as it pertains to any NASCAR-sanctioned international series operated outside of the United States. For clarity, among other things, Licensee may exercise its rights related to ELeague events in the Territory. However, and notwithstanding the language in this Section 1(f)(v) and anything herein to the contrary, Licensor shall not permit any Esports competitions utilizing Simulation Style Video Gaming Products that are based on a NASCAR-sanctioned international series to operate within the United States during the Terms of this Agreement.

(vi) Other NASCAR Opportunities. From time-to-time, NASCAR departments and/or divisions (e.g., NASCAR Brand Marketing, NASCAR Integrated Marketing Communications, etc.) may engage in discussions with a variety of interactive entertainment solution providers in order to develop or advance current or future business objectives. Licensor shall make good faith efforts, but shall not be obligated, to engage Licensee in the solicitation of proposals related to certain opportunities which Licensor or any affiliate thereof independently deems it capable of executing, and Licensor is not authorized to make any commitments on behalf of Licensee or its members without their prior written consent in their sole discretion.

(vii) JV Agreement. NASCAR and Licensee acknowledge and agree that this Agreement solely governs NASCAR's involvement with the ELeague and the Parties' related transactions (e.g., approval over the Marks, etc.) and should there be terms or conditions within the JV Agreement which conflict with this Agreement, the terms of this Agreement shall control and be binding.

2. TERM OF LICENSE.

(a) Term. The term of the Agreement shall be April 3, 2019 through December 31, 2029 (the "Term"), which may be earlier terminated by the Licensor as provided for in the Terms and Conditions of this Agreement.

(b) Possible Opt Out. The Parties agree that no later than March 4, 2020 they will have mutually agreed upon objective standards in which to measure whether the ELeague is achieving the collective goals of the Parties (the "Objective Standards"). It is the intent of the Parties that upon agreeing to Objective Standards, the failure to reach the same throughout the Term of the Agreement would allow for any one of the Parties to opt out of the obligations hereof.

3. CONSIDERATION.

(a) Royalty Payments. In consideration of the rights granted herein and Licensor's full performance of the Minimum NASCAR Deliverables on an annual basis, Licensor shall receive [***] percent ([***]%) of the Licensee's Net Profits, if any, for each year during the Term of this Agreement. For clarity, the Parties acknowledge and agree that the Royalty Payments shall be paid to Licensor only to the extent that the Licensee earns amounts constituting Net Profits.

(b) Sponsorship Sales. To the extent the Parties need to take into account any bona fide sponsorship sale relating to the ELeague that is "sourced" by Licensor, under terms approved by the Advisory Board as set forth in Section 5(c), the Parties will discuss in good faith a customary and reasonable commission rate to be paid to Licensor on the Net Revenue received by the Licensee or its Affiliates for the completion of such ELeague sponsorship, which is in addition to any other amounts payable by Licensee under this Agreement. It is agreed and understood by the Parties that for Licensor to qualify as the "source" of an ELeague sponsorship, Licensor must have (i) been an integral part of the initial contact with the applicable sponsor, (ii) been actively engaged in communications with the applicable sponsor during the Term of the Agreement regarding the sponsorship opportunity, and (iii) not have previously rejected such sponsorship via the NASCAR Advisory Board members when submitted for approval by Licensee. The determination of whether Licensor is the source of an ELeague sponsorship will be made by the Parties in their collective good faith, reasonable discretion.

4. MINIMUM NASCAR DELIVERABLES. Licensor shall annually provide the assets and deliverables listed on Exhibit B, attached hereto (the "Minimum NASCAR Deliverables"). Regarding the Minimum NASCAR Deliverables, the Parties acknowledge and agree to the following: (i) Licensor's support of the ELeague is vital to the overall success of the ELeague anticipated by the Parties; and (ii) the Parties will agree in good faith to review and discuss the Minimum NASCAR Deliverables on an annual basis to ensure that (y) such deliverables make sense in light of the level of success of their execution, and (z) reflect the items best suited for the most successful Licensor support of the ELeague. Additionally, Licensee shall not be permitted to carry over any unused asset and/or deliverable as part of the Minimum NASCAR Deliverables. However, in the event Licensee requests the use of a Minimum NASCAR Deliverable and NASCAR fails to deliver, such unutilized Minimum NASCAR Deliverable shall be carried forward solely for the next calendar year. Any Minimum NASCAR Deliverable carried forward one (1) year will be in addition to the Minimum NASCAR Deliverables already committed for such following year. In the event the Parties mutually agree in good faith upon any changes to the Minimum NASCAR Deliverables, Exhibit B will be promptly updated in a writing signed by both Parties to reflect any added or deleted deliverables agreed upon.

5. LICENSEE OPERATIONS & ELEAGUE STRUCTURE.

(a) Advisory Board. All day to day operations of the Licensee will be handled by 704Games as directed by Licensee's advisory board consisting of seven (7) members ("Advisory Board") as follows: two (2) board members appointed by and representing 704Games (each with voting rights); two (2) board members appointed by and representing RTAP (each with voting rights); Executive Director of the Race Team Alliance (or a third party appointed by RTAP) who will serve as the Advisory Board Chairman (with no voting rights unless a Supermajority vote is needed and only a Majority is obtained); and two (2) board members appointed by and representing NASCAR, initially [***] and [***] (each with voting rights only in an advisory role capacity as specifically set forth below). In addition to the rights enumerated in Section 1(c) of this Agreement with respect to use of the Marks (whether or not as part of a Combined Mark) and ELeague sponsorships, NASCAR's Advisory Board members shall have voting rights only on the specific items listed below:

(i) Agreements relating to the broadcast and/or streaming of ELeague events;

(ii) ELeague competition structure; and

(iii) Specific categories, types and brands of sponsors associated with ETeam sponsorships in the ELeague, subject to the following:

(a) The following categories of sponsors shall at all times be permitted to engage in any ETeam sponsorships:

1. sponsors that are also NASCAR Cup Series team sponsors; and

2. sponsors that were engaged in an ETeam sponsorship in the inaugural 2019 ELeague season.

(b) With respect to any sponsor not covered by Section 5(a)(iii)(a) above, the Parties agree to abide by the then current guidelines and restrictions of sponsorships in the NASCAR National Series and agree to discuss in good faith potential opportunities to reduce or eliminate certain restrictions on ETeam sponsorships solely for purposes of the ELeague. Notwithstanding the foregoing, it is acknowledged that the following categories of sponsors shall not be permitted to engage in any ETeam sponsorships:

1. pornography, tobacco, and illegal drugs;

2. tires and fuel (subject to Section 5(a)(iii)(a)(2) above); and

3. subject to Section 5(a)(iii)(a) above, the then-current NASCAR National Series "Tier I" (i.e. highest sponsorship level) "Premiere Partner" sponsors.

(c) Any dispute arising in connection with the approval of any ETeam sponsorship shall be subject to Section 5(e) below.

Furthermore, NASCAR's representatives shall be permitted to vote in their own interests and will not be beholden to the Licensee under any fiduciary obligations to vote in the interest of the Licensee over and above NASCAR 's interests. It is agreed and understood by Licensor that Licensor's Advisory Board representatives must be present at all Advisory Board meetings in which specific items that such representatives have voting power on will be discussed and voted on (including without limitation uses of the Marks to be approved), provided that Licensor's Advisory Board representatives are given sufficient notice and formally agree on the proposed dates of all Advisory Board meetings.

(b) ELeague Competition. All competition rules, guidelines, components, competition structure, prizing, marketing, sponsorships and relevant guidelines, and promotional materials of the ELeague shall be determined by Licensee's Advisory Board process. In furtherance of the foregoing, the Parties have formed a competition committee to create the competition structure, a code of conduct and other related player/gamer requirements of the ELeague. While the competition committee is still finalizing the ELeague competition structure, Exhibit C ("Competition Structure"), which is attached hereto and incorporated herein by this reference, outlines the current understanding of the Parties as of the Effective Date of this Agreement, although the Parties understand that the Competition Structure may change. In the event any of the Parties have issues with any changes to the Competition Structure, such issues shall be addressed by the Advisory Board. Furthermore, Licensee shall not be permitted to brand and/or imply that any approved ELeague competitions are "officially sanctioned series" of NASCAR or infringe upon the exclusive rights given to iRacing as further set forth in this Agreement.

(c) Sponsorship Sales of ELeague. How advertising and sponsorships (excluding ETeam sponsorships) of the ELeague are sold, displayed and marketed shall be subject to the Advisory Board process as outlined in Section 5(a) above (except that the Parties acknowledge and agree that such ELeague sponsorships (excluding ETeam sponsorships) and the actual use of the Marks and/or Combined Mark enumerated in such advertising and/or sponsorship relationships are subject to the NASCAR Advisory Board members' sole discretionary approval, such approval not to be unreasonably delayed), and any ELeague advertising and sponsorship agreements will include the addition of NASCAR as a contractual signatory for purposes of granting, reviewing and approving use of the Marks. It is understood by the Parties that each of NASCAR and the respective ETeam owners have current sponsorship relationships and that with respect to pursuing any sale of a sponsorship relating to the ELeague, Licensee (and any representative affiliate) will not sell an ELeague sponsorship to any entity that is currently a sponsor of NASCAR or any ETeam owner without the affected Party's prior written consent, not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Licensor and each ETeam shall communicate and annually update Licensee on its current stable of sponsors.

(d) NTP Rights Agreement. Nothing herein shall be construed or interpreted as a release and/or waiver of 704Games', NASCAR's, or NTP's rights, obligations and financial commitments in the NTP Rights Agreement as amended, including without limitation 704Games' right to create designs and artwork for use in conjunction with Esports as specifically set forth in the NTP Rights Agreement. Additionally, NTP and NASCAR (as an NTP member) preserve all of their approval rights related to Simulation Style Video Gaming Products and Esports competitions as explicitly stated in the NTP Rights Agreement.

(e) ETeam Sponsorship Dispute Resolution. The Parties agree that any dispute arising in connection with the approval of any ETeam sponsorship shall be referred for resolution to NASCAR's next scheduled Team Marketing Council, as established under the charter agreements with NASCAR-sanctioned teams in the Monster Energy NASCAR Cup Series. Such procedure will be invoked by either Party providing written notice identifying the sponsorship issues in dispute. The Parties hereby acknowledge and agree that the Team Marketing Council will be the final arbiter of any such disputes arising in connection with the approval of any ETeam sponsorship. However, and notwithstanding the foregoing, if the next scheduled Team Marketing Council meeting is not within a sixty (60) day period from the aforementioned written notice of the dispute, then the two (2) NASCAR Advisory Board members and the two (2) RTAP Advisory Board members will meet in good faith to resolve such dispute, it being further understood by the Parties that (i) if resolution cannot be reached after good faith discussions, then the ETeam's sponsorship request will be disapproved, and (ii) the Parties acknowledge and agree, and NASCAR represents and warrants, that this process will not be used to reasonably restrict ETeams from procuring desired sponsorship.

6. LICENSED PRODUCTS. During the Term of this Agreement, Licensor shall have the right, but not the obligation, to receive and/or solicit licensees to use the Marks and/or Combined Mark on retail merchandise. Should any party be interested in pursuing use of the Marks and/or Combined Mark, it is agreed and understood that Licensor shall be the sole and exclusive licensor of the Marks and Combined Mark. Any and all consideration paid as a result of licensing the Marks and/or Combined Mark shall be retained by Licensor. Therefore, in relation to Licensed Products for purposes of the ELeague, it is agreed and understood that Licensor and Licensee are entering into an agreement setting forth the guidelines for Licensor, in its sole discretion and subject to the terms of this Agreement, to license the Marks and Combined Mark as follows:

(a) Definitions.

(i) "Contract Territory" means anywhere in the world.

(ii) "Licensed Products" means products and services associated with the ELeague for which the Marks and/or Combined Mark are licensed and approved by Licensor. Examples of such products or services may include, without limitation: accessories, apparel, collectibles, home furnishings, electronics, and/or novelties.

(iii) "Product Licensees" means and includes any and all third parties operating under License Agreements as defined herein, arranged by Licensor.

(iv) "License Agreement" means an agreement received and/or solicited by Licensor as set forth herein, granting to Product Licensees the right to use the Marks and/or Combined Mark on and with respect to the manufacture and sale of the Licensed Products.

(b) Approval of Product Licensees.

(i) When Licensor receives a request from a potential licensee that would like to obtain a license to use the Marks and/or Combined Mark on products, Licensor shall submit such request in writing to Licensee for approval, with such approval not to be unreasonably withheld, conditioned or delayed. Such request shall include the following elements:

(1) identity of the proposed Product Licensee;
(2) products on which the marks are to be used;
(3) Contract Territory;
(4) term of the proposed License Agreement; and
(5) the financial terms.

(ii) Licensee shall have ten (10) business days of receipt of such written request to respond in writing.

(iii) Licensor shall cause each Product Licensee to pay Licensee [***] percent ([***]%) of the royalties owed to NASCAR (e.g., if a License Agreement calls for a [***] percent ([***]%) royalty said License Agreement will state that payment of such royalties is to be made in the amount of [***] percent ([***]%) respectively to both Licensor and Licensee). Licensee expressly acknowledges and understands that under no circumstances shall it be entitled to audit or otherwise examine any of NASCAR's books and records regarding such licensing of the Marks. However, Licensor will ensure that Licensee has the ability to audit such Product Licensees to the same extent that Licensor has pursuant to such License Agreement and will direct all Product Licensees to provide Licensee with statements and reports quantifying the Licensed Products distributed.

(c) Compliance.

(i) Licensor agrees to contractually obligate each Product Licensee to ensure that all Licensed Products distributed by each Product Licensee are manufactured, packaged, distributed, shipped, stored, advertised, offered, promoted and sold in accordance with all applicable federal, state and local laws, regulations and ordinances, and industry standards.

(ii) Licensor shall direct all Product Licensees to comply with appropriate methods of testing raw materials and finished Licensed Products in accordance with all federal, state and local laws, regulations and ordinances, and industry standards. In addition, Licensor shall ensure that it has the right, at all reasonable times, to inspect the Licensed Products as well as the methods of manufacture of said Licensed Products, in relation to how the Marks and/or Combined Mark are used on the premises of the Product Licensees, and elsewhere if applicable.

(iii) Licensor agrees to contractually obligate each Product Licensee to defend and indemnify Licensee and its members, officers and Advisory Board members from any claims or activities arising under the License Agreements.

(d) Continuation of License Agreements. Upon the expiration or sooner termination of this Agreement, Licensor and Product Licensees shall have the right to sell (in a manner consistent with its prior methods of selling the Licensed Products during the term hereof) all approved Licensed Products manufactured as of the effective date of such expiration or sooner termination, for a period of one hundred and eighty (180) days following the date of such expiration or sooner termination. Notwithstanding, on a case-by-case basis there may be longer sell-off periods pursuant to industry standards.

(e) NTP Licensing. The Parties agree to use good faith efforts to explore opportunities, when and if applicable and contingent on the circumstances surrounding a potential relationship with a Product Licensee, to utilize and grant NTP the requisite rights associated with the ELeague and ETeams for purposes of licensing Product Licensees to manufacture and sell Licensed Products in order to enhance the efficiency of the process and simplify the procedures, approvals and necessary documentation.

(f) Licensing Discussion. Prior to the start of the ELeague season in 2024, the Parties shall in good faith discuss the current state of affairs of the licensing program for the ELeague and reevaluate the current model, and in the event that as of January 1, 2024 Licensee has not received at least [***] ($[***]) in licensing royalties pursuant to Section 6(b)(iii) of this Agreement, then the Parties will use Commercially Reasonable Efforts to explore additional changes to the licensing program for the ELeague.

(g) Acknowledgement and Reservation of Rights. Licensor hereby acknowledges and agrees that the ETeams reserve all rights to license their own intellectual properties relating to the ELeague, excluding the Marks and/or Combined Mark.

(Signatures on the following page)

IN WITNESS WHEREOF, the parties hereto have signed this Agreement in which the Terms and Conditions and Logo Guidelines for Licensing, receipt of which is hereby acknowledged by Licensee, are herein incorporated.

LICENSEE: **RACING PRO LEAGUE, LLC**		LICENSOR: **NATIONAL ASSOCIATION FOR STOCK CAR AUTO RACING, LLC**	
By:	*/s/ Dmitry Kozko*	By:	*/s/ Craig Neeb*
Print Name:	Dmitry Kozko	Print Name:	Craig Neeb
Title:		Title:	EVP, Chief Innovation Officer
Date:	2.11.2020	Date:	2-11-2020

TERMS & CONDITIONS

1. DEFINITIONS.

(a) "Advertising" means all forms of advertising, including, but not limited to print, audio and video (e.g., television and radio commercials, online advertisements, etc.).

(b) "Affiliate" means, with respect to a Person, an entity directly or indirectly controlling, controlled by or under common control with such Person; provided that such entity shall be considered an Affiliate only for the time during which such control exists. For purposes of this Agreement, International Speedway Corporation shall not be deemed an Affiliate of NASCAR.

(c) "Category 1 Platforms" means Sony PlayStation; PSP Vita; Microsoft Xbox; Nintendo Wii; Wii U; 3DS; PC Products (namely, general purpose computing devices utilizing Microsoft Windows as the operating system that are designed to run a variety of applications, including but not limited to games; and which expressly exclude dedicated gaming hardware such as Microsoft Xbox and mobile or tablet devices which may run on Windows OS); and successor platforms, operating systems and online versions to all of the foregoing.

(d) "Category 2 Platforms" means Apple OS X; Mobile and Tablet Platforms, namely, Apple iOS (including derivatives such as Apple TV OS), Android, Blackberry OS, Microsoft Windows; Smart TVs; and successor platforms, operating systems and online versions to all of the foregoing.

(e) "Combined Mark" means any new or combined names, trademarks, trade names, service marks, trade dress, and logos incorporating the Marks jointly developed by the Parties in conjunction with the ELeague.

(f) "Commercially Reasonable Efforts" means reasonable and good-faith efforts to accomplish the objectives that are consistent with the general practices of the respective parties under such applicable circumstances in order to achieve the desired result(s) in a reasonable, efficient and cost-effective manner within the applicable time period, but not requiring a Party to: (A) take any actions that would result in a materially adverse change in the benefits to such Party to this Agreement or the transact ions contemplated hereby; (B) take any actions that would be commercially unreasonable under the circumstances or require the promising Party to take any actions that would, individually or in the aggregate, cause the promising Party to pay additional consideration (or forego consideration)outside the ordinary course of business unless additional consideration is expressly contemplated by the terms of this Agreement; (C) take any action that would violate any law, order, rule or regulation to which the promising Party is subject; or (D) initiate litigation or arbitration.

(g) "ELeague" means the Stock Car and/or Truck Racing Theme, mass market, Esports multiplayer competition video game series (as licensed and granted through the NTP Rights Agreement) currently called the "ENASCAR Heat Pro League."

(h) "Esports" means a form of multiplayer competition using video games, primarily between competitive gamers that: (i) is organized with structured rules; (ii) has a regular, systematic approach to prizing; (iii) has defined players, teams, leagues or tiered competition structure; (iv) has a defined schedule of events; and (v) includes the ability to perform in front of a live audience, whether through an online platform, broadcasted on television, or at a physical event. For purposes of this Agreement, the general definition of Esports shall not include the ELeague, as the ELeague is an approved example of Esports as mutually agreed upon by the Parties.

(i) "ETeam(s)" means a virtual Stock Car and/or Truck Racing Theme team that competes in the ELeague, consisting of two (2) vehicles, with one (1) different driver for each e-vehicle.

(j) "Licensee Indemnified Parties" means Licensee and its Affiliates and the members, shareholders, directors, officers, agents, employees, affiliates and professionals of Licensee and its Affiliates, including the ETeams solely for third party claims associated with Section 9(b)(v) of the Terms & Conditions of this Agreement.

(k) "Licensee Business" means Licensee's administrative and non-consumer facing common and customary business practices, such as, without limitation, sales and promotional materials, all based upon previously approved mock-ups as reviewed and approved by a Supermajority of the Advisory Board, such approval not to be unreasonably withheld, conditioned or delayed.

(l) "Licensor Indemnified Parties" means Licensor and its Affiliates and the members, shareholders, directors, officers, agents, employees, affiliates and professionals of Licensor and its Affiliates.

(m) "Majority" means a vote of three (3) out of four (4) voting board members on the Advisory Board or, if NASCAR's representatives are voting in their advisory role, a vote of four (4) out of six (6) voting board members.

(n) "Marks" means the trade names, trademarks and service marks listed on Schedule 1.

(o) "NASCAR National Series" means any one of the following three (3) national racing series sanctioned by NASCAR, existing as of the Effective Date, currently the MONSTER ENERGY NASCAR Cup Series, NASCAR XFINITY Series, and NASCAR GANDER OUTDOOR Truck Series, or any respective predecessor or successor series thereto.

(p) "Net Profits" means, for any particular year during the Term, the total amounts of cash and cash equivalents received by Licensee regarding the activities, assets and deliverables associated with the: operation of the ELeague (e.g. ETeam sales, gaming platform sponsorships/relationships, ELeague title sponsorships, ELeague event sponsorships, ELeague event advertising, broadcast/streaming rights for ELeague events, live event revenue, applicable in-game "add-ons", etc.) (for clarity, specifically excluding funds obtained by the Licensee as the result of a capital contribution, a loan or other financing activities), minus all expenses, taxes (including Licensee tax obligation distributions to its members related to Licensee's taxable income) and other liabilities of the Licensee for such year, including (i) any payments or expense reimbursements to be made to members of Licensee in connection with certain services to be provided by them to the Licensee, and (ii) commissions payable to Licensor pursuant to Section 3(b) of the Agreement, and (iii) Licensed Product royalties received by Licensee for Licensed Products from which Licensor has already received a licensing royalty.

(q) "Net Revenue" means the total gross cash or cash equivalent compensation paid to the Licensee or its affiliates throughout the entire term of the ELeague sponsorship, minus any applicable agency and other commissions, approved expense reimbursements, or other pass, through payment amounts.

(r) "Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other legal entity.

(s) "Premium" means any product sold or given away for the purposes of increasing the sale, promoting or publicizing any other product, service or establishment, including, but not limited to incentives for sales force, internal affiliates sales, trade or consumer Promotions, self-liquidating offers and sales of licensed products through distribution schemes involving earned discounts or "bonus" points based on consumers' use of offered products or services.

(t) "Promotion" means any marketing program that is designed to encourage consumers to buy a particular product or service Such marketing program can utilize many different forms such as, but not limited to, sweepstakes, giveaways, loyalty or continuity programs, gift with purchase. Self-liquidating offers, purchase with purchase, free with purchase, in packs, on packs, and near packs. Promotion shall also include the Advertising, publicity, or other means of exposure, in or out Premiums, point-of-purchase displays, print or electronic, or any other medium.

(u) "Royalty Payments" means the royalties that Licensee is obligated to pay to Licensor pursuant to Section 3(a) of the Agreement.

(v) "Simulation Style Video Gaming Products" means any NASCAR-branded video game playable on Category I Platforms and/or Category 2 Platforms that has a Stock Car and/or Truck Racing theme which is intended to replicate authentic NASCAR racing competition rules and structure (including, but not limited to, points standings calculation, schedule, multiple national series, inclusion of NASCAR-sanctioned tracks, race duration, etc.) and which: (i) utilizes the NASCAR trademarks and/or drivers from the MONSTER ENERGY NASCAR Cup Series as the primary brand in the video game name and (ii) includes twelve (12) or more active drivers from the MONSTER ENERGY NASCAR Cup Series associated with their respective licensed MONSTER ENERGY NASCAR Cup Series properties (team, sponsors or car number) (i.e., the NASCAR Heat franchise).

Notwithstanding the foregoing, during the Term, 3rd-party NASCAR-branded casual games may include some mix of core characteristics of Simulation Style Video Gaming Products provided they are utilized with additional distinguishing creative liberties which are not consistent with authentic NASCAR racing, and that such third-party rights grant by NASCAR shall not violate the exclusivity granted to 704Games and/or Licensee. By way of example, a permissible third-party NASCAR-themed casual game may feature NASCAR stock cars racing on, virtually-recreated race tracks where various fictitious elements such as obstacles, zero gravity, etc. is introduced to render the game play more challenging (and thus less authentic in nature) and all downloadable content associated and sold in conjunction with the licensed products.

(w) "Stock Car and/or Truck Racing Theme" means that which: includes race vehicles resembling or bearing the likeness of stock-appearing automobiles manufactured for consumer use on public highways and roads and resembling race vehicles that compete in NASCAR-sanctioned event competition; (ii) incorporates a NASCAR-sanctioned event, and/or (iii) incorporates a Driver or Team that participates in NASCAR-sanctioned event competition. For clarity, a generic vehicle such as a Shelby Cobra or Roush Mustang or Richard Petty Signature Series Dodge, is not a Stock Car and/or Truck Racing Theme vehicle.

(x) "Supermajority" means a vote of four (4) out of four (4) voting board members on the Advisory Board or, if NASCAR's representatives are voting in their advisor role, a vote of five (5) out of six (6) voting board members.

(y) "Territory" means worldwide, but only to the extent (i) ELeague competitions may be legally offered or otherwise distributed in such territories, and (ii) Licensor has not notified Licensee of any bona-fide actual or potential infringement of any third parties' intellectual property rights resulting from the use or display of the Marks in any such territory; provided, that the Territory shall, *at a minimum*, mean the United States of America and its territories, possessions, commonwealths, instrumentalities, protectorates and military bases (collectively, the United States). Notwithstanding the foregoing, Licensor expressly does not warrant or represent, and hereby disclaims in all respects, that the rights under the license granted herein are enforceable or non-infringing upon the rights of others outside of the United States, and all uses of the Marks outside the United States shall be at the risk of Licensee, and shall be subject to the indemnification provided to Licensor.

(z) "Works" means any original design, artwork or compilation or derivative.

2. LIMITATION ON THE LICENSE.

(a) Theme. Licensee shall use the Marks only in connection with a Stock Car or Truck Racing Theme. Additionally, Licensee shall not create, host, perform, operate, or conduct, directly or indirectly, any Esports competition with a Stock Car and/or Truck Theme that do not bear the Marks without Licensor's prior written approval. In the event Licensee creates, hosts, performs, operates, or conducts, directly or indirectly, any Esports competition with a Stock Car and/or Truck Theme that do not bear the Marks, Licensee acknowledges and agrees that it is still obligated to pay Licensor Royalty Payments as set forth as if the Marks had been used.

(b) Restrictions. Licensee cannot create the perception that there is a relationship or affiliation between Licensor and any other entity, service, and/or product, including transferring the rights to use the Marks to any third parties, including, but not limited to Licensee's trade customers, suppliers, advertising and promotional agencies, vendors and promotional tic-in partners.

3. EXPERIENCE, MAINTENANCE AND CHANGES.

(a) Licensee represents to Licensor that it has substantial experience in the development, management, and operation of Esports and will rely exclusively on this substantial experience in developing, managing, and operating the ELeague pursuant to this Agreement. Licensee recognizes that Licensor has no experience whatsoever in the development, management, or operation of Esports and that Licensor will rely exclusively on Licensee's experience to ensure that Licensee develops, manages, and operates the ELeague in accordance with industry standards. Licensor and Licensee acknowledge and agree that Licensor's involvement with the ELeague is simply as a trademark licensor and that any review, inspection, or similar rights with respect to the ELeague that Licensor reserves in this Agreement and/or exercises are for the sole and limited purpose of ensuring that Licensee's use of the Marks are consistent with, and do not jeopardize, Licensor's ownership rights in such intellectual property and that Licensee is not using the Marks in a manner that conflicts with Licensor's obligations under other licensing arrangements.

(b) Maintenance and Repair. In order to protect the Marks and the goodwill associated therewith, Licensee shall al all times maintain any and all material elements of the ELeague in good working order and shall be solely responsible for maintenance, repair and replacement where necessary to maintain good operating condition, and from any liabilities arising therefrom, of the ELeague.

(c) Modifications and Changes. Licensee may change the elements and appearance of the ELeague, including any changes to the structure or competition, without the consent of Licensor but under the direction and suspension of the Advisory Board, provided that such changes do not result in the ELeague being materially different from the overall design and appearance as originally approved by the Advisory Board. To the extent any substantial changes to the League are being made, Licensor's Advisory Board members, acting within their sole discretionary approval as it relates to the use of the Marks, shall have reasonable access to such changes to verify that such alterations or modifications of the ELeague comply with this Section 3(c) of the Terms & Conditions in order to protect the Marks and goodwill associated therewith.

4. PERFORMANCE. Licensee agrees to use its best efforts to execute ELeague events each year throughout the Term. Additionally, in the event Licensee docs not execute at least ten (10) approved ELeague events (whether in-person or online, and including ELeague driver drafts) during a twenty four (24) month period (other than due to Licensor's failure to perform its obligations hereunder with respect to an ELeague event), Licensor shall be entitled to convert the ELeague rights to a non-exclusive license upon written notice to Licensee.

5. STATEMENTS, PAYMENTS AND PENALTIES.

(a) Time of Sale. For purposes of determining the Royalty Payments, revenue associated with the Net Profit shall be deemed to have been made at the time such revenue is received.

(b) Basis of Royalty Payments. Royally Payments shall be paid by Licensee to Licensor based upon Licensee's Net Profits.

(c) No Cross Collateralization. Any Royalty Payment paid by Licensee to Licensor may not be offset or credited against any royalty payment or other payment set forth in any separate agreement or license with Licensee, including, without limitation, the NTP Rights Agreement.

(d) Statements.

(i) Net Profit. On or before the ninetieth (90^{th}) day following the close of each calendar year, Licensee shall submit to Licensor, in a formal agreed upon by Licensor, full and accurate statements showing the total amount of cash and cash equivalents constituting Net Profit associated with the operation of the ELeague received by Licensee during the preceding calendar year. Such statements shall be submitted whether or not they account for Net Profit.

(ii) Net Revenue. On or before the thirtieth (30^{th}) day following the consummation of a sponsorship sale as set forth in Section 3(b) of the Agreement, Licensee shall submit to Licensor, in a format agreed upon by Licensor, full and accurate statements showing the total gross cash and cash equivalent compensation constituting Net Revenue associated with sale of an ELeague sponsorship received by Licensee and/or its affiliates.

(e) Payments.

(i) Net Profit. All Royalty Payments due Licensor shall be made on or before the ninetieth (90^{th}) day following the close of each calendar year, to the extent that Licensee has recognized Net Profits.

(ii) Net Revenue. All commission payments due Licensor shall be made on or before the thirtieth (30^{th}) day following the receipt of cash and/or cash equivalent compensation applicable to a sponsorship sale as set forth in Section 3(b) of the Agreement.

All computations and payments shall be in U.S. dollars at the spot rate for the local currency as published in the Wall Street Journal for the last business day of the preceding month.

All Royalty Payments, as well as other payments made to Licensor herein, shall be non-refundable and shall be fully earned when paid.

(f) Late Payments and Shortfalls. Failure to submit timely or accurate payments and statements shall result in an additional charge of one and one-half percent (1.5%) per month or such other interest rate as determined by applicable law, whichever is greater, on any balance unpaid as of the applicable reporting period.

(g) Accuracy of Statements. The receipt and/or acceptance by Licensor of the statements furnished or payments, or the cashing of any checks paid hereunder, shall not preclude Licensor from questioning the correctness thereof at any time. In the event that any bona fide inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by Licensee and the appropriate payment shall be made by Licensee.

(h) Delivery of Statements and Payments. Licensee shall, unless otherwise directed in writing by Licensor, send all payments and one copy of all accounting reports to:

National Association for Stock Car Auto Racing, Inc.
International Motorsports Center
One Daytona Boulevard
Daytona Beach, Florida 32114
Attn: Vice President/Chief Accounting Officer

Licensee shall, unless otherwise directed in writing by Licensor, send an acknowledgment of all payments and one copy of all accounting reports to:

NASCAR, Inc.
NASCAR Plaza
550 South Caldwell Street, Suite 2000
Charlotte, North Carolina 28202
Attn: Contract Administrator

In the event that NASCAR, in its sole discretion, elects 10 accept an electronic funds transfer (EFT) as a form of payment, the mere receipt of funds shall not constitute a binding contract.

6. OWNERSHIP OF THE MARKS AND PROTECTION OF RIGHTS.

(a) Rights. Licensee acknowledges and agrees that Licensor owns the Marks and any registrations therefor, as well as any trademarks, trade names, or service marks or domain names which incorporate such trademarks, trademarks, or service marks adopted and used or approved for use by Licensor, and that each of the Marks is valid. Licensee acknowledges the validity of the state and federal registrations Licensor owns, obtains or acquires for its Marks. Licensee shall not at any time file any trademark application with the United States Patent and Trademark Office, or with any other governmental entity for the Marks. Licensee shall not use any of the Marks or any confusingly similar mark as or as part of, a trademark. service mark, trade name, fictitious name, company or corporate name, or domain names anywhere in the world, except as permitted by this Agreement. Any trademark, service mark registration or domain name registered, obtained or applied for that contains the Marks or confusingly similar mark shall be transferred to Licensor without compensation. Nothing in this Agreement gives Licensee any right, title, or interest in any Marks except the right to use in accordance with the terms of this Agreement Licensee's use of any Marks inures to the benefit of Licensor.

(b) Combined Mark. During the Term of this Agreement, each Party shall share the ability to use the Combined Mark pursuant to the terms herein; provided that ii is agreed and understood between the the Parties that any and all elements of the Combined Mark, including any design elements incorporated therein, other than any ELeague sponsor marks (and the corresponding design elements associated therewith), shall be exclusively owned by Licensee or. Notwithstanding the foregoing, Licensor shall not, during the Term of this Agreement or any time thereafter, allow a third party to use the Mark in Section 2 of Schedule 1 and/or a Combined Mark solely created for use with the ELeague without the express written authorization of the Licensee, as determined in Licensee's sole discretion. Upon the expiration or sooner termination of this Agreement, any and all rights of the Panics to use the Mark in Section 2 of Schedule 1 and/or Combined Mark, or any substantially similar design, shall cease absolutely, subject to Section 13 of this Agreement.

(c) Challenge or Objection. Licensee shall not oppose or seek to cancel or challenge, in any forum, any application or registration of Licensor for the Marks or any confusingly similar mark. Licensee shall not object to, or file any action or lawsuit because of, any use by Licensor of any Marks for any goods or services, whether such use is by Licensor directly or through different licensees or authorized users, unless such use is in violation of Licensee's rights enumerated in this Agreement.

(d) Goodwill. Licensee recognizes the great value of the goodwill associated with the Marks and acknowledges that such goodwill belongs to Licensor, and that such Marks have secondary meaning. Licensee shall not, during the term of this Agreement or thereafter, attack the property rights of Licensor under this Agreement with respect to the Marks, attack the validity of this Agreement, or use the Marks or any confusingly similar mark in any manner other than as licensed hereunder.

(e) Notice of Claim. Licensee agrees to assist Licensor in the protection of the Marks and shall provide, at reasonable cost to be borne by Licensor, any evidence, documents, and testimony concerning the use by Licensee of any one or more of the Marks, which Licensor may request for use in obtaining, defending, or enforcing rights in any Marks or related application or registration. Licensee shall notify Licensor in writing of any infringements or imitations by others of the Marks of which it is aware. Licensor shall have the sole right to determine whether or not any action shall be taken on account of any such infringements or imitations. Licensee shall not institute any suit or take any action on account of any such infringements or imitations without first obtaining the written consent of Licensor to do so. Licensee agrees that it is not entitled to share in any proceeds received by Licensor (by settlement or otherwise) in connection with any formal or informal action brought by Licensor, or other entity.

(f) Copyright. Licensee acknowledges that any Works created by it pursuant to this Agreement that contains the Marks are compilations or derivatives as those term are used in Section 103 of the U.S. Copyright Act. Therefore, any rights, including copyrights, that Licensee might have in those original Works do not extend to any portion or aspect of the Marks or any derivatives thereof, and do not in any way dilute or affect the interests of Licensor in the Marks or any derivatives thereof. Accordingly, Licensee shall not copy, use, assign or otherwise transfer any rights in any Works with any portion or aspect of the Marks or any derivatives thereof included, except in accordance with chis Agreement. Licensee shall not attempt to obtain or assert copyright rights in any artwork or design which contains the Marks, without the express written authorization of Licensor.

(g) Injunctive Relief. Each Party acknowledges that its breach or threatened breach of this Agreement may result in immediate and irremediable damage to the other Party and that money damages alone may be inadequate to compensate the other Party. Therefore, in the event of a breach or threatened breach of this Agreement by a Party, the other Party may, in addition to other remedies, immediately seek to obtain and enforce any court-authorized injunctive relief prohibiting the breach or threatened breach or compelling specific performance.

7. DISPLAY OF THE MARKS, QUALITY, AND APPROVALS.

(a) Promotion and Advertising. Licensee shall use and assure that it uses the Marks properly in conjunction with the branding of the ELeague, as well as the operation, execution, Promotion and Advertising thereof. On all visible Promotion and Advertising, the Marks shall be emphasized in relation to surrounding material by using a distinctive type font, color, underlining, or other technique approved by Licensor. Use of any Marks shall conform to the requirements set forth in Exhibit A, as may be amended from time-to-time, and any other style or logo guideline(s) provided by Licensor. For purposes of clarification, in the event of any conflict between the Licensing Logo Guidelines and this Agreement, the terms of this Agreement shall govern. The proper symbol to identify the Marks as trademarks (i.e., the circled "R" symbol if the Mark is registered in the United States Patent and Trademark office or the "TM" symbol if not so registered) shall be placed adjacent to each Mark. Further, Licensee hereby agrees to notify Licensor within a reasonable time period if any specific issues that may affect the goodwill of the Marks are discovered by Licensee with respect to ELeague.

(b) Approval. Licensor will provide to Licensee guidance on the proper use of the Marks. A true representation or example of any proposed use by Licensee of any of the Marks listed (whether or not as part of a Combined Mark), in any visible or audible medium, outside of the normal course of Licensee Business, including, without limitation, all proposed Promotion and Advertising, shall be subject to the prior review and approval of NASCAR's Advisory Board members, as determined in their sole discretion, such approval not to be unreasonably delayed. Licensee shall not use any Marks in any form or in any material disapproved by Licensor.

(c) Trademark and License Notices. Licensee shall display within the ELeague or its Promotion and Advertising the reasonable trademark and license notices required by Licensor's written instructions, subject to reasonable size and space constraints.

(d) Quality Control. Licensee understands and agrees that an essential condition of this Agreement is the protection of the reputation enjoyed by Licensor and that, in keeping with that condition, the ELeague in association with any of the Marks shall be of high and consistent style and quality. Therefore, the ELeague and Licensee's use of the Marks and/or Combined Mark relating to the ELeague shall adhere to the following:

(i) Pre-Development. Licensee shall submit to Licensor all preliminary and proposed final artwork, three dimensional models (if any), prototypes, mock-ups and other materials of ELeague that use the Marks (excluding, however, any items that have been previously approved through the NTP's Simulation Style Video Gaming Product approval process pursuant to the NTP Rights Agreement); provided, however, once Licensor approves a template in accordance with the terms and conditions of this Agreement, Licensee shall not be required to resubmit such proposed new materials unless Licensee makes a substantial change to such template, Licensor, through its Advisory Board members, shall approve or disapprove in writing all submissions, in their sole discretion, within ten (10) days of Licensor's receipt of such submission (with accompanying written explanations if such submission is disapproved. Licensee acknowledges that Licensor's approval of the ELeague, or any aspect thereof, does not imply approval of any non-Licensor controlled elements contained therein. Moreover, the quality of the programming, screen displays, look and feel, and appearance to the use of the ELeague shall be generally consistent with, or superior in quality to, all the materials previously provided to and approved by Licensor and consistent with the top tier interactive software products published by Licensee and 704Games prior to the date of this Agreement.

(ii) Additional Standards. The depiction of ELeague events shall be that of a motorsports event conducted in a safe and professional manner, materially consistent with NASCAR's sanctioned events. As an example competitors' cars shall not be depicted racing the track AND entering the spectator areas. Materials shown and methods of operation used will be consistent with NASCAR's intentions to depict stock car racing as a wholesome, family-oriented sport. As an example, there will be no presentation of contestants, crew or fans in inappropriate dress; nor will lewd gestures or postures, profanity, obscene or indecent material, alcohol abuse or drug use be presented.

(iii) Revocation of Approval. In the event that (1) in the reasonable opinion of Licensor after meaningful consultation with Licensee, the quality, appearance or style of the ELeague, Advertising or Promotion ceases to meet the standards of this Section 7(d) or (2) Licensee uses the Marks improperly or violates any term of this Section 7 of the Terms & Conditions, then Licensor shall have the right to notify Licensee of such failure, and Licensee shall have a reasonable period of time in which to rectify such improper use or cure such violation. In the event, within such period and in Licensor's reasonable opinion, Licensee fails to rectify such failure, Licensor shall provide immediate Millen notice to Licensee, and Licensee shall cease the use of the Marks in connection with the development, distribution, advertisement, use or operation of the ELeague, Advertising or Promotion. In no event shall any revocation of approval pursuant to this paragraph relieve Licensee of its obligations under this Agreement.

8. RELATIONSHIP OF PARTIES AND NO GUARANTEES. It is agreed and understood that the relationship between the parties hereto is solely that of licensee and licensor. Nothing in the Agreement shall be deemed or construed to create a fiduciary relationship between them, nor to constitute one Party as an agent, legal representative, subsidiary, franchise, joint venture, partner, employee or servant of another Pany for any purpose whatsoever. Further, Licensee shall have no power or authorization to obligate or bind Licensor in any manner whatsoever, including, but not limited to binding any contract, warranty or representation on behalf of Licensor. Licensor is not in any way a guarantor of the quality of any product produced by Licensee. In any and all dealings with third panics, including without limitation employers, suppliers and customers, Licensee and Licensor shall disclose that Licensee is an independent entity licensed by the Licensor.

9. INDEMNIFICATION AND INSURANCE.

(a) Indemnification by Licensee. Licensee is solely responsible for, and will defend, indemnify and hold harmless each Licensor Indemnified Party from any and all loss, costs, expenses (including reasonable attorneys' fees), claims, demands, liabilities, causes of action or damages arising out of:

(i) any unauthorized use of or infringement of any trademark, service mark, copyright, patent, process, method or device or other proprietary right by Licensee in connection with the designs and the ELeague, excluding the use of the Marks in accordance with this Agreement in the Territory or actions, inactions or misconduct of a Licensor Indemnified Party;

(ii) alleged defects or deficiencies in the ELeague or the use thereof, or false advertising, fraud, m misrepresentation or other claims related to the ELeague, each not involving a claim of right to the Marks in the Territory, or actions, inactions or misconduct of a Licensor Indemnified Party;

(iii) the unauthorized use of the Marks by Licensee and/or ETeam or any breach by Licensee of this Agreement;

(iv) libel or slander against, or invasion of the right of privacy, publicity or property of, or violation or misappropriation of any other right of any third puny in conjunction with the sale, distribution, Advertising and/or Promotion of the ELeague, excluding the actions, inactions or misconduct of a Licensor Indemnified Party;

(v) agreements or alleged agreements made or entered into by Licensee to effectuate the terms of this Agreement;

(vi) the services performed, or actions taken, or actions not taken by Licensee or those acting under Licensee's direction in connection with the Promotions conducted pursuant to this Agreement, whether during the Term of this Agreement or thereafter, including the operation and management of any event and/or activity incidental thereto, or any prize fulfillment (including charity/promotional items bearing the Marks) and use and/or operation of any such prizes or charily/promotional items; or the failure of Licensee or those acting under Licensee's direction to comply with all applicable statutes, ordinances, regulations or other requirements of any governmental authority in relation to the development and execution of Promotions conducted pursuant to this Agreement, excluding the actions, inactions or misconduct of a Licensor Indemnified Party; and/or

(vii) the breach of any covenants contained in this Agreement, or as a result of any inaccuracy in any of the representations or covenants made by Licensee in this Agreement.

The indemnifications hereunder shall survive the expiration or termination of this Agreement.

(b) Indemnification by Licensor. Licensor is solely responsible for, and will defend, indemnify and hold harmless each Licensee Indemnified Party from any and all loss, costs, expenses (including reasonable attorneys' fees), claims, demands, liabilities, causes of action or damages arising out of:

(i) any unauthorized use of or infringement of any trademark, service mark, copyright, patent, process, method or device or other proprietary right by Licensor in connection with the Minimum NASCAR Deliverables, excluding any item specifically created or approved for use by Licensee, or the actions, inactions or misconduct of a Licensee Indemnified Party;

(ii) libel or slander against, or invasion of the right of privacy, publicity or property of, or violation or misappropriation of any other right of any third party in conjunction with the Minimum NASCAR Deliverables, excluding the actions, inactions or misconduct of a Licensee Indemnified Party;

(iii) Any breach by Licensor of this Agreement;

(iv) agreements or alleged agreements made or entered into by Licensor to effectuate the terms of this Agreement;

(v) the use of the Marks as authorized and approved in accordance with the terms of this Agreement; and/or

(vi) the breach of any covenants contained in this Agreement, or as a result of any inaccuracy in any of the representations or covenants made by Licensor in this Agreement.

(c) Insurance. Upon execution of this Agreement, Licensee shall obtain from an insurer with an A.M. Best Company rating of A.VIII or higher that is reasonably satisfactory to Licensor, at Licensee's own expense, and maintain in full force and effect throughout the Term and during any subsequent period when the ELeague competitions are in distribution by Licensee and for a one-year period, products and contractual liability, completed operations, advertiser's and comprehensive liability insurance policies on an occurrence basis with respect to the ELeague competitions and shall name the Licensor Indemnified Parties as additional insureds therein as their respective interests may appear. Such insurance shall be primary and not contributory to any other applicable insurance maintained by the additional insureds and shall provide the Licensor Indemnified Parties protection against all aforementioned claims, damages, etc. arising from Section 9(a) above. The amount of coverage of each policy should be a minimum of Five Million Dollars ($5,000,000) combined single limit, and a per annum aggregate limitation of not less than Five Million Dollars ($5,000,000). Each policy shall provide for thirty (30) days' notice to Licensor from the insurer by registered or certified mail, return receipt requested, in the event of any modification, cancellation or termination. Licensee agrees to furnish Licensor a Certificate of Insurance

evidencing same upon full execution of this Agreement. The amount of insurance required hereunder is only intended as a minimum and not intended to limit the applicability of Licensee's insurance with respect to insurable matters hereunder.

(d) Limitations on Damages. Other than with respect to each Party's indemnification obligations in this Section 9, in no event shall either Party be liable for any special, indirect, consequential, incidental or punitive damages, whether foreseeable or not, in connection with or arising out of the transactions contemplated by this Agreement.

10. RECORDS AND RIGHT TO AUDIT.

(a) Maintenance of Records. Licensee shall keep, maintain and preserve in its principal place of business during the term of this Agreement and at least three (3) years following termination or expiration, complete and accurate books, accounts, records and other materials covering all transactions related to this Agreement in n manner such that the information contained in the statements referred to in Section 5 can be readily determined including, without limitation, customer records, invoices, correspondence and banking, financial and other records in Licensee's possession or under its control, such as profit and loss reports, income statements and balance sheets. Licensee will provide Licensor with copies of such records if requested by Licensor within ten (10) business days of such request, subject to the confidentiality provisions in Section 17(b) of these Terms and Conditions. Furthermore, Licensor and/or its duly authorized representatives shall have the right to inspect and audit all materials related to this Agreement, which right to inspect and audit shall include the conduct of normal audit tests of additional Licensee records to verify that they are not covered by this Agreement.

(b) Inspection and Audit. All materials referred to in this Section 10 shall be available for inspection and audit by Licensor (including photocopying, which is limited, however, to the records applicable to this Agreement), upon execution of Licensee's confidentiality agreement, one (1) time in each year during the term of this Agreement and at least three (3) years following termination or expiration during Licensee's reasonable business hours and upon at least ten (10) business days' notice by Licensor and/or its representatives. Licensee will cooperate and will not cause or permit any interference with Licensor and/or its representatives in the performance of their duties of inspection and audit. Licensor and/or its representatives shall have free and full access to said materials for inspection and audit purposes.

(c) Audit Rights. Notwithstanding the foregoing, Licensor shall have the immediate right to audit Licensee at Licensee's sole expense, should any one of the following defaults occur; provided Licensor gives Licensee notice of such default and Licensee fails to cure such default within the requisite cure periods stated in Section 11(a) of the Terms & Conditions of this Agreement:

(i) Licensee fails to submit statements on or before the date on which they are due pursuant to this Agreement; and/or

(ii) Licensee fails to pay Licensor any of its monetary consideration including but not limited to Royalty Payments, on or before the date on which they are due pursuant to this Agreement.

(d) Deficiencies. Following the conduct or !he audit, Licensee shall take immediate steps to timely resolve all issues raised therein, including payment of any monies owing and due. Should an audit indicate an underpayment of ten percent (10%) or more or an underpayment of Twenty Thousand Dollars ($20,000.00) or more of the royalties due Licensor, the reasonable cost of the audit shall be paid by Licensee. Payment of the audit cost is in addition to the following amount or any underpayment including interest as provided in Section 5 to be paid by Licensee. Licensee must cure any contract breaches discovered during the audit, provide amended reports required, and submit the amount or any under payment including interest and, if applicable, the cost or the audit within thirty (30) days from the date of the completion of the audit.

11. TERMINATION.

(a) Events or Default by Licensee. Effective immediately upon Licensor's giving to Licensee written notice of termination, Licensor shall have the right to immediately terminate this Agreement, or the license granted hereunder, without prejudice to any other rights it may have, whether under the provisions of this Agreement, in law, in equity or otherwise, if Licensee fails to cure such default within the referenced amount of days from the receipt of written notice to Licensee by Licensor al any time should any of the following defaults occur:

(i) Sums Due. Licensee fails to make any payment due or fails to deliver the required statement and Licensee fails to cure such default within fifteen (15) days.

(ii) Statements. The amounts stated in the periodic statements furnished are significantly or consistently understated or are not provided to Licensor on a timely basis as set forth in Section 5 and Licensee fails to cure such default within fifteen (15) days.

(iii) Unresolved Audits. Licensee fails to resolve any bona fide issue raised by Licensor's auditor in connection with any audit.

(iv) Sublicense or Assignment. Other than Licensee's subcontracting or certain services in its ordinary course of executing the ELeague and as approved by the Advisory Board, and except as additionally permitted by this Agreement, Licensee attempts to grant or grants a sublicense or attempts to assign or assigns any right or duty under this Agreement to any person or entity without the prior written consent of Licensor.

(v) Trademarks. Licensee or any related entity manufactures, distributes, or sells any product or runs any Advertising or Promotion that uses Licensor's trademarks, including the Marks, without Licensor's authorization; or Licensee or any related entity conducts or operates the ELeague, or runs Advertising and/or Promotion for such ELeague, that is found by a court of competent jurisdiction to infringe or dilute the trademark, other intellectual property, privacy, or publicity right of any third party.

(vi) Insurance. Licensee fails to deliver to Licensor or maintain in full force and effect the insurance referred to in Section 10(c), and Licensee fails to cure such default within Fifteen (15) days.

(vii) Unsafe and/or Defective. Any governmental agency or court of competent jurisdiction finds, on a final and non-applicable basis, that the ELeague is unsafe and/or defective in any way, manner or form.

(viii) Product Quality. If Licensor's prior approval is required by this Agreement, Licensee uses the Marks in a manner not approved or disapproved by Licensor, and Licensee fails to cure such default with fifteen (15) days.

(ix) Breach of Any Other Terms. Licensee material breaches any material provision in this Agreement, and Licensee foils to cure such default within fifteen (15) days, unless such default is not curable.

(x) Criminal Misconduct. Licensee, as an entity, is convicted of or pleads nolo contendere to a felony or any other criminal misconduct, or involving moral turpitude.

(xi) Litigation. Licensee contests the enforceability of this Agreement, or any other document executed in connection herewith as they relate to the validity of the Marks or ownership by Licensor of the Marks.

(xii) Conformity to Law. Licensee fails to comply with the requirement set forth in Section 16 of this Agreement.

(xiii) Business. Licensee discontinues its business as it is now conducted.

(xiv) Creditor's Remedies, Etc. Licensee makes any assignment of more than fifty percent (50%) of its assets for the benefit of creditors (other than in the ordinary course of business while obtaining mainstream commercial financing and fails to discharge such assignment within sixty (60) days, or files any petition under any federal or state bankruptcy statute, or is adjudicated bankrupt or insolvent, or if any receiver is appointed for its business or property, or if any trustee in bankruptcy shall be appointed under the laws of the United States government or the several states.

Notwithstanding the provisions described in this Section 11, if any valid, applicable law or regulation of a governmental authority having jurisdiction over this Agreement, Licensor and/or Licensee, limits Licensor's rights of termination or requires different or longer periods than those set forth herein, this Section 11 shall be deemed amended solely to conform to such laws and regulations.

(b) Events or Default by Licensor. Effective immediately upon Licensee's giving to Licensor written notice of termination. Licensee shall have the right to immediately terminate this Agreement, or the license granted hereunder, without prejudice to any other rights it may have, whether under the provisions of this Agreement, in law, in equity or otherwise, if Licensor fails to cure such default within the referenced amount of days from the receipt of written notice to Licensor by Licensee at any time should any of the following defaults occur:

(i) Breach of Any Terms. Licensor materially breaches any material provision in this Agreement, and Licensor fails to cure such default within fifteen (15) days, unless such default is not curable.

(ii) Criminal Misconduct. Licensor, as an entity, is convicted of or pleads nolo contendere to a felony or any other criminal misconduct or involving moral turpitude.

(iii) Creditor's Remedies, Etc. Licensor makes any assignment of more than filly percent (50%) of its assets for the benefit of creditors and fails to discharge such assignment within sixty (60) days, or files any petition under any federal or stale bankruptcy statute, or is adjudicated bankrupt or insolvent, or if any receiver is appointed for its business or property, or if any trustee in bankruptcy shall be appointed under the laws of the United States government or the several states.

(iv) Litigation. Licensor contests the enforceability of this Agreement, or any other document executed in connection herewith as they relate to the rights provided by Licensee in this Agreement.

(c) Successive Breaches. In addition to, and not in limitation of any of Licensor's remedies for any event of default set forth in Section 11, if, oiler a breach by Licensee of a provision of this Agreement for which Licensee has been given notice and an opportunity to cure (if any) as provided herein, Licensee breaches the same provision within a ninety (90) day period, Licensor may also immediately terminate this Agreement upon any such subsequent breach of the same provision within such ninety (90) day period without providing notice of breach or opportunity to cure.

(d) Choice or Remedies. Upon the occurrence of an event of default of this Agreement, Licensor may, in its sole discretion, independently exercise or not exercise any or all rights which it may have under this Agreement or any other agreements by and between Licensee and Licensor, and the exercise of the Licensor's rights under this Agreement shall not exclude any of the remedies which Licensor may have at law or in equity. All such remedies of Licensor are cumulative.

(e) Termination of NTP Rights Agreement. This Agreement shall be coterminous with the NTP Rights Agreement, except as otherwise set forth herein. In the event that the NTP Rights Agreement is terminated pursuant to its terms for any reason, this Agreement shall automatic all)·terminate without notice to either Party.

12. LICENSEE AND LICENSOR REPRESENTATIONS AND COVENANTS.

(a) Authority of the Parties. The parties agree and represent that they each have the authority to execute, deliver and perform their obligations under the Agreement, having obtained all required Board of Directors or other consents, and are duly) organized or formed and validly existing in good standing under the laws of the state(s) of their incorporation or formation.

(b) Conflicts. Licensee acknowledges that Licensor is engaged in various marketing and promotional activities which are designed to promote and enhance the sport of stock car and stock truck racing and the goodwill of the Marks, which involve relationships with numerous organizations and individuals who serve as sponsors, owners, advertisers and business partners. Licensee agrees that in the event Licensor determines that Licensee' activities taken pursuant to this Agreement come into conflict with the interests or rights of other licensees of Licensor, Licensee shall in good faith cooperate with Licensor to mutually work towards a resolution of the conflict; except that in no event shall Licensee's rights granted to it herein be diminished.

(c) Infringement. Licensee represents and warrants to Licensor that all designs and products submitted for approval, excluding the Marks and/or Licensed Products, are not subject to any valid patent, copyright, trademark or any other proprietary rights or any non-consenting third party. Licensor shall not be liable as the result of activities by Licensee under this Agreement for infringement of any patent, copyright, trademark or other right belonging to any third party, or for damages or costs involved in any proceeding based upon any such infringement, or for any royalty or obligation incurred by Licensee because of any patent, copyright, or trademark held by a third party; provided, however, that unless otherwise provided herein, Licensee shall not be liable for any claim that the Marks or Licensed Products infringe upon any patent, copyright, trademark or other right belonging to any third party, or for damages or costs involved in an) proceeding based upon any such infringement.

13. EFFECT OF EXPIRATION OR TERMINATION.

(a) Use of Marks. Aller expiration or termination of this Agreement for any reason, Licensee shall refrain from further use of any of the Marks or any similar mark, except ns expressly authorized by Licensor or by this Agreement.

(b) Historical Reference of Combined Mark. Notwithstanding anything to the contrary herein, each Pany may use or allow a third party to use the Mark in Section 2, of Schedule 1 and/or Combined Mark for historical reference, historical display, archival purposes, and/or other non-commercial purposes without the approval and express written authorization of the other Party.

14. SURVIVAL OF RIGHTS.

(a) Rights in the Marks. The terms and conditions of this Agreement necessary to protect the rights and interests of the Licensor in the Marks including, but not limited to, Licensee's obligations under Section 6, shall survive the termination or expiration of this Agreement.

(b) Statements and Payments. The terms and conditions of this Agreement requiring Licensee to furnish Licensor with response, statements, or accounts and payment of monies due to Licensor, and providing Licensor with the right to examine and make copies of Licensee's books and records to determine or verify the correctness and accuracy of Licensee's reports, statements, accounts or payments shall survive the termination or expiration of this Agreement.

(c) Other Activities. The terms and conditions of this Agreement providing for any activity following the effective date of termination or expiration of this Agreement shall survive until such time as those terms and conditions have been fulfilled or satisfied. The Parties further acknowledge and agree that the indemnifications in Section 9 and the confidentiality provisions of Section 17(b) of these Terms and Conditions shall also survive the termination or expiration of this Agreement.

15. NOTICES. Unless otherwise specified herein, all notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given: (i) when hand delivered, (ii) upon delivery when sent by express mail, courier, overnight mail or other overnight or next day delivery service, when received when sent by facsimile provided that a copy thereof is contemporaneously delivered pursuant to Section 15(i), (ii) or (iv) thereof, or (iv) three (3) days after the date mailed when sent by registered or certified United States mail, postage prepaid, return receipt requested, charges prepaid, addressed as follows:

Licensor: National Association for Stock Car Auto
Racing, LLC International Motorsports Center
One Daytona Boulevard
Daytona Beach, Florida 32114
Attention: General Counsel

with a copy to: NASCAR, LLC
NASCAR, Plaza
550 South Caldwell Street, Suite 2000
Charlotte, North Carolina 28202
Attention: Contract Administrator

Licensee: Racing Pro League, LLC
301 Camp Road, Suite 104
Charlotte, NC 28206
Attention: General Manager

Licensor or Licensee may change its address by giving written notice of such change of address to the others in accordance with this Section 15.

16. CONFORMITY TO LAW. Licensee shall comply with all laws, regulations and standards relating or pertaining to the distribution, operation, Promotion and Advertising of the ELeague and shall maintain the highest quality and standards; and shall comply with Licensor's guidelines, including Section 8 of the Terms and Conditions and the Logo Guidelines for Licensing. Licensee shall comply with the requirements of any regulatory agencies and obtain and maintain all required permits and licenses at Licensee's expense, and pay all taxes due on or by reason of the

operation, Advertising, Promotion, or distribution of the ELeague which shall have jurisdiction over the ELeague, excluding (i) taxes on Licensor's Royalty Payments, (ii) any commissions paid to Licensor pursuant to Section 3 of the Agreement, and/or (iii) revenue paid to Licensor on the sale of Licensed Products pursuant to Section 6 of the Agreement.

17. MISCELLANEOUS.

(a) General. This Agreement constitutes the entire Agreement and understanding between the parties hereto and cancels, terminates, and supersedes any prior Agreement or understanding relating to the subject matter hereof between Licensee and Licensor, including without limitation the LOI. There are no representations, promises, agreements, warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement may be waived or modified, except expressly in writing signed by both parties. However, failure of either Party to require the performance of any term in this Agreement or the waiver by either Party of any breach thereof shall not prevent subsequent enforcement of such term nor shall be deemed a waiver of any subsequent breach. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law. When necessary for appropriate meaning, a plural shall be deemed to be the singular and the singular shall be deemed to be the plural. The Logo Guidelines for Licensing and any attached Schedules, Exhibits and/or Appendices are integral parts of this Agreement. Paragraph headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement. This Agreement shall not be binding on Licensor until signed by an officer of the National Association for Stock Car Auto Racing, Inc. In the event of any breach or threatened breach of this Agreement by either party or infringement of any rights of Licensor, if either party employs attorneys or incurs other expenses, the non-prevailing party shall reimburse the prevailing party for its reasonable attorney's fees and other expenses. This Agreement was negotiated among the parties, each of whom had an opportunity to consult with legal counsel during the negotiations, drafting, and execution of this Agreement and the parties agree that this Agreement shall not be construed against any Party as the drafter. This Agreement may be executed in one or more counterparts. each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement. This Agreement may be executed and delivered via facsimile or email with the same force and effect as if it were executed and delivered by the parties simultaneously in the presence of one another.

(b) Confidentiality. Each Party hereto agrees to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all Confidential Information received by such Party in connection with this Agreement and agrees and undertakes that it shall not disclose to any third party (including without limitation any fan or member clubs, other licensees, sanctioning bodies, trade associations, industry groups, publications or other persons or entities) or use any such in formation for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement, without the express prior written consent of the disclosing Party. For purposes of this Agreement, "Confidential Information" shall mean information, documents and other tangible things, provided by either Party to the other, in whatever form, whether alone or in its compiled form and whether marked as confidential or not, relating to the Party's business and marketing, including without limitation, the Party's financial information, personal information, customer lists, product plans and marketing plans, the terms and conditions of this Agreement, any materials provided pursuant to or in accordance with this Agreement, and any financial information regarding NASCAR licensing or the Licensee's business. Any Party may disclose Confidential information required to be disclosed (i) pursuant to subpoena or other court process; provided that the Party required to make such disclosure gives the other Party given notice of the information to be disclosed as far in advance of its disclosure as is practicable and uses its reasonable good faith Commercially Reasonable Efforts to obtain assurance that such information will be accorded confidential treatment, (ii) when required to do so in accordance with the provisions of any applicable law or regulations, including the regulations of any national securities exchange or trading market on which the securities of such Party or its Affiliates are traded, to such persons to whom such disclosure is so required, (iii) at the express direction of any agency of any State of the United States of America or of any other jurisdiction in which such Party conducts its business, to such agency, (iv) to such person's independent auditors and other professional advisors that have a reasonable need or basis for access thereto; provided they agree to maintain confidentiality, (v) subject to continued confidentiality, and only on a "need to know" basis and to the extent reasonably necessary, to such Party's parent companies or their equity owners, (v) to the extent that such information is already known to the recipient or otherwise in the public domain, and (vi) in order to protect or enforce their rights hereunder. The foregoing confidentiality provision shall survive the termination or expiration of this Agreement.

(c) Governing Law and Jurisdiction. This AGREEMENT AND THE TERMS AND PROVISIONS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH, GOVERNED BY, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. ANY LITIGATION, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE INSTITUTED ONLY IN THE STATE OR FEDERAL COURTS IN THE STATE OF NORTH CAROLINA, MECKLENBURG COUNTY. THE PARTIES EACH HEREBY WAIVE ANY OBJECTION WHICH IT MIGHT HAVE NOW OR HEREAFTER TO THE VENUE OF ANY SUCH LITIGATION, ACTION OR PROCEEDING, SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND WAIVES ANY CLAIM OR DEFENSE OF INCONVENIENT FORUM. THE PARTIES EACH CONSENT TO SERVICE OF PROCESS BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, AT THEIR RESPECTIVE ADDRESS AND EXPRESSLY WAIVES THE BENEFIT OF ANY CONTRARY PROVISION OF LAW.

(d) Non-Assignability. This Agreement is personal to Licensee, and Licensee shall not sublicense, franchise, or otherwise transfer any of its rights, except as permitted under this Agreement. Neither this Agreement nor any of each Party's rights shall be sold, transferred or assigned by such Party without the other Party's prior written approval, and no rights shall devolve by operation of law or otherwise upon any assignee, receiver, liquidator, trustee or other Party. Any attempted transfer in violation of this section shall be null and void. Further, any change in control of Licensee (whether by merger, asset sale, stock purchase or other assignment or operation at law) shall for the purposes of this Agreement be deemed an assignment of the rights and obligations contained herein and shall require the prior written approval of Licensor, which shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon any approved assignee or successor of a Party and shall inure to the benefit of the other Party, its successors and assigns; provided, however, that any such approved transfer shall not relieve a Party of its obligations hereunder to the other Party. Notwithstanding the foregoing and anything herein to the contrary, Licensee shall be permitted to freely assign, sell and/or transfer its rights to: (i) Licensee's current members (the "Licensee Parties"), and/or (ii) any member of one of the Licensee Parties, so long as such member is, at the time of the assignment, sale and/or transfer, an owner in good standing of a NASCAR Cup Series charter agreement, however, and notwithstanding the foregoing, Licensor shall have a thirty (30) day right to terminate this Agreement in the event of a potential conflict due to the assignment, sale or transfer of Licensee's rights to a member of one of the Licensee Parties who was not n member of either of the Licensee Parties as of April 3, 2019 (i.e., Chip Ganassi Racing, Penske Racing South, Richard Childress Racing, Roush Fenway Racing, Hendrick Motorsports, Germain Racing, Lemming Family Racing, Stewart-Haas Racing, Richard Petty Motorsports, Joe Gibbs Racing, Circle Sport/Go Fas (CSGFR, LLC), JTG Racing, and Wood Brothers Racing).

18. SPECIAL STIPULATIONS.

(a) Internet Restrictions. Except as set forth in the NTP Rights Agreement, Licensee is prohibited from using the Marks in any domain name registration or uniform resource locator (URL) address without Licensor's prior written approval in its sole discretion.

(b) Premiums. Licensee agrees that an) and all Premiums that include a Stock Car and/or Truck Theme, and any and all Premiums that are involved in Promotions of the ELeague, shall include the Marks and/or Combined Mark, and all such Premiums shall be manufactured by a NASCAR licenses(s). All such Premiums will be: (i) NASCAR licensed; and (ii) subject to a separate Premium licensing agreement that will include separate terms and licensing fees and other compensation being paid to NASCAR by the Premium manufacturer for such Premiums. Licensee assigns to purchase any such Premiums from NASCAR licensees and/or promotional partners as designated by Licensor, under terms and conditions acceptable to Licensee.

(c) Third Parties. It is agreed and understood that this Agreement does not grant any rights to do business with track promoters, drivers, teams or other third parties. Track promoters, drivers and teams are individual third parties, and as a result all such deals must be negotiated separately between Licensee and each party. It is the responsibility of the Licensee to obtain the rights of any third parties "who will appear in the ELeague, and Licensee shall provide documentation with respect to third parties' approval upon Licensor's request. Furthermore, Licensee shall not use the Marks in connection with trade names or trademarks of drivers, racing team personnel, cars, car owners, racetracks, etc. unless Licensee has obtained the rights to the same in connection with the Marks, and such use has been approved through Licensor.

(d) Public Statements and Press Releases. In addition to any other provisions in the Agreement, including Section 17 herein, Licensee acknowledges and agrees that it shall coordinate with Licensor the content and timing of the release of any and all public statements or press releases regarding any terms of the license, including, but not limited to, the nature of the ELeague or other terms in the Agreement.

(e) [***]

SCHEDULE 1

MARKS

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

EXHIBIT A

Logo Guidelines

For the Logo Guidelines, please visit http://nascar.trademarxonline.com.

EXHIBIT B

MINIMUM NASCAR DELIVERABLES

- NASCAR Marketing and Creative Design support ($[***]) – NASCAR will create video and static ads that will run through house NASCAR Digital Media ("***NDM***") inventory as well as across distribution/syndication network, social platforms and via paid campaigns, 50,000 minimum total monthly impressions (in-season). This will also include NASCAR Creative Design services via NASCAR or external agencies, design and development of branded league and team assets (logos, brand guidelines, creative assets (ads, promos, etc.).

- Track Access and parking, specifically for relevant live events at track ($[***]).

- Allotments for weekly prizing ($[***]) – can be cash, product or experiences; i.e. race tickets, VIP access, etc.

- Two (2) additional NASCAR database campaigns ($[***]).

- Two (2) invitations to NASCAR Champions Week ($[***]).

- Production of Heat Pro League Draft ($[***]).

- Reports and analytics ($[***]) from Omniture, Sysomos (FMEC) and MVP Index; this will encompass a weekly dashboard with social and digital KPIs.

- NASCAR Digital Media Content Services ($[***]) – creation of articles and videos to run across NASCAR digital and social platforms, including promotion of league, draft, race events, players/gamers/teams, etc. At a minimum, NDM will provide the following on a monthly basis (in-season):

    - Two (2) articles on NASCAR.com

    - Two (2) videos on NASCAR.com

    - Four (4) articles on eNASCAR.com

    - Five (5) videos on eNASCAR.com

    - Five (5) social posts from NASCAR accounts (can be native or shares/reposts)

- NDM support of primary/entitlement t or secondary sponsor (secondary sponsor support must be permissible by NDM) via co-branded digital media campaigns that promote the eNASCAR Heat Pro League (live streams, video recap content, key events, etc.). Support to be valued at $[***] and include ~10M impressions ($[***] CPM) across NDM-controlled platforms. If no primary/entitlement sponsor or permissible secondary sponsor exists, then both parties agree that this deliverable is no longer valid and will not count for or against NASCAR's total contribution.

- Commencing in 2020, NASCAR will create an ELeague audio/video brand piece as follows: (i) preview of year, (ii) the draft, highlights of each ELeague race (and speaks to the upcoming race and outlines the current standings) and (iv) year-end recap (the "Video Piece").

    - The Parties will mutually agree on the Video Piece brand, content and length of play.

    - The Video Piece will be displayed through ISM Vision in NASCAR Cup Series racetrack pre-race, during race and post-race run of show (multiple times) on all the large screens and venue screens throughout the racetrack concourses and suites.

    - The Video Piece will be made available to Licensee and the ETeams for customary promotional use on all ELeague and ETeam digital platforms, including affiliate platforms.

- Commencing in 2020, NASCAR will also execute the following regarding Motor Racing Network ("***MRN***"):

    - Inclusion of Video Piece in MRN's NASCAR Cup Series broadcast pre-race and post-race shows.

    - Video Piece to be added on a weekly basis to MRN digital and social assets.

    - Leverage of MRN talent who are currently calling races to support the ELeague.

    - Run of show audio spots during the ELeague season promoting the ELeague.

EXHIBIT C

COMPETITION STRUCTURE

1. Driver Draft:

   (a) The following individuals will be eligible for the ELeague Driver Draft:

   - The top 200 ELeague qualifiers from the *NASCAR Heat* video game "Tier 2" competition level (I 00 Xbox players and 100 PlayStation players); and
   - Any and all ETeam owner employees who satisfy a certain minimum criterion that is to be determined by the Advisory Board.

   (b) 704Games will track the statistics of the top 200 qualifiers and create a "draft book" of eligible drivers for the ETeam owners to review prior to the Driver Draft.

   (c) 704Games will make commercially reasonable efforts to vet all eligible drivers prior to the Driver Draft.

   (d) Eligible drivers will be required to submit a short video of themselves prior to the Driver Draft.

2. Schedule and Gameplay Competition:

   (a) Twelve (12) to fourteen (14) race schedule, including two (2) to four (4) playoff races;

   (b) Some race events may be executed live, in front of a live audience as determined by the Advisory Board;

   (c) Races will be thirty (30) to forty (40) minutes in duration;

   (d) Inclusion of all track types: short tracks, speedways, superspeedways and road courses;

   (e) Fun exhibition races planned for off weeks;

   (f) Race schedule structured to align with real world schedule where appropriate;

   (g) ELeague races will be scheduled on a standard weeknight each week to not conflict with iRacing events (and vice versa);

   (h) ELeague races to have multiple pit stops for more exciting racing; and

   (i) Common, simple point system (similar to the NASCAR Cup Series point system.

AMENDMENT TO LICENSE AGREEMENT

This Amendment to License Agreement (as defined below) is effective as of December 11, 2020 (this "**Amendment**").

WHEREAS, Racing Pro League LLC, a Delaware limited liability company ("**Pro League**" or "**Licensee**"), and National Association for Stock Car Auto Racing, LLC f/k/a National Association for Stock Car Auto Racing, Inc., a corporation organized under the laws of Florida ("**NASCAR**" or "**Licensor**"), entered into that certain License Agreement, effective as of February 11, 2020 (the "**License Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the License Agreement.

WHEREAS, Section 17(a) of the License Agreement Terms and Conditions allows the parties to modify the License Agreement if agreed in a signed writing by both Pro League and NASCAR.

WHEREAS, Pro League and NASCAR desire to amend Sections 17(b) and 17(d) of the License Agreement Terms and Conditions.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Licensee and Licensor hereby agree that the License Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**.

   Section 17(b) of the License Agreement Terms and Conditions is hereby amended by adding a new sentence in the end of such Section 17(b) as follows: "Notwithstanding anything to the contrary set forth herein or any other document, Licensee and/or its direct and indirect parent entities shall have the right to disclose this Agreement, any amendments or modifications thereto, and their respective terms and conditions as required by the applicable securities laws, rules and regulations, provided that Licensee and/or its direct and indirect parent entities seek confidential treatment of certain business terms and proprietary information of the Agreement as mutually agreed upon by the parties."

   Section 17(d) of the License Agreement Terms and Conditions is hereby amended and replaced in its entirety as follows: "This Agreement is personal to Licensee, and Licensee shall not sublicense, franchise, or otherwise transfer any of its rights, except as permitted under this Agreement. Neither this Agreement nor any of each Party's rights shall be sold, transferred or assigned by such Party without the other Party's prior written approval, and no rights shall devolve by operation of law or otherwise upon any assignee, receiver, liquidator, trustee or other Party. Any attempted transfer in violation of this section shall be null and void. Further, any assignment or attempted assignment pursuant to the change of control of Licensee or merger or the sale of stock, assets or business of Licensee shall not be effective without the prior written consent of Licensor, which shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon any approved assignee or successor of a Party and shall inure to the benefit of the other Party, its successors and assigns; provided, however, that any such approved transfer shall not relieve a Party of its obligations hereunder to the other Party. Notwithstanding the foregoing and anything herein to the contrary, Licensee shall be permitted to freely assign, sell and/or transfer its rights to: (i) Licensee's current members (the "Licensee Parties"), and/or (ii) any member of one of the Licensee Parties, so long as such member is, at the time of the assignment, sale and/or transfer, an owner in good standing of a NASCAR Cup Series charter agreement. However, and notwithstanding the foregoing, Licensor shall have a thirty (30) day right to terminate this Agreement in the event of a potential conflict due to the assignment, sale or transfer of Licensee's rights to a member of one of the Licensee Parties who was not a member of either of the Licensee Parties as of April 3, 2019 (i.e., Chip Ganassi Racing, Penske Racing South, Richard Childress Racing, Roush Fenway Racing, Hendrick Motorsports, Germain Racing, Leavine Family Racing, Stewart-Haas Racing, Richard Petty Motorsports, Joe Gibbs Racing, Circle Sport/Go Fas (CSGFR, LLC), JTG Racing, and Wood Brothers Racing)."

3. **Limited Effect**. Except as expressly amended and modified by this Amendment, the License Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of North Carolina without regard to principles of conflicts of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

LICENSOR:		**LICENSEE:**	
NATIONAL ASSOCIATION FOR STOCK CAR AUTO RACING, LLC		**RACING PRO LEAGUE, LLC**	
By:	*/s/ Paul Sparrow*	By:	704Games Company, its Managing Member
Print name:	Paul Sparrow	By:	*/s/ Dmitry Kozko*
Title:	Managing Director	Print name:	Dmitry Kozko
		Title:	CEO

Exhibit 10.8.1

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

SECOND AMENDED AND RESTATED DISTRIBUTION AND LICENSE AGREEMENT

THIS SECOND AMENDED AND RESTATED DISTRIBUTION AND LICENSE AGREEMENT (the "Agreement"), also referenced as Document #495801, is entered into as of January 1, 2019 ("Effective Date") by and among **704Games Company**, a Delaware corporation, whose principal office is at 301 Camp Road, Suite 104, Charlotte, NC 28206 ("704GAMES" or "Licensee") and **NASCAR Team Properties**, a series trust organized under the laws of Delaware, whose principal office is at 550 South Caldwell, Suite 2000, Charlotte, NC 28202, solely for and with respect to its Video Game and Digital Series ("NTP" or "Licensor").

WHEREAS, NTP was formed pursuant to that certain Agreement and Declaration of Trust dated as of January 20, 2010 (as may be amended from time to time, the "Trust Agreement");

WHEREAS, NTP has obtained certain rights from NASCAR and certain Teams (as defined herein), each as listed on Exhibit B attached to this Agreement and collectively referred to herein as the "NTP Licensors" (as specifically defined in Exhibit A), to use certain licensed property of the NTP Licensors, respectively, in connection with the manufacture, marketing, advertising, distribution, offering for sale, sale, and other commercial exploitation of certain products in certain distribution channels;

WHEREAS, NTP and 704GAMES entered into that certain Distribution and License Agreement as of January 1, 2015, which was subsequently amended by Amendment #1 effective January 1, 2018, and amended and restated effective August 1, 2018 (collectively, hereinafter the "Original Agreement");

WHEREAS, 704GAMES desires to obtain from NTP a right to market, advertise, distribute, offer for sale, sell and otherwise commercially exploit the Licensed Products (as defined herein) and Esports (as defined herein) competitions in the Distribution Channels (as defined herein) as further set forth in this Agreement; and

WHEREAS, for purposes of this Agreement, all capitalized terms and phrases, where written with an initial capital letter, shall have the meaning assigned to them in Exhibit A, unless the context otherwise requires.

NTP and 704GAMES desire to amend and restate the Original Agreement as set forth herein, which shall remain in full force and effect as amended herein.

NOW, THEREFORE, for and in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by and between the parties hereto as follows:

1. GOOD FAITH. Unless otherwise expressly set forth herein, the parties agree to act in good faith and to not conduct themselves in any way that would be deemed unreasonable by an ordinary person in the same circumstances as it relates to all of the underlying provisions in this Agreement, including, but not limited to, approvals, actions, obligations, commitments, determinations, etc. Notwithstanding the foregoing, it is agreed and understood that the Teams as defined herein are financially dependent on their sponsors and that so long as NTP's and/or an NTP Licensor's interpretation of its sponsor's direction and/or decisions is reasonable as determined by such NTP Licensor and reflects good faith as set forth herein, actions taken in furtherance of such interpretation shall not violate this obligation of good faith.

2. TERM AND RENEWAL. This Agreement will commence on January 1, 2015 and shall remain in force until December 31, 2029 ("Term"), pursuant to the terms herein, including the sell-off period.

Assuming 704GAMES has substantially and materially complied with the all of the terms and conditions of this Agreement, or if not, has substantially cured any default as to which 704GAMES has been notified, then at 704GAMES' election, the parties shall exclusively negotiate in good faith for the renewal of the Licensed Rights granted herein no later than March 1, 2028 for a period of ninety (90) days ("Exclusive Negotiation Period"). If the parties have not reached an agreement at the end of the Exclusive Negotiation Period, NTP may approach any third party regarding the rights granted to 704GAMES herein, such third party rights to become effective January 1, 2030. Following the Exclusive Negotiation Period, NTP and 704GAMES may continue to negotiate for the Licensed Rights on a non- exclusive basis.

3. TERRITORY. Worldwide, but only to the extent (i) Licensed Products and Esports competitions may be legally offered for sale, sold or otherwise distributed in such territories, (ii) the Licensed Rights are expressly permitted to be (or are not otherwise restricted from being) used or displayed in such territories pursuant to any contract or restriction between an NTP Licensor and any owner thereof (including without limitation, a Team's drivers, sponsors, suppliers, manufacturers, endorsees and partners), and (iii) NTP has not notified 704GAMES of any bona fide actual or potential infringement of any third parties' intellectual property rights resulting from the use or display of the Licensed Rights in any such territory; provided, that the Territory shall, *at a minimum*, mean the United States of America and its territories, possessions, commonwealths, instrumentalities, protectorates and military bases (collectively, the United States). Notwithstanding the foregoing, NTP expressly does not warrant or represent, and hereby disclaims in all respects, that the rights under the licenses granted herein are enforceable or non-infringing upon the rights of others outside of the United States, and all uses of the Licensed Rights outside the United States shall be at the risk of Licensee, and shall be subject to the indemnification provided to NTP, NTP Licensors and the related parties.

4. GRANT OF RIGHTS.

4.1 *Exclusive Rights*.

(a) Simulation Style Video Gaming Products. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, including, without limitation, the Reserved Rights, NTP Licensor Reservations and Section 4.5, NTP hereby grants to 704GAMES an **EXCLUSIVE, NON-TRANSFERABLE**, license to use the Licensed Rights on Exhibit B for the development, promotion, advertising, distribution and packaging of Simulation Style Video Gaming Products on Category 1 and/or Category 2 Platforms, which shall include relevant copyrights, trademarks, trade dress, logos, names, likenesses, signatures, artwork, primary and special paint schemes, vehicle designs, visual representations, helmets, uniforms, photographs and accessories associated therewith, as set forth on Exhibit B. NTP agrees to include all NTP Licensors available through Video Game and Digital Series.

(b) Esports Competitions. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, including, without limitation, the Reserved Rights, NTP Licensor Reservations and Section 4.5, NTP hereby grants to 704GAMES an **EXCLUSIVE, NON-TRANSFERABLE**, license to use Simulation Style Video Gaming Products as the platform for conducting and administering Esports, including without limitation, the promotion, advertising, and commercialization thereof. [***]

(c) ELeague. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, NTP hereby grants to 704GAMES an EXCLUSIVE, NON- TRANSFERABLE license to use Simulation Style Video Gaming Products as the platform to establish, create and operate the ELeague. [***]

4.2 Non-Exclusive Rights.

(a) General. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, including, without limitation, the Reserved Rights and NTP Licensor Reservations, NTP hereby grants to 704GAMES a **NON-**EXCLUSIVE**, NON-TRANSFERABLE**, license to use the Licensed Rights on Exhibit B for the development, promotion, advertising, distribution and packaging of other NASCAR-branded driving or non-driving gaming products (including downloadable content and virtual goods) on Category 1 and/or Category 2 Platforms. All such proposed non-exclusive products shall be subject to NTP approval in its sole discretion and availability of such rights on a case-by-case basis.

(b) Related Accessories. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, including, without limitation, the Reserved Rights and NTP Licensor Reservations, NTP hereby grants to 704GAMES an **NON-**EXCLUSIVE**, NON-TRANSFERABLE** license to use the Licensed Rights on Exhibit B for the development, promotion, advertising, distribution and packaging of Virtual Products.

4.3 *Third-Party Limited Exception.* Notwithstanding the exclusivity granted in Section 4.1, 704GAMES acknowledges that, *during* the Term, third party NASCAR-branded casual games may include some mix of core characteristics of Simulation Style Video Gaming Products provided they are utilized with additional distinguishing creative liberties which are not consistent with authentic NASCAR racing, and that such third-party rights granted by NTP shall not violate the exclusivity granted to 704GAMES herein. By way of example, a permissible third-party NASCAR-branded casual game may feature NASCAR stock cars racing on virtually-recreated race tracks where various fictitious elements such as obstacles, zero gravity, etc. is introduced to render the game play more challenging (and thus less authentic in nature).

Furthermore, it's agreed and understood that NTP shall maintain its ability to license third parties to execute competitive *gaming* events that fall outside of the exclusivity grant herein (e.g., Real Racing tournament coinciding with launch of Daytona update, Licensors intellectual property utilized in Forza or Gran Turismo products and associated tournaments, etc.); provided, however that (a) other third-party licensees of NTP shall not be permitted to infringe on the exclusive rights granted to 704GAMES hereunder, and (b) 704GAMES shall be the only Person permitted to use the "eNASCAR" or "Esports" branding in connection with Simulation Style Video Gaming Products during the Term of this Agreement. NTP agrees to communicate any such activities to 704GAMES in advance and will use good faith efforts to avoid conflicts between third party events and 704GAMES' exercise of its rights granted hereunder, including without limitation, approved Esports competitions.

4.4 *Performance Measures.* Commencing January 1, 2016, in the event 704GAMES fails to activate its rights and distribute a Product towards any specific platform for eighteen (18) consecutive months during the Term of this Agreement, NTP shall notify 704GAMES of such default and the parties will have thirty (30) days to mutually agree upon a resolution, which negotiations shall be in good faith. In the event the parties cannot mutually resolve the situation, NTP may choose to convert the exclusive rights for such Product to non-exclusive rights after the expiration of such thirty (30) day period.

Additionally, commencing in 2019, in the event 704GAMES does not execute at least ten (10) approved Esports events (whether in-person or online) during a twenty four (24) month period (other than due to NTP's failure to perform its obligations hereunder with respect to an Esports event), NTP shall be entitled to convert the Esports rights to a non-exclusive license.

4.5 Miscellaneous *Opportunities*.

(a) International Esports Series. Similarly to the Simulation Style Video Gaming Products, all of 704GAMES' Esports competitions shall be based on the NASCAR National Series. In the event NTP brings 704GAMES an esports opportunity based on the NASCAR National Series that targets an international market outside of 704GAMES' operating structure for its Esports competitions and 704GAMES declines such offer or the parties fail to agree to terms, NTP and/or NTP Licensor may inquire from any third party regarding creating and hosting such esports competitions; provided that Simulation Style Video Gaming Products are utilized as the platform of such competition and a separate fee or other consideration is paid to 704GAMES and/or NTP along with mutually agreeable terms and conditions. It is agreed and understood that 704GAMES shall have no rights as it pertains to any NASCAR-sanctioned international series operated outside of the United States. For clarity, 704GAMES may exercise their rights related to Licensed Products and Esports in all territories as set forth in Section 3 of the Agreement.

(b) Other NTP/NASCAR Opportunities. From time-to-time, NTP and affiliated NASCAR, Inc. departments and/or divisions (e.g., NASCAR Brand Marketing, NASCAR Integrated Marketing Communications, etc.) may engage in discussions with a variety of interactive entertainment solution providers in order to develop or advance current or future business objectives. NTP shall make good faith efforts, but shall not be obligated, to engage 704GAMES in the solicitation of proposals related to certain opportunities which NTP or any affiliate thereof independently deems it capable of executing. Notwithstanding the foregoing, 704GAMES agrees to pursue its own relationship with NASCAR Digital Media (NDM). NTP will make good faith efforts to broker introductions to responsible parties within NDM. In no case shall NDM work-for-hire decisions be predicated on this Agreement and/or any other any existing 704GAMES/NTP relationship.

(c) Acknowledgement. NTP acknowledges and agrees that no action shall be taken by NTP pursuant to this Section 4.5 which shall result in third-party products that conflict with the exclusive rights granted to 704GAMES under this Agreement.

4.6 *Publishers*.

(a) *Category 1 Platform Licensed Products.* NTP shall have final approval over the publisher selected to publish and/or distribute the Category 1 Licensed Products in retail channels. In the event that 704GAMES elects to engage one or more third-party publishers, it will target a world-class publisher that is substantially comparable and similar in stature and abilities to other publishers involved in other top-tier professional and/or major sports properties of similar size, including the ability to place the Licensed Products with major retailers and servicing the product life cycle. Such approval shall not be unreasonably withheld, conditioned or delayed by NTP. Furthermore, 704GAMES will use Commercially Reasonable Efforts to facilitate 3-way discussion between itself, NTP and such publisher with the goal of maximizing the marketing and distribution programs for the Licensed Products sold by that publisher. NTP acknowledges that 704GAMES is contractually responsible for directing all elements of the license, and NTP will not initiate direct communication with such publisher without including 704GAMES in any such communication.

Notwithstanding the foregoing, NTP hereby approves 704GAMES to publish the Category 1 Licensed Products itself, and the standards mentioned and imposed in this Section 4.6(a) shall apply to 704GAMES, as a publisher, as well.

(b) *Digital Distribution Publisher*. NTP hereby pre-approves 704GAMES as a non-exclusive publisher for digital distribution of Licensed Products; provided that, for the avoidance of doubt, 704GAMES acknowledges that NTP shall retain all approval rights described herein for the marketing of digitally distributed Licensed Products during the Term.

4.7 *Category 2 Platform Racing Game*. 704GAMES shall launch at least one (1) Category 2 Platform racing game, title to be determined but as of Effective Date currently titled "NASCAR Rivals", ("Category 2 Racing Game") no later than March 1, 2016 (or such later date as the parties shall agree in writing for good and valid commercial reasons). For purposes of clarification, such Category 2 Racing Games: (i) shall contain/incorporate a substantial element of racing assets from Licensee's Category 1 Licensed Products; and (ii) shall not in look and feel, as finally determined in NTP's reasonable discretion, create any consumer confusion or association with other previously launched (i.e., before 704GAMES) and then-currently marketed casual NASCAR video games. Furthermore, the parties agree that NTP shall have final approval on all Category 2 Racing Game launch schedules.

4.8 *Online Rights*. Unless otherwise approved, 704GAMES is prohibited from using the Licensed Rights in any top-level domain name registration or uniform resource locator (URL) address but may use the Licensed Rights to identify areas within websites it controls, for online play or promotion of Licensed Products. It is further agreed and understood that should 704GAMES desire to use the NASCAR Marks on any Internet site, such usage shall be subject to NTP's prior written approval not to be unreasonably withheld.

4.9 *Approval of Subcontractors*. In the event that Licensee uses a subcontractor develop one or more Licensed Products or any component thereof, Licensee shall provide Licensor with the name, address, telephone number and name of the principal contact of the proposed subcontractor. All proposed subcontractors must execute an authorized Subcontractor Agreement provided by Licensor prior to any use of the Licensed Rights, as seen in the attached Exhibit G, and Licensee will ensure that the sublicense complies with Section 6 and that the same restrictions imposed on 704GAMES under this Agreement are imposed on such subcontractor. 704GAMES shall continue to be bound by and to observe all the terms and conditions of this Agreement and shall remain fully responsible for ensuring that the Licensed Products are manufactured in accordance with the terms of this Agreement.

4.10 *Reservation of Rights; Acknowledgements*.

(a) General Reservation. 704GAMES acknowledges that NTP and/or any NTP Licensors (including NASCAR) shall have the right at all times during the Term to: (i) license third parties to produce other NASCAR-branded games which do not conflict with the exclusive rights granted to 704GAMES (subject to Section 4.5(c) of this Agreement); (ii) license content and rights owned or controlled by NTP (and/or NASCAR) in non-NASCAR branded games which may contain core characteristics of Simulation Style Video Gaming Products on Category 1 Platforms and/or Category 2 Platforms or any other platforms not expressly defined herein; and/or (iii) allow such aforementioned third-party products to be used in video game based competitive gaming events and esports competitions; provided that such third-party products and activities do not otherwise conflict with the exclusive rights granted to 704GAMES under this Agreement.

(b) [***]

(c) Esports Broadcast/Streaming Rights. 704GAMES shall not be permitted to enter into or negotiate broadcasting or streaming agreements to broadcast or stream any Esports competitive gaming events utilizing the NASCAR Heat franchise game or the Licensed Rights, including without limitation, the NASCAR Heat Championship marks, without NTP's prior written approval, which shall be provided at NTP's sole discretion. The allocation of any revenues derived from any such approved broadcast or streaming rights shall be subject to additional terms and conditions in a separate agreement. It's agreed and understood however that users participating in the Esports events may stream their game race feeds to Twitch, YouTube, Facebook and other online game platforms; and both NTP and 704GAMES may stream, or broadcast online, the Esports competitions to NASCAR.com and NASCAR Mobile (and/or other digital platforms owned and controlled by NASCAR or its affiliates) and/or motorsportnetwork.com, motorsport.tv, motorsport.com, Autosport.com, Motorsport-Total.com, GPUpdate.net and Motor1.com (and any other digital platform approved by Licensor on a case-by-case basis), respectively, at no fee, subject to any required technical operational expenses or any other fees associated with esports events happening at track or during the NASCAR race broadcast windows. Further, however, for any Esports events occurring at track during a NASCAR National Series event weekend, 704GAMES acknowledges there may be additional agreements with separate terms and conditions, including fees, with third party promoters and/or NASCAR's affiliates that are required for streaming such events on third party online game platforms (including, without limitation, Twitch, motorsportnetwork.com, motorsport.tv, and motorsport.com). Licensee further acknowledges that there are certain guidelines and restrictions established by NASCAR's agreements with its broadcast partners (i.e., NBC and Fox, etc.) and promoters and agrees to abide by and not violate such guidelines and restrictions.

For purposes of clarification, decisions regarding the broadcasting or streaming of ELeague events, including the approval thereof, shall be addressed in the ELeague License Agreement (as defined in Section 4.10(e) below) and managed by the JV's Advisory Board.

(d) Betting/Gambling. 704GAMES is not permitted to utilize any of 704GAMES' products, games and/or rights associated with this Agreement, including, without limitation, the Licensed Rights, in connection or association with any wagering and/or gambling-related activities without NTP's express written approval, which shall be provided at NTP's sole discretion.

(e) ELeague Acknowledgment. The parties acknowledge that 704GAMES and RTA Promotions, LLC ("RTAP") desire to enter into a joint venture ("JV") to establish, create and operate the ELeague. 704GAMES and RTAP will work together in good faith to enter into a formal joint venture agreement ("JV Agreement"). NASCAR and the JV will enter into a separate license agreement ("ELeague License Agreement") to memorialize NASCAR's participation in the ELeague. Furthermore, in the event of an uncured material breach of the JV Agreement by 704GAMES or the ELeague License Agreement by the JV or 704GAMES or if the JV is administratively dissolved, then this Agreement shall be nullified and the terms and conditions of the Original Agreement reinstated to its original form prior to the execution of this Agreement (for example, the differentiation between the Esports competitions and ELeague events shall no longer be delineated and all treated as Esports for purposes of this Agreement).

4.11 *Distribution*.

(a) Distribution Channels. There are no limitations on distribution channels, except Premium distribution channels as set forth below. Licensor acknowledges that Licensee may at its option distribute the Licensed Products for sale to consumers and retail outlets: (i) directly; (ii) directly via the Internet subject to the limitations herein; and/or (iii) via distributors on a regional (i.e., country-by-country) basis.

(b) Premium Distribution. It is agreed and understood that the license granted herein is a retail and digital distribution license, not a Premium license. If Licensee wants to use a Premium to promote Licensed Products and/or Esports, such use must be approved in writing by NTP, in its sole discretion, prior to the promotion and/or use of the Premium. Further, such Premium must be an NTP-licensed Premium. However, should Licensee wish to use the Licensed Product as a Premium, such use must be approved in writing by NTP, in its sole discretion, prior to the promotion and/or use of the Premium. In addition, Licensee must enter into a separate Premium license agreement with NTP that will include separate terms, royalties, and licensing fees.

(c) Inventory Disposal Restrictions. It is understood and agreed that 704GAMES shall be permitted to sell its inventory of Licensed Products during the Term and for a period of twelve (12) months from the end of the Term, unless terminated earlier by NTP pursuant to the terms herein ("Sell-Off Period") only in the specified channels of distribution permitted herein and only at prices that are generally consistent with the current standard wholesale and/or retail prices, as the case may be, for such Licensed Products. During the Sell-Off Period, the Licensed Rights shall be used only:(i) as part of the content of the Licensed Product as approved and produced *during* the Term (i.e., there shall be no permitted updates to Licensed Products during the Sell-Off Period); and (ii) as a secondary brand in the advertising and promotion of the Licensed Product, provided that the nature and content of the use of the Licensed Rights shall be substantially similar to that used prior to the Sell-Off Period. In the event that 704GAMES desires from time-to-time to dispose of Licensed Products in a manner not otherwise consistent with the immediately foregoing sentences, it may request NTP's approval in writing, and may do so only if approved in writing by NTP and subject to the terms and conditions established by NTP; provided that, in no circumstances shall any such Licensed Products be sold by 704GAMES for less than [***] of standard wholesale prices unless otherwise approved by NTP. Any breach of this provision shall be deemed material and shall subject 704GAMES to possible termination in NTP's discretion pursuant to the terms herein, in addition to all other rights and remedies available to NTP.

4.12 *Manufacturing License*. Subject to the terms, conditions, covenants, restrictions and obligations set forth in this Agreement, NTP hereby grants to 704GAMES a **LIMITED**, **NON- EXCLUSIVE** and **NON-TRANSFERABLE** (with a limited right to sublicense as expressly set forth in Section 4.9) right to use the Licensed Rights in the Manufacturing *Territory* to manufacture, have manufactured and import Licensed Products for distribution, marketing, advertising, and sale pursuant to, and only as specifically authorized by, the terms of this Agreement. 704GAMES acknowledges that the nature of the NASCAR National Series Race Teams often results in the changes of drivers, sponsors, paint schemes, and other team-related changes during or between seasons that are beyond the control of NTP or the NTP Licensors ("Transitional Changes"), and 704GAMES shall be responsible for setting its own manufacturing and inventory standards to manage such risk to reasonably meet customer demands. Notwithstanding the foregoing, 704GAMES shall not be required to modify any Licensed Product in the event that NTP's written notice to 704GAMES of a Transitional Change occurs any time after six (6) months prior to the commercial release of such Product, and in the event that prior to said six (6) months, NTP becomes aware of Transitional Changes requiring modifications of any Licensed Product before commercial release, NTP shall provide written notice thereof to 704GAMES as soon as it is able to do so exercising Commercially Reasonable Efforts in good faith. In an effort to aid in that process, subject to the requirements of Section 11, and consistent with the provisions in Section 1, the parties will actively and reciprocally share information relevant to establishing and maintaining appropriate manufacturing and inventory levels (e.g., duration of each Team's agreements with its drivers and sponsors, material changes in Licensed Rights, upcoming significant milestones for Teams and Drivers, marketing campaigns under development with sponsors, production deadlines for licensed products) as practicable as such information becomes available. Notwithstanding the foregoing, it is agreed and understood that 704GAMES shall bear the ultimate responsibility for manufacturing and inventory levels, and NTP's and/or any Team's failure to disclose any specific information as set forth in this Section 4.12 shall not be deemed a breach of this Agreement by said Team. Subject to Section 4.13(a), all parties acknowledge that timely approvals and timely advance notice of material and sponsor changes are essential elements to the success of the licensing program contemplated by this Agreement. NTP shall use best efforts to provide 704GAMES a report indicating the level and nature of the third-party rights, including competition-related sponsors secured, and/or interest and, if necessary, NTP will mutually develop a plan to obtain and provide to 704GAMES additional rights of such third parties.

4.13 *Exception to Licenses*; *Reserved Rights*. Notwithstanding the grant of license and rights set forth in Section 4, no license *or* right shall be granted, or deemed to be granted hereunder with respect to the following and such other reserved rights as set forth in Exhibit C, each of which is expressly reserved by NTP and the NTP Licensors (collectively, the "Reserved Rights"):

(a) Any Licensed Rights, excluded categories or other conflicts for a particular NTP Licensor as set forth in the reserved rights schedule for that NTP Licensor that shall be in the form attached as Exhibit C (for each NTP Licensor, its "Reserved Rights Schedule"), each of which are expressly reserved and prohibited under this Agreement. At least annually, as soon as commercially practicable upon each NTP Licensor's contractual capacity to disclose changes to Reserved Rights, NTP will designate such Reserved Rights subject to Section 4.10 hereof, and the parties shall annually review and update the Reserved Rights Schedule for each NTP Licensor.

(b) Subject to NTP's timely notice to 704GAMES set forth at Section 4.12, any unresolved conflict area pursuant to Section 4.10 of this Agreement, which unresolved conflict area immediately shall be added by the parties to the Reserved Rights Schedule.

(c) Any use of the Licensed Rights unrelated to a Stock Car and/or Truck Racing Theme.

(d) Any capture, storage, management, distribution or use of any voices, audio representation, sound recordings, digital media, digital content, media files and other existing or new technologies related to NTP or any NTP Licensor or any of the Licensed Rights, except to the extent included in and forming an inherent part of a Licensed Product.

4.14 *Limitations and Negative Covenants Regarding Licenses***.** The license and rights granted under this Agreement are limited to the express terms set forth in this Agreement and do not include any right of 704GAMES to do any of the following acts, without the express written consent of NTP in each instance, each of which is expressly prohibited, and 704GAMES shall not, nor cause or authorize any third party to:

(a) manufacture or create any merchandise, apparel, products, collectibles, memorabilia, souvenirs, services, including the packaging thereof, bearing or utilizing any of the Licensed Rights;

(b) grant or declare, or suggest the ability to grant or declare, sublicenses or any other right to use the Licensed Rights to any Person, or any assignment (whether voluntary or involuntary, including any assignment in connection with a bankruptcy proceeding), in, to or of the license granted herein (or any portion thereof), except: as approved in writing by NTP in accordance with the terms of this Agreement, or except pursuant to sub-license agreements authorized hereunder in accordance with Section 4.10;

(c) use or knowingly permit the use of any of the Licensed Rights in any manner or for any purpose not specifically authorized under this Agreement;

(d) change, alter, add to, delete from, augment or modify the Licensed Rights, Licensed Products, or the Esports competition and structure following approval by NTP in any way, except as may be required by law (in which case the affected materials will be resubmitted to NTP for review and approval in accordance with Section 6 herein);

(e) except as contemplated by Section 9.8 herein, mix the Licensed Rights of any NTP Licensor with the marks of any other team, driver, sponsor, event, entity or any other unauthorized indicia or bundle Licensed Products in the same packaging with products of other non-Team race teams, drivers or other third parties, without the prior approval of NTP in each instance;

(f) subject to Section 4.11(b), use Licensed Products as Premiums, for fund raising, as giveaways, in combination sales or to be disposed of under similar methods of merchandising or sold for less than the usual selling price for the purpose of increasing sales;

(g) subject to Section 4.8 of this Agreement, use the Licensed Rights of any NTP Licensor in any top level domain name registration or uniform resource locator;

(h) use the Licensed Rights of any NTP Licensor in connection with trade names or trademarks of drivers, racing team personnel, cars, car owners, racetracks, etc. unless 704GAMES has obtained the rights to the same in connection with the Licensed Rights, and such use has been approved through NTP;

(i) manufacture, promote, advertise, market, distribute or sell Licensed Products and/or Esports competitions in any manner which NTP in its reasonable discretion concludes may bring NTP, its NTP Licensors, or the Licensed Rights into material public disrespect, scandal or ridicule, may shock or offend the community, may detract from or adversely affect the public image of NTP, its NTP Licensors, or the Licensed Rights, or may reflect unfavorably upon NTP, its NTP Licensors or the Licensed Rights;

(j) associate the Licensed Rights of any NTP Licensor in any way with any illegal gambling, or illicit drug-related products or with any Person, products or trademarks that violate the restrictions imposed by NASCAR or are otherwise included on the Reserved Rights Schedule of any NTP Licensor;

(k) unless approved in writing in advance by NTP, use the Licensed Rights in such close physical proximity or in such close connection or combination with its own marks or the marks of any third party that a reasonable consumer of the services or reasonable viewer of the material in which the Licensed Rights are so used would likely be misled into believing that there has been a merging of corporate identities or that there is an affiliation, connection, sponsorship or approval of one party by another that does not in fact exist; provided that the foregoing shall not require the removal of the incidental use of a Manufacturer's marks as necessary to identify such Manufacturer as the source of such product so long as such use is incidental (i.e., not prominently displayed) and does not conflict with the Licensed Rights, as mutually determined by 704GAMES and NTP;

4.15 *No Conflict with Sponsors*. 704GAMES agrees that in the event NTP or NTP Licensors determine that 704GAMES' activities taken pursuant to this Agreement come into conflict with the interests or rights of other licensees, 704GAMES and NTP shall in good faith cooperate in order to resolve the conflict to mutual satisfaction of NTP and/or NTP Licensors.

4.16 Termination *of Prior NTP Licensor Agreements*. The parties hereby acknowledges that, simultaneous to the execution of this Agreement, all pre-existing agreements, including the Original Agreement and amended and restated binding term sheet fully executed on July 24, 2018, directly between 704GAMES and NTP or any NTP Licensor for the specific rights as contemplated in this Agreement shall be terminated, and that this Agreement shall serve as the sole remaining agreement between such NTP Licensors (through NTP pursuant to the terms herein) and 704GAMES for such rights.

4.17 *Number of Licensed Product Versions*. Commencing in 2015 and for the remainder of the term of the Agreement, Licensee shall annually produce and release one (1) Category One Licensed Product game version or seasonal update and one (1) Category 2 Licensed Product game version or seasonal update; provided that, the Category One Licensed Product produced and released in 2016 shall be a new game version. Licensee will engage in a meaningful consultation with Licensor regarding the development cycle and release date for all Licensed Product versions under this Agreement. 704GAMES will provide a milestone schedule to Licensor. Notwithstanding the foregoing, commencing January 1, 2015 in the event 704GAMES fails to produce and release a Product towards any specific platform for eighteen (18) consecutive months during the Term of this Agreement, NTP shall notify 704GAMES of such default and the parties will have thirty (30) days to mutually agree upon a resolution reasonably and in good faith. In the event the parties cannot mutually resolve the situation, NTP may choose to convert the exclusive rights for such individual Product version to non-exclusive rights after the expiration of such thirty (30) day period.

4.18 *Continuity*. For avoidance of doubt, all rights and privileges of Licensee under this Agreement shall continue without regard to a change in the series entitlement of "MONSTER ENERGY NASCAR Cup Series" to that of a different Series sponsor, provided that Licensee shall substitute the use of the Series mark with a revised version or take such other action reasonably determined by NTP when reasonably practicable.

5. ADDITIONAL OBLIGATIONS OF 704GAMES.

5.1 *Distribution*. 704GAMES shall use its Commercially Reasonable Efforts to exploit the licenses granted in this Agreement and to market, advertise, distribute, offer for sale, and sell the Licensed Products and Esports competitions in the Distribution Channels. 704GAMES covenants that during the Term of this Agreement, it will exercise Commercially Reasonable Efforts diligently and continuously to promote the sale and distribution of the Licensed Products and Esports competitions, and will make and maintain adequate arrangements for the distribution of the Licensed Products. 704GAMES acknowledges that to preserve the goodwill associated with the Licensed Rights, Licensed Products should be sold at prices and upon terms reflecting the prestigious nature of the Licensed Rights, and the reputation of the Licensed Rights as appearing on goods of high quality and reasonable prices, subject to applicable laws.

5.2 *Marketing Obligations*.

(a) Annual Merchandise and Marketing Plan. Consistent with the parties' undertakings pursuant to Section 7.4, 704GAMES will develop an annual marketing plan setting forth the marketing strategy for marketing and distribution of the Licensed Products and Esports competitions in each Distribution Channel broken down by specific product category, NTP Licensors and their respective Race Teams consistent with past practices. 704GAMES will provide a copy of that plan to NTP by no later than thirty (30) days of NTP's written request, not to be unreasonably withheld.

(b) Sales, Product and Production Reports. 704GAMES will provide reporting consistent with the attached Exhibit D, or as reasonably requested by NTP and/or NTP Licensors, which may include, but shall not be limited to, reports detailing the status of product approvals, sales activity, inventory levels, annual suggested price lists and other related reports, as may be deemed reasonably necessary by NTP. On or before forty five (45) days following the close of each calendar quarter, 704GAMES shall use it reasonable endeavors to submit to NTP, a sales report for Licensed Products distributed and/or sold during the preceding quarter, which shall include, where available, sales listed by Licensed Product, by Mark, and by country of sale or distribution. Failure to submit the above report by 704GAMES shall not be a breach of this Agreement.

(c) Marketing. NTP and 704GAMES will mutually agree on marketing programs reasonably and in good faith, which shall be consistent with current programs in place with similar licensed properties and will be consistent with Section 7.4. This provision does not apply to marketing programs for the ELeague, which said marketing programs will be handled by the JV and governed by the JV Agreement and/or ELeague License Agreement.

5.3 *Customer Service*. 704GAMES shall handle all consumer complaints, including, but not limited to negative feedback originating from on-line content (gaming forums/social media sites), refunds, recalls, warranty compliance, and other matters related to the Licensed Products and Esports competitions directly with the end consumer in a professional, ethical and diligent manner which reflects favorably on NTP, the NTP Licensors, Licensed Rights and the Licensed Products. Any consumer complaints, including, but not limited to negative feedback originating from on-line content (gaming forums/social media sites), refunds, recalls, warranty compliance, and other matters received by 704GAMES related to the NTP Products shall be referred to NTP, and 704GAMES will use Commercially Reasonable Efforts to assist with any such matters to the extent related to the NTP Products marketed, offered for sale, distributed or sold by 704GAMES hereunder.

5.4 *Value in Kind*. 704GAMES shall, at its sole expense and upon NTP's request, annually provide NTP with four hundred (*400*) of each Licensed Product; provided, however, NTP agrees not to resell such Licensed Products at any time.

6. *QUALITY CONTROL AND APPROVALS*. 704GAMES AGREES THAT NO PRODUCTS (OR RELATED PACKAGING OR PROMOTIONAL MATERIALS) OR ESPORTS COMPETITIONS PRODUCED BY OR FOR 704GAMES AND BEARING THE LICENSED RIGHTS SHALL BE MARKETED, ADVERTISED, MANUFACTURED, DISTRIBUTED, OFFERED FOR SALE OR SOLD BY 704GAMES IN ANY DISTRIBUTION CHANNEL WITHOUT THE PRIOR WRITTEN APPROVAL BY NTP (OR ANY NTP LICENSOR OR OTHER DESIGNEE AS DEFINED HEREIN) FOR ITS RESPECTIVE LICENSED RIGHTS) PURSUANT TO THE FOLLOWING:

6.1 *Licensed Products Manufactured by 704GAMES.* The Licensed Products shall meet or exceed high standards of style, appearance, image and quality (including, but not limited to, quality of material and workmanship) in order to protect and enhance the Licensed Rights, the high reputations enjoyed by NTP, NTP Licensors, the Teams, Driver(s) and their sponsors, and the substantial goodwill pertaining thereto. All units and copies of the Licensed Product shall be consistent with, or superior in quality to, the builds provided to and approved by NTP. Such approval by NTP shall not be unreasonably withheld, conditioned or delayed. If NTP should disapprove any build, it shall provide specific reasons for such disapproval. Once such builds have been approved by NTP, 704GAMES shall not materially depart therefrom without NTP's prior express consent, which shall not be unreasonably withheld, conditioned or delayed. 704GAMES shall manufacture, package, ship and label the Licensed Products in accordance with (i) all applicable foreign, federal, state and local laws, rules and regulations, (ii) all applicable industry standards and guidelines, (iii) the reasonable manufacturing and packaging specifications and requirements established from time to time by NTP or the NTP Licensors that have granted rights with respect to the Licensed Products and communicated in advance in writing to 704GAMES, and (iv) any "codes of conduct" of sponsors communicated in advance in writing to 704GAMES. NTP shall supply to 704GAMES promptly upon the occurrence thereof updated written guidelines as to style/use, brand positioning and creative/artwork governing approved and appropriate uses of the Licensed Rights. 704GAMES shall remain fully responsible for compliance with such written guidelines pertaining to design, quality, product liability and other aspects of the Licensed Products. Any warranties given by 704GAMES shall comply with the Magnuson-Moss Warranty Act and any other applicable laws, rules or regulations.

6.2 *Licensed Products Manufactured by Manufacturers*. In the event that Licensee uses a subcontractor develop one or more Licensed Products or any component thereof, In the event that 704GAMES employs the use of Manufacturers for Licensed Products, Licensee shall provide Licensor with the name, address, telephone number and name of the principal contact of the proposed Manufacturer. All proposed Manufacturers must execute an authorized Manufacturer's Agreement provided by Licensor prior to any use of the Licensed Rights, as seen in the attached Exhibit F. 704GAMES shall continue to be bound by and to observe all terms and conditions of this Agreement (including, without limitation, the full payment of all Royalties), and shall remain fully responsible for ensuring that the Licensed Products are manufactured in accordance with the terms herein including approval. 704GAMES shall also take the necessary steps to ensure that the Manufacturer: (i) produces the Licensed Products only as and when directed by 704GAMES, in accordance with this Agreement; (ii) does not distribute, sell or supply the Licensed Products to any Person other than 704GAMES or 704GAMES' designee consistent with the rights granted herein; and (iii) does not delegate in any manner whatsoever its obligations with respect to the Licensed Products. The Manufacturers identified on Exhibit E are hereby approved. 704GAMES will ensure that it complies (and its Manufacturers comply) with such certification standards as are consistently adopted, applied and satisfied within the relevant industry for lawful, ethical, and humane manufacturing throughout the world, such as (w) WRAP Certification from Worldwide Responsible Apparel Production/Worldwide Responsible Accredited Production, (x) certification/conformity assessment from the International Association for Standardization (ISO), (y) SA8000 certification from Social Accountability International, or (z) other applicable certification program. Upon request, 704GAMES will provide NTP with a copy of a letter or certificate from an applicable organization evidencing such certification or assessment. 704GAMES' failure to comply with this Section 6.2 may result in immediate termination of this Agreement and confiscation and seizure of any Licensed Products. If, at any time during the Term, a Manufacturer is no longer approved by NTP, acting in its reasonable discretion, or NTP determines, in its reasonable discretion, that any Manufacturer is in breach of its obligations under this Agreement or the terms of its applicable manufacturing agreement, 704GAMES shall use reasonable measures to terminate immediately the agreement with that Manufacturer and take all Commercially Reasonable measures under the applicable manufacturing agreement to discontinue immediately the manufacture and distribution of Licensed Products by that Manufacturer.

6.3 *Rejections and Non-Compliance*. 704GAMES shall cause the Licensed Products to meet and conform to high standards of style, quality and appearance acceptable to NTP or its agent. All submissions, including builds, not approved by NTP pursuant to this Agreement shall promptly be destroyed by 704GAMES. 704GAMES shall advise NTP regarding the time and place of such destruction (in sufficient time to arrange for a NTP representative to witness such destruction, if NTP so desires) and such destruction shall be attested to in a certificate signed by one of 704GAMES' officers and submitted to NTP within fifteen (15) days of the date on which the build was not approved. In the event of 704GAMES' unapproved or unauthorized manufacture, distribution, use or sale of any products or materials bearing the Licensed Rights, including Packaging, Advertising, or other promotional materials, or the failure of 704GAMES to comply with this Section 6, NTP shall have the right to: (1) immediately revoke 704GAMES' rights with respect to the affected Licensed Product licensed under this Agreement, and/or (2) expense or require that 704GAMES confiscate or order the destruction of such unapproved, unauthorized or non-complying products. Such right(s) shall be without prejudice to any other rights the parties may have under this Agreement or otherwise.

6.4 *Changes to Licensed Rights*. 704GAMES acknowledges that, from time-to-time, it may be necessary for NTP for reasons beyond its control or an NTP Licensor for such reasons to modify certain elements of the Licensed Rights used in connection with the Licensed Products and/or Esports, to add additional elements to the Licensed Rights, or to discontinue use of some or all of the elements or Licensed Rights. Accordingly, neither NTP nor any NTP Licensor represents or warrants that the Licensed Rights or any elements thereof will be available, maintained or used in any particular fashion. Subject to the foregoing, any new elements or modifications to existing elements used by NTP or any NTP Licensor or required by their sponsors following the execution of this Agreement may be included as, or deleted from (as applicable), the Licensed Rights. To the extent permitted by Team sponsors, 704GAMES shall not be precluded from using any Licensed Rights as contemplated in this Agreement. Subject to the foregoing, 704GAMES agrees to comply with NTP's written request to include such elements as, or delete such elements from, the Licensed Rights within a reasonable period of time specified by NTP from its receipt of such written request; provided such changes shall not restrict or limit 704GAMES' rights to sell or distribute Licensed Products in production or produced at the time of such request or, at its election, to liquidate such products in accordance with the terms hereof, and NTP will work with 704GAMES in good faith to prepare for and consider issues related to such changes with as much advance notice as reasonably practical, and, provided further, that 704GAMES, in accordance with the requirements of Section 11 hereof, agrees to keep such information confidential until such time as NTP, the Teams or Driver, or their sponsors elect to disclose such information or otherwise authorize 704GAMES to disclose such information.

6.5 *Photographs and Artwork*. 704GAMES SHALL BE RESPONSIBLE FOR OBTAINING ITS OWN PHOTOGRAPHS AND ARTWORK AND ENSURING THAT ANY DEPICTION OF ANY DRIVER, RACE CAR OR OTHER LICENSED RIGHTS ACCURATELY DEPICTS THE THEN CURRENT SPONSORS AND COLORS AND SHALL ALSO BE RESPONSIBLE FOR OBTAINING ALL CLEARANCES AND APPROVALS FOR COPYRIGHTS AND OTHER INTELLECTUAL PROPERTY MATTERS FROM ALL THIRD PARTIES (OTHER THAN NTP AND ITS NTP LICENSORS). ALL USE OF SUCH PHOTOGRAPHS AND ARTWORK ARE SUBJECT TO THE APPROVAL PROVISIONS SET FORTH HEREIN.

6.6 *Approval Program*. Approvals shall be submitted online to the extent practicable by 704GAMES through a designated approval partner and/or program ("Online Approval Program"), such Online Approval Program shall be provided at no cost to 704GAMES. Provided that NTP procures that such representations shall not impose any additional fees upon 704GAMES in respect thereof, NTP shall have the right to delegate the quality control and approval of products *pursuant* to this Section 6 to a designated representative of each applicable NTP Licensor with respect to approvals of products and production builds that include the Licensed Rights of that NTP Licensor, and references to NTP in this Section 6 shall include any such designee for an NTP Licensor of which NTP notifies 704GAMES in writing.

6.7 *Approval Procedures*. Each product, or a detailed description of the product, which 704GAMES desires to be approved as a Licensed *Product*, and all related labels, tags, packaging materials and other forms of identification, must be submitted to NTP for final written approval before 704GAMES undertakes production of such product. For each product for which approval is sought, concepts, artwork and all renditions of the Licensed Rights which 704GAMES proposes to use in connection with the manufacture, sale, promotion, advertising, marketing and/or distribution of a Licensed Product, including, but not limited to, all media, renditions and sketches, together with builds as NTP (or its designee) may reasonably require, must be submitted to NTP (or its designee) online and be accompanied by (A) a detailed description of the Licensed Product, (B) a unique tracking number and all other unique or special information regarding the proposed Licensed Product (including the proposed number of units where applicable and reasonably requested by NTP or the NTP Licensor), (C) other marketing elements (including tentative price points, advertising and marketing plans, etc.), (D) the country of origin, port of export and import/entry, and (E) the anticipated initial shipment or distribution date of the product. 704GAMES' advertising or marketing plans shall be in accordance with the parties' agreement under Section 7.4 and NTP shall not condition approval of 704GAMES' advertising and marketing plans on 704GAMES' spending in excess of the amount set forth in Section 7.4. Any materials that are not submitted electronically shall be submitted to NTP (or its designee) at the address provided under Section 15.1. NTP (or its designee) may approve or disapprove of any production build required to be delivered to it hereunder reasonably and in good faith as soon as practicable, but within at least fifteen (15) business days after receipt by NTP (or its designee), and if 704GAMES does not receive written notice of approval or disapproval within such period, such build shall be deemed *disapproved.* In the event a Licensed Product is disapproved, NTP (or its designee) will notify 704GAMES of the reason for disapproval and the steps required to gain approval. Approval of artwork or for a particular use on a particular product or article does not imply approval for use of such artwork on a different article or for a different purpose. Neither NTP nor its designee has any obligation to approve, review or consider any item that does not comply with reasonable submission procedures announced by NTP (or its designee). Approval by NTP (or its designee) will not be deemed to be a determination that the approved matter complies with all applicable regulations and laws.

6.8 *Ownership of Artwork*. All artwork, if any, supplied to 704GAMES by NTP shall remain, as between 704GAMES and NTP, the sole and exclusive property of NTP or its NTP Licensors and 704GAMES shall make no use of such artwork other *than* under the terms and conditions of this Agreement and 704GAMES shall not furnish copies of such artwork to any third party other than an approved Manufacturer or as may be reasonably necessary for 704GAMES to exercise its rights and obligations under this Agreement, without the express written approval of NTP. All artwork supplied to 704GAMES by, or at the direction of, NTP and all copies thereof shall be returned to NTP, upon request by NTP.

6.9 *Approval of Marketing Materials*. A sample of all advertising and promotional material prepared by 704GAMES in connection with the Licensed Products shall be delivered to NTP (or its designee) prior to use and shall be subject to the prior written approval of NTP (or its designee), reasonably and within fifteen (15) business days. If 704GAMES has not received written approval within fifteen (15) business days of delivery to NTP (or its designee), such materials shall be deemed *disapproved*. In the event any submission required by this section is disapproved, NTP will notify 704GAMES in writing of all reasons for disapproval and the steps required to gain approval. If the advertising and/or promotional material has been previously approved in writing by NTP (or its designee), 704GAMES may reuse such material without again obtaining the written approval of NTP (or its designee) unless such approval has been previously withdrawn in writing by NTP (or its designee) or unless this Agreement has been terminated. All copyrights in such advertising and promotional material shall bear a copyright notice in the name of NTP (or the NTP Licensor, as applicable).

6.10 *Approval of In-Game Advertising*. The parties acknowledge that 704GAMES may create, market, advertise, promote and sell in-game advertising in Licensed Products, including, but not limited to, static and dynamic ads, fictitious car sponsors, product placement, etc., but not including any rights acquired by 704GAMES which represent actual team/driver/track sponsors as represented on simulated NASCAR tracks, cars and/or uniforms. The parties further agree NTP and the NTP Licensors have an interest in protecting the rights of its exclusive sponsors. Accordingly, NTP and 704GAMES will cooperate to give NTP's and the NTP Licensor's sponsors the first opportunity to participate in in-game advertising within the Licensed Products, subject to separate agreements between 704GAMES and such *third* parties. Furthermore, all such in-game advertising shall be approved by NTP, in its sole discretion, in accordance with Section 6.9 above. Nothing in this paragraph shall be construed to prevent 704GAMES from allowing end users to create their own fictional vehicles and fictional drivers within Licensed Products or to prevent 704GAMES from creating fictional vehicles using 704GAMES' brand as sponsors on fictional vehicles. Notwithstanding the foregoing, the provisions set forth in this Section 6.10 will be applicable to the Licensed Products and shall exclude any incremental in-game advertising which is specific to ELeague events operated by the JV.

6.11 *Approval of Esports Competition*. All competition rules, guidelines, components, competition structure, prizing, and marketing and promotional materials of the Esports competitions shall be approved by NTP in accordance with Section 6.9 above, which NTP will in good faith consider all structures and other aspects of such Esports competitions submitted by 704GAMES. *704GAMES* shall not be permitted to brand and/or imply that any approved Esports or ELeague competitions are "officially sanctioned series" of NASCAR [***]. Except as expressly set forth herein, 704GAMES shall be permitted to stage, structure and operate Esports competitions in its discretion. Notwithstanding the foregoing, all competition rules, guidelines, components, competition, structure, prizing, and marketing and promotional materials for the ELeague shall by handled by the JV and governed in the JV Agreement and/or ELeague License Agreement.

6.12 *Approval of Esports Sponsorship and Advertising*. The parties shall mutually agree on how advertising and sponsorships of 704GAMES' Esports competitions are sold, displayed and marketed, provided that all such activity shall be subject to NTP's *and* NASCAR's pre-existing relationships and obligations. NTP shall approve all proposed advertising and sponsorship affiliated with 704GAMES' Esports competitions in accordance with Section 6.9 above. The parties must mutually agree on any specific advertising/sponsorship packages offered to third parties in advance. Notwithstanding the foregoing, all aspects of sponsorship and advertising for the ELeague will be handled by the JV and governed in the JV Agreement and/or ELeague License Agreement.

7. PAYMENTS. In consideration of this Agreement, 704GAMES shall pay NTP as follows:

7.1 *INTENTIONALLY OMITTED*.

7.2 *Royalty Rate*. In *consideration* for the licenses granted herein, 704GAMES shall pay NTP a total Royalty payment (including all participating Teams and NASCAR) as follows:

Type of Licensed Product	Royalty Rate Payable to NTP
Licensed Product Net Sales (as is defined herein)	[***]
Licensed Product Net Sales via digital distribution of Licensed Products including full and partial versions of Licensed Products distributed directly to consumers, and telemetry-based micro-transactions which shall be calculated less transaction costs and licensing costs paid to SportVision, Inc. (if applicable)	[***]
Net Sales (as defined herein) from Xbox Live and Sony Avatars for Virtual Products	[***]
Gross receipts received by Licensee of Licensed Products for inclusion in OEM Bundles	[***]
Gross Advertising Revenue (as defined herein)*	[***]
Gross Advertising Revenue (as defined herein) for Free-To-Play Model Games	[***]
Net Sales of All other Virtual Products	[***]
Net Subscription Revenue of Esports during the 2018 through 2022 years of the Term*	[***]
Net Subscription Revenue of Esports up to [***] gross during the 2023 through 2029 years of the Term*	[***]
Net Subscription Revenue of Esports between [***]and [***]gross during the 2023 through 2029 years of the Term*	[***]
Net Subscription Revenue of Esports above [***] gross during the 2023 through 2029 years of the Term*	[***]

Revenue attributable to the ELeague shall **not account towards any revenue associated with Licensed Products and/or Esports and shall be treated separately in the JV Agreement and/or ELeague License Agreement.*

7.3 *Minimum Annual Guarantees and Advances*. In consideration of the rights granted herein, 704GAMES shall pay the following *Minimum* Annual Guarantees and advance payments on the Net Sales of Licensed Products and Net Subscription Revenue of Esports to NTP:

MINIMUM ANNUAL GUARANTEE AND ADVANCES	2015	2016/2017	2018	2019	2020	2021	2022
Licensed Products on Category 1 Platform	N/A	[***] of which [***] shall be immediately payable upon first commercial release	N/A	N/A	N/A	N/A	N/A
Licensed Products and Esports	N/A	N/A	[***] due and payable as follows: • [***] due May 15, 2018 • [***] due August 15, 2018 • [***] due November 15, 2018 • [***] due December 15, 2018	[***] due and payable as follows: • [***] due May 15, 2019 [***] due August 15, 2019 • [***] due November 15, 2019 [***] due December 15, 2019	[***] due and payable as follows: • [***] due May 15, 2020 • [***] due August 15, 2020 • [***] due November 15, 2020 • [***] due December 15, 2020	[***] due and payable as follows: • [***] due May 15, 2021 • [***] due August 15, 2021 • [***] due November 15, 2021 • [***] due December 15, 2021	[***] due and payable as follows: • [***] due May 15, 2022 • [***] due August 15, 2022 • [***] due November 15, 2022 • [***] due December 15, 2022

MINIMUM ANNUAL GUARANTEE AND ADVANCES	2023	2024	2025	2026	2027	2028	2029
Licensed Products on Category 1 Platform	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Licensed Products and Esports	[***] due and payable as follows: • [***] due May 15, 2023 • [***] due August 15, 2023 • [***] due November 15, 2023 • [***] due December 15, 2023	[***] due and payable as follows: • [***] due May 15, 2024 • [***] due August 15, 2024 • [***] due November 15, 2024 • [***] due December 15, 2024	[***] due and payable as follows: • [***] due May 15, 2025 • [***] due August 15, 2025 • [***] due November 15, 2025 • [***] due December 15, 2025	[***] due and payable as follows: • [***] due May 15, 2026 • [***] due August 15, 2026 • [***] due November 15, 2026 • [***] due December 15, 2026	[***] due and payable as follows: • [***] due May 15, 2027 • [***] due August 15, 2027 • [***] due November 15, 2027 • [***] due December 15, 2027	[***] due and payable as follows: • [***] due May 15, 2028 • [***] due August 15, 2028 • [***] due November 15, 2028 • [***] due December 15, 2028	[***] due and payable as follows: • [***] due May 15, 2029 • [***] due August 15, 2029 • [***] due November 15, 2029 • [***] due December 15, 2029

7.4 *Marketing Commitment*. Commencing in 2016, 704GAMES commits to an annual minimum marketing budget of Two Million U.S. Dollars ($2,000,000) towards the marketing, promotion and advertising of Licensed Products and Esports competitions to which will commence in 2016 be substantially comparable and similar in stature with other sports-oriented games in top-tier professional and/or major sports properties of similar size.

7.5 *Warrants*. 704GAMES shall have duly executed and delivered the Warrant Agreement, in the form attached hereto as *Exhibit* H, to NTP, which the parties acknowledge and agree was previously executed and dated as of October 2, 2015.

7.6 *INTENTIONALLY OMITTED*.

7.7 *Payments; Statements and Records*.

(a) Payment. All Royalty payments shall be made in U.S. dollars to the order of NTP as set forth in Section 15.1 and are due and payable within forty five (45) days after the end of each calendar quarter for sales or distributions during such previous calendar quarter. Complete and accurate Royalty Payment reports will be due whether or not there are sales during the previous quarter. All reports must be broken down to the SKU level by Specific Product Classification and include the breakdown for all Esports revenue generated.

Any advances paid to Licensor by Licensee shall be credited against Royalties owed by Licensee to Licensor. In the event Licensee pays Royalties over and above the Minimum Annual Guarantee prior to the end of the year and before all advance payments are made, Licensee shall solely be responsible for remitting Royalty Payments that exceed the Minimum Annual Guarantee for such given year (e.g., in 2019, if Licensee pays Licensor [***] after the end of the first quarter, the advances listed for the 2019 Minimum Annual Guarantee shall no longer be due, and Licensee will only be responsible for reporting and remitting any requisite Royalties owed by Licensee to Licensor after the end of each additional quarter in 2019). All Minimum Annual Guarantees, advances, and Royalties, as well as any other payments made to Licensor herein, shall be non-refundable and shall be fully earned when paid.

Licensee further covenants that it shall pay Licensor the Minimum Annual Guarantee pursuant to the Agreement regardless of whether Licensee is able to sell enough Licensed Product(s) and/or generate enough Esports revenue to offset the Minimum Annual Guarantee(s). Licensor relies on such Minimum Annual Guarantee(s) to facilitate its own business objectives and as a result under no circumstances will it reduce, waive or otherwise permit Licensee to carry such Minimum Annual Guarantee(s) forward to another year.

Additionally, any Royalty for a category of Licensed Product sold shall only be applied against the Minimum Annual Guarantee for such Licensed Product for the contract year in which the category of such Licensed Product was sold (i.e., any shortfall in, or payment in excess of, the Minimum Annual Guarantee for a contract year may not be offset or credited against the Minimum Annual Guarantees for any other contract year). If Minimum Annual Guarantees are stated separately for different categories of Licensed Products, Royalties resulting from Net Sales of a category of Licensed Product shall be applied only against the Minimum Annual Guarantee for such category of Licensed Product. Moreover, Licensee is responsible for remitting Royalties resulting from the Net Sales of Licensee's remaining inventory of Licensed Products in existence at the time of expiration or termination during the applicable period specified in Section 8.5(b) of the Agreement and such Royalties shall not be offset or credited against any Minimum Annual Guarantee specified in this Agreement.

(b) Date of First Use. Upon request, 704GAMES agrees to provide NTP with the date of first use of the Licensed Products in interstate and intrastate commerce and prompt notice of the first shipment of each such Licensed Product.

(c) Bankruptcy. In the event of a bankruptcy filing by or against 704GAMES, to the extent that any proceeds from the sales of Licensed Products are deemed to be property of 704GAMES rather than held in trust for NTP, and to the extent that this Agreement has not been terminated, the parties intend that any Royalties during the bankruptcy period be deemed administrative claims under the bankruptcy code because the parties recognize NTP's right to fully exploit the rights hereunder through alternative means will be significantly limited, delayed or eliminated during the bankruptcy period and that the bankruptcy estate will enjoy material benefits with respect thereto.

(d) Final Accounting. Sixty (60) days prior to the scheduled expiration of the Term, 704GAMES shall provide NTP a statement indicating the number, type and description of all Licensed Products on hand or in process. In the event of an earlier termination of the Agreement, such report will be due thirty (30) days after receipt of notice of such termination by 704GAMES.

(e) Correctness of Statements and Payments. The receipt or acceptance by NTP of any statements furnished pursuant to this license or any Royalties paid hereunder (or the cashing of any Royalty checks paid hereunder) shall not be deemed a waiver of any rights and shall not preclude NTP from auditing the accuracy of 704GAMES' records at any time following at least five (5) days business notice and subject to the applicable statute of limitations required by law. In the event that NTP engages outside auditors or an outside audit firm, such outside auditor or outside audit firm will not be granted access to 704GAMES' records prior to executing a non- disclosure agreement mutually approved by 704GAMES and NTP. In the event any inconsistencies or mistakes are discovered in such statements or payments that 704GAMES and NTP agree are inconsistencies or mistakes in NTP's favor or that have been determined by appropriate proceedings to be inconsistencies or mistakes in NTP's favor, they shall immediately be rectified and the appropriate payment made by 704GAMES. In the event of an overpayment by 704GAMES that 704GAMES and NTP agree reasonably and in good faith is an overpayment or that has been determined by appropriate proceedings to be an overpayment, 704GAMES may deduct such mutually verified overpayment from any payment due with subsequent quarterly payments until fully recouped. In the event no further royalty statements would be forthcoming after discovery and mutual verification of the overpayment, then 704GAMES shall receive a refund of such overpayment within thirty (30) days after its written request for a refund to NTP.

(f) Interest on Late Payments. In the event 704GAMES fails to make any payment when due under this Agreement, or fails to submit a complete and accurate statement in the format mutually agreed to be the parties with such payment, earned Royalties will bear interest at the pertinent prime rate plus three (3%) percent per annum (or such amount permitted by law if less than this amount) on any portion not paid when due.

(g) Record Keeping and Audit. 704GAMES shall keep accurate books of account and records covering all financial detail relating to this Agreement and the computation of Royalties, and shall keep the same available for at least three (3) years after termination or expiration of this Agreement. Subject to 7.7(e) above, NTP (together with its NTP Licensors) shall have the right to audit and inspect any such books and records related to the Licensed Products, Esports and the manufacturing facilities of 704GAMES or its authorized Manufacturer during normal business hours, provided that, when possible, NTP and the NTP Licensors will make Commercially Reasonable Efforts to collectively coordinate the timing of any audits to reduce the burden on 704GAMES and its business operations. In the event that an audit by NTP (or any NTP Licensor or the respective representatives thereof) determine(s) a payment deficiency for Royalties due versus Royalties actually paid by 704GAMES, then 704GAMES shall pay the Royalty deficiency plus interest thereon until paid in full, plus, in the event that the deficiency was equal to or greater than five percent (5%) of the aggregate reported Royalty for the audited period, the costs of the audit.

8. TERMINATION

8.1 *Termination by 704GAMES*. Without limiting any other termination rights of 704GAMES as provided under this Agreement, 704GAMES has the right to terminate this Agreement and its obligations hereunder upon written notice to NTP if NTP commits a material breach of its obligations under this Agreement, and such breach continues uncured for a period of thirty (30) days after delivery of written notice thereof to NTP. Any such termination rights will be in addition to and not in lieu of, any other rights and remedies, whether legal or equitable, to which 704GAMES may be entitled.

8.2 *Termination by NTP*. Without limiting any other termination rights of NTP as provided under this Agreement, NTP has the right to terminate this Agreement and its obligations hereunder immediately upon written notice to 704GAMES without incurring thereby any liability to 704GAMES, in the event of any of the following:

(a) if 704GAMES fails to make any payment due hereunder and such default continues uncured for a period of ten (10) days after delivery of written notice by NTP to 704GAMES thereof;

(b) if 704GAMES otherwise fails to perform any of the material terms, conditions, agreements or covenants in this Agreement, and such default continues uncured for a period of thirty (30) days after delivery of written notice thereof to 704GAMES; provided, that, NTP may terminate this Agreement immediately if Royalty statements are (i) consistently understated by more than ten percent (10%) or (ii) significantly understated by more than twenty percent (20%) or not provided on a timely basis as provided herein more than twice in any contract year;

(c) if 704GAMES (i) discontinues its business as now conducted, (ii) undergoes any direct or indirect change in its ownership or control of twenty-five percent (25%) or greater in a single transaction or series of related transactions, (iii) sells all or substantially all of its assets, (iv) sells or grants rights to any product line or division that includes any of the Licensed Products, or (v) directly or indirectly assigns, transfers, sublicenses or encumbers any of its rights under this Agreement in violation of the terms hereof without the prior express written consent of NTP;

(d) if 704GAMES fails: (i) to maintain the insurance required hereunder or (ii) to provide NTP satisfactory evidence thereof, and such default in subsection (ii) above continues uncured for a period of thirty (30) days after delivery of written notice thereof to 704GAMES;

(e) if 704GAMES manufactures and sells, markets, distributes or uses in any way any Licensed Products, Esports competitions, or promotional or packaging material relating to the Licensed Products or Esports competitions without having prior written approval or verbal approval by an authorized officer of NTP or and NTP Licensor as provided under provisions of this Agreement or continues to manufacture and sell, market, distribute or use in any way any Licensed Products, Esports competitions, or promotional or packaging material relating to the Licensed Products or Esports competitions after receipt of notice of NTP disapproving such items; provided that any such default continues uncured for a period of thirty (30) days after delivery of written notice thereof to 704GAMES; and provided further that any termination pursuant to this Section 8.2(e) shall be limited to the affected Licensed Product(s) and/or Esports competition(s); or

(f) if 704GAMES breaches any material provision of this Agreement and the breach remains uncured for thirty (30) days after written notice from NTP.

Any such termination rights will be in addition to, and not in lieu of, any other rights and remedies, whether legal or equitable, to which NTP may be entitled.

8.3 *Production*. Upon written notice to 704GAMES without incurring thereby any liability to 704GAMES, NTP may: (i) terminate this Agreement on delivery of thirty (30) days written notice unless cure shall have occurred during said notice period solely with respect to a particular Licensed Product with respect to which Licensed Product NTP or its Designee shall have responded to all submissions for approval by 704GAMES within fifteen (15) business days, if 704GAMES does not introduce such Licensed Product to the market within one hundred twenty (120) days following approval of that Licensed Product for distribution (or, if less than 120 days remain in the then-current NASCAR National Series season, within thirty (30) days after the first race of the immediately following NASCAR National Series season) or does not continue to diligently pursue sales thereafter or (ii) terminate this Agreement immediately if 704GAMES or any Affiliate Company acting on behalf of 704GAMES manufactures, distributes or sells any Licensed Products or Esports competition that infringe on the trademarks, property or any other right of any third party; provided in the case of subsection (ii) above in each instance that any such default continues uncured for a period of thirty (30) days after delivery of written notice thereof to 704GAMES; provided, however, that no such termination shall occur in the event that the infringement results from 704GAMES' exercise of the Licensed Rights.

8.4 *Repetitive Breaches*. Notwithstanding the foregoing, if 704GAMES has breached a material provision of this Agreement and been given the opportunity to cure such breach and 704GAMES breaches the same provision within a 90-day period, NTP may immediately terminate this Agreement without providing any additional notice or opportunity to cure.

8.5 *Effect of Termination*.

(a) Reversion of Rights. In any event of termination pursuant to this Section 8, 704GAMES acknowledges that NTP will immediately stop all approvals for the sale and distribution of any affected Licensed Products (or all Licensed Products and Esports in the event of termination of the Agreement) and any and all rights granted to 704GAMES under this Agreement as to such affected Licensed Products (or all rights granted herein the event of termination of the Agreement) are deemed automatically reverted to and vested solely and exclusively in NTP and its NTP Licensors, and 704GAMES will without further consideration execute any papers necessary to effectuate this provision.

(b) 704GAMES Obligations. Upon termination by NTP pursuant to this Section 8 or upon expiration of this Agreement, 704GAMES shall: (i) cease production and support of the Licensed Products and Esports competitions and discontinue all use of the Licensed Rights, (ii) instruct its digital distribution partners to remove Licensed Products from all distribution channels no later than ten (10) business days before the end of the Term or after termination, (iii) pay all unpaid Royalties, indemnification amounts and other sums due hereunder (and such obligation shall survive termination of this Agreement), (iv) deliver to NTP all products, packages and other materials in its possession bearing the Licensed Rights for which 704GAMES has been previously paid in full by NTP or NTP Licensors, (v) immediately deliver to NTP a complete schedule of all inventory of the Licensed Products, including any previously scheduled Esports competitions; and (vi) either (x) cause all Licensed Rights to be removed from the Licensed Products and provide NTP with satisfactory evidence of such removal, provided, however, that unless this Agreement is terminated as a result of 704GAMES' breach of a material provision of this Agreement, and NTP's right to the Licensed Rights has not been terminated in a manner that prohibits sell-off, 704GAMES shall be entitled to sell off or otherwise dispose of existing approved Licensed Products within twelve (12) months after any such termination or expiration and shall be responsible to NTP for all Royalties with respect thereto; or (y) in the event that such removal of Licensed Rights is not feasible destroy all products, packages and other materials in its possession bearing Licensed Rights not previously sold to NTP or NTP Licensors, as applicable, and provide satisfactory evidence to NTP of such destruction. 704GAMES will immediately deliver NTP a statement showing the number and description of the Licensed Products on hand or in process. NTP shall have the right to take a physical inventory to verify such inventory and statement, said inventory to be conducted at 704GAMES' premises during normal business hours and upon at least ten (10) business days advance written notice. Notwithstanding the foregoing, in the event of termination by 704GAMES pursuant to Section 8.1 all Minimum Annual Guarantees shall be cancelled.

(c) Surviving Obligations. (i) The termination by NTP or expiration of this Agreement shall not relieve 704GAMES of any obligation due to NTP or the NTP Licensors under this Agreement arising or accrued prior to or as of the date of such termination or expiration, including without limitation the obligation to pay Royalties and indemnification amounts, reporting obligations, and restrictions set forth herein; (ii) Termination by 704GAMES or expiration of this Agreement shall not relieve NTP of any obligation to 704GAMES under this Agreement including, without limitation, the obligation to refund promptly to 704GAMES overpayment amounts in full as set forth in Section 7.7(e) and to pay indemnification amounts that may arise.

8.6 *Sponsor Conflict*. In addition to any rights set forth in Section 4.15 of the Agreement, upon written notice to 704GAMES, NTP may immediately terminate rights to utilize any particular Licensed Right(s) for which NTP's license rights have expired or been terminated by the applicable NTP Licensor or where the Team involved has undergone substantial change, such as if the sponsor withdraws or changes, if the Driver changes teams, if the Race Car number changes or if the color scheme, logo scheme or make of the Race Car changes. For example, if a sponsor of a Team changes, licensing rights with respect to the former sponsor will cease immediately unless otherwise indicated by the Team. Further, upon written notice to 704GAMES, NTP may immediately terminate this Agreement as to any particular applicable Licensed Products, or with respect to certain affected Licensed Rights if any NTP Licensor has a Qualifying Conflicting Sponsor opportunity.

8.7 *Opt-Out Events*. In the event three or more Opt-Out Events occur within any given year during the Term of this Agreement, the parties shall in good faith discuss the ramifications of such Opt-Out Events and the adverse effect, if any, on 704GAMES' rights under this Agreement.

8.8 *JV Agreement and ELeague License Agreement*. In the event of an uncured material breach of the JV Agreement by 704GAMES and/or ELeague License Agreement by the JV or 704GAMES, or if the JV is administratively dissolved, then this Agreement shall be nullified and the terms and conditions of the Original Agreement reinstated to its original form prior to the execution of this Agreement (for example, the differentiation between the Esports competitions and ELeague events shall no longer be delineated and all treated as Esports for purposes of this Agreement).

9. INTELLECTUAL PROPERTY

9.1 *Ownership*. NTP represents and warrants, and 704GAMES acknowledges and agrees, that NTP has the rights and authority to license the Licensed Rights throughout the Term. 704GAMES acknowledges that the manufacture and sale by or for it of the Licensed Products and/or Esports competitions shall not vest in 704GAMES any ownership rights whatsoever in the Licensed Rights and such Licensed Rights, as well as any trademarks, trade names, or service marks or domain names which incorporate such marks, are valid. 704GAMES agrees that its use of the Licensed Rights shall inure to the benefit of its respective owner. 704GAMES shall comply with all practices and governmental regulations in force or customarily used in the United States (or if applicable, the relevant foreign jurisdictions) in order to safeguard the rights of the NTP Licensors to the Licensed Rights, including, without limitation, imprinting where appropriate, irremovably, legibly and permanently on the Licensed Products, packaging, labeling and advertising or promotional material used in connection therewith, notice of trademarks or copyrights, or both, including, but not limited to: (i) the symbol "™" in the upper right-hand corner next to the mark, for marks which are not yet registered with the United States Patent and Trademark Office; (ii) the symbol "®" in the upper right-hand corner next to the mark, for marks which are registered with the United States Patent and Trademark Office; (iii) the symbol "© " and such attribution notice provided by NTP for any copyrights of printed materials; and (iv) an indication that the Licensed Product, whether the Licensed Right is registered or unregistered, is "made under license" from NTP (or its designated NTP Licensor, as applicable) and other identifications as provided by NTP. All packaging must include the URL website address of NASCAR or the applicable NASCAR Team and/or Driver, as reasonably requested by NTP.

9.2 *No Assignment; Acknowledgements.* This Agreement shall not be considered as implying any assignment, either partial or temporary, of trademark or copyright rights of any NTP Licensor. NTP, or its NTP Licensors, shall remain as the sole holders of all rights therein as well as all actions or claims, or both, in connection with said Licensed Rights. 704GAMES acknowledges that (i) the Licensed Rights are unique and original, (ii) NTP, or its NTP Licensors, as applicable, have acquired substantial and valuable goodwill in the Licensed Rights, and (iii) the Licensed Rights have acquired a secondary meaning as trademarks uniquely associated with the merchandise authorized by that NTP Licensor. 704GAMES will at no time use or authorize the use of any trademark, trade name or other designation identical with or confusingly or colorably similar to any of the trademarks or service marks of the NTP Licensors.

9.3 *No Challenge or Objection*. 704GAMES shall not, during the Term or any time thereafter, and in any forum, dispute, challenge, oppose, contest or seek to cancel, nor cause or assist or aid others in disputing or contesting, exclusive right and title to the Licensed Rights of NTP or its NTP Licensors or file any application for a trademark or copyright involving the Licensed Rights.

9.4 *Original Works; Works Made for Hire*. 704GAMES acknowledges that any design, artwork, derivative or compilation that is derivative of the Licensed Rights, and any alterations or embellishments thereto, are derivative works as those terms are used in Section 103 of the United States Copyright Act. Therefore, any rights, including copyrights, that 704GAMES may have in those derivative works do not extend to any portion or aspect of the Licensed Rights or any derivatives thereof, and do not in any way dilute or affect the interests of NTP or its NTP Licensors in the Licensed Rights or any derivatives thereof. 704GAMES hereby represents and warrants that it will or has obtained from any third parties, including employees and commissioned parties or independent contractors, who may contribute to the creation of such copyrightable subject matter (whether as artist, photographer or otherwise), express, written and signed absolute, irrevocable and unconditional written agreements that such contributions and creations which are derivative of the Licensed Rights are deemed to be "work for hire" as contemplated by the United States Copyright Act and owned by the applicable NTP Licensor or an assignment of such works to the applicable NTP Licensor throughout the universe in perpetuity. 704GAMES will not use any such materials contrary to the rights of any NTP Licensor or in any way other than pursuant to the terms of this Agreement, and NTP and NTP Licensors shall not supply any 704GAMES "work-for-hire" artwork to any third parties during the Term of this Agreement, unless otherwise agreed to in writing by 704GAMES. Moreover, 704GAMES agrees that the derivative work will solely be used for the creation, distribution, and promotion of the Licensed Products and Esports competitions and shall not be used for any other purpose without NTP's prior written approval. Notwithstanding the foregoing, all design, artwork, audiovisual and functional elements of the Video Gaming Products and the underlying source code, object code, software tools, routines, algorithms, and game engines included in the Video Gaming Products or used to develop and/or deliver the Video Gaming Products are and shall remain the sole and exclusive property of 704GAMES, excluding the Licensed Rights.

Notwithstanding anything to the contrary contained herein, NTP makes no proprietary claims to any operational assets of the Video Gaming Products, including any programs or codes used in the creation thereof. Furthermore, all engineering data, business plans and information specifications, drawings or any other NTP and/or NTP Licensor furnished property shall remain the exclusive property of NTP and/or NTP Licensor. 704GAMES agrees that such NTP and NTP Licensor property will be used for no purpose other than for creation of the Licensed Products and Esports competitions under this Agreement, and shall be held and maintained by 704GAMES at all times in accordance with the confidentiality provisions of Section 11 of the Agreement. Upon the expiration or early termination of this Agreement, all such property shall be returned to NTP.

9.5 *Further Actions*. In furtherance of the obligations herein, 704GAMES agrees that upon presentment and request by NTP, 704GAMES shall execute promptly all papers, documents and/or letters of assignment necessary and appropriate to assign and convey to the applicable NTP Licensor all copyrights and rights to obtain copyrights in copyrightable subject matter which are derivative works of the Licensed Rights, including artwork, photography, graphics, labeling and packaging.

9.6 *Requisite* Authorizations. 704GAMES shall undertake to secure from the appropriate authorities, at its own cost and expense, all permits, concessions or other documents required by law in connection with the manufacture, packing, shipping, marketing, importing, sale or other use of the Licensed Products, including in connection with Esports competitions.

9.7 *Termination*. Subject to applicable sell-off rights under Section 8.5(b), NTP may terminate rights to utilize any particular Licensed Right for which NTP's license rights have expired or been terminated by the licensor thereof or where the team involved has undergone substantial change, such as if the sponsor withdraws or changes, if the driver changes teams, if the car number changes or if the color scheme, logo scheme or make of the car changes. For example, if an associate sponsor of a Race Team changes, licensing rights with respect to the former associate sponsor will cease immediately unless otherwise indicated by the Team except for Licensed Products previously approved and distributed or currently in production (subject to the sell-off provisions of Section 8.5(b)). NTP may immediately terminate rights to utilize any particular Licensed Right with respect to which 704GAMES commits a material breach of the terms of this Agreement, including without limitation, (i) sales of Licensed Products outside of the Territory, (ii) "dumping" or unauthorized liquidation of Licensed Products, unless approved by NTP, or (iii) failure to abide by the quality control provisions of this Agreement.

9.8 *No Other Marks*. Other than the Licensed Rights and 704GAMES' corporate name and brand (as approved), such third party trademarks or indicia as may be reasonably necessary for the authenticity of the Licensed Products (e.g., marks of NASCAR, applicable contingency sponsors and Goodyear, Microsoft, Sony, NVIDIA) or as otherwise approved by NTP (e.g., special paint schemes), and other markings required by law, no other trademark, service mark, trade name, inscription or designation whatsoever shall be affixed to the Licensed Products or packaging for the Licensed Products or shall appear in any advertising or promotional material placed or produced by 704GAMES, or its agents and representatives, in connection with the Licensed Products or Esports competitions, it being the intention of the parties that (i) the source of origin of the Licensed Products is that of 704GAMES alone and (ii) no third party can directly or indirectly obtain or utilize rights to the Licensed Rights without NTP's consent except as otherwise provided herein.

10. REPRESENTATIONS AND WARRANTIES; COMPLIANCE WITH LAWS

10.1 *General*. 704GAMES and NTP, on behalf of itself and each NTP Licensor, represents and warrants to the other that: (i) it has, and will maintain at all times during this Agreement, all material federal, state and local governmental permits and licenses required in order to conduct its business as contemplated hereunder; (ii) it is duly organized and validly existing under the laws of the state of its organization; and (iii) it has full power and authority to enter into and perform this Agreement and the person or persons executing this Agreement have been duly authorized to do so; (iv) with respect to NTP, that it owns or has the right to sublicense all of the Licensed Rights and has authority sufficient to make the grants of rights defined at Section 4.1 and 4.2 and that it shall provide prompt written notice to 704GAMES of all of NTP's permissible changes to "reserved rights" as soon as reasonably practicable in the good-faith exercise of Commercially Reasonable Efforts as defined in this Agreement; and (v) the execution, delivery and performance of this Agreement shall not conflict with, violate or constitute a default under, any other contracts, agreements or undertakings to which it is a party or by which it is bound. **EXCEPT AS OTHERWISE SET FORTH OR REFERENCED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED. 704GAMES acknowledges that neither NTP nor any NTP Licensor makes any representation, warranty or covenant that (x) 704GAMES will derive income from the Licensed Products or Esports, (y) NTP will purchase any Licensed Products from 704GAMES or (z) NTP will provide any sales program or marketing program that will enable 704GAMES to derive income from the Licensed Products or Esports.**

10.2 *Additional Representations and Warranties of 704GAMES*. 704GAMES further represents and warrants the following:

(a) To the best of 704GAMES' knowledge, all designs and products submitted for approval for Licensed Products and Esports are not subject to any valid patent, copyright, trademark or other proprietary rights of any non-consenting third party;

(b) The Licensed Products and their manufacture by 704GAMES' publishers, sub-contractors (i.e., developers), and/or Manufacturers, and 704GAMES' activities to promote, market, advertise, sell and distribute the Licensed Products and Esports, will conform at all times to all applicable federal, state and local laws, rules, regulations, ordinances and other enactments and industry standards, including, but not limited to, those relating to product safety and child labor laws. In particular, 704GAMES certifies that all Licensed Products will meet all applicable standards, if any, of the Consumer Product Safety Commission (CPSC), American Society for Testing and Materials (ASTM), Toy Manufacturers of America Safety Standards, the Consumer Products Safety Act, the Child Protection and Safety Act, the flammability standards contained in 16 CFR 1610, the lead content standards contained in 16 CFR 1303, the children/juvenile sleepwear standards contained in 17 CFR 1615 and 1616, the dimensional stability and color fastness standards as defined by the American Association of Textiles and Clothing Coalition, the Federal Trade Commission, and Underwriter Laboratories specifications and requirements.

(c) Neither 704GAMES nor any of its Manufacturers are engaged in any unfair labor, wage or benefits practice or practices violative of applicable laws or regulations or involving unsanitary, unhealthy and/or unsafe labor conditions, the employment of child, forced, indentured, involuntary, prison or uncompensated labor, the use of corporal punishment, discrimination based on race, gender, national origin or religious beliefs, or similar employment activities or conditions. For purposes of this Agreement, "child labor" shall mean the use of children who are less than the age of compulsory schooling in the country of manufacture and, in any case, shall not be less than 16 years.

(d) The Licensed Products will be merchantable and fit for the purpose for which they are intended and will not be defective. The Licensed Products and Esports will be of a standard of quality at least as high as that of the builds made available for NTP's inspection and approval so as to be suited to their exploitation and to the protection and enhancement of the Licensed Rights and goodwill pertaining thereto. The Licensed Products will be manufactured in accordance with 704GAMES' manufacturing specifications, protocol, safety, and quality control standards ("Manufacturing and Product Specifications"). If requested, 704GAMES will submit its Manufacturing and Product Specifications to NTP and the same will be subject to NTP's written approval, and once approved will be deemed to be a part of this Agreement. 704GAMES shall provide, upon request by NTP, a quality assurance plan which is used to ensure the continuing acceptable quality of the Licensed Products. The plan will include a description of the quality controls observed in the Licensed Products' manufacture, and the procedures followed to audit and verify continued quality and conformance to specifications of the Licensed Products.

(e) Neither 704GAMES nor any of its Manufacturers are engaged in any activity which is in violation of U.S. Customs laws or regulations or, to the best of 704GAMES' knowledge, international agreements or foreign laws governing the international sale of goods, including, but not limited to, false documentation, counterfeit visas or illegal transshipments to evade quota restraints negotiated between the country of export and the U.S.

(f) To the extent NTP reasonably determines any of 704GAMES' Manufacturers has caused 704GAMES to breach any of the foregoing representations, if curable under this Agreement, 704GAMES may cure the breach by terminating the relationship with such Manufacturer and taking all other related actions reasonably necessary to cure such breach (whether it be payment of governmental fines, recalls, curative ads and correspondence or other reasonably appropriate actions requested by NTP and/or NTP Licensors).

10.3 *Internal Compliance*. To assist NTP in assuring compliance with this Agreement, 704GAMES agrees to: (i) require all of its officers and employees who will be responsible for or involved with the implementation of procedures designed to ensure compliance with this Agreement to review and familiarize themselves with this compliance provision; (ii) provide NTP and NTP Licensors with access to its facilities, on no less than three (3) business days' notice, to conduct inspections; and (iii) upon reasonable request, provide NTP with proof of compliance by 704GAMES with applicable labor laws and regulations, including, without limitation, proof that all employees meet minimum legal working age and pay requirements and the right to interview such employees regarding the same.

11. CONFIDENTIALITY.

Each party hereto agrees to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all non-public Confidential Information received by such party in connection with this Agreement and agrees and undertakes that it shall not disclose to any third party (including without limitation any fan or member clubs, other licensees, sanctioning bodies, trade associations, industry groups, publications or other persons or entities) or use any such information for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement, without the express prior written consent of the disclosing party. For purposes of this Agreement, "Confidential Information" shall mean information, documents and other tangible things, provided by either party to the other, in whatever form, whether alone or in its compiled form and whether marked as confidential or not, relating to the party's business and marketing, including without limitation, the party's financial information, personal information, customer lists, product plans and marketing plans, the terms and conditions of this Agreement, any materials provided pursuant to or in accordance with this Agreement, and any financial information regarding NTP licensing (including without limitation, royalty rates, royalties, minimums, guarantees, distribution channels, volume of sales, breakdown of sales by product or SKU or other such information). Any party may disclose Confidential Information required to be disclosed (i) pursuant to subpoena or other court process; provided that the party required to make such disclosure gives the other party written notice of the information to be disclosed as far in advance of its disclosure as is practicable and uses its reasonable good faith Commercially Reasonable Efforts to obtain assurance that such information will be accorded confidential treatment, (ii) when required to do so in accordance with the provisions of any applicable law or regulations, including the regulations of any national securities exchange or trading market on which the securities of such party or its Affiliate Companies are traded, to such persons to whom such disclosure is so required, (iii) at the express direction of any agency of any State of the United States of America or of any other jurisdiction in which such party conducts its business, to such agency, (iv) to such person's independent auditors and other professional advisors that have a reasonable need or basis for access thereto; provided they agree to maintain confidentiality, (v) subject to continued confidentiality, and only on a "need to know" basis and to the extent reasonably necessary, to such party's parent companies or equity owners, and in the case of NTP and the NTP Licensors, to their sponsors and Drivers, (v) to the extent that such information is already known to the recipient or otherwise in the public domain, and (vi) in order to protect or enforce their rights hereunder. The foregoing confidentiality provision shall survive the termination or expiration of this Agreement.

12. CUSTOMS

If Licensed Products are imported into or exported (if permitted) from the United States into countries within the Territory, then 704GAMES shall provide, as necessary, all appropriate documents to customs officials which are necessary to prove that NTP has authorized 704GAMES to import and/or export, the Licensed Products, bear all costs and expenses in dealing with customs officials, and reimburse NTP for any expenses which it may incur when 704GAMES' failure to provide the necessary custom documents necessitates NTP's involvement to avoid the detention, seizure and/or forfeiture of the Licensed Products or to procure their release. NTP agrees to cooperate with, and to provide reasonable assistance to, 704GAMES and its Manufacturers, at 704GAMES' expense, in connection with the lawful import of Licensed Products in to the United States. At no cost to 704GAMES, NTP shall provide to 704GAMES upon request letters acknowledging the right of 704GAMES to import through U.S. Customs and Border Protection the Licensed Products bearing the Licensed Rights.

13. INDEMNIFICATION AND INSURANCE

13.1 *Indemnification by 704GAMES.* Except as provided at Section 13.2, 704GAMES shall be solely responsible for all liability arising out of the manufacturing and import of the Licensed Products and 704GAMES' advertising, promotion, distribution and sale of the Licensed Products and Esports. 704GAMES agrees to indemnify, defend, release and hold harmless NTP and its NTP Licensors, sponsors and drivers and their respective officers, directors, employees and agents as well as any affiliates or subsidiaries of the foregoing (the "NTP Indemnified Parties") from any and all claims, losses, suits, demands, liability, cause of action, injury or damages (including, but not limited to, attorneys' fees, expert witness fees, costs and expenses, fines, penalties or sanctions) of any kind or nature whatsoever, including death, whether such claim be for breach of warranty, product liability, or for any other alleged claim, and whether such claim be based in negligence, strict liability, or under any other theory, against any NTP Indemnified Party to the extent arising out of: (i) the Licensed Products and Esports competitions (other than related to proper uses of the Licensed Rights authorized under this Agreement), (ii) the actions or inactions of 704GAMES, its Manufacturers or Subcontractors or their respective employees, agents or representatives in accordance with this Agreement (except to the extent such actions or inactions are expressly authorized by and in accordance with this Agreement), (iii) any claims of unauthorized use of or infringement of any trademark, service mark, copyright, patent, process, method or device or other proprietary right by 704GAMES in connection with the designs of or otherwise related to the Licensed Products and Esports competitions (excluding the use of the Licensed Rights expressly permitted hereunder), (iv) false advertising, fraud, misrepresentation related to the Licensed Products, Esports or use by 704GAMES of the Licensed Rights, (v) unauthorized use of the Licensed Rights by 704GAMES, (vi) 704GAMES' non-compliance with any applicable laws or rules or regulations; (vii) breach by 704GAMES of its representations or warranties provided under this Agreement; or (viii) libel or slander against, or invasion of rights of privacy or publicity of, any third party by or on behalf of 704GAMES (other than related to proper uses of the Licensed Rights authorized under this Agreement). 704GAMES, as indemnification provider, will indemnify and hold the NTP Indemnified Parties harmless against all cost and expense incurred, including settlements, judgments and reasonable attorneys' fees in the defense of any claim that arises as a result of the use by 704GAMES or its agents of the Licensed Rights outside of the Territory. The indemnification hereunder shall survive the expiration or termination of this Agreement. Notwithstanding the foregoing, 704GAMES shall have no indemnification obligation with respect to the NTP Products, provided that 704GAMES shall remain responsible for its acts and omissions with respect to exercising its rights hereunder relating to such NTP Products. 704GAMES will assume on behalf of the NTP Indemnified Parties the defense of any action at law or suit in equity or any other proceeding which may be brought against any NTP Indemnified Party upon such indemnified claim by an unrelated third party. This indemnity shall continue in force notwithstanding the termination or expiration of this Agreement. 704GAMES shall be responsible for any damages that any NTP Indemnified Party may suffer as a result of any manufacture of Licensed Products by any Manufacturer/Subcontractor engaged by or on behalf of 704GAMES. NTP agrees to use good faith Commercially Reasonable Efforts to cooperate and consult, and to cause any applicable NTP Indemnified Party to cooperate and consult, with 704GAMES (at 704GAMES' expense) with respect to any third- party indemnity claim contemplated by this Section 13.1.

13.2 *Indemnification by NTP.* NTP agrees to defend, indemnify, release and hold harmless 704GAMES, its Affiliated Companies and their officers, directors, employees and agents (the "704GAMES Indemnified Parties") from any and all claims, losses, suits, demands, liability, cause of action, injury or damages (including, but not limited to, attorney's fees, expert witness fees, costs and expenses) against any 704GAMES Indemnified Party to the extent arising out of a breach by NTP of its representations or warranties provided under this Agreement or any claim by a third party that Licensee's exercise of the Licensed Rights as authorized and approved pursuant to this Agreement shall have infringed intellectual property rights of any third party in the United States. In the event a third party should file within the United States any claim against 704GAMES for copyright or trademark infringement or unauthorized use of any element(s) of the Licensed Rights, solely on account of 704GAMES' proper and authorized use of the Licensed Rights in the United States in full and complete accordance with the terms hereof, 704GAMES shall promptly notify NTP of such claim, then NTP (and/or the appropriate NTP Licensors as the case may be) shall undertake defense of such claim through counsel of its choosing in NTP's sole discretion and at its, or, at NTP's (and/or the appropriate NTP Licensors or such entity's licensors') expense as to the Licensed Property, and shall take whatever steps NTP deems necessary or appropriate to defend or settle and finally dispose of such claim, provided that no such settlement shall diminish or abridge any right of 704GAMES under this Agreement without the prior written consent of 704GAMES, not to be unreasonably withheld, and shall hold 704GAMES harmless from all costs, expenses and losses arising out of such claims and the disposition thereof. NTP and/or the appropriate NTP Licensors have received indemnification from their respective licensors and reserve the right to seek recourse against such third-party licensors for any claim involving such licensors' marks; provided, however, that such recourse shall have no bearing upon the obligation of NTP under this provision, which obligation shall not be conditional upon or affected by the existence or non- existence of any obligation between NTP and any other party or entity. If the claim is disposed of by agreed or court-imposed suspension of distribution of Licensed Products, 704GAMES, upon notice from NTP, shall suspend its distribution of the affected Licensed Products, subject to the foregoing provisions. This indemnity shall continue in force notwithstanding the termination or expiration of this Agreement. 704GAMES agrees to use good faith Commercially Reasonable Efforts to cooperate and consult, and to cause any applicable 704GAMES Indemnified Party to cooperate and consult, with NTP (at NTP's expense) with respect to any third-party indemnity claim contemplated by this Section 13.2.

13.3 *Insurance*. Upon execution of this Agreement, 704GAMES shall obtain from an insurer with an A.M. Best Company rating of A.VIII or higher that is satisfactory to NTP, at 704GAMES' own expense, and maintain in full force and effect throughout the Term and during any subsequent period when the Licensed Products, Esports competitions or NTP Products are in distribution by 704GAMES and for a one-year period thereafter, products and contractual liability, completed operations, advertiser's and comprehensive liability insurance policies on an occurrence basis with respect to the Licensed Products and Esports competitions and shall name the NTP Indemnified Parties as additional insureds therein. Such insurance shall be primary and not contributory to any other applicable insurance maintained by the additional insureds and shall provide the NTP Indemnified Parties protection against all aforementioned claims, damages, etc. arising from Section 13.1 above. The amount of coverage of each policy should be a minimum of Five Million Dollars ($5,000,000) combined single limit, and a per annum aggregate limitation of not less than Five Million Dollars ($5,000,000). Each policy shall provide for thirty (30) days' notice to NTP from the insurer by registered or certified mail, return receipt requested, in the event of any modification, cancellation or termination. 704GAMES agrees to furnish NTP a Certificate of Insurance evidencing same upon full execution of this Agreement. The amount of insurance required hereunder is only intended as a minimum and not intended to limit the applicability of 704GAMES' insurance with respect to insurable matters hereunder.

14. LIMITATION OF LIABILITY

Neither NTP, the NTP Licensors nor any of their respective affiliates, licensors, or sponsors, nor their respective directors, officers, employees, principals, partners, agents, successors or assigns, or anyone acting by or with their authority or on their behalf, nor 704GAMES or such related entities shall be liable to the other or any of its affiliates, subsidiaries, or successors or their respective directors, officers, employees, principals, partners, agents, successors or assigns, or anyone acting by or with their authority or on their behalf for any **CONSEQUENTIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES** as a result of a breach or a claimed breach of this Agreement.

15. MISCELLANEOUS

15.1 *Notices*. Except as otherwise set forth herein, all notices or submissions to be made or delivered by either party will be sent by U.S. first class mail, postage prepaid, overnight delivery service, or by facsimile or personally delivered to the appropriate party at its respective address set forth below:

FOR NTP:

For Notices Purposes:	NASCAR Team Properties 550 South Caldwell Street, 2000 Charlotte, NC 28202 Attn: NTP Administrator Fax: 704-348-9696 Phone: 704-348-9600
with copy to:	NASCAR Team Properties 550 South Caldwell Street, 2000 Charlotte, NC 28202 Attn: Counsel Fax: 704-348-9696 Phone: 704-348-9600
For Payment of Royalties:	Attn: NTP Accounting Company Name: NASCAR, Inc. Street Address: One Daytona Blvd. City, Stat, Zip: Daytona Beach, Florida 33314 Phone: 386-253-0661 Fax: 386-681-6884
For Delivery of Product:	Attn: NTP Administrator Company Name: NASCAR, Inc. Street Address: 550 S. Caldwell Street City, State Zip: Charlotte, North Carolina 28202 Phone: 704-348-9600 Fax: 704-348-9696
*For 704GAMES**:***	704Games Company 301 Camp Road Suite 104 Charlotte, NC 28206 Attn: Ed Martin

or to other such address as the person to whom notice is to be given may have previously furnished to the other in writing in the manner set forth herein, provided that notice of a change of address shall be deemed given only upon receipt. Delivery is deemed to have occurred upon receipt or first properly attempted delivery.

15.2 *Modification*. None of the terms of this Agreement may be waived or modified except as expressly agreed to in writing by all 704GAMES and NTP.

15.3 *Waiver*. Any party's failure to enforce, or delay in enforcing, any of its rights under this Agreement shall not be deemed a waiver of any of those rights or any other rights under this Agreement.

15.4 *Severability*. The determination that any part of this Agreement is declared void or of no effect shall not invalidate this Agreement, and either 704GAMES or NTP, at its option, may submit alternative provisions to be agreed upon by both parties.

15.5 *Relationship of the Parties*. The relationship between the parties hereto is solely that of independent contractors, and nothing herein shall be deemed or construed to create any franchise, joint venture, partnership or any other relationship. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between them, nor to constitute one party an agent, legal representative, subsidiary, franchise, joint venture, partner, employee or servant of another party for any purpose whatsoever. It is understood and agreed that each party is an independent contractor of the other and is in no way authorized to make any contract, warranty or representation or to create any obligation on behalf of the other party.

15.6 *Intended Third Party Beneficiaries*. The parties acknowledge and agree that the NTP Licensors are direct and intended third party beneficiaries under this Agreement and, as such, are each entitled to all rights and protections afforded to NTP hereunder solely with respect to their own Licensed Rights and may independently enforce the obligations of 704GAMES hereunder pertaining solely to the permitted uses of their respective Licensed Rights and matters related to insurance and indemnity as against 704GAMES or any entity acting by, through or on behalf of 704GAMES.

15.7 *Obligation to use Licensed Rights*. During the Term, 704GAMES shall not manufacture, sell, or distribute any products with a stock car or stock truck racing theme that do not include the Licensed Rights as contemplated herein without NTP's prior written approval.

15.8 *MENCS Track Rights.* 704GAMES agrees to make Commercially Reasonable Efforts in securing and maintain the rights to all MENCS race tracks, subject to separate third-party agreement, during the Term for inclusion in Licensed Products and Esports competitions.

15.9 *INTENTIONALLY OMITTED*.

15.10 *Animations*. At no cost to NTP or NASCAR, 704GAMES agrees to create a reasonable number of track and car animations as goodwill to support NASCAR Competition ("Competition Animations"). Such Competition Animations will be used: (i) as needed in conjunction with MONSTER ENERGY NASCAR Cup Series Drivers Meetings in the sole discretion of NASCAR Competition; and (ii) for other relevant purposes as determined by NASCAR. 704GAMES agrees and understands that under no circumstances shall any division of NASCAR and/or NTP or any of its members be obligated to use the Competition Animations described herein for any purposes. 704GAMES will have the right to include Competition Animations in Licensed Products subject to the overall approval process set forth in the Agreement. Furthermore, NASCAR will use good faith efforts to provide a credit or acknowledgment of 704GAMES when such Competition Animations are utilized.

15.11 *Credentials.* NTP shall procure, through NASCAR, six (6) annual MENCS "hard cards" for use by 704GAMES, as well as a minimum of six (6) Single Event License (SEL) credentials for use by 704GAMES for each MENCS event, annually during the 2015 through 2018 years of the Term of this Agreement. Commencing in 2019 and for each year thereafter, NTP shall procure, through NASCAR, eight (8) annual MENCS hard cards, as well as a maximum of two (2) media credentials for up to five (5) MENCS events annually, for use by 704GAMES. Hard cards, media credentials and SELs are non- transferable and should be used for working purposes only and not for any consumer applications. Credential holders must comply with NASCAR's standard rules and regulations such as age, dress, waiver and releases, etc. Notwithstanding the foregoing, NASCAR, in its sole discretion, may decide to limit or eliminate access to the garage area on an industry-wide basis for safety reasons. In the event NASCAR decides to limit or eliminate access to the garage area, as set forth above, NTP reserves the right to reduce or eliminate any hard cards, media credentials or SELs

15.12 *Prevailing Parties.* In the event of any breach or threatened breach of this Agreement by either party or infringement of any rights of NTP and/or NTP Licensors, if either party employs attorneys or incurs other expenses, the non-prevailing party shall reimburse the prevailing party for its reasonable attorney's fees and other expenses.

15.13 *Governing Laws.* This Agreement and the terms and provisions of this Agreement shall be interpreted and construed in accordance with, governed by, and enforced in accordance with the laws of the State of North Carolina without regard to principles of conflicts of law. Any litigation, action, or proceeding arising out of or relating to this Agreement shall be instituted only in the state or federal courts in the state of North Carolina, Mecklenburg County. 704GAMES, NTP and the NTP Licensors each hereby waive any objection which it might have now or hereafter to the venue of any such litigation, action or proceeding, submits to the jurisdiction of any such court and, waives any claim or defense of inconvenient forum. 704GAMES, NTP and the NTP Licensors each consent to service of process by certified or registered mail, return receipt requested, at their respective address and expressly waives the benefit of any contrary provision of law.

15.14 *Assignment*.

(a) 704GAMES shall not assign, sublicense or subcontract its rights or delegate its obligations under this Agreement, directly or indirectly, in whole or in part (whether by operation of law, in bankruptcy or otherwise) without the prior written consent of NTP. Any assignment or attempted assignment pursuant to the change of control of 704GAMES or merger or the sale of the stock, assets or business of 704GAMES or sale of a product line or division that includes rights to any of the Licensed Products and/or Esports shall not be effective without the prior written consent of NTP. Any assignment in violation of this Section 15.14 shall be null and void.

(b) 704GAMES understands and acknowledges that NTP has relied on 704GAMES' particular skill and knowledge and unique abilities with respect to the Licensed Products and Esports competitions. In an insolvency proceeding, this Agreement shall be considered as an executory contract that may not be assumed or assigned without the prior written consent of NTP and that terminates pursuant to Section 365(3)2 of the Bankruptcy Code. The parties acknowledge that any delay by 704GAMES or any trustee to comply with all terms hereof will materially harm NTP and its NTP Licensors and interfere with NTP's and its NTP Licensors' ability to exploit the Licensed Rights.

(c) Upon written notice to 704GAMES, NTP may freely assign this Agreement to any successor in interest or acquirer of NTP, including without limitation, collaterally assign its financial benefits hereunder; provided that the assignee of such interest shall acquire all tangible and intangible assets of NTP with respect to this Agreement and Video Game and Digital Series and be required to assume in writing all obligations undertaken by NTP in this Agreement.

15.15 *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

15.16 *Survival*. Except as otherwise provided in this Agreement and without limiting the terms provided under Section 8.5(c), the terms, provisions, covenants, representations, warranties and indemnities contained in this Agreement which by their nature, sense and context survive or are expressly intended to survive the expiration or termination of this Agreement will so survive and continue in full force and effect until they are satisfied or by their nature expire.

15.17 *Affiliates and Subsidiaries.* This Agreement is entered into solely between, and may be enforced only by, 704GAMES, NTP and each NTP Licensor, and this Agreement does not create any rights in third parties, including suppliers, customers or subcontractors of a party, or to create any obligations of a party to any such third parties. With respect to any rights or privileges available or reserved to a NTP Licensor under this Agreement, the term NTP Licensor shall include any of its current or future Affiliated Companies; provided, however that NTP and each NTP Licensor shall be responsible for the compliance by its current and future (after such time it becomes an Affiliate) Affiliated Companies with the terms and conditions of this Agreement, and 704GAMES acknowledges and agrees that any claim or action it may have under this Agreement, whether arising from the acts or omissions of a NTP Licensor or any of its current or future (after such time it becomes an Affiliate) Affiliated Companies, shall be brought only against NTP and such NTP Licensor.

15.18 *Acknowledgment of Series Trust.* 704GAMES acknowledges that: (i) NTP is a "series" trust within the meaning of Sections 3804 and 3806(b)(2) of the Delaware Statutory Trust Act; and (ii) the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to NTP hereunder shall be enforceable against the assets of NTP which have been allocated to "Video Game and Digital Series" thereof and not the assets of the Trust generally or any other series of the Trust.

15.19 *Entire Agreement.* This Agreement and all exhibits referenced herein or attached hereto set forth the entire Agreement between the parties and supersedes all prior agreements, representations, oral statements, and understandings, including, but not limited to, the Original Agreement and the amended and restated binding term sheet fully executed on July 24, 2018, as further contemplated in Section 4.16 of this Agreement. There are no unwritten oral agreements, promises, representations, agreements or understandings between the parties other than those contained herein. Each party hereto, including the NTP Licensors, is a sophisticated business entity experienced in licensing activity and has had the opportunity to negotiate the Agreement and to be represented by legal counsel in connection therewith so no legal or other presumptions against the drafting party of the Agreement concerning its construction, interpretation or otherwise shall accrue to the benefit of any party to this Agreement.

15.20 *Promotional and Social Media Support*. NTP, through NASCAR, will use Commercially Reasonable Efforts to support 704GAMES' Esports competitions through the NASCAR-branded digital and social media channels. Each NTP Licensor shall use good faith efforts to provide promotional support of 704GAMES' Esports initiatives where feasible. Additionally, NTP acknowledges that 704GAMES will have the right to work directly with partners, stakeholders, licensors and other participants across the sport to maximize industry-wide support and promotional opportunities for 704GAMES' respective products, initiatives, marketing, activations, Esports competitions and business activities. NTP will use Commercially Reasonable Efforts to assist 704GAMES (as requested by 704GAMES from time to time) in the introduction of 704GAMES and 704GAMES' Licensed Products to internal and external partners.

15.21 *NASCAR Digital Media Marketing Program*. Commencing in 2019 and for each year thereafter, NTP shall procure, through NASCAR Digital Media, LLC ("NDM"), one (1) homepage content (editorial or video) feature and inclusion in one email newsletter and one mobile alert to all subscribers.

Additionally, commencing in 2018, 704GAMES shall receive an additional two (2) annual database marketing campaigns in addition to the one (1) annual database marketing campaign already received through the Original Agreement, for a total of three (3) annual database marketing campaigns; commensurately, 704GAMES agrees to execute two (2) annual campaigns targeting 704GAMES' database in support of a designated NTP initiative(s). The parties acknowledge and agree that for 2018, 704GAMES has already received one (1) database marketing campaign.

Notwithstanding the foregoing, 704GAMES acknowledges and agrees that NDM may require the execution of a separate agreement between 704GAMES and NDM prior to the delivery of such foregoing assets.

Furthermore, in the event NDM creates a microsite on NASCAR.com dedicated to gaming and esports, which is currently being contemplated, NASCAR will use good faith efforts to include 704GAMES' relevant content in this section.

15.22 *Effect of Agreement*. As of the Effective Date, this Agreement amends, restates and supersedes the Original Agreement and all rights and obligations of the parties arising after the Effective Date hereof shall be governed by this Agreement, as amended and restated herein.

//Signatures on the following page//

IN WITNESS WHEREOF, this Agreement has been executed by an authorized representative of each party as of the Effective Date.

LICENSOR:		**LICENSEE:**	
NASCAR TEAM PROPERTIES SOLELY FOR AND WITH RESPECT TO ITS VIDEO GAME DIGITAL SERIES		**704GAMES COMPANY**	
By:	*/s/ Paul Sparrow*	By:	*/s/ Colin Smith*
Print Name:	Paul Sparrow	Print Name:	Colin Smith
Title:	Trustee	Title:	President
Date:	05 Jun 19	Date:	6.3.19

EXHIBIT A

DEFINED TERMS

"**704GAMES Indemnified Parties**" has the meaning provided in Section 13.2 of this Agreement.

"Affiliate Company" means any subsidiary, parent, or entity affiliated with, controlling or under common control with, any party to this Agreement (including the NTP Licensors), and any Related Person of any of the foregoing. "Related Person" means any officer, director, employee, agent, or shareholder of any party to this Agreement (including the NTP Licensors) or their respective Related Companies, who owns all or a portion of its stock, bonds, debentures, or assets or who is a partner, joint venturer or shares in the ownership or distribution of its cash flow, revenue, profits or assets.

"**Authorized NTP Licensee**" means any Person who has, and for so long as such Person has, a then-current right from NTP and/or an NTP Licensor to use certain Licensed Rights of NTP and/or such NTP Licensor to make, or have made, distribute and sell products and merchandise bearing such Licensed Rights.

"**Category 1 Platforms**" means Sony PlayStation; PSP Vita; Microsoft Xbox; Nintendo Wii; Wii U; 3DS; PC Products (namely, general purpose computing devices utilizing Microsoft Windows as the operating system that are designed to run a variety of applications, including but not limited to games; and which expressly exclude dedicated gaming hardware such as Microsoft Xbox and mobile or tablet devices which may run on Windows OS); and successor platforms, operating systems and online versions to all of the foregoing.

"**Category 2 Platforms**" means Apple OS X; Mobile and Tablet Platforms, namely, Apple iOS (including derivatives such as AppleTV OS), Android, Blackberry OS, Microsoft Windows; Smart TVs; and successor platforms, operating systems and online versions to all of the foregoing.

"Commercially Reasonable Efforts" means reasonable and good-faith efforts to accomplish the objectives that are consistent with the general practices of the respective parties under such applicable circumstances in order to achieve the desired result(s) in a reasonable, efficient and cost-effective manner within the applicable time period, but not requiring a party to: (A) take any actions that would result in a materially adverse change in the benefits to such party to this Agreement or the transactions contemplated hereby; (B) take any actions that would be commercially unreasonable under the circumstances or require the promising party to take any actions that would, individually or in the aggregate, cause the promising party to pay additional consideration (or forego consideration) outside the ordinary course of business unless additional consideration is expressly contemplated by the terms of this Agreement; (C) take any action that would violate any law, order, rule or regulation to which the promising party is subject; or (D) initiate litigation or arbitration.

"Distribution Channels" has the meaning provided in Section 4.11(a) of this Agreement.

"**Driver(s)**" means any current or historical driver of a race car for a Race Team, together with any replacement or substitute drivers, which the Race Team has licensed hereunder and set forth on Exhibit B.

"ELeague" shall mean the Stock Car and/or Truck Racing Theme, mass market, Esports multiplayer competition video gaming league based on the NASCAR Heat video game series currently called the "ENASCAR Heat Pro League."

"Esports" shall mean a form of multiplayer competition using video games, primarily between competitive gamers that: (i) is organized with structured rules; (ii) has a regular, systematic approach to prizing; (iii) has defined players, teams, leagues or tiered competition structure; (iv) has a defined schedule of events; and (v) includes the ability to perform in front of a live audience, whether through an online platform, broadcasted on television, or at a physical event. For purposes of clarification, Esports, as defined in this Agreement, shall not include the ELeague.

"Exclusive Video Gaming Products" means Simulation Style Video Gaming Products.

"Free-to-Play Model Games" means video games that are available to consumers to download for free and can be played without a subscription or a credit card, but which allows for the purchase of items and content in-game to customize gameplay.

"**Gross Advertising Revenue**" means gross receipts from all advertising and sponsorship associated with Esports competitions and in-game within the Licensed Products, including, but not limited to, static and dynamic ads, fictitious car sponsors, product placement, etc., but not including any rights acquired by Licensee which represent actual team/driver/track sponsors as represented on simulated NASCAR tracks, cars and/or uniforms.

" **Licensed Products"** means Video Gaming Products which bear the Licensed Rights pursuant to the terms herein.

"**Licensed Rights**" means all available intellectual property of Video Game and Digital Series, which shall include, without limitation, all relevant copyrights, trademarks, trade dress, logos, names, likenesses, signatures, artwork, primary and special paint schemes, vehicle designs, visual representations, helmets, uniforms, photographs and accessories and all other paraphernalia associated therewith, as provided or permitted by NTP Licensors(e.g., NASCAR and/or NASCAR Teams) and each of their sponsors. This definition shall be amended during the Term (either by way of addition to or removal from the then-current rights grant to NTP's Video Game and Digital Series) by agreement of the parties except as imposed upon NTP by NTP Licensors. For additional clarity, the Licensed Rights shall include the NASCAR bar logo, NASCAR word mark, and NASCAR Heat logo and word mark used as a primary brand of the Licensed Product (e.g., "NASCAR Heat," "NASCAR Heat Mobile," and "NASCAR Heat 2"), and the tagline, "Officially Licensed by NASCAR."

"**Manufacturer**" means any person or entity with whom, pursuant to the written authorization of NTP in accordance with this Agreement, 704GAMES contracts for the production of Licensed Products or the application of the Licensed Rights thereto.

"**Manufacturing Territory**" means worldwide.

"**NASCAR**" means the National Association for Stock Car Auto Racing.

"**NASCAR National Series**" means any one of the following three (3) national racing series sanctioned by NASCAR, existing as of the Effective Date, currently the MONSTER ENERGY NASCAR Cup Series f/k/a NASCAR SPRINT Cup Series, NASCAR XFINITY Series formerly known as NASCAR NATIONWIDE Series, and NASCAR CAMPING WORLD Truck Series (commencing in 2019, to be renamed the NASCAR GANDER OUTDOOR Truck Series).

"NASCAR Specific" means that which contains only NASCAR trademarks and does not include any Team and/or Driver specific intellectual property.

"**Net Sales**" means the bona fide total gross U.S. dollars invoice amount billed to purchasers or for payments received, whichever is greater for Licensed Products, including the royalty amount, less royalty payments payable on such revenues to platform owners (e.g., Sony, Nintendo, Microsoft, etc.), less Licensed Product duplication costs, less sales tax to the extent actually included in the invoice amount, actual trade discounts and allowance in the ordinary course and permitted actual returns and/or actual allowance in lieu of returns in the ordinary course of 704GAMES' business as supported by credit memoranda issued to customers. No deductions shall be made for direct or indirect costs incurred in manufacturing, selling, marketing and/or advertising (including cooperative and promotional allowances) or distributing the Licensed Product, nor shall any deduction be made for uncollectible accounts, cash discounts, similar allowances or any other amounts. 704GAMES shall be solely responsible for any and all taxes, customs, duties, levies, import or other charges on the Licensed Products. Net Sales resulting from sales made to any direct or indirect Affiliate Company of Licensee shall be computed based on the regular selling prices in the industry. If such Affiliate Company is a reseller in the industry, for the purpose of determining Net Sales, the sales price shall be the higher of the sales price charged to such Affiliate Company or the price charged in the industry by such Affiliate Company.

"**Net Subscription Revenue**" means the bona fide total gross U.S. dollars amount for payments received from consumers/customers for a subscription model and service associated with each consumer's/customer's participation in the Esports competitions, *less* sales tax to the extent actually included in the invoice amount, less refunds associated with subscription cancellations as supported by credit memoranda issued to consumers/customers, and less royalty payments or any other amounts payable on such revenues to the owners or operators of the Category 1 Platforms or Category 2 Platforms (e.g., Sony, Nintendo, Microsoft, Apple, etc.). It's agreed and understood that 704GAMES may in the future distribute Esports competitions through additional operators outside the scope of Category 1 Platforms and Category 2 Platforms and to the extent that those operators require royalty payments or other compensation for the express purpose of distributing such Esports competitions, those amounts may also be deducted from Net Subscription Revenue. No deductions shall be made for direct or indirect costs incurred in manufacturing, selling, marketing and/or advertising (including cooperative and promotional allowances) or distributing the Esports competitions, nor shall any deduction be made for uncollectible accounts, cash discounts, similar allowances or any other amounts. 704GAMES shall be solely responsible for any and all taxes, customs, duties, levies, import or other charges on the Esports competitions.

"**NTP Indemnified Parties**" has the meaning provided in Section 13.1 of this Agreement.

"NTP Licensors" means NASCAR, the Teams, Drivers and any other Persons that have licensed or otherwise permitted, or during the Term of the Agreement will license or otherwise permit, NTP to grant their Licensed Rights solely as it relates to the specific rights granted to 704GAMES herein, including without limitation those Persons identified on Exhibit B, subject to the "Scope of Drivers" as defined herein.

"NTP Products" means all products manufactured, distributed or sold by NTP or by any entity authorized or permitted by NTP to do so, except for the Licensed Products of 704GAMES.

"OEM Bundles" means the practices in which Licensee and a third party combine the Licensed Products with one or more products which are not Licensed Products, such as game controllers, game consoles or interactive software products, and sells such combination products for one combined purchase price or in connection with a joint purchase offer.

"Opt-Out Event" means if and when any NTP Licensor terminates NTP's rights to such NTP Licensor's respective Licensed Rights licensed to 704GAMES pursuant to this Agreement or otherwise terminates its involvement in, withdraws from, or does not participate in NTP's licensing programs for Video Gaming Products, in each case, in whole for any reason, including without limitation, any conflict with the product or service categories of any Qualifying Conflicting Sponsor or other partner or sponsors of such NTP Licensor, provided, however, that termination or other withdrawal from NTP or its licensing programs due to death, disability or retirement, whether temporary or permanent, of any Driver shall not be deemed to be an Opt-Out Event to the extent that 704GAMES effectively retains the Licensed Rights of such Driver with respect to Video Gaming Products.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other legal entity.

"Premium" means any product sold or given away for the purposes of increasing the sale, promoting or publicizing any other product, service or establishment, including, but not limited to incentives for sales force, internal corporate sales, trade or consumer promotions, self-liquidating offers and sales of licensed products through distribution schemes involving earned discounts or "bonus" points based on consumers' use of offered products or services.

"Primary Sponsor" means a sponsor customarily referred to as a "primary sponsor" and which is most prominently featured on a Team race car or race truck, team truck and transporter, pit equipment, driver and crew uniforms in any NASCAR National Series race(s).

"Qualifying Conflicting Sponsor" shall mean a sponsor (or potential sponsor) of any NTP Licensor that creates a bona fide, good faith conflict that causes such NTP Licensor to be unable to grant its rights to 704GAMES hereunder; provided, that in such event, the NTP will use Commercially Reasonable Efforts to work with such sponsor to attempt to work around such conflict or make such other efforts to attempt to resolve such conflict and permit 704GAMES to make use of the pertinent indicia as a Licensed Right.

"**Race Car**" means any current NASCAR race car or truck operated by a Race Team.

"**Race Team**" means any current race team operated by a Team identified on Exhibit B attached hereto.

"Royalty" means, as set forth in Section 7.2 of the Agreement, the collective reference to royalties payable to NTP by 704GAMES or the specific reference to a certain royalty for a specific type of Licensed Product.

"Simulation Style Video Gaming Products" shall be defined as any NASCAR-branded Video Gaming Product playable on Category 1 Platforms and/or Category 2 Platforms that has a Stock Car and/or Truck Racing Theme which is intended to replicate authentic NASCAR racing competition rules and structure (including, but not limited to, points standings calculation, schedule, multiple national series, inclusion of NASCAR-sanctioned tracks, race duration, etc.) and which: (i) utilizes one or more of the Licensed Rights as the primary brand in the Video Gaming Product name and (ii) includes twelve (12) or more active drivers from the MONSTER ENERGY NASCAR Cup Series associated with their respective licensed MONSTER ENERGY NASCAR Cup Series properties (team, sponsors or car number) (i.e., the NASCAR Heat franchise).

Notwithstanding the foregoing, Licensee acknowledges that, during the Term, 3rd-party NASCAR-branded casual games may include some mix of core characteristics of Simulation Style Video Gaming Products provided they are utilized with additional distinguishing creative liberties which are not consistent with authentic NASCAR racing, and that such third-party rights grant by NASCAR/NTP shall not violate the exclusivity granted to Licensee herein. By way of example, a permissible third-party NASCAR-branded casual game may feature NASCAR stock cars racing on virtually-recreated race tracks where various fictitious elements such as obstacles, zero gravity, etc. is introduced to render the game play more challenging (and thus less authentic in nature) and all downloadable content associated and sold in conjunction with the licensed products.

"Stock Car and/or Truck Racing Theme" means that which: (i) includes race vehicles resembling or bearing the likeness of stock-appearing automobiles manufactured for consumer use on public highways and roads and resembling race vehicles that compete in NASCAR-sanctioned event competition; (ii) incorporates a NASCAR- sanctioned event, and/or (iii) incorporates a Driver or Team that participates in NASCAR-sanctioned event competition. For clarity, a generic vehicle such as a Shelby Cobra or Roush Mustang or Richard Petty Signature Series Dodge, is not a Stock Car and/or Truck Racing Theme vehicle.

"**Team(s)**" means those organizations identified on Exhibit B attached to this Agreement, as may be updated from time to time by NTP in writing.

"Territory" means the definition as referenced in Section 3 of this Agreement.

"**Tracks**" means all NASCAR National Series race tracks and the contiguous surrounding areas owned and controlled by the entity that owns the race track, including, but not limited to, parking lots and other areas that are customarily used to conduct and support an event at the race track.

"Video Game and Digital Series" means that legally designated separate series created and maintained by NTP within the meaning of Sections 3804 and 3806(b)(2) of the Delaware Statutory Trust Act, and which is known as the "Video Game and Digital Series" subject to Section 15.18 hereof.

"**Video Gaming Products**" means Exclusive Video Gaming Products, non-exclusive video gaming products contemplated in Section 4.2 of this Agreement, demonstration versions of video gaming products, and Free-To- Play Model Games.

"**Virtual Products**" means Xbox Live, Sony and Nintendo Avatars, including caricatures, desktop themes, virtual clothing items and related accessories which feature the Licensed Rights which consumers can purchase and use to decorate their online avatars on Category 1 Platforms as defined herein or as agreed to by Licensor on a case- by-case basis.

EXHIBIT B

NTP LICENSORS AND
CORRESPONDING SPECIFIC INTELLECTUAL PROPERTY

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

EXHIBIT C

RESERVED RIGHTS SCHEDULE
AND NTP LICENSOR SPECIFIC INFORMATION

(1) EXCLUDED MARKS:

704GAMES acknowledges that this Agreement does not grant and 704GAMES shall be responsible for either (a) (i) procuring all licenses and authorizations for the use of and (ii) the payment of any royalties that may be due and owing to, the owners or its authorized licensing agent of any rights (other than Licensed Rights as expressly provided for in this Agreement) which may be used in connection with the Licensed Rights, including without limitation, the following, or (b) deleting such rights from all Licensed Products and/or Esports competitions in a satisfactory manner to NTP:

(1) the use of any unique protected characteristics of any vehicle manufacturer (such as unique body design generally defined by the configuration of the front fascia, rear fascia, rear quarter panel, window, the hood, roof and rear deck lid) in a three-dimensional manner,

(2) any uniform, helmet, gloves, shoes or safety equipment manufacturers (to the extent their marks or unique characteristics are used with Licensed Products and such manufacturer requires payment for such reproduction),

(3) tire manufacturers or fuel suppliers (currently Goodyear® and Sunoco® to the extent their rights or unique characteristics are used with Licensed Products and such manufacturer requires payment for such reproduction),

(4) the marks of any track, racing event or event sponsor or promoter (to the extent their marks are used),

(5) except to the extent otherwise permitted as specifically set forth in Exhibit B, the following individual elements by themselves which are not combined with any stock car and/or stock truck themed elements regardless of the product it appears on: (A) a driver's name or nickname (e.g., Rowdy, Smoke, etc.), signature or likeness; (B) a Team owner name, signature or likeness, or any Team-owned intellectual property which in and of itself does not imply a stock car and/or stock truck themed element (e.g., Jr. Nation); or (C) sponsor-owned marks, including use of the term "racing" combined with such marks (e.g., Kellogg's Racing).

(2) ALCOHOL RESTRICTIONS:

Without Licensor's consent, 704GAMES shall not manufacture Video Gaming Products bearing, or in any way using, the name, logo or other intellectual property of any sponsor of an NTP Licensor engaged in businesses related to alcohol beverages (collectively "Alcohol Beverage Sponsors") in a manner contrary to Alcohol Beverage Standards. "Alcohol Beverage Standards" mean (i) federal, state and local statutes, laws, ordinances, rules and regulations; administrative agency directives, interpretations, and advisements governing alcohol beverages; (ii) industry codes and guidelines including, but not limited to, the Beer Institute's Advertising and Marketing Code pertaining to the manufacture, marketing, advertising and sale of alcohol beverages; and (iii) a specific NTP Licensor's sponsor's internal policies establishing guidelines for alcohol beverage consumer education and awareness, prohibitions on marketing and advertising products to those under the legal drinking age, message consistency with alcohol as an adult beverage and social responsibility. Additionally, based on the regulated nature of products of any alcohol beverage sponsor of such NTP Licensor, the parties agree to the following with respect to Products featuring the name, logo or other intellectual property of an Alcohol Beverage Sponsor:

(A) Alcohol Beverage Sponsors market exclusively to consumers of legal age to purchase alcoholic beverages (which in the United States is currently age 21 and older). The marketing and/or conduct codes of Alcohol Beverage Sponsors prohibit, and Licensee agrees that it will not produce or distribute Products that bear the use of the name, logo or other intellectual property of an Alcohol Beverage Sponsor on products that appeal *primarily* to underage persons, including, without limitation, children's toys.

(B) No advertising or promotional material that includes the name, logo or other intellectual property of an Alcohol Beverage Sponsor will suggest that the consumption of beer, wine, liquor or spirits enhances health, conditioning, athletic prowess or performance at athletic activities or events. Licensee will not place any advertisement or display for any Products bearing the name, logo or other intellectual property of an Alcohol Beverage Sponsor on the same page, two-page spread or Internet page (including, for example, any advertisement or display in a direct mail catalog, catalog showroom or direct response advertisement) with an advertisement or display for children's clothing, toys or merchandise that appeals primarily to children.

(C) Licensee shall be prohibited from manufacturing Products that bear the name, logo or other intellectual property of an Alcohol Beverage Sponsor which are collectible products.

(3) CORPORATE CODES:

704GAMES shall ensure that all Video Gaming Products conform to each NTP Licensor's sponsors' reasonable marketing codes or codes of conduct as they may exist throughout the Term, to the extent NTP has delivered copies thereof to 704GAMES in connection with the licensing of the rights of such sponsors.

EXHIBIT D

ROYALTY REPORTING INSTRUCTIONS AND FORMS

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

EXHIBIT E

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

EXHIBIT F

CONDITIONAL MANUFACTURER'S AGREEMENT

This Conditional Manufacturer's Agreement is made pursuant to the License Agreement between NASCAR Team Properties ("NTP"), a Delaware statutory trust, and 704Games Company, ("Licensee"), a copy of which is attached hereto and made a part hereof ("License Agreement").

_____ (full name) located at _____ ("Manufacturer") desires to manufacture the following Licensed Products bearing marks granted to Licensee by NTP: _____. Such Licensed Products shall be manufactured only at (full address): _____. As a condition to the manufacture by Manufacturer of any Licensed Product set forth in the License Agreement bearing any Marks listed on Exhibit B of the License Agreement, Manufacturer acknowledges that the Marks are the sole property of NTP and/or the specific NTP licensors (collectively NTP) and that Manufacturer's right to manufacture the Licensed Products with the Marks thereon is conditioned and in all respects subject to the terms and conditions in the License Agreement. Manufacturer agrees that the provisions of the License Agreement shall take precedence over and supersede any and all contractual relationships between Licensee and Manufacturer and, in particular, Manufacturer recognizes that all manufacturing rights are subject to (a) the restrictions on the use of the Marks and (b) the termination provisions in the License Agreement. Manufacturer further acknowledges that its manufacture of the Licensed Products shall give Manufacturer no right to use the Marks to Licensee beyond the term of the License Agreement. Manufacturer shall not sell or distribute or use Licensed Products with the Marks thereon to any person or entity except Licensee. If NTP terminates the License Agreement, Manufacturer agrees to make no claim against NTP for any reason whatsoever.

Manufacturer agrees to comply with all applicable local laws and regulations, including those pertaining to the manufacture, pricing, sale and distribution of merchandise, as well as all environmental laws and regulations. Manufacturer further agrees that the Licensed Products shall be manufactured and distributed in an environment providing workers and other employees with a safe and healthy workplace in compliance with all applicable local workplace laws and regulations. Furthermore, Manufacturer agrees to comply with all applicable local wage and hour laws and to produce the Licensed Products without:

(a) the use of child labor (wherein the term "child" refers to a person younger than the local applicable age for completing compulsory education, but in no case shall a person younger than fourteen (14) years of age be used); or

(b) the use of prison or slave labor or other persons whose employment is not voluntary.

Manufacturer agrees to maintain in strictest confidence all of the terms and conditions of this Agreement, as well as any other Confidential Information that NTP may disclose to Manufacturer during the Term of this Agreement.

Manufacturer acknowledges that the rights conveyed under this Agreement are personal to it and cannot be conveyed, assigned, sublicensed or otherwise disposed of without obtaining the express, prior, written consent of NTP or the appropriate NTP Licensor.

This Agreement shall be construed in accordance with and all disputes hereunder shall be governed by the laws of the State of North Carolina, United States of America. The parties hereto consent to the jurisdiction of the courts of competent jurisdiction, federal or state, situated in the State of North Carolina for the bringing of any and all actions hereunder.

NTP	**MANUFACTURER**
By: _____	By: _____
Title:	Title:
Date:	Date:
By: _____	
Title:	
Date:	

EXHIBIT G

Sample Subcontractor's Agreement

AUTHORIZED SUBCONTRACTOR'S AGREEMENT

This is an Agreement between _____, a _____organized under the laws of _____, having its principal place of business at _____ ("Subcontractor") and NASCAR Team Properties ("NTP"), a Delaware statutory trust, having its principal place of business at 550 South Caldwell Street, Suite 2000, Charlotte, North Carolina, 28202.

WHEREAS Subcontractor desires to be authorized, for the limited purposes stated herein, to utilize Licensed Indicia in connection with the manufacture of certain articles of merchandise.

NOW, THEREFORE, in consideration of the parties' mutual covenants and undertakings and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. GRANT OF AUTHORIZATION

(a) Grant: NTP grants Subcontractor the limited authorization to utilize the licensed indicia set forth in Appendix A ("Licensed Indicia") only in connection with the manufacture of _____ bearing Licensed Indicia pursuant to orders placed by 704Games Company, a NTP licensee ("Licensee") or its authorized Publisher, located at _____.

(b) Term: This Agreement shall be effective the last date of signature below and shall terminate immediately upon the termination, revocation, cancellation, or expiration of the rights granted Licensee, or unless sooner terminated in accordance with Paragraph 3 below.

2. LIMITATION ON GRANT

Subcontractor recognizes that its limited authorization to use the Licensed Indicia, pursuant to this Agreement, extends only to articles produced exclusively for Licensee or its authorized Publisher, and agrees that it shall manufacture products bearing the Licensed Indicia only as ordered by Licensee or its authorized Publisher, and shall sell or distribute said products only to Licensee or its authorized Publisher. Subcontractor shall not use the Licensed Indicia for any other purpose whatsoever without separate written authorization.

3. TERMINATION

NTP may terminate this Agreement upon notice to Subcontractor at any time, with or without cause, including but not limited to, for breach by the Subcontractor of the provisions of Paragraph 2 above, or if the quality of the merchandise produced by Subcontractor for Licensee, or its authorized Publisher, does not meet NTP's quality standards.

4. RECORDS, RIGHT TO AUDIT AND INSPECTION

(a) Records and Right to Audit. Subcontractor agrees to keep all books, accounts, and records covering all transactions relating to this Agreement. NTP shall have the right to examine such books, accounts, and records and all other documents and material in Subcontractor's possession or under its control, with respect to the subject matter and terms of this Agreement, and shall have a reasonable amount of freedom and access thereto for such purposes and for the purpose of making copies and/or abstracts therefrom. All such books, accounts, and records shall be kept available for at least three (3) years after the termination of expiration of this Agreement.

(b) Right to Inspect Manufacturing. NTP and/or its duly authorized representatives shall have the right to inspect Subcontractor's manufacturing facilities for quality control and auditing purposes.

Subcontractor will cooperate and will not cause or permit any interference with NTP in the performance of their duties of inspection and audit.

5. CONFIDENTIALITY

The parties agree that the terms and conditions of this Agreement shall be kept confidential and shall not be disclosed to any third person (other than Licensee) or entity unless authorized by Licensor or required by law.

Signatures on following page

In witness whereof, the parties have executed this Agreement as of the dates indicated.

SUBCONTRACTOR: _____

By: _____
Print Name: _____
Title: _____
Date: _____

LICENSOR:

NASCAR TEAM PROPERTIES

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT H

WARRANT

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN TAKEN FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF. THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE SOLD OR TRANSFERRED UNLESS THE REGISTRATION PROVISIONS OF SAID ACT HAVE BEEN COMPLIED WITH OR UNLESS COMPLIANCE WITH SUCH PROVISIONS IS NOT REQUIRED.

No. 2015-1 Dated: _____, 2015

704Games Company

Purchase Warrant

THIS IS TO CERTIFY THAT, for value received, NASCAR Team Properties, a series trust organized under the laws of Delaware (the "Initial Warrant Holder"), and its registered successors and permitted assigns is entitled, subject to the terms and conditions set in this Warrant (this "Warrant"), to purchase from 704Games Company, a Delaware corporation (the "Company"), at any time or from time to time on and after the date hereof and prior to 5:00 P.M., Eastern Time, on the Expiration Date (as defined in Section 1.1), at which time this Warrant shall expire and become void, all or any portion of the vested Warrant Shares (as defined in Section 1.1), at a purchase price per share equal to the Exercise Price (as defined in Section 1.1).

This Warrant is being issued in accordance with and pursuant to the terms of that certain Distribution and License Agreement dated as of October [__], 2015 by and between the Initial Warrant Holder and the Company (the "Distribution and License Agreement").

1. Definitions.

1.1 Defined Terms. The following terms shall have the respective meanings set forth below or elsewhere in this Warrant as referred to below:

"Affiliate" means a is a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

"Certificate of Incorporation" means the Certificate of Incorporation of the Company, as amended and in effect from time to time.

"Change of Control" means: (i) the direct or indirect sale or exchange by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; or (iii) the transfer of all or substantially all of the assets of the Company, in each case, in a single transaction or series of related transactions, wherein the stockholders of the Company immediately before the such transaction(s) do not retain immediately after the transaction(s) direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the Company, its successor or the transferee of its assets or capital stock.

"Common Stock" means (a) shares of the Common Stock, $0.001 par value per share, of the Company and (b) any other securities into which or for which any of the securities described in clause (a) have been converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

"Exercise Price" means the price per share of Common Stock of $93.03.

"Expiration Date" means the date which is the earlier of: (a) ten years following the Issue Date of this Warrant,
(b) the effective date of the consummation of a Change of Control or (c) consummation of the initial public offering of the Company's Common Stock pursuant to a registration statement under the Act, which public offering has been declared effective by the Securities and Exchange Commission ("IPO"), provided that, if the last day on which this Warrant may be exercised, or on which it may be exercised at a particular Exercise Price, is a Sunday or a legal holiday or a day on which banking institutions doing business in the state of Delaware are authorized by law to close, this Warrant may be exercised prior to 5:00 p.m. (Eastern time) on the next succeeding full business day with the same force and effect and at the same Exercise Price as if exercised on such last day specified herein.

"Holder" means, as applicable, (i) the Initial Warrant Holder, or (ii) any successor of the Initial Warrant Holder.

"Issue Date" means _____, 2015.

"Person" means an individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, limited liability partnership, unincorporated organization, government (or any agency or political subdivision thereof) or other legal entity or organization.

"Securities Act" means the Securities Act of 1933, as amended.

"Stock" means capital stock of the Company or of any other Person or any other securities of the Company or of any other Person that the Holder is entitled to receive, or receives, upon exercise of this Warrant, in lieu of or in addition to Common Stock, including any other Person or any other securities of the Company or of any other Person that may be issued in replacement of, substitution, exchange or redemption for, or upon reclassification or conversion of, Common Stock or any other capital stock, in each case whether as a result of a reorganization, reclassification, merger, consolidation or sale of substantially all of the assets of the Company.

"Warrant Shares" means, subject to adjustment pursuant to Section 4 hereof, Four Thousand (4,000) shares of common stock of 704Games Company.

1.2 Other Defined Terms. The following terms defined elsewhere in this Warrant shall have the meaning set forth in the referenced section of this Warrant:

"Ancillary Agreements"	Section 11.2
"Company"	Recitals
"Exercise Date"	Section 3.2
"Initial Warrant Holder"	Recitals
"Warrant"	Recitals.

2. WARRANT VESTING.

Subject to and upon all of the terms and conditions hereof, the Warrant will become exercisable ("vest") automatically and without further action as follows: (i) the Warrant shall vest with respect to 800 shares of Common Stock as of the date hereof, and thereafter, on each anniversary of the date hereof through the 4th anniversary of the date hereof, an additional **800** shares of Common Stock shall vest; provided that, notwithstanding the foregoing, no additional Warrant Shares shall vest after the date of the termination of the Distribution and License Agreement, for any reason.

3. EXERCISE OF WARRANT.

3.1 Method of Exercise. Subject to and upon all of the terms and conditions set forth in this Warrant, (1) the Holder may exercise this Warrant, in whole or in part with respect to any vested Warrant Shares, at any time and from time to time during the period commencing on the date that this Warrant vests in accordance with Section 2 and ending at 5:00 p.m., Eastern Time, on the Expiration Date, by presentation and surrender of this Warrant to the Company at its principal office, together with (a) a properly completed and duly executed subscription form, in the form of **Attachment A**, which subscription form shall specify the number of vested Warrant Shares for which this Warrant is then being exercised, and (b) payment of the aggregate Exercise Price payable hereunder in respect of the number of vested Warrant Shares being purchased upon exercise of this Warrant, and (2) without any further action on the part of the Holder, this Warrant shall be deemed automatically exercised upon immediately prior to the consummation of (X) an initial public offering of the Common Stock, (Y) a sale of all or substantially all of the assets of the Company to a third party other than an Affiliate of the Company, in one transaction or a series of related transactions, or (Z) (I) a merger or consolidation of the Company in which the stockholders of the Company immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of Stock of the surviving entity normally entitled to vote for the election of directors of the surviving entity or (II) a sale of shares by the Company's stockholders in a transaction or series of related transactions, pursuant to which the stockholders of the Company immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of Stock of the surviving entity normally entitled to vote for the election of directors of the surviving entity (each of X, Y, and Z an "Automatic Exercise Event"); provided that sales of shares for the purposes of raising investment prior to an IPO shall not constitute an Automatic Exercise Event. Payment of such aggregate Exercise Price shall be made (i) in cash or by money order, certified or bank cashier's check or wire transfer (in each case in lawful currency of the United States of America), or (ii) by cancellation of a portion of this Warrant exercisable for such number of vested Warrant Shares as is determined by dividing (A) the total Exercise Price payable in respect of the number of vested Warrant Shares being purchased upon such exercise by (B) the excess of the market price per share of Common Stock as of the Exercise Date over the Exercise Price per share; if the Holder wishes to exercise this Warrant pursuant to this clause 3.1(2)(ii) with respect to the maximum number of vested Warrant Shares purchasable pursuant to this method, then the number of vested Warrant Shares so purchased shall be equal to the total number of vested Warrant Shares, minus the product obtained by multiplying (x) the total number of vested Warrant Shares by (y) a fraction, the numerator of which shall be the Exercise Price per share and the denominator of which shall be the market price per share of Common Stock as of the Exercise Date, or (iii) any combination of the methods described in the foregoing clauses 3.1(2)(i) or (ii). In the event of an Automatic Exercise Event, the Holder shall be deemed to exercise this Warrant pursuant to clause 3.1(2)(ii). For purposes of any computation under this Section 3.1, the fair market price of the Common Stock as determined in good faith by the Board of Directors.

3.2 Effectiveness of Exercise; Ownership. Each exercise of this Warrant by the Holder shall be deemed to have been effected immediately prior to the close of business on the date upon which all of the requirements of Section
3.1 with respect to such exercise shall have been complied with in full (each such date, an "Exercise Date"). On the applicable Exercise Date with respect to any exercise of this Warrant by the Holder, the Company shall be deemed to have issued to the Holder, and the Holder shall be deemed to have become the holder of record and legal owner of, the number of vested Warrant Shares being purchased upon such exercise of this Warrant, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such number of vested Warrant Shares being purchased shall not then be actually delivered to the Holder.

3.3 Delivery of Stock Certificates on Exercise. As soon as practicable after the exercise of this Warrant, and in any event within ten (10) business days thereafter, the Company, at its expense and in accordance with applicable securities laws, will cause to be issued in the name of and delivered to the Holder, or as the Holder may direct (subject in all cases, to the provisions of Section 7 and Section 10), a certificate or certificates for the number of vested Warrant Shares purchased by the Holder on such exercise, plus, in lieu of any fractional share to which the Holder would otherwise be entitled, cash equal to such fraction multiplied by the fair market price determined as determined using the procedure described in Section 3.1; provided that, notwithstanding the foregoing, the Company, in its discretion, may maintain the Warrant Shares in book-entry only form, in which case no certificate shall be issued.

3.4 Shares To Be Fully Paid and Nonassessable. All Warrant Shares issued upon the exercise of this Warrant shall be validly issued, fully paid and nonassessable, free of all liens, transfer taxes, charges and other encumbrances or restrictions on sale (other than those set forth herein) and free and clear of all preemptive rights.

3.5 Fractional Shares. No fractional shares of Stock or scrip representing fractional shares of Stock shall be issued upon the exercise of this Warrant. With respect to any fraction of a share of Stock called for upon any exercise hereof, the Company shall make a cash payment to the Holder as set forth in Section 3.3.

3.6 Issuance of New Warrants; Company Acknowledgment. Upon any partial exercise of this Warrant, the Company, at its expense, will deliver to the Holder a new warrant or warrants of like tenor, registered in the name of the Holder, exercisable, in the aggregate, for the balance of the Warrant Shares.

4. ADJUSTMENTS.

4.1 General. The number of Warrant Shares issuable upon the exercise of the Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 4.

4.2 Adjustments for Stock Dividends, Stock Splits and Combinations. If the Company shall (i) issue any additional shares of Stock as a dividend or distribution on the Common Stock (ii) split or subdivide its outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares of Common Stock, then and in each event, the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that the Holder shall be entitled to receive, upon exercise of this Warrant, the number of Warrant Shares which such Holder would have owned or have been entitled to receive after the occurrence of such event had such Holder exercised this Warrant immediately prior to the record date in the case of a dividend or the effective date in the case of any split, subdivision or combination. Such adjustment shall be made successively whenever any event listed above shall occur. If at any time, as a result of an adjustment made pursuant to this Section 4.2, the Holder shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock upon exercise of this Warrant, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in this Section 4, and the provisions of this Warrant with respect to the Warrant Shares shall apply on like terms to such other shares.

4.3 Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Issue Date, the Common Stock issuable upon the exercise of the Warrant is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 4), in any such event this Warrant shall then instead be exercisable for such kind and amount of stock and other securities and property received upon such recapitalization, reclassification, merger, consolidation or other change by holders of the maximum number of shares of Common Stock for which this Warrant could have been exercised immediately prior to such recapitalization, reclassification, merger, consolidation or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. Any adjustment under this paragraph shall become effective at the close of business on the date such recapitalization, reclassification, merger, consolidation or other change becomes effective.

4.4 Additional Adjustments. If any event occurs, as to which, in the sole opinion of the Board of Directors of the Company, the other provisions of this Section 4 are not strictly applicable or (if strictly applicable) would not fairly protect the purchase rights of this Warrant in accordance with the intent and principles of such provisions, then the Board of Directors shall make an adjustment in the application of such provisions, in accordance with such intent and principles, so as to protect such purchase rights as aforesaid.

5. OFFICER'S CERTIFICATE AS TO ADJUSTMENTS. In each case of any adjustment or readjustment in the number and kind of vested and unvested Warrant Shares purchasable hereunder, or property, issuable hereunder from time to time, or the Exercise Price, the Company, at its expense, will promptly cause an officer of the Company to compute such adjustment or readjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment or readjustment and showing the facts upon which such adjustment or readjustment is based. The Company will forthwith send a copy of each such certificate to the Holder in accordance with Section 11.5.

6. RIGHT OF FIRST REFUSAL; DRAG ALONG. The Holder hereby agrees that any equity securities of the Company now held or hereafter acquired by the Holder or any transferee of the Holder (all references in this Section 6 to the "Holder" shall include any such transferee(s)), including any Warrant Shares (as applicable, such equity securities collectively referred to herein as, the "**Shares**") will be subject to the following (in addition to any other limitation on transfer expressly contained in any agreement relating to a specific security and/or created by applicable securities laws):

Right of First Refusal on Voluntary or Involuntary Transfer. Before any Shares held by the Holder may be sold or otherwise transferred (including transfer by gift or operation of law), except whereby the Holder transfers its Shares through a corporate merger, consolidation or other reorganization wherein the stockholders remain substantially the same, the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 6(a) (the "Right of First Refusal").

Company Right to Purchase. Except as set forth above, prior to effecting any transfer, sale or assignment of any Shares whatsoever (with or without consideration), the Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or the Company's assignee(s). At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Offered Price; provided, however, that if the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be mutually agreed by the Company and the Holder. Payment of the purchase price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Company to the Holder, or by any combination thereof within sixty (60) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

Sale or Transfer to Proposed Transferee. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in Section 6(a)(i), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that (1) the Proposed Transferee makes the representations and warranties to the Company set forth in Section 10.12 of this Warrant; (2) such sale or other transfer is effected in accordance with any applicable securities laws and (3) the Proposed Transferee agrees in writing that the provisions of Section 6 of this Warrant shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred. Any sale or other transfer following such sixty (60) day period or not otherwise in compliance with this Section 6(a)(ii) shall be subject to the Right of First Refusal.

Company's Right to Purchase upon Involuntary Transfer or Gift. Except as set forth above, in the event, at any time after the date of this Warrant, of any transfer by operation of law or other involuntary transfer (including dissolution, distribution, bankruptcy, divorce or death) or any transfer by gift or otherwise without consideration of all or a portion of the Shares by the record holder thereof, the Company or its assignee(s) shall have the right to purchase all of the Shares transferred at a purchase price equal to the fair market value of the Shares on the date of transfer pursuant to the process set forth in Section 6(a)(iv). Notice of any such proposed transfer shall be given as contemplated by Section 6(a)(i) above and the Company shall have a Right of First Refusal with the Offered Price being equal to fair market value (as determined under Section 6(a)(iv)) which Right of First Refusal shall be exercised as otherwise contemplated by Section 6(a)(i) and (ii) above. In the case of transfer by operation of law or other involuntary transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer and the Right of First Refusal to purchase such Shares shall be provided to the Company for a period of sixty (60) days following receipt by the Company of written notice by the person acquiring the Shares pursuant to the terms of this paragraph given to the Company in accordance with Section 11.5 below.

Fair Market Value. With respect to any Shares to be transferred pursuant to Section 6(a)(iii) or with respect to the determination of the cash value of any non-cash consideration being offered by a bona fide purchaser for the Shares, the fair market value per Share (or for such non-cash consideration) shall be an amount mutually agreed by the Holder and the Company; provided, however that if no mutual agreement is reached within 60 days of the Notice or (in the case of involuntary transfer or operation of law) written notice to the Company of the transfer, then, the valuation shall be determined by an independent appraiser to be mutually agreed upon by the Company and the Holder (or transferee) and whose fees shall be borne equally by the Company and the Holder. In the event the Company and the Holder cannot agree on an appraiser within 60 days of the Notice or (in the case of involuntary transfer or operation of law) written notice to the Company of the transfer or in the event of any other dispute between the parties relating the determination of fair market value per Share under this paragraph either the Company or the Holder may submit the dispute to JAMS for full and final resolution pursuant to Section 11.7 below.

Drag Along Rights. If the holders of a majority of the Company's then issued and outstanding voting securities (the "Approving Shareholders") approve a sale of the Company or of all or substantially all of the Company's assets whether by means of a merger, consolidation or sale of stock or assets, or otherwise (an "Approved Sale"): (i) if the Approved Sale is structured as a merger or consolidation of the Company, or a sale of all or substantially all of the Company's assets, the Holder agrees to be present, in person or by proxy, at all meetings for the vote thereon, to vote all shares of capital stock of the Company held by such person for, and raise no objections to, such Approved Sale, and to waive and refrain from exercising any dissenters rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale (all of which rights are hereby expressly waived by the Holder), or (ii) if the Approved Sale is structured as a sale of the stock of the Company, the Holder agrees to sell his, her or its capital stock in the Company, as well as any convertible securities of the Company then held by the Holder (including this Warrant) that are not otherwise cancelled or converted into equivalent convertible securities of the purchaser, on the terms and conditions approved by the Approving Shareholders; provided in each case that such terms do not provide that the Holder would receive as a result of such Approved Sale less than the amount that would be distributed to such Holder per share of capital stock in the event the proceeds of such Approved Sale of the Company were distributed in accordance with the liquidation preferences set forth in Company's Certificate of Incorporation. The Holder shall also take all necessary and desirable actions approved and/or directed by the Approving Shareholders in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (1) provide the representations, warranties, indemnities, covenants, conditions, non-compete agreements, escrow agreements and other provisions and agreements relating to such Approved Sale and (2) effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale.

Restrictions Binding on Transferees. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Section 6 and shall be considered the "Holder" for purposes of this Section 6. Any sale or transfer of the Shares shall be void unless the applicable provisions of this Section 10 are satisfied.

Termination of Rights. The Right of First Refusal granted to the Company by Section 6(a) above and the drag along right set forth in Section 6(b) above shall terminate upon the consummation of an IPO.

7. NOTICES OF RECORD DATE, ETC. In the event of: (a) any taking by the Company of a record of the holders of Stock for the purpose of determining the holders thereof who are entitled to receive any shares of Stock as a dividend or other distribution or pursuant to a stock split; or (b) any Automatic Exercise Event, or (c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or stock split, and stating the amount and character of such dividend, distribution or stock split, or (ii) the date on which any such Automatic Exercise Event is scheduled to occur, and the material terms thereof, as the case may be. Such notice shall be mailed at least ten (10) days prior to the date specified in such notice on which any such action is to be taken.

8. EXCHANGE OF WARRANT. Subject to the provisions of Section 7 and Section 10.1 (if and to the extent applicable), this Warrant shall be exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for new warrants of like tenor, each registered in the name of the Holder. Each of such new warrants shall be exercisable for such number of Warrant Shares as the Holder shall direct, provided that all of such new warrants shall represent, in the aggregate, the right to purchase the same number of Warrant Shares and cash, securities or other property, if any, which may be purchased by the Holder upon exercise of this Warrant at the time of its surrender.

9. REPLACEMENT OF WARRANT. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of a customary affidavit of the Holder and an indemnity agreement or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new warrant of like tenor.

10. TRANSFER PROVISIONS.

10.1 Restrictions on Transfer. Subject to compliance with applicable securities laws and any contractual restrictions to which the Holder may be subject, this Warrant, and any portion hereof, and the Warrant Shares, and any shares of Common Stock issuable upon conversion of the Warrant Shares, may be transferred by the Holder to an Affiliate of the Holder without the consent of the Company. Except as permitted pursuant to the foregoing sentence, this Warrant may not be transferred without the prior written consent of the Company. Any attempted assignment in contravention of this Warrant shall be null and void and of no effect. Neither this Warrant nor any vested or issued Warrant Shares nor any shares of Common Stock issuable upon conversion of the Warrant Shares may be sold or transferred unless they first shall have been registered under the Securities Act or the Company shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act.

10.2 Mechanics of Transfer. Any transfer of all or any portion of this Warrant, or of any interest therein, that is permitted under Section 10.1 shall be effected by surrendering this Warrant to the Company at its principal office, together with (i) a duly executed form of assignment, in the form of **Attachment B**, and (ii) payment of any applicable transfer taxes, if any. In the event of any such transfer of this Warrant, in whole, the Company shall issue a new warrant of like tenor to the transferee, representing the right to purchase the same number of Warrant Shares, and cash, securities or other property, if any, which were purchasable by the Holder upon exercise of this Warrant at the time of its transfer. In the event of any such transfer of any portion of this Warrant, (1) the Company shall issue a new warrant of like tenor to the transferee, representing the right to purchase the same number of Warrant Shares, and cash, securities or other property, if any, which were purchasable by the Holder upon exercise of the transferred portion of this Warrant at the time of such transfer, and (2) the Company shall issue a new warrant of like tenor to the Holder, representing the right to purchase the number of Warrant Shares, and cash, securities or other property, if any, purchasable by the Holder upon exercise of the portion of this Warrant not transferred to such transferee. Until this Warrant or any portion thereof is transferred on the books of the Company, the Company may treat the Holder as the absolute holder of this Warrant and all right, title and interest therein for all purposes, notwithstanding any notice to the contrary.

10.3 Legends. (a) Each certificate representing any Warrant Shares issued upon exercise of this Warrant shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN TAKEN FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF.

THE SHARES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL SUCH SHARES ARE REGISTERED UNDER SUCH ACT, AND QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED, EXCEPT IN ACCORDANCE WITH THE TERMS AND

CONDITIONS OF SECTION 6 OF THE WARRANT DATED _____, 2015, BY AND AMONG 704GAMES COMPANY AND THE HOLDER, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF 704GAMES COMPANY.

(b) Each certificate representing any Warrant Shares or shares of Common Stock issuable upon conversion of the Warrant Shares shall also bear any legend required under any applicable state securities or blue sky laws and under any of the agreements referenced below in Section 11.2.

11. GENERAL.

11.1 Reservation of Stock. The Company shall reserve and maintain a sufficient number of shares of Common Stock for issuance upon exercise of vested Warrant Shares, duly taking into account the reduction of shares available for issuance due to conversion of all of the Company's convertible securities and exercise of all of the Company's stock options as well as any increase in the number of shares of Common Stock issuable upon conversion of all convertible securities in accordance with the terms of the Certificate of Incorporation or upon exercise of all such options in accordance with the terms applicable thereto.

11.2 Subject to Other Agreements. The Warrant Shares, if issued, shall be subject to the terms and conditions of any applicable agreements between or among the Company and its shareholders that provide for any restrictions on transfer, rights of first refusal, repurchase rights, drag along rights, as well as any other similar or other rights or obligations that apply generally to holders of shares of Common Stock (the "Shareholder Rights and Obligations"). The Holder (if not already a party to such agreements) shall become a party to any such agreement, and execute and deliver to the Company prior to the date the Holder exercises this Warrant with respect to any Warrant Shares and joinder or other instrument of accession to each of such agreements, which may require the Holder to make certain representations and warranties about the Holder; provided that, even without the signature of Holder, by exercise (including in the event of an Automatic Exercise Event) of this Warrant, the Holder shall be deemed to have consented to the terms of and to be bound by any such agreement. In the event that as of the exercise of this Warrant in whole or part, there is no outstanding agreement that contains the Shareholder Rights and Obligations, Holder hereby agrees to negotiate in good faith with the Company the terms of, and agrees to enter into one or more agreements providing for the Shareholder Rights and Obligations on customary and typical terms.

11.3 Statement on Warrant. Irrespective of any adjustments in the Exercise Price or the number or kind of Warrant Shares, this Warrant may continue to express the same kind of Warrant Shares as are stated on the front page hereof.

11.4 No Rights as Stockholder. The Holder shall not be entitled to vote or to receive dividends or to be deemed the holder of Stock that may at any time be issuable upon exercise of this Warrant for any purpose whatsoever, nor shall anything contained herein be construed to confer upon the Holder any of the rights of a stockholder of the Company until the Holder shall have exercised this Warrant and been issued Warrant Shares in accordance with the provisions hereof.

11.5 Notices. All notices, demands, requests, certificates or other communications under this Warrant shall be in writing and shall be either mailed by certified mail, postage prepaid, in which case such notice, demand, request, certificate or other communications shall be deemed to have been given three (3) days after the date on which it is first deposited in the mails, or hand delivered or sent by facsimile transmission, by tested or otherwise authenticated telex or cable or by private expedited courier for overnight delivery with signature required, in each such case, such notice, demand, request, certificate or other communications being deemed to have been given upon delivery or receipt, as the case may be: (a) if to the Company, 704Games Company, 114 Freshwater lane, Mooresville, NC 28117, Attention: Ed Martin, or at such other address as the Company may have furnished in writing to the Holder, and (b) if to the Holder, at the Holder's address appearing in the books maintained by the Company.

11.6 Amendment and Waiver. No failure or delay of the Holder in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Holder are cumulative and not exclusive of any rights or remedies which it would otherwise have. The provisions of this Warrant may be amended, modified or terminated, and the observance of any provision of this Warrant may be waived (either generally or in a particular instance and either retrospectively or prospectively) with the written consent of the Company and the Holder.

11.7 Governing Law. This Warrant shall be governed by, and construed and enforced in accordance with, the domestic laws of the State of Delaware without regard for any choice or conflict of laws rule or provision that would result in the application of the substantive law of any other jurisdiction. Any and all disputes between the parties that may arise pursuant to this Warrant will be heard and determined before American Arbitration Association ("AAA") by a single arbitrator under the Commercial Arbitration Rules of the AAA. Such single arbitrator shall be a neutral from AAA mutually agreed by the parties, provided that if the parties have not agreed on an arbitrator within thirty (30) days of the date that either party submits a dispute to AAA, each party shall select one arbitrator and the two arbitrators so selected shall select a third arbitrator, all in accordance with the AAA rules within five (5) business days. The arbitrator(s) shall be directed to come to a decision regarding resolution of the issue within forty-five (45) days or fewer from the original notification of the issue. The arbitrator(s)' decision will be binding on the Company and the Holder and may be confirmed immediately in any court of competent jurisdiction. The arbitration proceeding and all materials, submissions and documents relating thereto will be treated as confidential by the parties. Except as otherwise provided for in this paragraph, elsewhere in the Agreement or by the arbitrator(s)' decision, each party shall pay its own attorneys' fees and one-half (½) of the costs of arbitration. If any party breaches the provisions of this Section 11.7 by bringing an action in any forum not specifically provided for hereby, such party shall pay the reasonable attorneys' fees and expenses incurred by the other party in connection with such proceedings. The arbitrator(s) shall have the authority to grant any remedy or relief the arbitrator(s) deems just and equitable, including injunctive relief, specific performance, and to award to the prevailing party or most prevailing party that party's reasonable costs and expenses of the arbitration and/or attorney's fees which shall be paid by the other party.

11.8 Covenants To Bind Successor and Assigns. All covenants, stipulations, promises and agreements in this Warrant contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

11.9 Severability. In case any one or more of the provisions contained in this Warrant shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

11.10 Construction. The definitions of this Warrant shall apply equally to both the singular and the plural forms of the terms defined. Wherever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The section and paragraph headings used herein are for convenience of reference only, are not part of this Warrant and are not to affect the construction of or be taken into consideration in interpreting this Warrant.

11.11 Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any, action for specific performance that a remedy at law would be adequate.

11.12 Representations of Holder. With the issuance of this Warrant and any issuance of Warrant Shares hereunder, the Holder specifically represents to the Company by acceptance of this Warrant and upon each acceptance of any Warrant Shares as follows:

No Registration. The Holder understands that this Warrant and the Warrant Shares issuable upon the exercise thereof, have not been, and will not be, registered under the Act by reason of a specific exemption from the registration provisions of the Securities Act of 1933 (the "**Act**"), the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant hereto.

Investment Intent. The Holder is acquiring this Warrant and will acquire the Warrant Shares issuable upon exercise of this Warrant for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same. The Holder further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to this Warrant or any of the Warrant Shares issuable upon exercise hereof.

Investment Experience. The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company and acknowledges that the Holder can protect its own interests. The Holder has such knowledge and experience in financial and business matters so that the Holder is capable of evaluating the merits and risks of its investment in the Company.

Speculative Nature of Investment. The Holder understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of the Holder's investment and is able, without impairing the Holder's financial condition, to hold the Warrant and/or the Warrant Shares for an indefinite period of time and to suffer a complete loss of the Holder's investment. To the extent that this Warrant has been issued to the Holder in whole or partial consideration for value given by the Holder to the Company (whether in cash, in kind, by entry into contractual obligations, grant of rights or otherwise), the Holder represents, warrants and acknowledges that it has made its own assessment of the value of the Warrant to the Holder and all other risks, benefits and terms of this transaction. Without limiting the foregoing, the Holder and/or its legal and investment advisors, has (i) had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company's operations and facilities to the extent deemed necessary by the Holder; and (ii) not relied on any statement or projection with respect to such value given by the Company or any representative of the Company.

Understanding of the Terms of the Warrant. The Holder further acknowledges that the number of Warrant Shares specified as covered by this Warrant in Section 1.1 above represents four percent (4%) of the issued and outstanding shares of the Company as of _____, 2015 and the Exercise Price reflects the fair market value as of _____, 2015 as mutually agreed by the Company and the Holder and, as such, issuance of this Warrant to the Holder satisfies all of the Company's obligations under paragraph 4 of the Letter of Assignment, dated December 19, 2014 by and among Eutechnyx Limited, the Company and the Holder (the "Letter").

Accredited Investor. The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission under the Securities Act and shall submit to the Company such further assurances of such status as may be reasonably requested by the Company.

Rule 144. The Holder acknowledges that the Warrant and Warrant Shares must be held indefinitely unless subsequently registered under the Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions and understands that the requirements of Rule 144 are currently not being met and may never be met.

No Public Market. The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

[*signature page to follow.*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed as an instrument under seal in its corporate name by one of its officers thereunto duly authorized, all as of the day and year first above written.

704GAMES COMPANY

By: _____
Name: _____
Title: _____

ACKNOWLEDGED:
(and specifically agreeing to the representations and warranties set forth in Section 11.12)

NASCAR TEAM PROPERTIES

By: _____
Name: _____
Title: _____

ATTACHMENT A

FORM OF SUBSCRIPTION

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

ATTACHMENT B

FORM OF ASSIGNMENT

This exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to provide this exhibit to the Securities and Exchange Commission upon request; provided, however, that the registrant may request confidential treatment of such exhibit.

AMENDMENT TO DISTRIBUTION AND LICENSE AGREEMENT

This Amendment to Distribution and License Agreement (as defined below) is effective as of November 30, 2020 (this "**Amendment**").

WHEREAS, 704Games Company, a Delaware corporation ("**704GAMES**" or "**Licensee**"), and NASCAR Team Properties, a series trust organized under the laws of Delaware ("**NTP**" or "**Licensor**"), entered into that certain Second Amended and Restated Distribution and License Agreement, effective as of January 1, 2019 (the "**Distribution and License Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Distribution and License Agreement.

WHEREAS, Section 15.2 of the Distribution and License Agreement allows the parties to modify the Distribution and License Agreement if agreed in writing by both 704GAMES and NTP.

WHEREAS, 704GAMES and NTP desire to amend Section 8.2(c) of the Distribution and License Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, 704GAMES and NTP hereby agree that the Distribution and License Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**. Section 8.2(c) of the Distribution and License Agreement is hereby amended and restated in its entirety as follows:

   "(c) if 704GAMES (i) discontinues is business as now conducted, (ii) sells all or substantially all of its assets, (iii) sells or grants rights to any product line or division that includes any of the Licensed Products, or (iv) directly or indirectly assigns, transfers, sublicenses or encumbers any of its rights under this Agreement in violation of the terms hereof without the prior express written consent of NTP;".

   Section 11 of the Distribution and License Agreement is hereby amended by adding the following sentence in the end of Section 11: "Notwithstanding anything to the contrary set forth herein or any other document, Licensee and/or its direct and indirect parent entities shall have the right to disclose this Agreement, including any amendments or modifications thereof, and their respective terms and conditions as required by the applicable securities laws, rules and regulations, provided that Licensee and/or its direct and indirect parent entities seek confidential treatment of certain business terms and proprietary information of the Agreement as mutually agreed upon by the parties."

3. **Limited Effect**. Except as expressly amended and modified by this Amendment, the Distribution and License Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of North Carolina without regard to principles of conflicts of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

LICENSOR:		**LICENSEE:**	
NASCAR TEAM PROPERTIES SOLELY FOR AND WITH RESPECT TO ITS VIDEO GAME AND DIGITAL SERIES		**704GAMES COMPANY**	
By:	*/s/ Paul Sparrow*	By:	*/s/ Dmitry Kozko*
Print name:	Paul Sparrow	Print name:	Dmitry Kozko
Title:	Trustee	Title:	CEO

Exhibit 10.9

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

LICENSE AGREEMENT

This LICENSE AGREEMENT (this "Agreement") is entered into effective as of May 29, 2020 (the "Effective Date"), by and between:

(i) BARC (TOCA) LIMITED, a private limited company incorporated and registered in England and Wales with company number 05246427 whose registered office is at Thruxton Motor Racing Circuit, Thruxton, Andover, SP11 8PN ("Licensor"), and

(ii) MOTORSPORT GAMING US LLC, a Florida limited liability company whose registered office is at 5972 NE 4th Avenue, Miami, Florida 33137, U.S.A. ("Licensee").

Licensor and Licensee are hereinafter referred to collectively as the "Parties" or individually as a "Party."

WHEREAS:

A. Licensor has the exclusive right to exploit, license and sub-license the Licensed IP during the Term (as defined below);

B. Licensee manufactures, develops, operates, markets, publicizes and distributes Products (as defined below); and

C. Licensee desires to develop certain Products using and/or bearing, subject to the terms and conditions set forth in this Agreement, the Licensed IP.

NOW, THEREFORE, in consideration of the obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. License Grant; Royalty; Payment Schedules.

1.1 Subject to the terms and conditions of this Agreement, Licensor hereby grants Licensee:

(a) an exclusive, worldwide license to use during the Term (as defined in Section 6.1 of this Agreement) the Licensed IP for the Products, including the Products' development, manufacturing, marketing, publicity, advertisement, promotion, distribution, publicizing, broadcasting, streaming, making available and/or selling worldwide, continued commercial exploitation of the Products, including the right to use, modify and improve the Products developed using the Licensed IP;

(b) For the purposes of this Agreement:

"Championship" means the British Touring Car Championship during the Term being a motorsport championship staged and promoted by the Licensor under license from the Royal Automobile Club Motor Sport Association Limited ("Motorsport UK").

"Licensed IP" means collectively the "British Touring Car Championship," "BTCC" and (inso far only as this is included in the title of the Championship) title sponsor logos (including the logos set forth on Annex A attached to this Agreement), the title "British Touring Car Championship," and "BTCC" together with the right to incorporate in its representation of the Championship within the Products the following in so far as they relate to and form part of the Championship during the relevant year and are clearly used in that context: races, tracks, compounds, technical requirements, teams, race formats, race reports, race standings, other statistics, lap records, race grids, trophies, drivers, components, racing physics, tournament structures, racing conditions, artwork (including in digital form), events, copyrights, trade dress, names, likenesses, primary and special paint schemes, vehicle designs, visual representations, helmets, uniforms, photographs and accessories and their respective non-English language equivalents or permutations thereof, together with such other logos, expressions, marks, themes, races, tracks, compounds, technical requirements, teams, race formats, race reports, race standings, race grids, trophies, drivers, components, racing physics, tournament structures, artwork (including in digital form), events, copyrights, trade dress, names, likenesses, primary and special paint schemes, vehicle designs, visual representations, helmets, uniforms, photographs and accessories as the Licensor may develop from time to time during the Term as part of the Championship.

"Products" means collectively the motorsports and/or racing (including, without limitation, simulation style) video gaming products relating to, themed as or containing the Championship on Sony PlayStation, Microsoft Xbox, PC, iPhone, Android and other mobile applications and other new generation formats, Esports series related to and/or themed as or containing the Championship and related features, including, without limitation, Esports events, platforms (including Licensee's Esports web platform), content, reports, standings, competitions, tournaments, campaigns, promotions, video and/or gaming reenactments, "highlight" creation and distribution of big moments from Championship races.

"Esports" shall mean a form of multiplayer competition using video games, primarily between competitive gamers that includes the ability to perform in front of an audience, whether through an online platform, broadcasted on television, or at a physical event.

"Sell Off Period" has the meaning set out in Section 6.5.

1.2 The Parties agree that Licensee's use of Licensed IP hereunder, including the goodwill arising from such use, shall inure to the benefit of Licensor, and Licensee shall have no right whatsoever to Licensed IP (except the limited license rights as specifically set forth herein). Licensee agrees:

(a) to not use Licensed IP except as specifically set forth herein;

(b) to not affix or include any other third-party logos or marks without the Licensor's prior written consent (which shall not be unreasonably withheld or delayed);

(c) to include a notice that the Product is produced under license and copyright notice in a form agreed by the Licensor (such agreement not to be unreasonably withheld or delayed);

(d) not begin to manufacture, permit a sub licensee to begin manufacture or sell or distribute any Product without obtaining the Licensor's approval in respect of the initial concept and for the samples of the Product in accordance with Section 5 and otherwise complying with the obligations under Section 5.

1.3 Licensee shall not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of Licensor's right, title, and interest respecting Licensed IP. Licensee shall not in any manner represent that it has any ownership in Licensed IP, and Licensee acknowledges that its use and development of Licensed IP shall not create in Licensee's favor any right, title, or interest in or to Licensed IP.

1.4 The Licensee undertakes to ensure that its advertising, marketing and promotion of Products shall incorporate the title of the Championship and shall in no way reduce or diminish the reputation, image and prestige of the Licensor, the sponsors of the Licensor, Motorsport UK, the Licensed IP or the Championship (including the teams, drivers and/or driver, team and venue sponsors involved with the Championship from time to time).

1.5 Licensee shall not pledge its rights to Licensed IP as security for any of Licensee's debts or any other purpose, or allow any third party to have rights in Licensed IP or rights related to this Agreement without the prior written consent of Licensor and (in the case of sub licensees) in accordance with Section 1.6 below.

1.6 The Licensee shall have the right to grant sub-licenses of the Licensed IP for the Products provided that:

(a) the Licensee obtains the prior written consent of the Licensor;

(b) the Licensee shall ensure that the terms of any sub-license are in writing and are substantially the same as the terms of this Agreement (except that the sub licensee shall not have the right to sub-licence its rights) and the Licensee shall provide the Licensor with a copy of the sub-license for approval before signing it;

(c) all sub licenses granted shall terminate automatically on termination or expiry of this Agreement;

(d) the Licensee shall be liable for all acts and omissions of any sub licensee and shall indemnify the Licensor against all costs, expenses, claims, loss or damage incurred or suffered by the Licensor, or for which the Licensor may become liable (including any economic loss or other loss of profits, business or goodwill), arising out of any act or omission of any sub licensee, including any product liability claim relating to Licensed Products manufactured, supplied or put into use by the sub-licensee; and

(e) any sub licensee shall first enter into a supplemental agreement direct with the Licensor in a form satisfactory to the Licensor.

1.7 As consideration for the license set forth in this Agreement, Licensee shall pay Licensor a fee ("the Initial Fee") of U.S. [***] (which amount is guaranteed and non refundable) and beginning from the earlier of (i) 60 days after the release of the products in accordance with Section 2.1(a) and (ii) the date that is two years after the Effective Date an annual (for each 12-month period of the Term) royalty (the "Royalty") in the amount of the higher of:

(a) U.S. [***] per each 12-month period of the Term (the "Minimum Guaranteed Annual Payment") which amount is guaranteed and is non-refundable; and

(b) the amount equal to (i) [***] of Adjusted Gross Annual Sales (as defined below) of physical boxed video games Products themed as or containing Licensed IP together with (ii) [***] of Adjusted Gross Annual Sales of digitally sold and distributed video games Products themed as or containing Licensed IP and accompanying content and game add-ons associated with the Licensed IP.

"Adjusted Gross Annual Sales" means, with respect to a Product, the dollar amount of gross sales of such Product during an applicable 12-month period less the aggregate dollar amount of all reasonable Distribution Fees properly and necessarily incurred in and directly attributable to such sales of the Products, all provisions and discounts reasonably granted for the Products provided these are granted on an arms-length basis.Where the Licensee has granted any sub licence pursuant to Section 1.6 the Licensee shall include in its royalty payments, payments in respect of all sales of the Products carried out by or on behalf of the sub licensee and shall include records of such activities in the records it keeps and the statements it submits to the Licensor in accordance with this Agreement.

"Distribution Fees" means platform holder fees and boxed fees but shall not include expenses related to the general overhead expenses of the Licensee, or (unless expressly agreed in writing by the Licensor) any charges or fees payable to any associated or connected company or company within the same group as the Licensee. Any increase to Distribution Fees above a cap of 30% of the wholesale price of the Products shall be subject to the prior agreement of the Licensor PROVIDED that no consent shall be necessary in relation to an increase in third party platform fees that is imposed on an arms length basis and is necessarily incurred for the Products, subject to the Licensor promptly receiving prior notification and full details of any such increase.

1.8 The Licensee shall not distribute the Products other than by way of arms-length sales. Any promotional give away of Products or discounted sales and bundling shall be limited to an amount agreed in writing by the Licensor (such agreement not to be unreasonably withheld or delayed).

1.9 All payments made by the Licensee under this Agreement are exclusive of VAT or other sales tax, which if payable shall be payable to the Licensor in addition. All royalties shall be paid free and clear of all deductions and withholdings unless such deduction or withholding is required by law. If any deduction or withholding is required by law the Licensee shall pay to the Licensor such sum as will, after the deduction or withholding has been made, leave the Licensor with the same amount as it would have been entitled to receive in the absence of any requirement to make a deduction or withholding.

1.10 With respect to the Initial Fee, the first U.S. [***] installment of the fee for that period shall be payable seven (7) days after the Effective Date and the balance (i.e., U.S. [***]) shall be payable on the earlier of:

(i) 60 days after the release of the Products in accordance with Section 2.1(a); and

(ii) The date that is two years from the Effective Date.

1.11 For each subsequent 12-month period of the Term, Licensee shall pay Licensor the Royalty as follows:

(a) the entire Minimum Guaranteed Annual Payment for such period (i.e., U.S. [***]) shall be payable on the last business day of September in each such 12-month period of the Term), and

(b) to the extent the Royalty calculated pursuant to Section 1.7 of this Agreement for any 12- months period of the Term exceeds the Minimum Guaranteed Annual Payment related to the applicable 12-month period of the Term that has already been paid by Licensee to Licensor, the amount of such excess shall be payable to the Licensor within sixty (60) days of the end of each 12 month period of the Term.

1.12 Payments details:

(a) All payments shall be remitted by Licensee to Licensor to:

[OMITTED]
Sort Code: [OMITTED]
Account Number: [OMITTED]
Account Name: [OMITTED]

IBAN: [OMITTED]
41 SWIFTBIC: [OMITTED]

and for the purpose clarification, all payments shall be made in United States Dollars.

1.13 At the same time as payment of the Royalty falls due (including upon termination and during any Sell off Period under Section 6.5), the Licensee shall submit or cause to be submitted to the Licensor a statement in writing recording the calculation of such Royalty payable, and in particular:

(a) the period for which the Royalty was calculated;

(b) the number of Products sold or distributed during that period;

(c) the number of Products manufactured during that period but not yet sold or distributed;

(d) the gross sales price of each Product sold during the period, together with any returns, with details and evidence of any deductions which have been made from the gross price appended;

(e) the amount of royalties due and payable or which would, but for any recoupment of the Minimum Guaranteed Annual Payment, have been payable;

(f) the amount of any withholding or other income taxes deductible or due to be deducted from the amount of royalties due and payable; and

(g) any other particulars the Licensor may reasonably require.

1.14 The Licensee acknowledges that for the purpose of calculating the Royalty due to the Licensor any Distribution Fees or other deductions from the gross sales shall be invalid unless the Licensee has provided documentary evidence of them to the satisfaction of the Licensor

1.15 In the event of any delay in paying any sum due under this Agreement by the due date, and in addition and without prejudice to the exercise of any other remedy of the Licensor, the Licensee shall pay to the Licensor interest (calculated on a daily basis and compounded monthly) on the overdue payment from the date such payment was due to the date of actual payment at a rate of 2% over the base lending rate of Barclays Bank PLC from time to time.

1.16 The Licensee shall keep proper records and books of account in accordance with generally accepted accounting principles with respect to all transactions relating to this Agreement. Such records and books shall be kept separate from any records and books not relating solely to the Products and be open during normal business hours to inspection and audit by the Licensor (or its authorized representative), who shall be entitled to take copies of or extracts from the same. Such right of inspection of the Licensor shall remain in effect for a period of three years after the termination or expiry of this Agreement. If an inspection or audit should reveal a discrepancy in the Royalty paid from those payable under this agreement the Licensee shall immediately make up the shortfall, with interest calculated under Section 1.15, and reimburse the Licensor in respect of any professional charges incurred for such audit or inspection.

1.17 the Licensor may require the Licensee at any time during the Term or within three years of termination or expiry of this Agreement, by a request in writing, to provide it, within 30 days, at the Licensee's expense, with a detailed statement by an independent certified public accountant showing the number, description, gross sale price, deductions and Adjusted Gross Annual Sales of the Products sold by the Licensee up to the date of the request, and any further sums found due shall be paid immediately with interest calculated under Section 1.15.

2. Release of Products and Additional Deliverable.

2.1 The Licensee shall:

(a) release and start to sell the Products to the general public in the UK within two years of the Effective Date, such Products to have been approved by the Licensor in accordance with clause 5 and otherwise to meet the requirements of this Agreement. If the Licensee fails to meet this requirement then the Licensor shall have the right to terminate this Agreement in whole or in part in accordance with Section 6.2(b); and

(b) Use all reasonable endeavors to promote and expand the supply of Products throughout the Territory on the maximum possible scale and shall provide such advertising and publicity as may reasonably be expected to bring the Products to the attention of as many potential purchasers as possible.

2.2 Not later than the date that is 30 days after the release of the Products for sale to general public, Licensee shall make available to Licensor aggregate 200 copies of the video games branded with the Licensed IP and using the Licensed IP content free of charge (such 200 copies to be divided equally across the three platform, PlayStation, Xbox and PC; the Licensor shall use at least 50% of such copies to supply BTCC teams and drivers).

3. Maintenance and Renewals. Licensor may seek registration of Licensed IP, and Licensee shall (at Licensor's cost) provide reasonable assistance to Licensor such as providing specimens of use of trademarks, copyright deposits, and reasonably cooperating with Licensor to register Licensed IP.

4. Enforcement. Licensee shall reasonably promptly inform Licensor in writing of any potential infringement relating to Licensed IP after becoming aware of any such potential infringement. Should Licensor believe that a third party is infringing Licensed IP, Licensor shall make a reasonable determination as to whether to not to file suit or any other type of action or proceeding against that third party. Should Licensor file suit or another type of action, Licensor may join Licensee as a party to such suit or action and Licensee shall provide reasonable assistance to Licensor in any such action but shall not be obliged to incur any third party costs in so doing.

5. Quality Control.

5.1 The Licensee shall ensure that the Products and all packaging:

(a) comply with all applicable law, rules, regulations, safety standards and codes of practice;

(b) are of a quality and standard equal to good industry standard;

(c) are not defective in terms of workmanship, materials or otherwise.

5.2 The Licensee shall provide the Licensor for each Product and its packaging provide to the Licensor for the Licensor's prior written approval (such approval not to be unreasonably withheld or delayed):

(a) The initial concept;

(b) if the initial concept is approved, one pre-production sample with packaging; and

(c) a final production sample of the Product with packaging.

For the avoidance of doubt any approval given by the Licensor shall not constitute a waiver of the rights of the Licensor or the Licensee's obligations and duties under this Agreement.

5.3 If the initial concept or samples provided under Section 5.2 are not approved by the Licensor the Licensee shall make such modifications as may reasonably be required by the Licensor and re submit such samples to the Licensor for its approval (such approval not to be unreasonably withheld or delayed). The Licensee shall not materially alter or amend the Product or its packaging that are approved for production by the Licensor pursuant to this Section 5 without first obtaining the written approval of the Licensor in accordance with Section 5.2.

5.4 The Licensee shall on the Licensor's request provide the Licensor with details of any complaints it has received in relation to the Products together with a report on the steps taken or being taken to resolve and fully address such complaints. Any complaints raising or potentially raising any issue of safety shall be reported to the Licensor (without a request from the Licensor being necessary) within ten working days of receipt. The Licensee shall comply with any reasonable directions given by the Licensor in respect of such complaints.

5.5 Licensor and its duly authorized representative(s) shall have the right, during normal business hours upon reasonable advance notice, to inspect any facility, storage, warehousing, vehicle, ship, aircraft, goods, supplies, and anything else used in connection with Licensed IP by Licensee in order for Licensor to monitor the quality of the Products being provided by Licensee and to ensure that the quality of the Products is of the required standard and consistent with the samples provided. Upon Licensor's written request, Licensee shall grant Licensor access to individuals or organizations served by Licensee in order for Licensor to monitor use of Licensed IP accordance with the quality standards and other requirements of this Agreement. If Licensor notifies Licensee in writing of the disapproval of the quality of Products provided by Licensee in connection with Licensed IP or any misuse of Licensed IP, Licensee shall take prompt steps as reasonably required by the Licensor to improve such quality and/or to remedy trademark use.

5.6 Licensee acknowledges and agrees:

(a) that it will use Licensed IP properly as determined by the applicable U.S. and United Kingdom trademark laws;

(b) that the exercise of the licence and worldwide rights granted to the Licensee under this agreement is subject to all applicable laws, enactments, regulations and other similar instruments, and the Licensee understands and agrees that it shall at all times be solely liable and responsible for such due observance and performance.

5.7 In order to promote the Products the Licensee may display so far as is reasonably required to advertize and establish a link to the Products, Licensed IP on the Licensee's and/or the Licensee distributors' and/or retailers', websites, on-line or physical publications, streaming services, game covers of the digitally downloaded games or game add-ons, esports platforms or social media platforms and/or networking sites. The Licensor may agree from time to time to the Licensee producing a limited amount of merchandize clearly branded with the Products in order to promote and advertise the Products, the cost of such merchandize shall be borne by the Licensee and shall not be deductible from any Royalty payable to the Licensor. An additional royalty shall be paid (in an agreed amount) to the Licensor for any Product merchandize that is sold.

6. Term; Termination.

6.1 "Term" means the period starting on the Effective Date and ending on 31st December 2026. In the event that the Licensor's agreement with Motorsport UK to promote the Championship is extended the Licensor shall notify the Licensee of the possibility of an extension of this Agreement, any such extension to be agreed between the Parties, acting reasonably, which discussions shall (unless otherwise agreed in writing by the Parties) take place no later than 31st March 2026.

6.2 Licensor may terminate this Agreement and revoke the license to Licensed IP in whole or in part immediately on written notice if Licensee:

(a) files for bankruptcy protection or suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts, or suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business;

(b) breaches Section 2.1(a) or 2.1(b);

(c) fails to pay Licensor the Royalty owed under this Agreement within thirty (30) days of when it becomes due under the terms of this Agreement;

(d) if the Licensee commits a breach of any other term of this Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a reasonable period of time not exceeding 30 days after being notified in writing to do so.

Where a breach is capable of remedy, the Licensee will work diligently and in good faith to ensure that any deficiencies are remedied within a reasonable period of time (not exceeding 30 days from notification of breach). In the event the deficiencies cannot be remedied after such good faith effort, Licensor shall have the additional right which may be exercised by it in its absolute and sole discretion that instead of terminating this Agreement it may terminate this Agreement in part and prohibit Licensee's use of the Licensed IP in connection with the portion of the Products not in compliance with this Agreement. In such a termination of part Sections 6.3, 6.4, 6.5, 6.6 and 6.7 shall apply to the part of the Agreement (or section of Products) that is terminated.

6.3 On the effective date of termination of this Agreement pursuant to Sections 6.2:

(a) Licensee shall cease manufacturing or producing the Products and using the Licensed IP content.

(b) Licensee's license to use the Licensed IP for any new Products development or manufacturing any new Products shall terminate.

(c) Licensee shall not use the Licensed IP for any products manufactured or produced after the effective date of such termination.

(d) all outstanding Royalty payable and other sums payable by the Licensee to the Licensor including any payments constituting the Initial Fee and the Minimum Guaranteed Annual Payment shall immediately become due and payable;

(e) the Licensee shall return promptly to the Licensor at the Licensee's expense all records and copies of Licensed IP in its possession relating to the Products and all records and copies of any information of a confidential nature communicated to it by the Licensor;

(f) if no Sell Off Period applies in accordance with Section 6.5 within 90 days of the date of termination the Licensee shall destroy all Products remaining in the Licensee's possession or control on the date of termination.

6.4 Sixty days before the expiration of this Agreement and again within ten days of the termination or expiration of this Agreement (as applicable) the Licensee shall provide the Licensor with a statement of the number and description of the Products in the Licensee's possession or control (including for the avoidance of doubt those held by sub licensees) ("Final Statement").

6.5 **Sell Off Period**: On termination of this Agreement other than by reason of termination by the Licensor for the Licensee's breach, the Licensee shall for the Sell Off Period, have the right to dispose of all stocks of Products in its possession or control and all Products in the course of manufacture at the date of termination or expiry (even if not yet marketed, publicized, streamed, distributed or sold) prior to the effective date of termination of this Agreement provided that:

(a) All Initial Fee, Royalty, Minimum Guaranteed Annual Payments and other sums due to the Licensor under the Agreement have been paid in full and relevant statements provided to the Licensor to the Licensor's satisfaction; and

(b) A Royalty shall be payable at the rates set out in Section 1.7(b) in respect of Products disposed of during the **Sell Off Period** as if such stocks were supplied at or before the date of termination, provided that Royalties earned during the Sell Off Period shall not be set against the Minimum Guaranteed Annual Payment. Such Royalty shall be paid within 90 days of the end of the Sell Off Period with the relevant statement provided in accordance with Section 1.13;

(c) The Licensee has provided the Licensee with a Final Statement in accordance with Section 6.4;

(d) The Licensee shall within 90 days of expiry of the Sell Off Period destroy any Products remaining in the Licensee's possession or control (as reconciled against the Final Statement and the numbers of Products disposed of during the Sell Off Period) and shall provide a certificate of destruction to that effect.

"Sell Off Period" means the period beginning on the date of termination or expiry and ending on the date that is the earlier of:

(i) 180 days after termination or;

(ii) 31st December 2026.

6.6 Any provision of this Agreement that expressly or by implication is intended to come into or to continue in force on or after termination or expiry of this Agreement shall remain in full force and effect.

6.7 Termination or expiry of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry.

7. Liability, Indemnity and Insurance

7.1 To the fullest extent permitted by law, the Licensor shall not be liable to the Licensee for any costs, expenses, loss or damage (whether direct, indirect or consequential and whether economic or other) arising from the Licensee's exercise of the rights granted to it under this Agreement save that the Licensor shall indemnify Licensee for costs, expenses losses or damages directly arising from the licensor's breach of the warranties set forth in Section 8.2.

7.2 The Licensee shall indemnify the Licensor against all liabilities, costs, expenses, damages and losses (including and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Licensor arising out of or in connection with the Licensee's exercise of the rights granted to it under this Agreement:

(a) the Licensee's exercise of the rights granted to it under this Agreement;

(b) the Licensee's breach or negligent performance or non-performance of this Agreement, including any product liability claim relating to the Products manufactured, supplied or put into use by the Licensee;

(c) the enforcement of this Agreement; and

(d) any claim made against the Licensor by a third party for death, personal injury or damage to property arising out of or in connection with defective Products.

7.3 An indemnity given by a Party ("the Indemnifying Party") to the other ("the Indemnified Party") shall not apply to any liabilities, costs, expenses, damages or losses incurred by the Indemnified Party as a result of any material breach by the Indemnified Party of any term of this Agreement, or any act of negligence or wilful misconduct by the Indemnified Party.

7.4 The Licensee shall, at its expense, carry product liability and comprehensive general liability insurance coverage of an amount adequate to support its liabilities under this Agreement. The Licensee shall ensure that such insurance policy names the Licensor as co-insured with the Licensee and remains in effect throughout the duration of this agreement and for a period of three years after termination or expiry of the Agreement, and shall supply the Licensor with a copy of such policy on request.

8. Warranties.

8.1 Each Party represents and warrants that it:

(a) is a limited company or a limited liability company (as applicable) duly organized and existing in the jurisdiction in which it is organized;

(b) has taken all necessary company action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; and

(c) has duly executed and delivered this Agreement which, in turn, constitutes a legal, valid, binding obligation, enforceable against such Party.

8.2 Licensor represents and warrants to Licensee that (a) Licensor is appointed as the sole and exclusive promoter of the Championship (including the right to exploit the Licensed IP in order to promote and commercially exploit the Championship); (b) Licensor has as of the Effective Date and shall have at all times during the Term the sole and exclusive right to grant the rights licensed in respect of the Championship under this Agreement; and (c) the Licensor has not at the date of this Agreement received any notification that the use of the Licensed IP by Licensee as contemplated by this Agreement would infringe, violate, or otherwise misappropriate the intellectual property rights of any third party. It is expressly accepted that save for the warranties in this Section 8.2 and such warranties as may not be excluded by law, no warranties are given by the Licensor and all warranties express or implied, statutory or otherwise are excluded.

9. Governing Law; Dispute Resolution.

9.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without applying any choice of law provisions of the State of Florida or any other jurisdiction.

9.2 Each of the Parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America located in Miami-Dade County, Florida or, if such federal courts do not have jurisdiction, to the courts of the State of Florida located in Miami-Dade County, Florida for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby, and further agrees that service of any process, summons, notice or document by U.S. certified mail to the Party's respective address set forth in this Agreement shall be effective service of process for any litigation brought against the Party in any such court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the United States of America or the State of Florida, in each case located in the Miami-Dade County, Florida, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim that any such litigation brought in any such court has been brought in an inconvenient forum.

9.3 Each of the Parties irrevocably agrees and acknowledges that any judgment (whether issued by a court, arbitrator or other person or entity) which one Party may have against the other Party, and all other monetary claims which one Party may have against the other Party, may be enforced in any jurisdiction (whether in the United States, the United Kingdom or other jurisdiction) in which the Party subject to the monetary obligation has assets.

10. General Provisions.

10.1 Each Party undertakes that it shall not at any time during and within five years of the expiry or termination of this Agreement, disclose to any person any confidential information concerning the business, affairs, customers, sponsors, or suppliers of the other Party, except as permitted by Section 10.2.

10.2 Each Party may disclose the other Party's confidential information:

(a) To its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the Party's obligations or rights under this Agreement provided that each Party shall procure that such persons to whom it discloses confidential information shall keep such information confidential as if were a party to this Agreement;

(b) As may be required by law, a court of competent jurisdiction or any government or regulatory authority.

10.3 No Party shall use any other Party's confidential information other than to perform its obligations under this Agreement. For the avoidance of doubt the Licensor is permitted to publicize its involvement with the Licensee and the Products.

10.4 Any notice, demand, or communication required or permitted to be given to a Party by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (i) delivered personally, (ii) sent by facsimile or email set forth below, provided that a confirmation copy is also sent personally or by mail within 24 hours or (iii) sent by registered or certified mail, postage prepaid, addressed to the Party at the address set forth in the introductory paragraph on page 1 of this Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given on the date on which the same was personally delivered, on the date on which the notice was transmitted by facsimile and/or email or, if sent by registered or certified mail, three (3) days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid. The inability to deliver any such notice because of a changed mailing address or facsimile, of which no notice was given, or because of the rejection or refusal to accept such notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver, rejection, or refusal to accept. Notice may be given by counsel or an agent for a Party.

10.5 No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

10.6 If any term, provision or section of this Agreement shall be found to be unenforceable, that term, provision, or section shall be stricken from this Agreement and shall not affect the validity or enforceability of the remaining terms, provisions and sections of this Agreement. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as enforceable.

10.7 Each Party shall execute such documents and shall give further assurances as shall be reasonably necessary or desirable to perform its obligations hereunder.

10.8 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.9 This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns. Except as provided herein, this Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

10.10 Except as may be expressly set forth to the contrary herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties (and their affiliates) with respect to the subject matter hereof. This Agreement may be amended only in writing signed by the Parties.

10.11 Except as may be expressly set forth to the contrary herein, representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and the Agreement will not be construed as conferring, and is not intended to confer, any rights on any other persons or entities.

10.12 The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive any other right or remedy. The rights and remedies in this Agreement are given in addition to any other rights or remedies that the Parties may have by law, statute, ordinance or otherwise.

10.13 The headings in this Agreement are inserted for convenience and identification only and are in no way intended to define or limit the scope, extent or intents of this Agreement or any provisions herein.

10.14 The Recitals to this Agreement are hereby incorporated into this Agreement by reference.

10.15 The Parties agree that this Agreement was jointly developed and prepared and shall not be construed for or against either Party by reason of the physical preparation of this Agreement.

10.16 The Parties agree that, if a duly authorized representative of one Party signs this Agreement and transmits such Agreement to the other Party via facsimile or email transmission, and a duly authorized representative of the other Party then signs such transmission, then this Agreement shall have been validly executed by both Parties. In such case, the fully signed document and the facsimile or pdf of such document (bearing all signatures and transmitted to the Party that originally signed such document), shall be deemed original documents.

10.17 The Parties to this Agreement are not partners or joint ventures. This Agreement shall not constitute any Party the legal representative or agent of the other, nor shall any Party or any affiliate of any Party have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of, or on behalf of the other Party solely by virtue of this Agreement.

10.18 Licensor and Licensee shall pay their own respective legal fees incurred in negotiating and preparing this Agreement.

11. Joint Preparation/Independent Counsel.

11.1 This Agreement shall be considered, for all purposes, as having been prepared through the joint efforts of the Parties to this Agreement. No presumption shall apply in favor of or against any Party in the interpretation of this Agreement or any such other agreement or instrument, or in the resolution of any ambiguity of any provision hereof or thereof, based on the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof or thereof.

11.2 Each Party to this Agreement understands and acknowledges that each of them is entitled to and has been afforded the opportunity to consult legal and tax counsel of its choice regarding the terms, conditions and legal effects of this Agreement as well as the advisability and propriety thereof. Each Party to this Agreement further understands and acknowledges that having so consulted with legal and tax counsel of its choosing, such Party hereby waives any right to raise or rely upon the lack of representation or effective representation in any future proceedings or in connection with any future claim resulting from this Agreement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

LICENSOR:
BARC (TOCA) LIMITED

By: */s/ Alan Gow*
Name: Alan Gow
Title: Chief Executive Officer

LICENSEE:

MOTORSPORT GAMING US LLC

By: */s/ Stephen Hood*
Name: Stephen Hood
Title: President

Annex A


BTCC
BRITISH TOURING CAR CHAMPIONSHIP


BTCC
BRITISH TOURING CAR CHAMPIONSHIP


BTCC
BRITISH TOURING CAR CHAMPIONSHIP

Exhibit 10.10.1

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

DISTRIBUTION AGREEMENT

This Distribution Agreement (this "Agreement") is dated as of 18th April, 2016, by and between U&I Entertainment, LLC ("U&I"), a Minnesota limited liability company located at 5850 Opus Parkway, Suite 250, Minnetonka, MN 55343, and 704Games Company LLC ("Publisher/Manufacturer",) a Delaware Company located at 550 S.Caldwell Street, 17th Floor, Charlotte, NC 28202.

RECITALS:

A. U&I and Publisher/Manufacturer have agreed for U&I to distribute Publisher/Manufacturer's Titles and Products throughout the Territory in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises, mutual promises, agreements, terms, and conditions set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

"Customers" means any individual or entity to whom Units are or may be distributed by U&I, including, without limitation, distributors, resellers and retailers.

"Customer Specific Programs" means the costs associated with marketing and merchandising programs that are either required by Customer or mutually agreed to between U&I and Customer.

"Customer Event Fees" means the costs associated with attending or exhibiting at Customer specific events.

"Defective Returns" means any returns from Customers in accordance with their defective return policy.

"Distribution Fee" means an amount equal to the Net Proceeds multiplied by the applicable [***].

"End Users" means those persons who purchase for use one or more Units from Customers.

"Future Authorized Deductions" means all price protection and returns that have been offered to retail customers but not yet deducted from receipts.

"Imminent Deductions Hold Back" means a hold back from Gross Receipts based on potential deductions from retail.

"NASCAR Royalty" shall be an amount equal to [***] of the Wholesale Price minus the Cost of Goods.

"Marketing Development Fund" or "MDF" means the costs associated with the marketing and merchandising of each Version at Customer locations.

"Net Proceeds" means total Payments received in any given calendar month, minus the following paid in such calendar month: (i) Cost of Goods, (ii) MDF, (iii) Defective Returns and Pre-Approved Returns, (iv) Customer Specific Programs, (v) Customer Event Fees, (vi) Placement Fees, (vii) Price Protection, (viii) Future Authorized Deductions, (ix) Imminent Deductions Hold Back, (x) NASCAR Royalty, and the (xi) Reserve.

“Payments” means wholesale proceeds actually received by U&I from the distribution of the product in any given calendar month.

“Placement Fees” means the costs associated with securing retail shelf placement at Customer.

“Price Protection” means price reductions granted to Customers after order and delivery of Units to the Customer to facilitate retail sale efforts. U&I shall be entitled to Price Protection for the Title or Product to ensure it remains on the shelf with Customers and continues to sell through to End Users at a satisfactory rate.

“Pre-Approved Returns” means Units of any Version of the Title or Product returned by a Customer that are pre-approved for return by Publisher/Manufacturer. To the extent that there are Returns of any Units, fifty percent (50%) of the Distribution Fee attributable to said Returns shall be credited to Publisher/Manufacturer and fifty percent (50%) of the Distribution Fee attributable to said Returns shall be retained by U&I as a restocking fee.

“Reserve” means an amount equal to the invoice value of Units still held and not yet sold through by Customers to End Users.

“Term” means the period during which this Agreement shall be in effect, as set forth in Section 6 below.

“Territory” shall be set forth in the attached Exhibit A, as may be amended from time to time.

“Title or Product “ means each software or accessory product published or manufactured by Publisher/Manufacturer and listed in the attached Exhibit A, as may be amended from time to time, together with all printed artwork, booklets, manuals, pamphlets or other materials, prepared by or on behalf of Publisher/Manufacturer, which refer to or relate to each respective Title or Product ..

“Unit” means one copy of one Version embodied on any storage device embodied on CD-ROM, DVD, cartridge, or any other tangible medium now known or later devised, fully packaged as a finished good and ready for shipment to Customers.

“Version” means the Title or Product as designed to operate with software, console or accessory or other interactive media environment or platform now known or later devised. Examples of Versions include software or accessory products developed for: the IBM PC platform utilizing the Windows XP operating system; the Apple Macintosh platform; and console platform versions such as Sony Playstation products, Sony Playstation 4, PSP, DSi, 3DS, Microsoft Xbox One, Microsoft Xbox 360, and Nintendo Wii.

2. Grant of Rights.

2.1 Rights Granted. With respect to each Title or Product, Publisher/Manufacturer hereby grants to U&I throughout the Territory, during the Term:

a) the exclusive, royalty-bearing, non-transferable right to sell and distribute Units to Customers.

b) the non-exclusive, non-transferable right to advertise, publicize and promote, in a manner reasonably acceptable to Publisher/Manufacture, reach Version by any means and in all media now known or later devised, subject to Publisher/Manufacturer’s prior written approval.

c) the non-exclusive , non-transferable right to use, publish and permit others to use and publish Publisher/Manufacturer ‘s trademarks, logos and other proprietary markings in conjunction with the advertising and promotion of Units, with Publisher/Manufacturer’s prior written approval.

2.2 Limitations. It is agreed and understood that the licenses granted to U&I hereunder are subject to the terms and conditions upon which the rights to each Title or Product are owned or controlled by Publisher/Manufacturer or its licensors.

3. Obligations of U&I.

3.1 Distribution.

At the publishers discretion, U&I agrees to pay for the following associated with the Product: all costs associated with manufacturing and any associated shipping and handling fees and all licensing royalties or other costs due the applicable console manufacturer (Sony or Microsoft) for the distribution of the Title. Collectively, such costs will be referred to as the “Cost of Goods” for purposes of this Agreement.

b) U&I shall use commercially reasonable *efforts* to distribute Units to Customers.

c) U&I shall be responsible for distributing and shipping Units to Customers (i.e., pick, pack and ship services).

d) U&I shall provide adequate and secure warehousing facilities for all Units in inventory.

e) U&I shall be responsible for all billing, invoicing, credit and collections, invoice reconciliation and related administrative procedures associated with order taking, distribution and shipping of the Units.

e) U&I will provide vendor managed inventory (VMI) services in connection with the distribution of Units to Customers.

f) U&I will promptly notify Publisher/Manufacturer in writing of any known infringement of Publisher/Manufacturer’s proprietary rights which comes to U&l’s attention. U&I agrees to cooperate, at Publisher/Manufacturer’s expense, in connection with Publisher/Manufacturer’s reasonable efforts to protect its proprietary rights in the Title or Products.

3.3 Marketing.

a) U&I shall use commercially reasonable efforts to market the Units to the Customers.

b) U&I shall provide recommendations and assist Publisher/Manufacturer in developing strategies to be implemented by Publisher/Manufacturer to help stimulate the sale of the Units to the Customers, provided that U&I shall not be obligated to incur any costs associated with retaining or employing third parties.

c) U&I will provide Publisher/Manufacturer with regular reports which shall include the following information, if available; a summary of the number of Units distributed to each Customer, sold through, and the number of Units returned since the last report issued.

d) U&I shall advise Publisher/Manufacturer on matters relating to marketing, placement, promotion and sell through of Title or Product by each Customer.

f) U&I shall coordinate and arrange for in-store merchandising of the Units at the Customers.

g) U&I shall obtain approval from Publisher/Manufacturer prior to authorizing MDF or Price Protection for a Customer.

4. Obligations of Publisher/Manufacturer.

4.1 Software or Accessory. Publisher/Manufacturer shall provide U&I with either (i) finished goods of the Title or Product in each Version; or, (ii) the gold master, plus box artwork and manuals, where U&I will create the boxed Product.

4.2 Technical Support. Publisher/Manufacturer will provide technical support for each Version in the Territory to U&I, Customers and End Users in a manner consistent with the technical support that Publisher/Manufacturer provide for all of its products. During the Term of the Agreement, each party agrees to inform the other promptly of know defects or operational errors affecting any Version.

4.3 Testing. Prior to the delivery of Title or Product to U&I, Publisher/Manufacturer agrees to use commercially reasonable efforts to test each Version to assure that each Version, to the best of Publisher/Manufacturer's knowledge, is bug-free and fully functional in the different configurations in which the Version is designated to run and for all peripherals with which each Version is designated to work.

4.4 Changes. Publisher/Manufacturer will give U&I notice at least ninety (90) days prior to any material modification to a Title or Product or any Version, including without limitation, Publisher/Manufacturer's decisions to discontinue or materially enhance any Title or Product or Version. Publisher/Manufacturer shall use commercially reasonable efforts to promptly provide U&I with master disks embodying all updates and enhancements

4.5 Distribution. Publisher/Manufacturer will be responsible for all third party fees associated with shipping Units including handling, storage and freight. U&I will use best efforts in minimizing fees associated with shipping units.

4.6 Marketing.

a) Notwithstanding U&l's rights set forth in Section 2.1, throughout the Term, Publisher/Manufacturer will use its commercially reasonable efforts to advertise, market and promote the Title or Product throughout the Territory to the Customers.

b) Publisher/Manufacturer shall provide to U&I ninety (90) days prior to the street date of each Version and upon reasonable request thereafter, at no cost to U&I, copies of each of the following materials for purposes of facilitating the promotion of that Version by U&I: the master disk, demonstration copies, specification sheets, sell sheets and any other available promotional material to the extent that Publisher/Manufacturer has these available.

5. Compensation.

5.1 If U&I has paid the Cost of Goods, then U&I shall pay Publisher/Manufacturer [***] of Net Proceeds within thirty (30) days after the end of each calendar month; U&I shall retain [***] of Net Proceeds as its Distribution Fee and full and complete compensation to U&I hereunder.

5.2 Within five business days, Publisher /Manufacturer agrees to credit or reimburse U&I for any deductions authorized by Publisher/Manufacturer and deducted from U&I by Customers outlined herein and by Exhibit A within five business days of the date the deduction is taken by Customer. To be clear, credits may be applied against amounts owed to Publisher/Manufacturer by U&I but if nothing is Publisher/Manufacturer, Publisher/Manufacturer must reimburse U&I via check, ACH or wire transfer the amount authorized by Publisher/Manufacturer and deducted by Customers for the prior calendar month to Publisher/Manufacturer.

5.3 Accounting.

a) Along with any Net Proceeds due, U&I shall submit a report to Publisher/Manufacturer showing Payments, Manufacturing Costs (where applicable), Price Protection, MDF, Returns, the Distribution Fee and any other deductions, fees and costs permitted to be deducted under the terms of this Agreement.

b) Publisher/Manufacturer will have the right, exercisable not more than once every twelve (12) months, at Publisher/Manufacturer's expense, to examine or have its agents examine, such books, records and accounts during U&I's normal business hours to verify the payments due by U&I to Publisher/Manufacturer hereunder.

c) On a quarterly basis, U&I and Publisher/Manufacturer will discuss the Reserve and Imminent Deduction Hold Back amounts from the previous quarter and shall mutually agree upon reconciliations of same, as and if appropriate.

6. Term.

Subject to Section 7 below, the term of this Agreement shall commence as of the date hereof and shall continue for twelve (12) months, and shall automatically renew for additional renewal terms of twelve (12) months unless notice of termination is received by any party at least thirty (30) days prior to the expiration of the initial term or any renewal term. This Agreement shall automatically renew for a minimum of 12 months on the release of a new Title or Product.

7. Termination.

7.1 Termination for Breach. In the event of a material breach by either party, which breach is not cured within thirty (30) days after written notice by the nonbreaching party, the nonbreaching party may, upon written notice to the breaching party, terminate this Agreement in its entirety or only in respect to the Version to which the breach relates. Upon termination, the nonbreaching party will have the right to pursue any remedies it may have at law or in equity.

7.2 Immediate Termination. Either party may immediately terminate this agreement if (i) a receiver is appointed for the other party or its property; (ii) the other party becomes insolvent or is unable to pay its debts as they mature, or makes an assignment for the benefit of its creditors; (iii) the other party seeks relief or if proceedings are commenced against the other party or on its behalf under any bankruptcy, insolvency or debtor's relief law, and those proceedings have not been vacated or set aside within sixty (60) days from the date of their commencement; or (iv) if the other party is liquidated or dissolved.

7.3 Effect of Termination. Upon termination of this agreement:

a) Upon termination, Publisher/Manufacturer and U&I will establish a mutually agreeable payment plan based on historic sell through patterns.and any anticipated, imminent or potential exposure at retail.

b) U&I may return all unsold units of product to Publisher/Manufacturer and/or sell remaining inventory with Publisher/Manufacturer's prior written approval.

(c) Sections 1, 5, 8, 9, 10, 11, 12.1, 12.2, 12.6, and 12.9 shall survive termination of this Agreement.

8. Freedom to Compete.

Subject to the rights granted to U&I herein, each party agrees that nothing in this Agreement will be construed as restricting or prohibiting either party from lawfully competing with the other party in any other aspects of its business, including, without limitation, development of and/or distribution of other software or Accessory products and services; including the rights to sell and distribute the Game in bundled format with other products to any of its customers including but not limited to Walmart, Best Buy and Target. Without limiting the generality of the foregoing, each party acknowledges that the other party is in the business of creating and publishing software or Accessory products for a variety of hardware platforms and related hardware products, that the other party maintains and continually seeks relationships with other parties, and that the other party maintains and continually seeks licensing or similar arrangements with other parties. Each party agrees that nothing in this Agreement will be construed as restricting or prohibiting the other party from continuing its business in any lawful manner and without limitation the other party may at its sole discretion at any time during or after the term of this Agreement (a) create, publish, manufacture, market and distribute any other products, even if such products are competitive and similar to the Title or Product; and (b) enter into and maintain relationships with any other party, even if such parties are competitors, or licensors of the other party.

9. Representations and Warranties.

a) Publisher/Manufacturer represents and warrants to U&I that:

(i) It has the full right, power and authority to enter into this Agreement, to carry out its terms and to grant the rights, licenses and privileges granted under this Agreement;

(ii) Publisher/Manufacturer has all necessary rights, title and interest in and to the Title or Product and the Versions and all other materials furnished to U&I under this Agreement to grant U&I the rights granted hereunder;

(iii) The Title or Product and other materials furnished to U&I by and on behalf of Publisher/Manufacturer, under this Agreement do not infringe upon, or misappropriate, any copyright, trade secret or any other proprietary rights of any third party;

(iv) Each Version will perform substantially in accordance with Publisher/Manufacturer's specifications and express warranties for each respective Version;

(v) Publisher/Manufacturer has not and shall not assign, transfer, lease, convey or grant a security interest or otherwise similarly dispose of the Title or Product to a third party unless such third party agrees to be bound by the terms of this Agreement; and

(vi) Prior to delivery of master disks or finished goods to U&I, Publisher/Manufacturer will obtain all necessary rights from any and all hardware Manufacturers (e.g. Microsoft, Sony and Nintendo) to perform its obligations with respect to any Title or Product or Version.

b) U&I represents and warrants to Publisher/Manufacturer that:

(i) It has the full right, power and authority to enter into this Agreement, to carry out its terms and to grant the rights, licenses and privileges granted in this Agreement.

(ii) It has all necessary rights, title and interest in and to the materials furnished by it and incorporated into the Units;

(iii) Materials furnished by U&I under this Agreement do not infringe upon or misappropriate any copyright, trade secret or any other proprietary rights of any third party.

10. Indemnification.

10.1 Publisher/Manufacturer Indemnity. Publisher/Manufacturer agrees to indemnify, hold harmless and defend U&I, its subsidiaries, affiliates and their respective officers, directors and employees from and against all claims, losses, defense costs (including reasonable attorneys' fees), judgments and other expenses related to or arising out of: (a) the breach of its representations, warranties and covenants hereunder; (b) any product liability with respect to any Title or Product ; (c) the alleged infringement or violation of any trademark, copyright, trade secret, patent or other proprietary right with respect to any Title or Product ; and (d) any unfair trade practice, trade libel or misrepresentation based on any promotional material, packaging, documentation or other materials provided by Publisher/Manufacturer with respect to any Title or Product, provided that Publisher/Manufacturer shall have no indemnification obligations hereunder to the extent any such claims, losses or costs relate to or arise out of U&l's gross negligence, willful misconduct or breach of this agreement. Publisher/Manufacturer's obligation to indemnify is conditioned on (i) U&I notifying Publisher/Manufacturer of any such claim as to which indemnification will be sought promptly after U&I learns of such claim and (ii) providing Publisher/Manufacturer reasonable cooperation in the defense and settlement thereof. Publisher/Manufacturer shall have the right to control the defense and settlement of any such claim at Publisher/Manufacturer's expense and to choose counsel for such purpose, provided that (other than with respect to claims for money damages for which U&I is indemnified hereunder) Publisher/Manufacturer may not settle any such claim without U&l's prior written consent, which consent shall not be unreasonably withheld or delayed. U&I may retain counsel (at U&l's sole option and expense) with respect to any such claim, and Publisher/Manufacturer shall ensure that its counsel reasonably cooperates with U&l's counsel in the course of such defense. If Publisher/Manufacturer does not fulfill its indemnification obligations in good faith, U&I will have the right to defend and settle any claim for which it was entitled to indemnification under this agreement and to receive reimbursement from Publisher/Manufacturer for all of its reasonable costs (including attorneys fees and costs) in defending and settling such claim.

10.2 U&I Indemnification. U&I agrees to indemnify, hold harmless and defend Publisher/Manufacturer, its subsidiaries, affiliates and their respective officers, directors and employees from and against all claims, losses, defense costs (including reasonable attorneys' fees), judgments and other expenses arising out of: (a) the breach of its representations, warranties and covenants hereunder and (b) any unfair trade practice, trade libel of misrepresentation based on any promotional material, packaging documentation or other materials provided by U&I with respect to any Title or Product , provided that U&I shall have no indemnification obligations hereunder to the extent any such claims, losses or costs relate to or arise out of Publisher/Manufacturer's gross negligence, willful misconduct, breach of this agreement or any materials provided by Publisher/Manufacturer pursuant to this agreement. U&l's obligation to indemnify is conditioned on Publisher/Manufacturer notifying U&I of any such claim as to which indemnification will be sought promptly after Publisher/Manufacturer learns of such claim, and providing U&I reasonable cooperation in the defense and settlement thereof. Provided that U&I is fulfilling its indemnification obligations hereunder in good faith, U&I shall have the right to control the defense and settlement of any such claim at U&l's expense and to choose counsel for such purpose, provided that U&I may not settle any such claim without Publisher/Manufacturer's prior written consent, which consent shall not be unreasonably withheld or delayed. Publisher/Manufacturer may retain counsel (as Publisher/Manufacturer's sole option and expense) with respect to any such claim, and U&I shall ensure that its counsel reasonably cooperates with Publisher/Manufacturer's counsel in the course of such defense. If U&I does not fulfill its indemnification obligations in good faith, Publisher/Manufacturer will have the right to defend and settle any claim for which it was entitled to indemnification and to receive reimbursement from U&I for all of its reasonable costs (including attorneys fees and costs) in defending and settling this claim.

10.3 LIMITATION OF LIABILITY. BOTH PARTIES AGREE THAT TO THE EXTENT PERMISSIBLE BY APPLICABLE LAW, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL DAMAGES OR LOST PROFITS, ARISING IN CONNECTION WITH THIS AGREEMENT, OR, ON ACCOUNT OF ITS TERMINATION, EVEN IF APPRAISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

11. Confidentiality.

11.1 Confidential Information. During the Term of this agreement, Publisher/Manufacturer and U&I may be exposed to certain information that is confidential to the other party and is not generally known to the public, including without limitation (a) quantities, dollar volumes, and revenue of Units, (b) the terms of this agreement including Payments, marketing funds and like information, and (c) business and marketing plans, future products, research and development. Each party agrees respectively, that for a period of three (3) years after its initial receipt of the other party's confidential information it will not, and will cause its employees, agents, contractors, and like entities to not, use in any way for its own account or the account of any third party, nor disclose to any third party, any such confidential information without the prior written consent of the other party, except to employees, agents, contractors and like entities solely as required to fulfill the purposes of this Agreement, provided any such third parties agree in writing to be bound by the confidentiality obligations under this agreement. Publisher/Manufacturer and U&I agree that they will safeguard the confidential information which each party may receive from the other party for the period set forth above with the same degree of care used to protect its own information of a like nature but in no circumstances less than reasonable care.

11.2 Non-Confidential Information. Section 11.1 above shall not be applicable to any information: (a) which is in the public domain or which becomes part of the public domain through no fault on the part of the receiving party; (b) which is known to the receiving party prior to the disclosure thereof by the disclosing party, as established by documentary evidence; (c) which is lawfully received by the receiving party from a third party who provided, such information without breach of any separate confidentiality obligation owed to the disclosing party; (d) which is disclosed by the disclosing party to any third party without restriction on further disclosure; (e) which is independently developed by personnel having no access to the disclosing party's confidential information as established by documentary evidence, or (f) which is required to be disclosed pursuant to any governmental, judicial or administrative order, subpoena or discovery request (in which case, receiving party shall promptly notify disclosing party of such order and reasonably cooperate with the disclosing party in seeking to enjoin the disclosure of such information).

12. Miscellaneous.

12.1 Notices. Any notice required or permitted to be given or sent under this agreement will be deemed delivered if hand delivered or if mailed, postage prepaid, by registered, express or certified mail, return receipt requested, or by any nationally-recognized private express courier, to either party at the address listed below, or to such other address of which either party may so notify the other, as of the date such notice is received.

If to Publisher/Manufacturer:

Attn:
Phone:
Fax:

If to U&I:

U&I Entertainment, LLC
5850 Opus Parkway, Suite 250
Minnetonka, MN 55343 Attn: Chief Executive Officer Phone: (612) 713-9100
Fax: (612) 208-0740

12.2 Governing Law/Forum. This agreement will be deemed entered into in Minnesota, and will be governed by and interpreted in accordance with the substantive laws of the State of Minnesota. The parties agree that any and all disputes between the parties arising from or related to this Agreement shall be heard and determined by binding arbitration before a single arbitrator, and judgment upon the award(s) rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall be named by the American Arbitration Association ("AAA"). Arbitration proceedings will be held in Minneapolis, Minnesota under the Rules of Commercial Arbitration and under the institutional supervision of the AAA, and the parties irrevocably submit to the jurisdiction of the Federal and State courts located in Minnesota incident to any such arbitral proceeding. Witnesses residing outside of the State of Minnesota may testify telephonically or via such other audio/visual means as the arbitrator approves. The prevailing party shall be entitled to an award of its attorneys' fees and costs. A final arbitral award against either party in any proceeding arising out of or relating to this Agreement shall be conclusive. The foregoing provisions shall not limit the right of either party to commence any action or proceeding to compel arbitration, to obtain injunctive relief pending the appointment of an arbitrator, or to obtain execution of any award rendered in any such action or proceeding, in any other appropriate jurisdiction or in any other manner. The Parties agree to accept service of process by mail and waive any jurisdictional or venue defenses available to them.

12.3 Force Majeure . Neither party will be deemed in default of this agreement to the extent that performance of its obligations, or attempts to cure any breach is delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government, shortages of material or supplies or any other cause not being under the control of such party ("Force Majeure"), provided that such party gives the other party prompt written notice thereof promptly and uses its good faith effort to continue to cure any breach. In the event that either party's performance is delayed for more than thirty (30) days from the date such Force Majeure arose, the party whose performance is not affected may terminate this Agreement without further liability (but subject to either party's obligation to pay the other party any amounts which have or will become due) upon notice to the affected party if the Force Majeure is continuing.

12.4 Amendment. No amendment or modification of this agreement will be made except by an instrument in writing signed by both parties. The failure of either party to prosecute its right with respect to any single or continued breach of this agreement will not act as a waiver of the right of that party to later exercise any right or remedy with respect to that breach or any other breach of this agreement by the other party.

12.5 Relationship. The relationship between U&I and Publisher/Manufacturer will be that of independent contractors. Each party is not and shall not be deemed to be an employee, agent, partner or legal representative of the other for any purpose and shall not have any right, power or authority to create any obligation or responsibility on behalf of the other.

12.6 Severability. If any provision of this agreement is found invalid or unenforceable pursuant to judicial decree, such provision **will** be enforced to the maximum extent permissible and the remainder of this agreement will remain in full force and effect according to its terms.

12.7 Assignment. Neither party may assign any of its rights hereunder without the prior written consent of the non-assigning party, which will not be unreasonably withheld, provided that either party may assign this agreement, without the other party's consent, (a) to a parent company, a subsidiary of a parent company or a subsidiary provided that such entity has similar capabilities to perform the obligations to those of the assigning party or (b) to a third party which acquires the assigning party, merges with the assigning party or acquires all or substantially all of the assigning party's assets.

12.8 Modifications to Exhibit A. The parties may modify the terms of Exhibit A to reflect the addition, deletion or substitution of Title or Product and/or Versions, by notice sent in writing via fax, email, regular or overnight mail, provided that any such notification is sent by an authorized party and an acknowledgment of receipt and agreement to its terms are evidenced in writing by a person authorized by the other party to accept and respond to such notices. U&I hereby authorizes its Chief Executive Officer to send and respond to such notices. Publisher/Manufacturer hereby authorizes _ _ _ _ _ _ _ _ _ to send and respond to such notices. All such notices that are received, acknowledged and agreed to in writing by the other party as provided in this Section 12.8 shall be deemed incorporated into Exhibit A by reference and made a part of this agreement. Any product added to Exhibit A will extend the Term of this agreement by 12 months.

12.9 Ownership and Goodwill. All uses of any Title or Product, and any derivative thereof shall inure to the benefit of Publisher/Manufacturer and its licensors. All ownership, copyrights trademarks and other rights in and to each Title and Product and any derivative thereof, and related materials, including, without limitation, related copy, source code, object code, literary text, advertising materials, promotional materials and instruction materials, of any sort utilizing a Title or Product and any derivative thereof, shall vest with Publisher/Manufacturer or its licensors. U&I or Publisher/Manufacturer shall not at any time acquire or claim any right, title or interest in the other's trademarks or service marks other than those rights expressly granted. All right or interest in either party's trademarks and service marks which come into existence as a result, or during the term of, the exercise by U&I or Publisher/Manufacturer of any right granted to it hereunder shall immediately vest in the applicable party.

12.10 Entire Agreement. This agreement and the Exhibits attached hereto state the entire agreement between the parties relating to the subject matter of this agreement and supersede any and all prior agreements and communications, written or oral. This agreement may be executed by facsimile and in counterparts and shall constitute a valid, binding agreement.

IN WITNESS WHEREOF, the parties hereto have executed the agreement by their duly authorized representatives as set forth below.

U&I Entertainment, LLC	**704Games Company LLC**
By: */s/ Marty Hawk*	By: */s/ Michelle Baker Dillon*
Name: Marty Hawk	Name: Michelle Baker Dillon
Title: CEO	Title: VP Finance & Operations

EXHIBIT A

Title/Product: The computer game known as "NASCAR Heat 2"

Format: Playstation 4, Xbox One and PC

Customers:: All cusstomers except GameStop

Territory: United States of America and South America

Exhibit 10.10.2

AMENDMENT TO DISTRIBUTION AGREEMENT

This Amendment to Distribution Agreement (as defined below) is effective as of November 23, 2020 (this "**Amendment**").

WHEREAS, 704Games Company, a Delaware corporation ("**704GAMES**") and U&I Entertainment, LLC, a Minnesota limited liability company ("**U&I**"), entered into that certain Distribution Agreement, dated as of April 18, 2016 (the "**Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Section 12.4 of the Agreement allows the parties to modify the Agreement if agreed in writing by both 704GAMES and U&I.

WHEREAS, 704GAMES and U&I desire to amend Section 11.1 of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, 704GAMES and U&I hereby agree that the Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**. Section 11.1 of the Agreement is hereby amended by adding the following sentence at the end of Section 11.1: "Notwithstanding anything to the contrary set forth herein or any other document, each Party and/or its direct and indirect parent entities shall have the right to disclose this Agreement and its terms and conditions as required: (i) by the applicable securities laws, rules and regulations; and (ii) to its shareholders, subject always to such Party ensuring its shareholders comply with the confidentiality provisions of this Agreement."

3. **Effect of this Amendment**. (i) This Amendment is intended to be a valid and legally binding amendment to the Agreement in accordance with Clause 12.4; and (ii) except as expressly amended and modified by this Amendment, the Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of Minnesota without regard to principles of conflicts of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

U&I Entertainment, LLC		**704GAMES COMPANY**	
By:	*/s/ Martin Hawk*	By:	*/s/ Dmitry Kozko*
Print name:	Martin Hawk	Print name:	Dmitry Kozko
Title:	Trustee	Title:	CEO

Exhibit 10.11

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into to be effective as of January 1, 2020 (the "Effective Date"), by and between MOTORSPORT GAMING US LLC, a Florida limited liability company ("Employer"), and DMITRY KOZKO, an individual residing in the State of Florida ("Executive").

R E C I T A L S

WHEREAS, Employer and Executive desire to enter into this Agreement in order to set forth their full and complete understanding of the terms and conditions pursuant to which Executive will be employed by Employer.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, Employer and Executive, intending to be legally bound, hereby agree as follows.

A G R E E M E N T

1. **Recitals.** The recitals set forth above are true and correct and are incorporated herein by this reference.

2. **Employment.** Employer shall employ Executive as its Chief Executive Officer, reporting, prior to establishment of the Board (as hereinafter defined), to the Manager of Employer, and, after the establishment of the Board, to any future board of managers or directors, as applicable, of Employer (the "Board"), and Executive accepts such employment and shall devote all of his business time, efforts and skills to diligently performing the duties described herein for the benefit of Employer. If Employer forms a board of managers or directors, Executive will serve as a member of such board upon formation of such board. Upon termination of the Executive's employment by Employer or Executive for any reason, the Executive shall resign from such board.

3. **Term.** The term of Executive's employment hereunder shall commence on the Effective Date and shall terminate on December 31, 2024 (the "Term"). During the Term, this Agreement shall be subject to termination as hereafter specified. After the Term expires, it is contemplated that Executive will be employed as employee "at will."

4. **Authorities and Duties.**

4.1 **Service with Employer.** During the Term, Executive agrees to perform the duties of Chief Executive Officer of Employer and such other duties and on such basis as shall be assigned to him from time to time by, prior to the establishment of the Board, the Manager of Employer and, after the establishment of the Board, the Board, in each case consistent with CEO position.

4.2 **No Conflicting Duties.** During the Term, Executive shall not serve as an officer, director or executive of any other business enterprise of any kind or nature unless the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board), approves such other service in writing. Executive hereby confirms that he is under no contractual commitments inconsistent with his obligations set forth in this Agreement, and agrees that during the Term he will not render or perform services, or enter into any contract to do so, for any other corporation, firm, entity or person, which are inconsistent with the provisions of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed as preventing Executive from (a) investing Executive's assets in any company or other entity, in a manner as shall not (i) impair Executive's ability to fulfill Executive's duties and responsibilities under this Agreement, or (ii) require any material activities on Executive's part in connection with the operations or affairs of the companies or other entities in which such investments are made; or (b) engaging in religious, charitable or other community or non-profit activities that do not impair Executive's ability to fulfill Executive's duties and responsibilities under this Agreement.

4.3 **Location.** During the Term, Executive shall work at Employer's offices in Miami, Florida.

5. **Compensation.**

5.1 **Salary.** As compensation for all services to be rendered by Executive under this Agreement, Employer shall pay to Executive for calendar year 2020 an annual salary of Five Hundred Thousand Dollars ($500,000) (the "Salary"), which shall be paid during the Term on a regular basis in accordance with Employer's generally applicable payroll procedures and policies, as established from time to time (currently, semi-monthly), and subject to applicable payroll deductions. The Salary will be increased annually by Employer on each January 1 occurring during the Term, to 103% of the Salary paid to Executive in the prior calendar year. The term "Salary" as used in this Agreement will refer to the Salary as it may be so increased.

5.2 **Participation in Benefit Plans and Equity Incentive Plans.**

(a) Executive shall be entitled to participate in all benefit plans (medical (PPO), dental, vision, life, disability insurance) or programs generally available to executive officers of Employer, to the extent that Executive's position, title, tenure, salary, age, health and other qualifications make him eligible to participate therein. Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations thereof that are generally applicable to all participants therein. Executive understands that any such benefit plans may be terminated or amended from time to time by Employer in its discretion; provided, however, that Executive's medical PPO plan, to the extent terminated, will be replaced with substantially similar plan. In the event that sickness or disability payments under any insurance programs of Employer or otherwise shall become payable to Executive in respect of any period of Executive's employment under this Agreement, the salary installment payable to Executive hereunder on the next succeeding salary installment payment date shall be an amount computed by subtracting (a) the amount of such sickness or disability payments that shall have become payable during the period between such date and the immediately preceding salary installment date from (b) the salary installment otherwise payable to Executive hereunder on such date.

(b) Executive shall be entitled to participate (in addition to the incentive compensation pursuant to Section 5.3 below) in all equity incentive plans generally available to executive officers of Employer, subject to the Manager of Employer, or the board of directors of Employer or the compensation committee of the board of directors of Employer determining any awards and performance metrics for such awards under any such plans.

5.3 **Additional Incentive Compensation.** Employer shall provide the following additional incentive compensation to Executive on the following terms and conditions:

(a) Subject to and contingent upon both (i) an occurrence, pursuant to the applicable loan documents, of the triggering event for repayment by Employer to Motorsport Group, LLC, Motorsport Network, LLC and/or their affiliates in Employer and/or its subsidiaries the actual aggregate amount of investment by such parties in Employer and/or its subsidiaries, whether in the form of equity, debt or services through the date of consummation and closing of such Liquidity Event (as defined below) and (ii) a Liquidity Event resulting in Employer's valuation (based on the valuation of Employer, if non-IPO (as defined below) on the cash-free, debt-free basis established by the Liquidity Event or, if IPO, on the IPO price multiplied by the shares of Class A common stock issued and outstanding at consummation of the IPO) of at least One Hundred Million ($100,000,000) has occurred and closed, Employer shall issue as promptly as practicable to Executive (A) such number of shares of Class A common stock of Employer (after Employer's conversion into a Delaware corporation and authorization of such Class A common stock) that would constitute, as of the closing of the initial Liquidity Event, one percent (1%) of the total shares of Employer's Class A common stock issued and outstanding (on a fully diluted basis) immediately upon the consummation of the initial Liquidity Event (the "Initial Shares Award") and (B) a stock option award (exercisable for 10 years from the date of the grant) for such number of shares of Class A common stock of Employer that would constitute, as of the consummation of the initial Liquidity Event, two percent (2%) of the total shares of Employer's Class A common stock issued and outstanding (on a fully diluted basis) immediately upon the consummation of the initial Liquidity Event (together with the Initial Shares Award, the "Initial Award"); *provided, however,* that Executive shall have an option, in Executive's discretion, to replace all or a portion of the Initial Shares Award with the cash payment of up to One Million Dollars ($1,000,000). By way of example only: if Executive opts to replace one-half of the Initial Shares Award with cash payment, the cash amount would be $500,000; if Executive opts to replace the entire Initial Shares Award with cash payment, the cash amount would be $1,000,000. The Company shall gross up the amount of such cash payment by increasing the gross amount of such cash payment to Mr. Kozko to account for the taxes withheld from or attributable to such payment.

(b) Subject to satisfaction of the conditions set forth in Section 5.3(a) above, the amount of the stock options (exercisable for 10 years from the date of the grant) for the shares of Class A common stock of Employer to be issued to Executive shall be increased from time to time in the percentage increments set forth in the chart below if either, (1) in the event of a Liquidity Event that is an initial public offering that results in listing of Employer's Class A common stock on a major stock exchange such as Nasdaq of NYSE ("IPO") and at all times after the IPO so long as Employer's Class A common stock is traded on a major stock exchange such as Nasdaq of NYSE, Employer's market cap targets set forth in the chart below are achieved from time to time by Employer (such targets shall be deemed achieved if any 60 consecutive calendar days average closing trading price of the Class A common stock of Employer corresponds to the market cap targets set forth in the chart below), or (2) in the event of a Liquidity Event that is not an IPO and so long as Employer's Class A common stock is not traded on a major stock exchange such as Nasdaq of NYSE, Employer's valuation (based on the valuation of Employer on the cash-free, debt-free basis used for the Liquidity Event) targets set forth in the chart below are achieved by Employer. For the avoidance of doubt, the percentage increments set forth in the chart below shall be the percentage of the total shares of Employer's Class A common stock issued and outstanding (on a fully diluted basis) on the date of the applicable issuance.

Employer's Market Cap Target or Employer's Valuation Target (as applicable)	**Percentage of increase in the number of stock options for the shares of Class A common stock to be issued to Executive**
$ 150,000,000	0.200%
$ 200,000,000	0.200%
$ 250,000,000	0.200%
$ 300,000,000	0.200%
$ 350,000,000	0.200%
$ 400,000,000	0.200%
$ 450,000,000	0.200%
$ 500,000,000	0.200%
$ 550,000,000	0.200%
$ 600,000,000	0.200%
$ 650,000,000	0.200%
$ 700,000,000	0.200%
$ 750,000,000	0.200%
$ 800,000,000	0.200%
$ 850,000,000	0.200%
$ 900,000,000	0.200%
$ 950,000,000	0.200%
$ 1,000,000,000	1.500%

(c) Other than the Initial Award that shall vest immediately upon issuance, all other stock options issuable to Executive pursuant to this Section 5.3 shall be subject to vesting in three (3) equal installments during the 3-year period after the day of issuance of the applicable stock options (i.e., 1/3rd vesting on the date that is 12 months after the issuance of the applicable stock options, 1/3rd vesting on the date that is 24 months after the issuance of the applicable stock options and 1/3rd vesting on the date that is 36 months after the issuance of the applicable stock options) but only so long as Executive continues to be employed by Employer as of each such vesting date; *provided, however,* that

(x) in the event Executive's employment with Employer is terminated at any time during the Term by Executive for Good Reason (as defined below) or by Employer for any reason (including in the event of the death of Executive or upon Executive becoming Disabled (as defined below)) other than Cause (as defined below) or in the event of a Change in Control (as defined below) during Executive's employment with Employer, then (1) all earned pursuant to Sections 5.3(a) and 5.3(b)) but not yet vested stock options (as applicable) issued under this Section 5.3 shall be vested upon such termination or the effective date of such Change in Control (as applicable) and (2) the vested shares and/or stock options (as applicable) issued under this Section 5.3 shall not be forfeited by Executive; and

(y) in the event Executive's employment with Employer is terminated at any time during the Term either (1) by Executive for any reason (other than Good Reason) or (2) by Employer for Cause, all unvested at the time of such termination stock options issued under this Section 5.3 shall be forfeited by Executive.

(d) Executive understands and acknowledges that, the issuance of the Company securities pursuant to this Section 5.3 shall be unregistered in reliance on the applicable exemption under the U.S. securities laws, and any dispositions of such securities (including, without limitation, the shares of Class A common stock issued as the Initial Shares Award and the shares of Class A common stock underlying the stock options pursuant to this Section 5.3) shall be subject to Rule 144 under the Securities Act of 1933, as amended. In connection with each unregistered issuance of such securities and as a condition precedent to such issuance, Executive shall deliver to Employer not later than the date of each such issuance a filled out and signed by Executive accredited investors questionnaire and standard subscription agreement containing investor's representations and warranties acceptable to Employer and its counsel.

"Change in Control" means the sale of all or substantially all the assets of Employer to a party that is unrelated to Employer, any merger, consolidation or acquisition of Employer with, by or into another entity or person or any change in the ownership of more than fifty percent (50%) of both the economic and voting equity interests in Employer, in each case (whether it is a sale of assets, merger, consolidation, acquisition or change in ownership, or other) resulting in the current controlling person(s) of Employer cease having controlling voting capital in Employer in one or more related transactions.

"Liquidity Event" means a disposition of Employer in any one transaction or series or combination of transactions whereby equity interests of Employer (together with its subsidiaries) are acquired for consideration (cash or non-cash), including, without limitation, a sale or exchange of capital stock, a merger or consolidation, a recapitalization, a tender or exchange offer, a leveraged buy-out, in each case to an unaffiliated purchaser or Employer or its parent causing a sale by Employer and its subsidiaries of substantially all of Employer and its subsidiaries consolidated assets to an unaffiliated purchaser, an initial public offering of Employer equity securities, or any monetization event of Employer (together with its subsidiaries), but only so long as in each such transaction, sale, reorganization, merger, recapitalization, tender or exchange offer, buy-out, monetization event or IPO, Motorsport Group, LLC, Motorsport Network, LLC and/or their affiliates receive return in full of the aggregate amount of investment by such entities and/or persons in Employer and/or its subsidiaries whether in the form of equity, debt or services through the date of consummation and closing of the Liquidity Event. For the avoidance of doubt, any financing or contribution (whether of money, equity, any assets or otherwise) by Motorsport Group, LLC, Motorsport Network, LLC and/or their affiliates and/or member(s) to Employer and/or any of its subsidiaries or affiliates shall not be deemed a Liquidity Event.

5.4 **Vacation and Sick Days.** Subject to the last sentence of this Section 5.4, Executive shall be entitled to accrued vacation and sick days in accordance with Employer's procedures and policies applicable to senior executives, as established from time to time (currently, 21 vacation days annually plus standard observed holidays and 7 sick days annually). The cash value (pro-rated, based on Executive's base Salary) of Executive's accrued vacation and sick days that are not used by Executive in any calendar year shall be payable to Executive promptly after the end of the calendar year in which such unused vacation and sick days accrued.

5.5 **Expenses.** Employer will pay or reimburse Executive for all personal documented, reasonable and necessary (in line with Employer's policies) out-of-pocket expenses related to business travel and meetings incurred by Executive during the Term in the performance of Executive's duties hereunder.

5.6 **Perquisites**. During the Employment Period, (a) Executive will travel Business Class on flights that are business related and (b) Executive shall be reimbursed for executive training subject to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board) prior written approval of the cost of such training.

6. **Termination.**

6.1 **Termination by Employer for "Cause."** Any of the following acts or omissions shall constitute grounds for Employer to terminate Executive's employment pursuant to this Agreement for "Cause":

(a) The refusal or failure, for more than five (5) days from the date of notice by Employer to Executive, by Executive to perform any duties required of him by this Agreement or lawful instructions of the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board) (other than due to Disability (as defined below));

(b) The commission by Executive of any fraud, misappropriation or misconduct that causes demonstrable material injury to Employer or any of its subsidiaries;

(c) Conduct on the part of Executive which constitutes the breach of any statutory or common law duty of loyalty to Employer;

(d) Any material breach by Executive of any provisions of Sections 7, 8 or 9 of this Agreement;

(e) Any illegal act by Executive that affects the business of Employer; conviction of, or a plea of guilty or nolo contendere to, a misdemeanor involving moral turpitude, dishonesty, fraud, deceit, theft, unethical business conduct or conduct that impairs the reputation of Employer or any of its subsidiaries or affiliates, or a felony (or the equivalent thereof in a jurisdiction other than the United States);

(f) Executive's failure to comply in any material respect with this Agreement or any other written agreement between Executive, on the one hand, and Employer or any of its subsidiaries, on the other, if such failure causes demonstrable material injury to Employer or any of its subsidiaries; or

(f) Gross negligence, malfeasance, dishonesty or willful misconduct in connection with Executive's duties hereunder (either by an act of commission or omission).

Termination by Employer for Cause shall be accomplished by written notice to Executive of the decision to terminate Executive's employment for Cause specifying the particular act(s) or failure(s) to act serving as the basis for such decision. Any such termination shall be without prejudice to any other remedy to which Employer may be entitled either at law, in equity or under this Agreement. Notwithstanding anything contained herein to the contrary, Executive's employment may not be terminated for Cause pursuant to clause (a), (b) or (f) above unless Executive and his counsel had an opportunity to be heard on at least 10 days' prior written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board) and (B) if such act or failure to act is capable of being cured, Executive fails to cure any such act or failure to act to the reasonable satisfaction of the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board) within 10 days after such notice.

Upon the occurrence of an event that would constitute a Cause for Employer to terminate Executive's employment pursuant to this Section 6.1, Employer may, at its discretion, elect to continue Executive's employment and reserve any and all rights and remedies with respect to such event to which Employer may be entitled either at law, in equity or under this Agreement.

6.2 **Termination for Death or Disability.** Executive's employment pursuant to this Agreement shall be immediately terminated by Employer (i) upon the death of Executive or (ii) upon Executive becoming Disabled. For purposes of this Agreement, the term "Disabled" means an inability of Executive, due to a physical or mental illness, injury or impairment, to perform a substantial portion of his duties for a period of sixty (60) or more consecutive days or one hundred and eighty (180) or more days (whether or not consecutive) out of any three hundred and sixty (360) days period, as reasonably determined by the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board).

6.3 **Termination Without Cause or by Executive for Good Reason.**

(a) Employer may terminate this Agreement, and the employment of Executive under this Agreement, without Cause at any time upon written notice to Executive.

(b) Upon 30 days' prior written notice to Employer, Executive may terminate his employment with Employer for Good Reason. "Good Reason" means the occurrence of any of the following events:

(i) the failure of Employer to appoint Executive to, or to permit him to remain in, the positions set forth in Section 2, if that failure is not cured within 10 business days after written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board);

(ii) the assignment by Employer to Executive of duties materially inconsistent with his status as the chief executive officer of a similarly-situated company or any material diminution in Executive's duties and/or responsibilities, reporting obligations, titles or authority, as set forth in Section 2, if that inconsistency or diminution is not cured within 10 business days after written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board);

(iii) a reduction by Employer of Executive's Salary if such reduction is not cured within 10 business days after written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board);

(iv) Employer's failure to provide employee benefits required to be provided to Executive under Section 5.2 hereof and continuation of that failure for 10 business days after written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board); or

(v) any material breach of this Agreement by Employer if not cured within 10 business days after written notice from Executive to the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board).

Notwithstanding the foregoing, Good Reason will not be deemed to exist unless Executive gives the Manager of Employer (prior to the establishment of the Board) or the Board (after the establishment of the Board) notice within 30 days (or such shorter period specified above) after the occurrence of the event which Executive believes constitutes the basis for Good Reason, specifying the particular act or failure to act which Executive believes constitutes the basis for Good Reason.

6.4 **Payments Upon Termination**.

(a) If during the Term of this Agreement, Employer terminates Executive without Cause pursuant to Section 6.3(a) or Executive terminates his employment with Employer for Good Reason pursuant to Section 6.3(b), then Executive shall be entitled to (i) continuation of payment of unpaid Salary from the effective date of such termination to the earlier of (1) expiration of twelve (12) months after the date of such termination and (2) to the end of the Term (the "Severance"), payable, subject to the provisions set forth in the next sentence of this Section 6.4(a), on a regular basis in accordance with Employer's normal payroll procedures and policies, and subject to applicable payroll deductions, (ii) any payments for reimbursement expenses, which are due, accrued or payable at the effective date of Executive's termination and (iii) all (if any) unvested stock awards or stock option awards by Employer to Executive pursuant to Employer's equity incentive plan shall be deemed vested on the effective date of such termination (for the avoidance of doubt, this Section 6.4 does not affect or modify the vesting schedule of the shares and stock options issued to Executive pursuant to Section 5.3 above, and the vesting of the shares and stock options issued to Executive pursuant to Section 5.3 above shall continue to be at all times be governed by the terms set forth in Section 5.3(c) above). Executive's right to receive, and the Company's obligation to pay and provide, any of the payments of Severance (other than payment of unpaid Salary (if any) earned and accrued prior to the effective date of such termination) shall be subject to (1) Executive's compliance with, and observance of, all of Executive's obligations under this Agreement that continue beyond such termination, and (2) Executive's execution, delivery and non-revocation of, and performance under, a release in favor of Employer and its affiliates in the form of Exhibit A attached hereto (as such form may be modified so as to comply with all applicable laws as then in effect) (the "Release") within forty-five (45) days of the termination of Executive's employment. For the avoidance of doubt, in the event of a Change in Control (as defined below) during Executive's employment with Employer, all (if any) unvested stock awards or stock option awards by Employer to Executive pursuant to Employer's equity incentive plan shall be deemed vested on the effective date of such Change in Control.

(b) If Employer terminates Executive for Cause pursuant to Section 6.1, or if Executive resigns or otherwise terminates his employment with Employer for any reason, other than Good Reason, then Executive shall be entitled to the following compensation: (i) the portion of the Salary which has accrued through the effective date of termination, and (ii) any payments for reimbursement expenses, which are due, accrued or payable at the effective date of Executive's termination. All payments required to be made by Employer to Executive pursuant to this Section 6.4(b) shall be paid when such payments are due and payable.

(c) If Employer terminates Executive pursuant to Section 6.2, then Executive shall be entitled to the following compensation: (i) the portion of the Salary which has accrued through the effective date of termination, and (ii) any payments for reimbursement expenses, which are due, accrued or payable at the effective date of Executive's termination. All payments required to be made by Employer to Executive pursuant to this Section 6.4(c) shall be paid when such payments are due and payable.

(d) In all events, subsequent to the termination of Executive's employment (other than a termination because of Executive's death), Executive shall be entitled to continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. §1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits paid exclusively by Executive.

(e) The amounts payable under this Section 6.4 are intended to be, and are, exclusive and in lieu of any other rights or remedies to which Executive may otherwise be entitled, including under common, tort or contract law, under policies of Employer and its affiliates in effect from time to time, under this Agreement or otherwise, as a result of Executive's termination of employment hereunder. Employer shall not be obligated to (i) commence such payments (other than payment of (1) unpaid Salary (if any) earned and accrued prior to the effective date of such termination and reimbursement (subject to the terms and conditions of Section 5.5 above) of Executive's business expenses incurred by Executive prior to the effective date of such termination) until such time as Executive has provided an irrevocable general release in favor of Employer and its subsidiaries and affiliates, and their respective shareholders, partners, members, managers, directors, officers, Executives, agents and representatives in form and substance reasonably acceptable to Employer, or (ii) continue such payments at any time following a breach of the provisions of Section 7 through 9 of this Agreement.

6.5 **Board Resignation.** Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, as an officer of Employer and its affiliates and from any other board or managers, board of directors, and any and all other managing body of Employer or other affiliates and their respective committees if and to the extent he is serving in any such capacity.

7. **Confidential Information.** Executive will hold at all times, including following the termination of Executive's employment under this Agreement, in strict confidence and not disclose or use any Confidential Information (as defined below). "Confidential Information" shall mean information about Employer and its affiliates, clients and customers and others with which any of Employer and/or its affiliates has business relationships and other information, documents or materials disclosed to Executive or known by Executive as a consequence of or through his employment by Employer that is not disclosed publicly by Employer, including for financial reporting purposes or otherwise in the public domain and that was or will be learned by Executive in the course of providing services to Employer or its affiliates, including (without limitation) all information and materials relating to (i) the financial condition, operations, business and interests of Employer or its affiliates, (ii) the systems, technology, data, formulae, know-how, records, marketing and sales techniques and/or programs, methods, methodologies, manuals, lists and other trade secrets from time to time acquired, sold, developed, maintained and/or used by Employer, (iii) the nature, terms and history of Employer's or its affiliates' relationships with their respective clients, customers, suppliers, underwriters, lenders, vendors, consultants, independent contractors, attorneys, accountants and employees, (iv) Employer's or its affiliates' employees, officers and/or managers, and (v) all papers, resumes, and records (including computer records) of the documents containing such information. Upon termination of employment, Executive shall deliver to Employer all documents, records, notebooks, work papers, electronic media and any other repositories of any source, including, without limitation, paper, electronic, etc., containing any information concerning Employer and/or its affiliates, whether prepared by Executive, Employer or anyone else. Notwithstanding the immediately preceding sentence, upon termination of employment, Executive may destroy (and certify such destruction in writing to Employer) any duplicates of the materials or documents referred to in the immediately preceding sentence, provided that, for the avoidance of doubt, Executive shall and not destroy but rather return to Employer all Employer's property (including, without limitation, all property, equipment, computers, laptops, smartphones, documents, media and materials that are in Executive's possession or control relating to Employer, its affiliates and their respective business). The foregoing restrictions shall not apply to (i) information which is or becomes, other than as a result of a breach of this Agreement, generally available to the public, (ii) information which is obtained from a source other than Employer or its affiliates and other than by breach of an obligation of confidentiality owed to Employer or (iii) the disclosure of information required pursuant to a subpoena or other legal process; provided that Executive shall notify Employer, in writing, of the receipt of any such subpoena or other legal process requiring such disclosure immediately after receipt thereof and Executive shall make reasonable best efforts to allow Employer to have a reasonable opportunity to quash such subpoena or other legal process prior to any disclosure by Executive.

8. **Proprietary Rights.** Executive acknowledges and agrees that all work performed by Executive and all materials and products developed or prepared for either Employer or its affiliates or their respective customers, clients, agents or affiliates by Executive before and after the Effective Date are the property of Employer, and all title and interest therein shall vest in Employer and shall be deemed to be a work made for hire in the course of the services rendered hereunder. Executive shall also execute any Executive proprietary rights or invention assignment agreement reasonably requested by Employer.

9. **Non-Solicitation.** Executive agrees that during his employment with Employer and for two (2) years thereafter, he will not, directly or indirectly induce or solicit, or aid or assist any person or entity to induce or solicit, any members, managers, officers, employees or affiliates of Employer and/or its affiliates, or any customers or clients of Employer and/or its affiliates to terminate, curtail or otherwise limit its, his or her employment by or business relationship with Employer and/or its affiliates. The parties hereto agree that the provisions of this Section 9 are reasonable. If a court determines, however, that any provision of this Section 9 is unreasonable, either in period of time, geographical area or otherwise, then the parties hereto agree that the provisions of this Section 9 should be interpreted and enforced to the maximum extent which such court deems reasonable.

10. **Assignment.** This Agreement shall not be assignable, in whole or in part, by Executive. This Agreement shall be assignable by Employer to Employer's successors and/or, in the event of any Liquidity Event, to Employer's assigns.

11. **Successors.** This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

12. **Employer's Interest; Consideration to Executive; Injunctive Relief; Notification.**

12.1 **Employer's Interest.** Executive acknowledges that Employer has expended and will expend substantial amounts of time, money and effort to develop business strategies, customer relationships, employee relationships, trade secrets and goodwill and to build an effective organization and that Employer has a legitimate business interest and right in protecting those assets as well as any similar assets that Employer may develop or obtain. Executive acknowledges that Employer is entitled to protect and preserve the going concern value of Employer and its business and trade secrets to the extent permitted by law. Executive acknowledges and agrees that the restrictions imposed upon Executive under this Agreement are reasonable and necessary for the protection of Employer's goodwill, confidential information, trade secrets and customer relationships and that the restrictions set forth in this Agreement will not prevent Executive from earning a livelihood without violating any provision of this Agreement.

12.2 **Consideration to Executive**. In consideration of Employer's entering into this Agreement and Employer's obligations hereunder and other good and valuable consideration, the receipt of which is hereby acknowledged, and acknowledging hereby that Employer would not have entered into this Agreement without the covenants contained in Section 7 through 9 of this Agreement, Executive hereby agrees to be bound by the provisions and covenants contained in Section 7 through 9 of this Agreement.

12.3 **Injunctive Relief.** Executive agrees that it would be difficult to compensate Employer fully for damages for any violation of the provisions of Section 7 through 9 of this Agreement. Accordingly, Executive specifically agrees that Employer shall be entitled to temporary and permanent injunctive relief to enforce the provisions of this Agreement. This provision with respect to injunctive relief shall not, however, diminish the right of Employer to claim and recover damages in addition to injunctive relief.

12.4 **Notification of Subsequent Employer.** Prior to accepting employment with any other person or entity during any period during which Executive remains subject to any of the covenants set forth in Section 7 through 9 of this Agreement, Executive shall provide such prospective employer with written notice of the provisions set forth in Section 7 through 9 of this Agreement, with a copy of such notice delivered simultaneously to Employer.

13. **Miscellaneous.**

13.1 **Governing Law; Venue**. This Agreement is made under and shall be governed by and construed in accordance with the laws of the State of Florida, without reference to its conflicts of law principles. Each party irrevocably agrees that any legal action, suit or proceeding against them arising out of or in connection with this Agreement or the transactions contemplated by this Agreement or disputes relating hereto (whether for breach of contract, tortuous conduct or otherwise) shall be brought exclusively in the federal or state courts located in Miami-Dade County, Florida and hereby irrevocably accepts and submits to the exclusive jurisdiction and venue of the aforesaid courts in personam, with respect to any such action, suit or proceeding. The prevailing party in any dispute or legal action arising under this Agreement shall be entitled to recover its reasonable expenses, attorneys' fees and costs from the non-prevailing party.

13.2 **Waiver of Jury Trial.** EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.2.

13.3 **Prior Agreements.** This Agreement contains the entire agreement of the parties relating to the subject matter hereto and supersede all prior agreements and understanding with respect to such subject matter and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein.

13.4 **Withholding Taxes.** Employer may withhold from any salary and benefits payable under this Agreement all federal, state, city or other taxes or amounts as shall be required to be withheld pursuant to any law or governmental regulation or ruling.

13.5 **Amendments.** No amendment or modification of this Agreement shall be deemed effective unless made in writing signed by the parties hereto.

13.6 **No Waiver.** No term or condition of this Agreement shall be deemed to have been waived nor shall there be any estoppel to enforce any provisions of this Agreement, except by a statement in writing signed by the party against whom enforcement of the waiver or estoppel is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

13.7 **Severability.** To the extent any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

13.8 **Survival.** The rights and obligations of Employer and Executive under the provisions of this Agreement shall survive and remain binding and enforceable, notwithstanding any termination of Executive's employment with Employer, to the extent necessary to preserve the intended benefits of such provisions.

13.9 **Executive Representation**. Executive hereby represents to Employer that the execution and delivery of this Agreement by Executive and Employer and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, or be prevented, interfered with or hindered by, the terms of any employment agreement, non-competition agreement, confidentiality agreement, non-disclosure agreement, non-circumvention agreement, consulting agreement, services agreement, or other agreement or policy to which Executive is a party or otherwise bound.

13.10 **Set Off**. Employer's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to Employer or its affiliates.

13.12 **No Construction Against Draftsmen**. The parties acknowledge that this is a negotiated agreement, and that in no event shall the terms of this Agreement be construed against either party on the basis that such party, or its counsel, drafted this Agreement.

13.13 **Counterpart Execution.** This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute but one and the same instrument.

[SIGNATURES ARE ON NEXT PAGE.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

"Employer":

MOTORSPORT GAMING US LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

"Executive":

/s/ Dmitry Kozko
Print Name: DMITRY KOZKO

EXHIBIT A

FORM OF
SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (this "Agreement"), dated _____ is by and between MOTORSPORT GAMING US LLC, a Florida limited liability company (the "Company"), and DMITRY KOZKO ("you"). For all purposes in this Agreement, the Company shall also include its affiliates, subsidiaries, parents, and their respective present and former shareholders, officers, directors, members, employees, representatives and agents.

1. Termination of Employment. You acknowledge that you were an employee of the Company pursuant to that certain Employment Agreement between the Company and you, effective as of January 1, 2020 (the "Employment Agreement"), that your employment with the Company has been terminated without Cause (as such term is defined in the Employment Agreement) effective _____ (the "Termination Date").

2. Severance.

(a) In consideration of your acceptance of this Agreement, and in full satisfaction of all owed salary and benefits through the last date of your employment, after you sign this Agreement and all other conditions of payment have been met, the Company shall provide you with the Severance, as such term is defined in, and subject to the terms set forth in the Employment Agreement, payable as set forth in Section 6.4(a) of the Employment Agreement, but in any event not earlier than (i) you sign and deliver this Agreement to the Company and (ii) the expiration of the seven (7) day revocation period set forth paragraph 12 below. You acknowledge and agree that the Severance constitutes good and sufficient consideration for this Agreement. You acknowledge and agree that the Severance constitutes good and sufficient consideration for this Agreement.

(b) The Company will issue a W-2 form at the appropriate time for payment. You will receive a separate written notice, known as COBRA notice, regarding your ability to continue at your expense your health and dental coverage under the Company's group plans.

(c) You represent that you will not make any claim for any additional wages (including overtime), paid time off, bonuses, and other benefits and compensation to which you were or may have been entitled by virtue of your employment with the Company or termination thereof except for those expressly described in this Agreement. You will not receive the payments described in this paragraph 2 if you (i) do not sign this Agreement, (ii) rescind this Agreement after signing it, or (iii) violate any of the terms and conditions set forth in this Agreement.

3. General Release. In exchange for the consideration set forth in paragraph 2 above, you agree unconditionally to waive, release, forever discharge, covenant not to sue with respect to, and to hold each of the Company, and its affiliates, subsidiaries, parents, present and former shareholders, partners, members, managers, officers, directors, employees, representatives and agents (each, a "Released Party" and, collectively, the "Released Parties") harmless against, the assertion of each and every action, claim, right, or demand of any kind or nature, known or unknown, in law or equity, contract or tort and however originating or existing which you have or may have against any of the Released Parties up until the date of this execution of this Agreement with respect to your employment or the termination of your employment. This includes, without limitation, any and all claims, rights, actions, liabilities or demands of whatsoever nature which might be raised pursuant to any constitution, law, regulation, ordinance, statute, or common law theory or other authority, whether in tort, contract, equity or otherwise, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 1981, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act, the Americans with Disabilities Act of 1990, Fair Labor Standards Act, the Florida Civil Rights Act, the Florida Whistle-Blower's Act, Fla. Stat. Section 440.205, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the National Labor Relations Act, the Fair Credit Reporting Act, the Immigration Reform Control Act, Executive Order 11246; the Occupational Safety and Health Act, the Equal Pay Act, the Uniformed Services Employment and Reemployment Rights Act, the Worker Adjustment and Retraining Notification Act, the Employee Polygraph Protection Act, the United States Constitution, the Florida Constitution, any state or federal anti-discrimination, consumer protection and/or trade practices act, and any local laws, including any local ordinances, together with any expenses, costs and attorney's fees which might be raised pursuant to the above stated laws. You expressly intend this release to reach to the maximum extent provided by law.

4. Legal Proceedings. You warrant that you have not filed any legal proceeding, whether in court or with an administrative agency, and you have not made any assignment to anyone of any claims against any of the Released Parties. This Agreement is intended to be a full and complete release of all claims against each Released Party. If you nevertheless initiate a lawsuit against any of the Released Parties in violation of this Agreement and receive monies therefrom, the Company shall be entitled to a set off in the amounts you have received or are entitled to receive under this Agreement.

5. Prospective Employers. The parties agree that any prospective employers who contact the Company for a reference will be advised of your dates of employment, your job title and your Salary. You agree that you will advise prospective employers to contact hr@motorsport.com for any reference.

6. Non-Admission. The parties further acknowledge that nothing in this Agreement constitutes an admission by the parties of any improper or unlawful act(s) or of any (a) violation of any statute, regulation, or other provision of statutory, regulatory, or common law, (b) breach of contract, or (c) commission of any tort. The parties forever waive all rights to assert that this Agreement was the result of a mistake in law or in facts.

7. Non-Disparagement; Confidentiality.

(a) From the time of your execution of this Agreement, (i) you agree to refrain from making any negative or disparaging comments about any of the Released Parties to anyone and (ii) the Company agrees to refrain from making any negative or disparaging comments about you to anyone.

(b) From the time of your execution of this Agreement, the Company, on the one hand, and you or anyone else acting on your behalf, on the other hand, shall not disclose, either directly or indirectly, any information whatsoever regarding any of the terms of, or the existence of this Agreement, or the fact that the Company is paying any Severance to you, or the amount of said payment. This confidentiality provision shall not apply to any disclosure of this Agreement by (i) the Company to its representatives and advisors on a need to know basis and (ii) you to your attorneys, accountant, or other bona fide tax adviser, or any bona fide financial planner you have employed, but you shall inform each of them of the confidentiality of this Agreement, and they shall be similarly bound.

8. Information. By signing this Agreement, you acknowledge and agree that you have had access in your employment with the Company to confidential and proprietary information, and further acknowledge and agree that the release or disclosure of any confidential or proprietary information will cause the Company or any other Released Party irreparable injury. By signing this Agreement, you acknowledge that you have not directly or indirectly used or disclosed, and agree that you will not at any time directly or indirectly use or disclose, to any other entity or person, directly or indirectly, any confidential or proprietary information of the Company or any of its affiliates and/or subsidiaries. For purposes of this Agreement, the term "confidential or proprietary information" shall include, but not be limited to, trade secrets, customer and contact lists and information pertaining to such lists, computer software designed for or by the Company or its affiliates, the Company's or its affiliates' proprietary applications and programs, databases, technology and know-how. However, you may disclose Confidential Information only to the extent you are required to disclose such Confidential Information by law.

9. Return of Property. As of the Termination Date, you shall return all property, equipment, computers, laptops, smartphones, documents and materials that were in your possession or control relating to the business of, or the services provided by, the Company or its affiliates. By signing this Agreement, you acknowledge and agree that all documents and materials relating to the business of, or the services provided by, the Company or its affiliates are the sole property of the Company or its affiliates. By signing this Agreement, you further agree and represent that you have returned and/or shall return by the Termination Date to the Company all of its property, including but not limited to, all customer records and other documents and materials, whether on computer disc, hard drive or other form, and all copies thereof, within your possession or control, which in any manner relate to the business of or the duties and services you performed.

10. Remedies. You agree that any breach by you of any of the provisions of paragraphs 7 or 8 of this Agreement will cause irreparable harm to the Company or its affiliates that could not be made whole by monetary damages and that, in the event of such a breach, you will waive the defense in any action for specific performance that a remedy at law would be adequate, and the Company or its affiliates will be entitled to specifically enforce the terms and provisions of paragraphs 7 or 8 of this Agreement without the necessity of proving actual damages or posting any bond or providing prior notice, in addition to any other remedy to which the Company or its affiliates may be entitled at law or in equity.

11. Notice of Right to Consult Attorney and Twenty-One (21) Day Consideration Period. By signing this Agreement, you agree and certify that (i) you have carefully read and fully understand all of the provisions of this Agreement, (ii) you understand and agree that you are and have been allowed a reasonable period of time (up to 21 days) from receipt of this Agreement to consider the terms hereof before signing it; (ii) you have been encouraged and you are advised in writing, by this Agreement, to consider the terms of this Agreement and consult with an attorney of your choice before signing this Agreement and you have done so, or chosen not to do so of your own accord; and (iii) you agree to the terms of this Agreement knowingly, voluntarily, and without intimidation, coercion, or pressure, and intend to be legally bound by this Agreement.

12. Revocation Period. You may revoke this Agreement within the seven (7) day period following its execution by you. Any revocation must be submitted, in writing, to legal@motorsport.com and must state, "I hereby revoke my acceptance of my Agreement." If the last day of either revocation period is a Saturday, Sunday or legal holiday recognized by the State of Florida, then such revocation period shall not expire until the next following day which is not a Saturday, Sunday or legal holiday. You acknowledge and agree that the general release in this Agreement includes a **WAIVER OF ALL RIGHTS AND CLAIMS** you may have under the Age Discrimination in Employment Act of 1967 (29 U.S.C. §621 et seq.), as amended by the Older Workers' Benefit Protection Act, and that this waiver is knowing and voluntary. You further acknowledge that you have been advised in writing by this Agreement that you have a maximum of seven (7) days following the execution of this Agreement to revoke this Agreement and that this Agreement shall not become effective until the revocation period has expired.

13. Expiration of Offer. The offer contained in this Agreement shall expire at 5:00 p.m. on the twenty-second (22nd) day after you receive it, not counting the date of receipt. If the Company has not received a signed original of this Agreement from you by that time, this offer will be automatically revoked.

14. Entire Agreement; Modifications. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and all prior negotiations regarding any wages or compensation are merged into this Agreement. This Agreement may not be modified except as may be set forth in writing and executed by the parties hereto. The parties acknowledge that there are no other promises, agreements, condition, undertakings, warranties, or representation, oral or written, express or implied, between them other than as set forth herein and in the Employment Agreement.

15. Governing Law and Venue. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of Florida and venue for any action to enforce or construe the Agreement shall be in Miami-Dade County, Florida. Should any action be brought regarding the enforceability of the Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs, including any fees and costs of appeal.

16. Enforceability. If one or more paragraph(s) of this Agreement shall be ruled unenforceable, the Company may elect to enforce the remainder of the Agreement. This Agreement may be executed in two or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

17. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts.

After you have reviewed this Agreement and obtained whatever advice and counsel you consider appropriate regarding it, please evidence your agreement to the provisions set forth in this Agreement by dating and signing this Agreement in the presence of a witness. The witness should also date and sign in the spaces provided for the witness. You should keep a copy of this Agreement for your records.

MOTORSPORT GAMING US LLC

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT AND SIGNATURE

By signing below, I acknowledge and agree that I have read this Agreement carefully. I understand all of its terms. In signing this Agreement, I have not relied on any statements or explanations except as specifically set forth in this Agreement. I have had adequate time to consider whether to sign this Agreement and am voluntarily and knowingly releasing my claims against the Released Parties (as defined in paragraph 3 of this Agreement) as set forth herein. I intend this Agreement to be legally binding.

Date I received this Agreement: _____, 20 .

Accepted this ___ day of _____, 20__.

_____

DMITRY KOZKO

Witness: _____

(Print Name): _____

Jonathan New
1615 West Ave #205
Miami Beach, FL 33139
Email: jon.new@enerfund.com

Re: Offer of Employment

Dear Jon:

This letter, dated October 19, 2020, but effective as of January 3, 2020 (this "Offer of Employment"), is confirming the offer extended to you prior to the start date referenced below with respect to your full-time "at will" employment as CFO at Motorsport Gaming US LLC (the "Company"). Your start date is January 3, 2020. You will report directly to Dmitry Kozko as the Company's CEO. You will work out of the Miami office of the Company.

You were required (and you satisfied such requirements) to provide compliance with the Employment Eligibility Verification law (1-9), and to present acceptable documents evidencing your identity and employment eligibility the first day of your employment.

A. TERM OF EMPLOYMENT /CONDITIONAL NATURE OF OFFER

The term of your employment is indefinite and at will. The Company maintains a strict employment at will policy, and your employment with the Company may be terminated at any time in the sole business discretion of the Company. This Offer of Employment does not create a contract of employment as to terms other than compensation for services actually provided and other terms expressly provided for in this Offer of Employment. If the Company terminates, your employment with the Company without Cause (as defined below) and you are not otherwise employed by any of the Company's affiliates nor providing consulting services to the Company or any of its affiliates, then you will be entitled to a continuation of payment of unpaid base salary from the effective date of such termination to the expiration of three (3) months after the date of such termination, payable on a regular basis in accordance with the Company's normal payroll procedures and policies, and subject to applicable payroll deductions (the "Severance"). Your right to receive, and the Company's obligation to pay and provide, any of the payments of Severance shall be subject to: (1) your compliance with, and observance of, all of your obligations under this Offer of Employment that continue beyond such termination and (2) your execution, delivery and non-revocation of, and performance under, a release in favor of the Company and its affiliates in the form acceptable to the Company within forty-five (45) days of the termination of your employment.

"Cause" means any of the following acts or omissions: (a) the refusal or failure, for more than five (5) days from the date of notice by the Company to you, by you to perform any duties required of you by this Offer of Employment or lawful instructions of the Manager of the Company (prior to the establishment of the board of directors of the Company (the "Board")) or the Board (after the establishment of the Board)); (b) the commission by you of any fraud, misappropriation or misconduct that causes demonstrable material injury to the Company or any of its affiliates or subsidiaries; (c) your conduct which constitutes the breach of any statutory or common law duty of loyalty to the Company; (d) any material breach by you of any provisions of this Offer of Employment; (e) any illegal act by you that affects the business of the Company; conviction of, or a plea of guilty or nolo contendere to, a misdemeanor involving moral turpitude, dishonesty, fraud, deceit, theft, unethical business conduct or conduct that impairs the reputation of the Company or any of its subsidiaries or affiliates, or a felony (or the equivalent thereof in a jurisdiction other than the United States); (f) your failure to comply in any material respect with this Offer of Employment or any other written agreement between you, on the one hand, and the Company or any of its subsidiaries, on the other, if such failure causes demonstrable material injury to the Company or any of its subsidiaries; or (f) gross negligence, malfeasance, dishonesty or willful misconduct in connection with your duties (either by an act of commission or omission).

B. COMPENSATION

The Company will provide you:

1. A starting annual salary of $240,000 per year, paid in bi-monthly instalments on the Company's standard payday.

2. A quarterly discretional performance-based bonus of $15,000.

3. Company paid time-off, including holidays, thirty (30) vacation days and seven (7) sick days. The cash value (pro-rated, based on your base salary) of your accrued vacation and sick days that are not used by you in any calendar year will be payable to you promptly after the end of the calendar year in which such unused vacation and sick days accrued.

4. Company available employee health benefits as provided by the Company's Professional Employment Organization (currently ADP) which include medical and non-medical (dental, vision, life, and disability) insurance plans and the Company 401k plan (contribution matching to be implemented in the future).

5. You will also be eligible (provided you continue to be employed by Company after each of the MSG IPO Fundraising (as defined below) and MSG Private Fundraising As defined below) to receive a cash bonus in the following amounts and subject to the following terms:

(a) $150,000 gross cash bonus (subject to the applicable payroll tax, social security and other subject to applicable withholding and deductions) if Company consummates and closes the initial public offering of its securities ("MSG IPO Fundraising"); and

(b) $150,000 gross cash bonus (subject to the applicable payroll tax, social security and other subject to applicable withholding and deductions) if Company consummates and closes its private offering of its securities ("MSG Private Fundraising").

Further, for your performance in 2021 (payable, if earned, in early 2022), you will also be eligible for up to $250,000 gross cash bonus (subject to the applicable payroll tax, social security and other subject to applicable withholding and deductions) available at Company's CEO discretion and subject to certain performance criteria to be established by Company's CEO.

C. EXPENSES

Your approved expenses associated with business travel and other proper business purposes will be reimbursed in accordance with company expense reimbursement procedures and policies. However, for direct flights longer than 4 hours, you will be entitled to travel business class.

D. EXEMPT POSITION

The Company's regular office hours are 9:00am to 6:00pm. Monday through Friday. As a salaried Company professional, consider this an exempt position, and you will not be entitled to overtime pay. If you have questions about this or any other term of this Offer of Employment, we urge you to contact an attorney (at your own expense) and to immediately notify the Company in the event you wish adjustments, if and as are appropriate, to be made.

E. NON-DISCLOSURE COMMITMENT AND ASSIGNMENT OF INTELLECTUAL PROPERTY

While you are employed by the Company or its affiliates and after your employment ends for any reason, you agree to abide by the terms of the Employee/Consultant Confidentiality, Proprietary Information and Inventions Agreement to be provided to you upon acceptance of this Offer of Employment.

F. PROCESSING OF PERSONAL DATA

In connection with your employment, the Company needs to keep, process and share across international borders information about you for normal employment purposes, and as a company pursuing digital media activities, we may sometimes need to process your data to pursue our legitimate business interests. The information we hold and process will be used for our management and administrative use only. We will keep and use it to enable us to run the business and manage our relationship with you effectively, lawfully and appropriately, during the recruitment process, whilst you are working for us, at the time when your employment ends and after you have left. This includes using information to enable us to comply with the employment contract if any, to comply with any legal requirements, pursue the legitimate interests of the Company and protect our legal position in the event of legal proceedings. By applying for and entering into employment with us, you hereby grant consent for the Company to process this data for the above-mentioned purposes, and in accordance with the HR Recruitment and Staff Policies, which have been or will be provided to you. If you do not provide this data, we may be unable in some circumstances to comply with our obligations and we will tell you about the implications of that decision.

G. FUTURE INCENTIVE COMPENSATION PLAN

The Company expects to design, and designate you as a participant in, an Incentive Compensation Plan ("ICP"). Once implemented, the Company is expected to make annual grants to you of restricted stock units or stock options for such number of Class A shares of the Company (after Company's conversion into a corporation) that will equal to your then applicable base annual salary divided by the closing trading price of Class A shares of the Company on the date of each such grant, which will vest in three equal annual installments from the date of each grant, in each case subject to the terms and pursuant to the Company's standard forms under the ICP. Details of the ICP will be shared with those eligible employees at a time to be determined by the Company in its sole discretion, and the ICP is expected to be in line with industry standards.

H. NO VESTING

Any provisions by the Company for supplementary compensation (i.e. in addition to your regular salary) whether included in this compensation agreement or made separately hereafter, including, but not limited to, the right to receive any bonus or participate in any ICP or similar plan are intended to provide you with employee incentive compensation while you are employed at the Company and not as an independent agency or brokerage type arrangement. Your right to receive any such payment or option grant ends when your employment with the Company ends for any reason. Any such compensation is earned only upon complete achievement of any goal (to the dollar) or condition attached to it, and there is no pro-rata earning of any bonus or supplementary compensation. If you are not employed by the Company on the day all conditions of entitlement to a particular payment have been completely satisfied; you will not have earned any portion of payment. There is no vesting of the right to bonus or incentive compensation payments either in total of pro-rata, and you will receive the payment only if you are an employee on the date provided for actual payment. As extraordinary compensation provisions, goals, time deadlines, definitions and other provisions of incentive bonus and other supplementary compensation commitments are to be strictly construed.

I. NO CONFLICT

Applicant represents and warrants that Applicant is not subject to any agreement, order, judgment or decree of any kind which would prevent Applicant from entering into this Agreement or performing fully Applicant's obligations hereunder. Applicant acknowledges being instructed: (a) that it is the Applicant's policy not to seek access to or make use of trade secrets or confidential business information belonging to other persons or organizations, including but not limited to competitors or former employers; and (b) that Applicant should not, under any circumstances, reveal to the Company or any Affiliate or make use of trade secrets or confidential business information belonging to any other person or organization. Applicant represents and warrants that Applicant has not violated and shall not violate such instructions.

J. ADDITIONAL ACTIVITIES

This Offer of Employment is conditioned upon your agreement to enter into a Confidentiality, Proprietary Information and Inventions Agreement, pursuant to which you will agree that during the period of your employment with the Company, you will (a) provide services to such entity faithfully, diligently and to the best of your ability, devote your entire business time, energy and skill to such employment and will not, without the Company's express written consent, engage in any employment or business activity which is competitive with, or would otherwise conflict with, your employment by the Company, its subsidiaries, affiliates, predecessors and/or successors; and (b) not directly or indirectly induce or solicit, or aid or assist any person or entity to induce or solicit (i) any employee or independent contractor or consultant of the Company to leave the employ of or other relationship the Company and/or (ii) any customers or clients of the Company and/or its affiliates to terminate, curtail or otherwise limit its, his or her employment by or business relationship with the Company and/or its affiliates.

K. ENTIRE AGREEMENT

This Offer of Employment sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all memoranda or existing agreements, and may be modified only by a written instrument duly executed by each party.

L. CONCLUSION

We are very excited that you are joining us here at the Company and look forward to the valuable contributions you will make. We expect this to be a mutually rewarding relationship. If this Offer of Employment is acceptable, please sign and return the original to me.

Should you have any questions or concerns, please feel free to contact CEO directly. I may be reached via e-mail at dk@motorsportgames.com

Regards,

MOTORSPORT GAMING US LLC

By: */s/ Dmitry Kozko*
Dmitry Kozko, CEO

Accepted by:

/s/ Jonathan New
JONATHAN NEW

Exhibit 10.13.1

STATEMENT OF TERMS AND CONDITIONS OF EMPLOYMENT

BETWEEN

AUTOSPORT MEDIA UK LIMITED

AND

STEPHEN HOOD

DATED: 26 JUNE 2018

Private & Confidential

Stephen Hood
Field End
3 Court Meadow
Gillingham Kent
ME8 6HT

26 June 2018

Dear Stephen,

We are delighted to offer you the position of the Head of eSports within Autosport Media UK Limited. Please find enclosed:

- Two copies of your Statement of Terms & Conditions of Employment. Please read, sign and date both copies which serve as acknowledgement and acceptance of your job offer and retain one for your reference.
- HMRC New Starter Checklist (if you have your P45 that will suffice so please bring it with you on your first day)
- Personal Details Form
- Bank Details Form

Please complete and return the relevant documents listed above at your earliest convenience.

On your first day please arrive at 1 Eton Street reception at 10:00am and ask for me. Please bring with you proof of right to work in the UK such as Passport, Full UK Birth Certificate, European ID Card or Work Permit/Visa. Please present this to HR so we can take a copy.

This offer is open for you to accept until 3 July 2018 at which time it will deemed to be withdrawn. Should you have any questions prior to starting, please do not hesitate to contact me.

On behalf of Autosport Media UK Limited, I would like to congratulate you on your appointment and look forward to working with you. I wish you every success and hope you will enjoy a long and happy career with us.

Yours sincerely,

/s/ Harriet Ellis

Harriet Ellis
Human Resources Manager

1. APPOINTMENT

Your appointment will be as the Head of eSports reporting to the Managing Director of the Entertainment Division. The Company may change your job title from time to time as it considers reasonable or necessary. Your employment will commence on 2 July 2018 as will your continuous service with the Company.

You warrant to the Company that you are not entering into this Agreement in breach of any agreement with a third party and that you will not be restricted or prevented from undertaking or performing your duties by any such agreement. This Agreement replaces any previous agreement whether verbal or written given to you at any time. You acknowledge that you are not entering into this Agreement in reliance upon any representation, warranty or undertaking which is not contained in this Agreement.

During your appointment, you will:

- devote the whole of your working time, attention and abilities to the business and will not, without the prior written consent of the Company (such consent not to be unreasonably withheld) accept any other appointment, work for or be directly or indirectly engaged or concerned with the conduct of any other business which is similar or in any way connected with the business of the Company or any Associated Company;
- loyally and diligently perform such duties and exercise such powers to the Group as the Company reasonably requires
- comply with the reasonable and lawful directions given from time to time by the Company.
- act in good faith and promote the interest and further business of the Group and not to and/or prevent there being done anything which may harm or be prejudicial or detrimental to the business of the Company or Group;
- disclose to the Company and misconduct committed by yourself or any of your colleagues, including any intention by an employee to act of their employment contract with the Company.

2. CONDITIONS OF EMPLOYMENT

This offer is made subject to the following conditions:

a) Confirmation that the Company may lawfully employ you in the UK. This will require you to produce satisfactory evidence of your National Insurance number; and other satisfactory proof of your entitlement (e.g. Passport; Birth Certificate or a valid Work Permit). You are required to provide original copies of these upon request.
b) If the Company believes or is informed by the UK authorities that any of the UK permits or any other requirement referred to above is invalid or has been revoked, or the UK authorities refuse you entry or re-entry or require you to depart from the UK, then your employment will immediately terminate, without notice.
c) Receipt of satisfactory references

3. SALARY

Your basic annual ('base') salary will be £130,000, paid monthly in arrears by bank credit transfer. Please note that your salary is a confidential matter between yourself and the Company and should not be discussed outside these two parties, unless disclosure of salary information is requested for the purposes of equal pay comparisons.

The Company normally review salaries annually. There shall be no obligation to increase salary as a result of any such review.

The Company reserves the right to deduct from your salary one day's pay for each day (including part of a day) of unauthorised absence. Unauthorised absence shall include any absence from work unless due to:

a) Genuine sickness which has been notified to the Company in accordance with the Absence through Sickness and Injury clause below;
b) Absence for which the Company has given permission; or
c) Genuine reasons outside your control which are acceptable to the Company.

4. RELOCATION

You will be entitled to a reimbursed payment of up to £5,000 in relation to reasonable moving expenses. This payment will be payable upon receipts approved by the HR Manager and processed by the Finance department.

5. PROFIT SHARE

You shall be entitled to participate in a profit share plan linked to the commercial success of the gaming product which you will be responsible for developing. Full details of the plan will be provided in due course.

6. HOURS OF WORK

Your normal working hours will be 09:30-17:30, 7 hours per day, Monday to Friday, with a one hour break for lunch. The Company operates flexible working hours, in which you can start between 8.30am and 10am, finishing between 4.30pm and 6pm, subject to agreement with your line manager for example a start time of 8.30am would mean a 4.30pm finish or a 10am start time would mean a 6pm finish. This is subject to business requirement and any changes to your start and finish time should be previously discussed with your line manager.

At certain times, it may be necessary to ask you to work longer hours according to the needs of the business, for the avoidance of doubt you may not be paid overtime for such additional hours.

7. PLACE OF WORK

You will be based initially at the Company's offices which are currently in Richmond, but may be required to work at other locations within the United Kingdom, whether on a temporary or permanent basis and overseas on a temporary basis in the performance of your duties. You may be required to travel to any locations within the UK or globally, whether to clients' offices, or to such offices as may be required. The Company will give you no less than one month's notice if you are asked to permanently be based from another of its offices.

8. EXPENSES

The Company shall reimburse you all travelling, hotel, mobile telephone, entertainment and other expenses necessarily, properly and reasonably incurred by you in the proper performance of your duties provided that, you comply with any guidelines or regulations issued by the Company and on provision of valid receipts. Please note, prior to incurring any expenses, these should be pre-authorised by the relevant manager. Please also refer to the Company's Travel and Expenses Policy available from HR.

9. HOLIDAYS

In addition to Bank and other Public Holidays, your paid annual holiday entitlement is 25 days, rising with one additional day per calendar year, up to a maximum of 30 days. Any entitlement to a part day's holiday will be rounded up to the nearest half day. Holiday pay is calculated on your basic annual salary.

If you work part-time your holiday entitlement will be pro-rated on your number of contracted hours of work. Bank holidays are also pro-rated and added to your annual leave entitlement to give a total annual holiday entitlement. Therefore, if a Bank Holiday falls on your normal working day this day is deducted from your annual holiday entitlement. This is to ensure that holiday entitlement is equitable regardless of the days of the week worked.

The holiday year runs from January to December. At manager's discretion, you can carry forward up to 5 days of your holiday entitlement into the next holiday year, to be taken in the first 3 months of the following year.

You will not accrue entitlement to holidays beyond the statutory minimum if you are absent from work due to sickness for more than 14 consecutive days. The Company may require employees to take, during their notice period, any accrued holiday to which they may be entitled.

You may only take holiday at times that the Company have approved. You should always give reasonable advance notice of any proposed holiday dates. In the unlikely event that the Company requires you to cancel approved pre-booked holiday for business reasons, you will be reimbursed for any irrecoverable cost and every effort will be made to agree suitable alternative holiday dates with you.

Please refer to the Company's Annual Leave Policy, available from HR, for specific rules regarding holiday entitlement and booking arrangements.

If you leave employment part way through a holiday year, your entitlement to holiday will be calculated on a pro rata basis. If upon leaving you have any outstanding annual holiday entitlement you will receive a payment representing salary for the number of days' outstanding for the current holiday year. Alternatively, if you have taken annual holiday in excess of your accrued entitlement, a deduction equivalent to salary for the additional holiday taken will be made from any final payment to you.

10. ABSENCE THROUGH SICKNESS OR INJURY

The Company's sick pay scheme operates on trust and the Company relies on the integrity and honesty of individual employees to comply with the spirit of the scheme as well as the detailed rules set out in the Company's policy. Anyone abusing the scheme will be dealt with under the disciplinary procedure.

If you are absent from work and your illness or injury prevents you from working the following sick pay benefits will apply, provided that you have complied with all rules and procedures and that the Company is satisfied with the reason(s) given for the absence.

During your first six months of service, any period of sickness absence will be paid at the Statutory Sick Pay rate (if you are entitled to receive SSP). The Company may in its absolute discretion pay sick pay above your SSP entitlement. Should the Company choose to exercise its discretion in this way it will pay only for certain maximum periods as follows:

- After 6 months of service the maximum period during which you may receive full pay during sickness absence is 5 working days.
- At 1 years' service, the maximum period during which you may receive full pay during sickness absence is 20 working days.
- After 2 years' service, the maximum period during which you may receive full pay during sickness absence will be 60 working days.

These maximum benefits apply to consecutive or to aggregate periods of sickness absence and run for a rolling twelve-month period starting with the first day of any sickness absence.

If you are entitled to receive Statutory Sick Pay ("SSP") during sickness absence the payment made to you will comprise your SSP entitlement and, where appropriate, a further sum by way of salary so that the total sum you receive will be equivalent to your normal salary payment. If during any period of sickness absence, you are receiving salary payments but are not eligible for SSP, the Company may deduct from salary any benefits in relation to sickness or incapacity which you are entitled to claim (whether or not claimed). Similarly, all payments of salary during sickness absence will be recoverable by the Company by way of deduction from salary in the event of your obtaining compensation from a third party relating to your absence.

Where an employee's SSP entitlement exceeds the Company sick pay entitlement the employee will receive only SSP for periods in excess of the entitlement outlined above.

Where reference is made in these rules to SSP it shall be deemed to include any state sickness benefit which may be introduced in the future to replace SSP. If you require any further information about your eligibility for SSP you should contact your local Job Centre.

The following absence reporting procedures form part of the contract of employment:

Notifying absence due to sickness

If you are unable to attend work due to illness or injury the procedure is as follows:

a) You must telephone your immediate superior or departmental manager by 10.00am on your first day of absence, stating the nature of illness or injury and the expected period of absence. It is not sufficient to leave messages with colleagues, the switchboard, or to communicate via text or e-mail.
b) You must keep your manager informed of the progress of your recovery. To this end, you must again contact him/her on each subsequent day of absence, to discuss the progress of your recovery, unless another interval is agreed.
c) If the incapacity lasts for between one and seven days (including a Saturday and/or Sunday), you must comply with the Company's self-certification process.
d) If you are absent for more than seven days, you must forward a medical certificate issued by your GP to your manager without delay. If a delay is unavoidable, you should inform your manager immediately.
e) If the absence continues, and further medical certification is required, you must continue to send medical certificates without delay.

The Company may, at the Company's expense and at any time (whether you are absent from work or not), require you:

a) to obtain and give to the Company a medical report from your GP or another person responsible for your clinical care; and/or
b) to be examined or tested by a medical practitioner appointed by the Company so that the Company can receive medical advice about you.

Failure without good cause to attend or arrange medical appointments may be deemed a disciplinary offence.

11. PENSION

You can choose to join the Company's Group Personal Pension Plan at two levels:-

a) If you choose to pay 5% of basic salary (minimum) the Company will pay 8% of your basic salary.
b) If you do not join the pension within two months of employment, and you meet the statutory criteria, you will be automatically enrolled into the pension. If you are automatically enrolled you will pay 3% of your "Qualifying Earnings" and the Company will pay 2% of your "Qualifying Earnings".

You can opt to increase the contributions you pay at a later date if required. Employees who no longer wish to be a member of the Plan may cease active membership or have a right to opt out in certain circumstances. Information on this is also available from HR.

Membership of the Plan is subject to its governing provisions and these terms may be altered at any time subject to regulatory compliance.

Contributions to the Plan will be made via "salary exchange" unless you choose to opt out. If you make contributions to the Plan via "salary exchange" then the following provisions apply:

a) you authorise the Company to deduct from your salary an amount equal to the pension contributions from time to time due from you (Contribution Amount);
b) the Company will increase its contributions to the Plan by an amount equivalent to the Contribution Amount including passing on the NIC saving; and
c) the Company's pension contributions and any other employee benefits payable under your contract of employment will be based on your salary before the deduction of the Contribution Amount.

It is not possible to "salary exchange" where your cash earnings would fall below the National Minimum Wage. If you wish to opt out of "salary exchange" please contact HR.

Further information on the Plan is available from HR.

12. NOTICE

The first six months of your employment is a probation period, during this time both parties are required to give four weeks' notice in writing. After this time, your employment with the Company may be terminated by the Company or by you, by giving notice of three months in writing.

Instead of requiring you to work during your notice period (or any remaining part of it), the Company may at its discretion choose to terminate your employment immediately and pay a sum equivalent to your gross basic salary (less appropriate PAYE deductions) in lieu of your notice period (or the remaining part of it).

The Company may, notwithstanding any other provisions of this contract, and irrespective of whether the grounds for termination arose before or after the contract began at any time by notice in writing to you, terminate your employment with immediate effect:

a) If you are convicted of a criminal offence other than one which, in the option of the Board, does not affect your position as an employee of the Company;
b) If you are guilty of any serious misconduct in connection with or affecting the business of the Group;
c) If you commit any serious or repeated breach of your obligations or are guilty of serious neglect or negligence in the performance of your duties;
d) If you behave in a manner (whether on or off duty) which is likely to bring the Company into disrepute or prejudice its interests, or which seriously impairs your ability to perform your duties, including being in possession of illegal controlled substances.

If the Company wishes to terminate your employment, or if you wish to leave its employment, before the expiry of the notice, and whether or not either party has given notice to the other under that clause, the Company may require you to perform duties not within your normal duties or special projects or may require you not to attend for work for a period equivalent to the notice period required to be given by you to terminate the contract. If the Company elects to require you not to attend or work for any period you must remain available throughout that period for work on a daily basis and holiday taken (if any) must still be booked in the normal way.

For so long as you are not required to work during such period, you will remain an employee of the Company. You will continue to receive your salary and other contractual entitlements and to be bound by all the terms of this Agreement. You will not directly or indirectly work for any person, have any contact with any Client of the Group or, for business purposes, any such employee without the prior written agreement of the Company. You should book holiday in the normal way if you are intending to take any holiday during this period.

On the termination of your employment or upon the Company exercising its rights under the previous clause, you will at the request of the Company resign without claim for compensation from any directorships or other posts or offices held by you in the Group or in connection with your employment. If you fail to do so, the Company may nominate someone on your behalf to sign such documents and to take such other steps as are necessary to give effect to such resignations.

13. CONFIDENTIALITY

You acknowledge that during your employment with the Company you will have access to and will be entrusted with confidential information and trade secrets relating to the business of the Group. This includes but is not limited to information and secrets relating to The Group's clients and prospective clients; The Group's markets; Technology; Know how; Technical information; Business plans; and Financial information.

Without limiting Clause (Copyright) in any way, the Company remains the owner of all property (including copyright and similar commercial rights) and all work produced in the course of your employment with the Company.

All notes, memoranda and other records (however stored) made by you during your employment with the Company and which relate to the business of the Group will belong to the relevant member of the Group and will promptly be handed over to the Company (or as the Company directs) from time to time.

14. DISCLOSURE

You will not during the course of your employment (otherwise than in the proper performance of your duties, and then only to those who need to know such information or secrets) or thereafter, (except with the prior written consent of the Company or as required by law):-

(a) divulge or communicate to any person (including any representative of the press or broadcasting or other media);

(b) cause or facilitate any unauthorised disclosure through any failure by you to exercise all due care and diligence; or
(c) make use (other than to the benefit of the Group) of:

any confidential information or trade secrets relating to the business of the Group which may have come to your knowledge during your employment with the Company or in respect of which the Group may be bound by an obligation of confidence to any third party. You will also use your best endeavours to prevent the publication or disclosure of any such information or secrets. These restrictions will not apply, after your employment is terminated, to information which has become available to the public generally, otherwise than through unauthorised disclosure, or if such disclosure or use is required by law, or you have been authorised to do so by your Managing Director.

15. DATA PROTECTION

You agree to the Company or any other member of the Group, holding and processing both electronically and manually, personal data about you (including sensitive personal data as defined in the Data Protection Act 1998) for the operations, management, security or administration of the Company and/or the Group for the purpose of complying with applicable laws, regulations and procedures. The Company may take such information available to any such member of the Group, and you consent to such information being passed to members of the Group, whether they are within or outside the European Economic Area, and even where the country where the member is based does not have adequate data protection standards. Further details are as set out in the Company's data protection policy, available from HR.

You are responsible for updating HR of any changes to your home address and other contact details.

16. MONITORING

You agree that the Company, or any other member of the Group, may monitor, intercept or record your use of office equipment including, but not limited to, email and internet usage, telephone and mobile phone.

17. E-MAIL, INTERNET AND SOFTWARE ACCEPTABLE POLICY

Employees must be aware and adhere to Company's IT systems Acceptable Use Policy, a copy being available from IT/HR. Failure to comply with the provisions of this policy may lead to disciplinary action up to and including termination of employment. This is a policy document which does not form part of your terms and conditions of employment and which may be changed from time to time.

18. CONVICTIONS

You are required to disclose any conviction which is not spent by virtue of the Rehabilitation of Offenders Act 1974. Similarly, if you receive any conviction during your employment, it should be disclosed to the Company.

If your conviction affects your employment with the Company, it may be necessary to terminate your Contract of employment. A conviction which the Company considers irrelevant to the job will not be taken into consideration.

19. MEMBERSHIP OF TRADE UNIONS

There are no collective agreements in existence which directly affect your terms and conditions.

20. GRIEVANCE PROCEDURES

The Company recognises that misunderstandings or grievances may sometimes occur. It is vital these grievances are brought out into the open and resolved fairly and as quickly as possible. In most cases, this can be done on an entirely informal basis. However, there may be occasions when a more formal approach is needed.

If you have a grievance relating to your employment, you should in the first instance raise this with your line manager or HR. The Company's Grievance Procedure is available from HR. This procedure is non-contractual and the Company reserves the right to amend the terms of the Procedure from time to time.

The Grievance Procedure is a policy document only. As a policy document, it does not form part of your terms and conditions of employment and accordingly the Company may change it from time to time or decide not to follow it.

21. DISCIPLINARY PROCEDURES

Employees are expected to behave in a responsible manner at all times and are also expected to comply with the standards, practices, policies and reasonable instructions that are essential for the efficient operation of the business and for the well-being, health and safety of those employed in it. Failure to meet these standards renders an employee liable to disciplinary action. A copy of the Company's Disciplinary Policy is available from HR.

The Company may suspend you for however long it considers appropriate to investigate any aspect of your performance or conduct or to follow disciplinary proceedings. The Company may attach conditions to any such suspension. You must comply with any such conditions and co-operate fully with any investigation. During any period of suspension, you would normally receive the same pay and benefits as if you were at work, although the Company reserves the right to withdraw and/or defer pay and/or benefits in appropriate circumstances. Before doing so, the Company would normally follow the procedure set out in the Company's Disciplinary Policy.

The Disciplinary Policy is a policy document only. As a policy document, it does not form part of your terms and conditions of employment and accordingly the Company may change it from time to time or decide not to follow it.

22. COMPANY POLICIES AND PROCEDURES

Full details of the Company's Policies and Procedures are available from HR along with other information relating to your employment. Please familiarise yourself with each of the Policies and Procedures on joining.

23. INTELLECTUAL PROPERTY

For the purposes of this clause the following definitions shall apply:

Intellectual Property Rights: patents, rights to Inventions, copyright and related rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

Invention: any invention, idea, discovery, development, improvement or innovation, whether or not patentable or capable of registration, and whether or not recorded in any medium.

You shall disclose to the Company full written details of all Inventions and of all works embodying Intellectual Property Rights made wholly or partially by you at any time during the course of your employment which relate to, or are reasonably capable of being used in, the business of any Group Company. You acknowledge that all Intellectual Property Rights subsisting (or which may in the future subsist) in all such Inventions and works shall automatically, on creation, vest in the Company absolutely.

You irrevocably waive all moral rights under the Copyright, Designs and Patents Act 1988 (and all similar rights in other jurisdictions) which you have or will have in any existing or future works referred to in this Agreement.

You irrevocably appoint the Company to be your attorney to sign any document required and to use your name for the purpose of giving the Company (or its nominee) the benefit of this clause and acknowledge in favour of any interested third party that a certificate in writing signed by any Director or the Secretary of the Company that any instrument or act falls within the authority conferred by this clause be conclusive evidence of such authority.

You agree to waive and not assert any moral rights to which you may be entitled under the CPA in respect of any work done by you, the rights in which are vested in the Company. Any credit for work done will be given at the sole discretion of the publisher.

24. RESTRICTIONS AFTER EMPLOYMENT

For the purposes of this clause the following definitions shall apply:

Capacity: as agent, consultant, employee, worker, director, owner, partner, shareholder or in- any other capacity.

Prospective Customer: any firm, company or person with whom the Company or any Group Company was in discussions during the Relevant Period with a view to that organisation becoming a customer of the Company, and with whom you had dealings during the Relevant Period;

Relevant Period: the 12 month period prior to the Termination Date;

Restricted Business: those parts of the business of the Company and any Group Company with which you were involved to a material extent in the Relevant Period.

Restricted Customer: any firm, company or person who, during the Relevant Period was a customer or Prospective Customer or in the habit of dealing with the Company or any Group Company and with whom you had dealings in the course of your employment.

Restricted Person: anyone employed or engaged by the Company or any Group Company who could materially damage the interests of the Company or any Group Company if they were involved in any Capacity in any business concern which competes with any Restricted Business and with whom you dealt in the Relevant Period in the course of your employment.

Team Member: anyone employed or engaged by the Company or any Group Company who could materially damage the interests of the Company or any Group Company if they were involved in any Capacity in any business concern which competes with any Restricted Business and with whom you deal in the ordinary course of your employment.

Termination Date: the termination of the Director's employment with the Company however caused including, without limitation, termination by the Company in repudiatory breach of contract.

In order to protect the confidential information and business connections of the Company and each Group Company to which you have access as a result of your employment, you covenant with the Company that you shall not:

- for 12 months from the Termination Date, solicit or endeavour to entice away from the Company or any Group Company the business or custom of a Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with any Restricted Business;
- for 12 months from the Termination Date, be involved with the provision of goods or services to (or otherwise have any business dealings with) any Restricted Customer in the course of any business concern which is in competition with any Restricted Business;
- for 12 months from the Termination Date in the course of any business concern which is in competition with any Restricted Business, offer to employ or engage or otherwise endeavour to entice away from the Company or any Group Company any Restricted Person;

- during your employment with the Company work with any Team Member with a view to you and the Team Member leaving your employment with the Company for you to become employed in, or set up, a business which is directly or indirectly in competition with the Restricted Business.

The restrictions imposed on you by this clause 23 apply to you acting directly or indirectly; and on your own behalf or on behalf of, or in conjunction with, any firm, company or person.

The periods for which the restrictions in this clause 23 apply shall be reduced by any period that you spend on Garden Leave immediately before the Termination Date.

If you receive an offer to be involved in a business concern in any capacity during the Employment, or before the expiry of the last of the covenants in this clause 23 you shall give the person making the offer a copy of this clause and shall tell the Company the identity of that person as soon as possible after accepting the offer.

If, at any time during your employment, two or more Restricted Persons have left their employment, appointment or engagement with the Company to perform Restricted Business for a business concern which is, or intends to be, in competition with any Restricted Business, you will not at any time during the 12 months following the last date on which any of those Restricted Persons were employed or engaged by the Company, be employed or engaged in any way with that business concern under which you will perform Restricted Business on the behalf of that business concern.

You acknowledge that during the course of your employment hereunder you are likely to have dealings with the clients, customers, suppliers and other contacts of the Company and agree that each of the restrictions in this clause 23 is separate and distinct, is to be construed separately from the other restrictions, and is reasonable as regards its duration, extent and application for the protection of the legitimate business interests of the Company. However, in the event that any such restriction shall be found to be void or unenforceable but would be valid or enforceable if some part or parts of it were deleted or the period of area of application reduced, you agree that such restriction shall apply with such modification(s) as may be necessary to make it valid and effective.

25. RETURN OF PROPERTY AND PASSWORDS

Upon termination of your employment you must:

a) Immediately return all items of our property which you have in your possession in connection with your employment (including any car, keys, security pass, mobile phone, computer, disks, tapes, memory sticks, business cards, credit cards, documents or copies of documents); and
b) if you have any document or information belonging to the Company on a personal computer (which is not to be returned under the above provisions), forward a copy to the Company and then irretrievably delete the document or information. You will permit the Company to inspect any such computer on request to ensure such steps have been taken.

If asked to do so, you must inform the Company of any computer passwords used by you in the course of your employment or any passwords of which you are otherwise aware.

The Company may withhold payment of your final salary or any other payment due or outstanding upon termination of your employment until you have fully complied with your obligations to return property and reveal passwords.

26. HEALTH AND SAFETY

In accordance with health and safety legislation, you must:

a) take reasonable care for the health and safety of yourself and other persons who may be affected by your acts or omissions;
b) co-operate with the Company to enable the Company to ensure so far as is reasonably practicable the health, safety and welfare at work of all the Company's employees and to comply with any other duties or requirements relating to health and safety; and
c) not interfere with or misuse anything provided by the Company in the interests of health, safety or welfare.

27. GENERAL

This Agreement is entered into by the Company for itself and in trust for each Associated Company, with the intention that each Company will be entitled to enforce the terms of this Agreement directly against you. The Contracts (Rights of Third Parties) Act 1999 will not create any rights in favour of you in relation to the benefits granted now or at any time in connection with your employment.

The Company reserves the right to make deductions from your wages/salary, or other amounts due to you, for the monies owed to the Company by you, or monies that become due to the Company from you, for any reason. Such deductions may include overpayments or wages/salaries, any losses sustained in relation to properties or monies of the Company, its customers or visitors or any other employee of the Company during your employment caused through your carelessness, recklessness or through your breach of the Company's rules or any dishonesty on your part.

In the event of termination, all monies will become immediately payable and the Company reserves the right to withhold or deduct any money owing or due to be paid by you under this Agreement or otherwise from any money owing or due to be paid to you. In the event that monies are still outstanding, you will be asked to repay any sums within three months of the end of employment.

Any communications posted to you should be sent to your last known domestic address, according to the Company's HR records.

This Agreement will be construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction in the English court to settle any disputes which may arise in the nature of this Agreement.

We reserve the right to make changes to any of your terms of employment at any time having regard to the changing needs and circumstances of the business. We will give you one month's written notice of any change.

28. DEFINITIONS

Your employer will be Autosport Media UK Limited (referred to as "the Company").

Where the term "Group" is used in this Agreement, it shall mean the Company and any of its Associated Companies.

"Associated Company" shall mean any company which for the time being is (whether directly or indirectly):

- a subsidiary (as defined by Section 736 of the Companies Act 1985) of Autosport Media UK Limited;
- a company over which Autosport Media UK Limited has control within the meaning of Section 840 of the Income and Corporation Taxes Act 1988; or
- a subsidiary undertaking of Autosport Media UK Limited as defined by Section 258 of the Companies Act 1985.

I should personally like to welcome you to the Company and very much look forward to working with you in the time ahead. I wish you every success in your career with us.

Please acknowledge your acceptance and agreement to the terms outlined by signing both copies of this contract and returning one to the HR Department and retain one copy for your records.

By */s/ Harriet Ellis*	Signed */s/ Stephen Hood*
Harriet Ellis	Stephen Hood

On Behalf of Autosport Media UK Ltd

Dated: 26 June 2018	28 June 2018

Exhibit 10.13.2

Stephen Hood
By email

5 April 2019

Dear Stephen,

Further to your discussion with your Manager, Dmitry Kozko, I would like to confirm your change in role. Your new position is that of President of Motorsport Games with an increased salary of £145,000 per annum. These changes took effect on 1 April 2019 and will be reflected in your April 2019 payroll.

All other terms and conditions of your employment remain unchanged.

Please sign and return a copy of this letter to HR within the next 7 days as acknowledgement of this amendment to your contract.

Your sincerely

/s/ Harriet Ellis

Harriet Ellis
HR Manager

I, Stephen Hood, agree to the above amendment.

Signed: */s/ Stephen Hood*

Date: 4/15/2019

STATEMENT OF TERMS AND CONDITIONS OF EMPLOYMENT

BETWEEN

MOTORSPORT GAMES LIMITED

AND

STEPHEN HOOD

DATED: 1 October 2020

PARTIES

1. Motorsport Games Ltd incorporated and registered in England and Wales with company number 12445844 whose registered office is at Silverstone Innovation Centre, Silverstone Park, Silverstone, NN12 8GX (**Company or we**).

2. Stephen Hood of Field End, 3 Court Meadow, Gillingham, Kent. ME8 6HT (**Employee** or **you**).

1. APPOINTMENT

Your appointment will be as President of Motorsport Games reporting to Chief Executive Officer of Motorsport Games (Dmitry Kozko). Motorsport Games Ltd (the "Company") may change your job title from time to time as it considers reasonable or necessary. Your appointment will commence on 1st October 2020. Your continuous service with the Company commenced on 2nd July 2018.

You warrant to the Company that you are not entering into this Agreement in breach of any agreement with a third party and that you will not be restricted or prevented from undertaking or performing your duties by any such agreement.

This Agreement replaces any previous agreement whether verbal or written given to you at any time. You acknowledge that you are not entering into this Agreement in reliance upon any representation, warranty or undertaking which is not contained in this Agreement.

During your appointment, you will:

- devote the whole of your working time, attention and abilities to the business on an exclusive basis and will not, without the prior written consent of the Company (such consent not to be unreasonably withheld) accept any other appointment, work for or be directly or indirectly engaged or concerned with the conduct of any other business;
- loyally and diligently perform such duties and exercise such powers to the Company or any Group Company as the Company reasonably requires;
- comply with the reasonable and lawful directions given from time to time by the Company;
- act in good faith and promote the interest and further business of the Company or any Group Company and not to and/or prevent there being done anything which may harm or be prejudicial or detrimental to the business of the Company or any Group Company;
- disclose to the Company and misconduct committed by yourself or any of your colleagues, including any intention by an employee to act in breach of their employment contract with the Company, immediately upon becoming aware of it.

Notwithstanding the above, you may hold an investment by way of shares or other securities of not more than 5% of the total issued share capital of any company (whether or not it is listed or dealt in on a recognised stock exchange) where such company does not carry on a business similar to or competitive with any business for the time being carried on by any Group Company.

2. CONDITIONS OF EMPLOYMENT

This offer is made subject to the following conditions:

a) Confirmation that the Company may lawfully employ you in the UK. This will require you to produce satisfactory evidence of your National Insurance number; and other satisfactory proof of your entitlement (e.g. Passport; Birth Certificate or a valid Work Permit). You are required to provide original copies of these upon request.
b) If the Company believes or is informed by the UK authorities that any of the UK permits or any other requirement referred to above is invalid or has been revoked, or the UK authorities refuse you entry or re-entry or require you to depart from the UK, then your employment will immediately terminate, without notice.
c) Receipt of satisfactory references.

3. SALARY

Your basic annual ('base') salary will be £145,000. Your salary shall accrue from day to day and be paid to you monthly in arrears on or about the 28th of each month directly by bank credit transfer. Please note that your salary is a confidential matter between yourself and the Company and should not be discussed outside these two parties, unless disclosure of salary information is requested for the purposes of equal pay comparisons.

The Company normally review salaries annually, usually in January. There shall be no obligation to increase salary as a result of any such review.

The Company may deduct from the salary, or any other sums owed to you, any money owed to the Company by you. In addition, the Company reserves the right to deduct from your salary one day's pay for each day (including part of a day) of unauthorised absence (calculated as 1/260 of your salary for each day). Unauthorised absence shall include any absence from work unless due to:

a) Genuine sickness which has been notified to the Company in accordance with the Absence through Sickness and Injury clause below;
b) Absence for which the Company has given permission; or
c) Genuine reasons outside your control which are acceptable to the Company.

4. BONUS

The Company may in its absolute discretion pay you a bonus of such amount, at such intervals, and subject to such conditions as the Company may in its absolute discretion determine from time to time. Any bonus payment shall be purely discretionary and shall not form part of your contractual remuneration under this Agreement. Payment of a bonus in one year shall not give rise to an obligation to pay a bonus in a subsequent year.

Any such bonus is conditional on you being employed and not having given or received notice on the date any bonus would have otherwise been payable. Any bonus payment will not be pensionable except to the extent that it forms part of the Employee's qualifying earnings under section 13(1) of the Pensions Act 2008.

5. HOURS OF WORK

Your normal working hours will be 9:30 a.m. - 5:30 p.m., Monday to Friday, with a one hour break for lunch.

At certain times, it may be necessary to ask you to work longer hours for the proper performance of your duties. For the avoidance of doubt you may not be paid overtime for such additional hours.

6. PLACE OF WORK

Your normal place of work will be from the Company's offices in Silverstone, but you may be required to work at other locations within the United Kingdom, whether on a temporary or permanent basis and overseas on a temporary basis in the performance of your duties. You may be required to travel to any locations within the UK or globally, whether to clients' offices, or to such offices as may be required. During your employment you shall not be required to work outside of the UK for any continuous period of more than one month.

7. EXPENSES

The Company shall reimburse you all travelling, hotel, mobile telephone, entertainment and other expenses necessarily, properly and reasonably incurred by you in the proper performance of your duties provided that, you comply with any guidelines or regulations issued by the Company and on provision of valid receipts. Please note, prior to incurring any expenses, these should be pre-authorised by the relevant manager.

Any credit card supplied to you by the Company shall be used only for expenses incurred by them in the course of your employment.

8. HOLIDAYS

In addition to Bank and other Public Holidays, your paid annual holiday entitlement is 25 days together with the usual 8 public holidays in England or days in lieu where the Company requires the Employee to work on a public holiday. Your annual leave entitlement shall rise by one additional day for each complete calendar year of service, up to a maximum of 30 days. Any entitlement to a part day's holiday will be rounded up to the nearest half day.

If you work part-time your holiday entitlement will be pro-rated on your number of contracted hours of work. Bank holidays are also pro-rated and added to your annual leave entitlement to give a total annual holiday entitlement. Therefore, if a Bank Holiday falls on your normal working day this day is deducted from your annual holiday entitlement. This is to ensure that holiday entitlement is equitable regardless of the days of the week worked.

The holiday year runs from January to December. At manager's discretion, you can carry forward up to 5 days of your holiday entitlement into the next holiday year, to be taken in the first 3 months of the following year.

You will not accrue entitlement to holidays beyond the statutory minimum if you are absent from work due to sickness for more than 14 consecutive days and as such any entitlement to holidays for the holiday year in which such absence takes place shall be reduced pro rata.

The Company may require employees to take, during their notice period, any accrued holiday to which they may be entitled.

You may only take holiday at times that the Company have approved. You should always give reasonable advance notice of any proposed holiday dates. In the unlikely event that the Company requires you to cancel approved pre-booked holiday for business reasons, you may be reimbursed for any irrecoverable cost and every effort will be made to agree suitable alternative holiday dates with you.

Please refer to the Company's Annual Leave Policy, available from HR, for specific rules regarding holiday entitlement and booking arrangements.

If you leave employment part way through a holiday year, your entitlement to holiday will be calculated on a pro rata basis. If upon leaving you have any outstanding annual holiday entitlement you will receive a payment representing salary for the number of days' outstanding for the current holiday year. Alternatively, if you have taken annual holiday in excess of your accrued entitlement, a deduction equivalent to salary for the additional holiday taken will be made from any final payment to you. The amount of such payment or deduction shall be 1/260th of your salary for each day.

9. ABSENCE THROUGH SICKNESS OR INJURY

The Company's sick pay scheme operates on trust and the Company relies on the integrity and honesty of individual employees to comply with the spirit of the scheme as well as the detailed rules set out in the Company's policy. Anyone abusing the scheme will be dealt with under the disciplinary procedure.

If you are absent from work and your illness or injury prevents you from working the following sick pay benefits will apply, provided that you have complied with all rules and procedures and that the Company is satisfied with the reason(s) given for the absence.

During your first six months of service, any period of sickness absence will be paid at the Statutory Sick Pay rate (if you are entitled to receive SSP). After this time the Company may in its absolute discretion pay sick pay above your SSP entitlement. Should the Company choose to exercise its discretion in this way it will pay only for certain maximum periods as follows (and any such payment shall be inclusive of any entitlement to SSP):

- After 6 months of service the maximum period during which you may receive full pay during sickness absence is 5 working days.
- At 1 years' service, the maximum period during which you may receive full pay during sickness absence is 15 working days.
- After 2 years' service, the maximum period during which you may receive full pay during sickness absence will be 30 working days.

These maximum benefits apply to consecutive or to aggregate periods of sickness absence and run for a rolling twelve-month period starting with the first day of any sickness absence.

If during any period of sickness absence, you are receiving salary payments but are not eligible for SSP, the Company may deduct from salary any benefits in relation to sickness or incapacity which you are entitled to claim (whether or not claimed). If the incapacity is or appears to be occasioned by actionable negligence, nuisance or breach of any statutory duty on the part of a third party in respect of which damages are or may be recoverable, you shall immediately notify the Company of that fact and of any claim, compromise, settlement or judgment made or awarded in connection with it and all relevant particulars that the Board may reasonably require. You shall if required by the Company, refund to the Company that part of any damages or compensation recovered by you relating to the loss of earnings for the period of the incapacity as the Company may reasonably determine less any costs borne by them in connection with the recovery of such damages or compensation, provided that the amount to be refunded shall not exceed the total amount paid to you by the Company in respect of the period of incapacity.

Where reference is made in these rules to SSP it shall be deemed to include any state sickness benefit which may be introduced in the future to replace SSP. If you require any further information about your eligibility for SSP you should contact your local Job Centre.

Your qualifying days for SSP purposes are Monday to Friday.

The rights of the Company to terminate your employment under the terms of this agreement apply even when such termination would or might cause you to forfeit any entitlement to sick pay or other benefits.

The following absence reporting procedures form part of the contract of employment:

Notifying absence due to sickness

If you are unable to attend work due to illness or injury the procedure is as follows:

a) You must telephone your immediate superior or departmental manager by 10.00am on your first day of absence, stating the nature of illness or injury and the expected period of absence. It is not sufficient to leave messages with colleagues, the switchboard, or to communicate via text or e-mail.
b) You must keep your manager informed of the progress of your recovery. To this end, you must again contact him/her on each subsequent day of absence, to discuss the progress of your recovery, unless another interval is agreed.
c) If the incapacity lasts for between one and seven days (including a Saturday and/or Sunday), you must comply with the Company's self-certification process.
d) If you are absent for more than seven days, you must forward a medical certificate issued by your GP to your manager without delay. If a delay is unavoidable, you should inform your manager immediately.
e) If the absence continues, and further medical certification is required, you must continue to send medical certificates without delay.

The Company may, at the Company's expense and at any time (whether you are absent from work or not), require you:

a) to obtain and give to the Company a medical report from your GP or another person responsible for your clinical care; and/or
b) to be examined or tested by a medical practitioner appointed by the Company so that the Company can receive medical advice about you.

You agree to consent to any such request. Furthermore failure without good cause to attend or arrange medical appointments may be deemed a disciplinary offence. The Employee agrees that any report produced in connection with any such examination may be disclosed to the Company and the Company may discuss the contents of the report with the relevant doctor.

10. OTHER PAID LEAVE

You may be eligible to take the following types of paid leave, subject to any statutory eligibility requirements or conditions and the Company's rules applicable to each type of leave in force from time to time:

a) statutory maternity leave;
b) statutory paternity leave;
c) statutory adoption leave;
d) shared parental leave; and
e) parental bereavement leave.

Further details of such leave are available from HR. The Company may replace, amend or withdraw the Company's policy on any of the above types of leave at any time.

11. PENSION

The Company will comply with its obligations under the Pension Act 2008. Further details of your entitlement will be provided upon joining the Company.

12. NOTICE

Your employment with the Company may be terminated by the Company or by you, by giving notice of three months' in writing.

Instead of requiring you to work during your notice period (or any remaining part of it), the Company may at its discretion choose to terminate your employment immediately and pay a sum equivalent to your gross basic salary (less appropriate PAYE deductions) in lieu of your notice period (or the remaining part of it) (**Payment in Lieu**).

This Payment in Lieu will be equal to the basic salary as at the date of termination. For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

a) any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
b) any payment in respect of benefits which you would have been entitled to receive during the period for which the Payment in Lieu is made; and
c) any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.

The Company may pay any sums due under this clause in equal monthly instalments until the date on which the notice period referred to at clause 2 would have expired if notice had been given. The Employee shall be obliged to seek alternative income during this period and to notify the Company of any income so received. The instalment payments shall then be reduced by the amount of such income.

You have no right to receive a Payment in Lieu unless the Company has exercised its discretion to make such a payment. Nothing in this clause shall prevent the Company from terminating your employment in breach.

The Company may, notwithstanding any other provisions of this contract, and irrespective of whether the grounds for termination arose before or after the contract began at any time by notice in writing to you, terminate your employment with immediate effect and without Payment in Lieu:

a) If you are convicted of a criminal offence other than one which, in the option of the Board, does not affect your position as an employee of the Company;
b) If you are guilty of any serious misconduct in connection with or affecting the business of the Group;
c) If you commit any serious or repeated breach of your obligations or are guilty of serious neglect or negligence in the performance of your duties;
d) If you behave in a manner (whether on or off duty) which is likely to bring the Company into disrepute or prejudice its interests, or which seriously impairs your ability to perform your duties, including being in possession of illegal controlled substances.

If the Company wishes to terminate your employment, or if you wish to leave its employment, before the expiry of the notice, and whether or not either party has given notice to the other under that clause, the Company may require you to perform duties not within your normal duties or special projects or may require you not to attend for work for a period equivalent to the notice period required to be given by you to terminate the contract ("**Garden Leave**"). If the Company elects to place you on Garden Leave for any period you must remain available throughout that period for work on a daily basis and holiday taken (if any) must still be booked in the normal way. Furthermore the Company may require you to not contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of any Group Company during any period of Garden Leave.

During any period of Garden Leave you will remain an employee of the Company. You will continue to receive your salary and other contractual entitlements and to be bound by all the terms of this Agreement. You will not directly or indirectly work for any person, have any contact with any Client of the Group or, for business purposes, any such employee without the prior written agreement of the Company.

On the termination of your employment or upon the Company exercising its rights under the previous clause, you will at the request of the Company resign without claim for compensation from any directorships or other posts or offices held by you in the Group or in connection with your employment. If you fail to do so, the Company may nominate someone on your behalf to sign such documents and to take such other steps as are necessary to give effect to such resignations.

13. CONFIDENTIALITY

For the purposes of this clause the following definitions shall apply:

Confidential Information: information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Group Company for the time being confidential to the Company or such Group Company and trade secrets, including information which the Employee develops, creates, receives or obtains), including, without limitation,

a) technical data and know-how relating to the business of the Company or any Group Company or any of its (or their) shareholders, investors, advertisers, clients, customers or commercial partners;

b) information relating to the Group's products/services (actual or proposed), industry knowledge and research, work processes and concepts, strategies, training programmes, new methods of advertising, and the Group's "customer intelligence";

c) the identity of customers, potential customers, investors, potential investors, suppliers, potential suppliers, resellers and potential resellers, their contact details (including contact names, telephone numbers and postal and email addresses), terms of business, requirements and prices charged and all other confidential aspects of their business relationships (or potential business relationships) with the Company and/or any Group Company;

d) business methods, plans, strategies (including pricing strategies) marketing plans, sales forecasts, sales targets and statistics, market share and pricing statistics, marketing surveys and plans, market research reports, sales techniques, price lists and discount structures, the marketing or sales of any past, present or future products or services of the Company and/or any Group Company and advertising and other promotional material;

e) confidential management and financial information, management systems, maturing business opportunities, results and forecasts (including draft, provisional and final figures), including dividend information, turnover and stock levels, profits and profit margins, credit policies, credit procedures, payment policies, payment procedures and systems for the same whether of the Company or any Group Company;

f) any confidential proposals relating to the acquisition or disposal of any part or the whole of a company or business or to any proposed expansion or contraction of activities including future projects, business development or planning, commercial relationships or negotiations;

g) confidential details of, and personal data relating to, employees, workers, consultants and officers (including agency workers) and of their performance and of the remuneration, fees and other benefits paid to them;

h) any litigation or threatened action involving the Company or any Group Company; and

i) any information which is treated as confidential or which the Employee is told or ought reasonably to know is confidential and any information which has been given to the Company or any Group Company in confidence.

You acknowledge that during your employment with the Company you will have access to and will be entrusted with Confidential Information.

You will not during the course of your employment (otherwise than in the proper performance of your duties, and then only to those who need to know such information or secrets) or at any time thereafter, (except with the prior written consent of the Company or as required by law):-

a) divulge or communicate to any person (including any representative of the press or broadcasting or other media);
b) cause or facilitate any unauthorised disclosure through any failure by you to exercise all due care and diligence; or
c) make use (other than to the benefit of the Group) of copy or memorise with a view to divulging to any person, company or using for any purposes (other than those of the Company or any Group Company):

any Confidential Information.

You will also use your best endeavours to prevent the publication or disclosure of any such Confidential Information. These restrictions will not apply to:

a) any information which has become available to the public generally, otherwise than through unauthorised disclosure;
b) any use or disclosure authorised by the Managing Director or required by law;
c) any protected disclosure within the meaning of section 43A of the Employment Rights Act 1996; and
d) prevent the Employee from reporting any matter to the police or responsible regulator.

14. DATA PROTECTION

As your employer, the Company needs to keep and process information about you for normal employment purposes, and as a company pursuing digital media activities, we may sometimes need to process your data to pursue our legitimate business interests. The information we hold, and process will be used for our management and administrative use only. We will keep and use it to enable us to run the business and manage our relationship with you effectively, lawfully and appropriately, during the recruitment process, whilst you are working for us, at the time when your employment ends and after you have left. This includes using information to enable us to comply with the employment contract, to comply with any legal requirements, pursue the legitimate interests of the Company and protect our legal position in the event of legal proceedings. By applying for and entering into employment with us, you hereby grant consent for the Company to process this data for the above-mentioned purposes, and in accordance with our Employee and Family Handbook. If you do not provide this data, we may be unable in some circumstances to comply with our obligations and we will advise you about the implications of that decision. Further details are as set out in the Company's data protection policy, available from HR.

You shall comply with the Data protection policy when handling personal data in the course of employment including personal data relating to any employee, worker, contractor, customer, client, supplier or agent of ours. You will also comply with our IT and communications systems policy.

You are responsible for updating HR of any changes to your home address and other contact details.

15. MONITORING

You agree that the Company, or any other member of the Group, may monitor, intercept or record your use of office equipment including, but not limited to, email and internet usage, telephone and mobile phone.

16. E-MAIL, INTERNET AND SOFTWARE ACCEPTABLE POLICY

Employees must be aware and adhere to Company's IT systems Acceptable Use Policy, a copy being available from IT/HR. Failure to comply with the provisions of this policy may lead to disciplinary action up to and including termination of employment. This is a policy document which does not form part of your terms and conditions of employment and which may be changed from time to time.

17. CONVICTIONS

You are required to disclose any conviction which is not spent by virtue of the Rehabilitation of Offenders Act 1974. Similarly, if you receive any conviction during your employment, it should be disclosed to the Company.

If your conviction affects your employment with the Company, it may be necessary to terminate your Contract of employment. A conviction which the Company considers irrelevant to the job will not be taken into consideration.

18. MEMBERSHIP OF TRADE UNIONS

There are no collective agreements in existence which directly affect your terms and conditions.

19. GRIEVANCE PROCEDURES

The Company recognises that misunderstandings or grievances may sometimes occur. It is vital these grievances are brought out into the open and resolved fairly and as quickly as possible. In most cases, this can be done on an entirely informal basis. However, there may be occasions when a more formal approach is needed.

If you have a grievance relating to your employment, you should in the first instance raise this with your line manager. The Company's Grievance Procedure is available from HR. This procedure is non-contractual and the Company reserves the right to amend the terms of the Procedure from time to time.

The Grievance Procedure is a policy document only. As a policy document, it does not form part of your terms and conditions of employment and accordingly the Company may change it from time to time or decide not to follow it.

20. DISCIPLINARY PROCEDURES

Employees are expected to behave in a responsible manner at all times and are also expected to comply with the standards, practices, policies and reasonable instructions that are essential for the efficient operation of the business and for the well-being, health and safety of those employed in it. Failure to meet these standards renders an employee liable to disciplinary action. A copy of the Company's Disciplinary Policy is available from HR.

The Company may suspend you for however long it considers appropriate to investigate any aspect of your performance or conduct or to follow disciplinary proceedings. The Company may attach conditions to any such suspension. You must comply with any such conditions and co-operate fully with any investigation. During any period of suspension, you would normally receive the same pay and benefits as if you were at work, although the Company reserves the right to withdraw and/or defer pay and/or benefits in appropriate circumstances. Before doing so, the Company would normally follow the procedure set out in the Company's Disciplinary Policy.

If you wish to appeal against a disciplinary decision you may apply in writing to the Global Head of Human Resources.

The Disciplinary Policy is a policy document only. As a policy document, it does not form part of your terms and conditions of employment and accordingly the Company may change it from time to time or decide not to follow it.

21. COMPANY POLICIES AND PROCEDURES

Full details of the Company's Policies and Procedures are available from HR along with other information relating to your employment. Please familiarise yourself with each of the Policies and Procedures on joining.

22. INTELLECTUAL PROPERTY

For the purposes of this clause the following definitions shall apply:

Intellectual Property Rights: patents, rights to Inventions, copyright and related rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

Invention: any invention, idea, discovery, development, improvement or innovation, whether or not patentable or capable of registration, and whether or not recorded in any medium.

You shall disclose to the Company full written details of all Inventions and of all works embodying Intellectual Property Rights made wholly or partially by you at any time during the course of your employment which relate to, or are reasonably capable of being used in, the business of any Group Company. You acknowledge that all Intellectual Property Rights subsisting (or which may in the future subsist) in all such Inventions and works shall automatically, on creation, vest in the Company absolutely.

You irrevocably waive all moral rights under the Copyright, Designs and Patents Act 1988 (and all similar rights in other jurisdictions) which you have or will have in any existing or future works referred to in this Agreement.

You irrevocably appoint the Company to be your attorney to sign any document required and to use your name for the purpose of giving the Company (or its nominee) the benefit of this clause and acknowledge in favour of any interested third party that a certificate in writing signed by any Director or the Secretary of the Company that any instrument or act falls within the authority conferred by this clause be conclusive evidence of such authority.

You agree to waive and not assert any moral rights to which you may be entitled under the CPA in respect of any work done by you, the rights in which are vested in the Company. Any credit for work done will be given at the sole discretion of the publisher.

23. RESTRICTIONS AFTER EMPLOYMENT

For the purposes of this clause the following definitions shall apply:

Capacity: as agent, consultant, employee, worker, director, owner, partner, shareholder or in any other capacity.

Prospective Customer: any firm, company or person with whom the Company or any Group Company was in discussions during the Relevant Period with a view to that organisation becoming a customer of the Company, and with whom you had dealings during the Relevant Period;

Relevant Period: the 12 month period prior to the Termination Date;

Restricted Business: those parts of the business of the Company and any Group Company with which you were involved to a material extent in the Relevant Period.

Restricted Customer: any firm, company or person who, during the Relevant Period was a customer or Prospective Customer or in the habit of dealing with the Company or any Group Company and with whom you had dealings in the course of your employment.

Restricted Person: anyone employed or engaged by the Company or any Group Company who could materially damage the interests of the Company or any Group Company if they were involved in any Capacity in any business concern which competes with any Restricted Business and with whom you dealt in the Relevant Period in the course of your employment.

Team Member: anyone employed or engaged by the Company or any Group Company who could materially damage the interests of the Company or any Group Company if they were involved in any Capacity in any business concern which competes with any Restricted Business and with whom you deal in the ordinary course of your employment.

Termination Date: the termination of the Director's employment with the Company however caused including, without limitation, termination by the Company in repudiatory breach of contract.

In order to protect the confidential information and business connections of the Company and each Group Company to which you have access as a result of your employment, you covenant with the Company that you shall not:

- for 12 months from the Termination Date, solicit or endeavour to entice away from the Company or any Group Company the business or custom of a Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with any Restricted Business;

- for 12 months from the Termination Date, be involved with the provision of goods or services to (or otherwise have any business dealings with) any Restricted Customer in the course of any business concern which is in competition with any Restricted Business;

- for 12 months from the Termination Date in the course of any business concern which is in competition with any Restricted Business, offer to employ or engage or otherwise endeavour to entice away from the Company or any Group Company any Restricted Person;

- during your employment with the Company work with any Team Member with a view to you and the Team Member leaving your employment with the Company for you to become employed in, or set up, a business which is directly or indirectly in competition with the Restricted Business.

The restrictions imposed on you by this clause 24 apply to you acting directly or indirectly; and on your own behalf or on behalf of, or in conjunction with, any firm, company or person.

The periods for which the restrictions in this clause 24 apply shall be reduced by any period that you spend on Garden Leave immediately before the Termination Date.

If you receive an offer to be involved in a business concern in any capacity during the Employment, or before the expiry of the last of the covenants in this clause 24 you shall give the person making the offer a copy of this clause and shall tell the Company the identity of that person as soon as possible after accepting the offer.

If, at any time during your employment, two or more Restricted Persons have left their employment, appointment or engagement with the Company to perform Restricted Business for a business concern which is, or intends to be, in competition with any Restricted Business, you will not at any time during the 12 months following the last date on which any of those Restricted Persons were employed or engaged by the Company, be employed or engaged in any way with that business concern under which you will perform Restricted Business on the behalf of that business concern.

You acknowledge that during the course of your employment hereunder you are likely to have dealings with the clients, customers, suppliers and other contacts of the Company and agree that each of the restrictions in this clause 24 is separate and distinct, is to be construed separately from the other restrictions, and is reasonable as regards its duration, extent and application for the protection of the legitimate business interests of the Company. However, in the event that any such restriction shall be found to be void or unenforceable but would be valid or enforceable if some part or parts of it were deleted or the period of area of application reduced, you agree that such restriction shall apply with such modification(s) as may be necessary to make it valid and effective.

24. RETURN OF PROPERTY AND PASSWORDS

Upon termination of your employment you must:

a) immediately return all items of our property which you have in your possession in connection with your employment (including any car, keys, security pass, mobile phone, computer, disks, tapes, memory sticks, business cards, credit cards, documents or copies of documents); and
b) if you have any document or information belonging to the Company on a personal computer (which is not to be returned under the above provisions), forward a copy to the Company and then irretrievably delete the document or information. You will permit the Company to inspect any such computer on request to ensure such steps have been taken.

If asked to do so, you must inform the Company of any computer passwords used by you in the course of your employment or any passwords of which you are otherwise aware.

The Company may withhold payment of your final salary or any other payment due or outstanding upon termination of your employment until you have fully complied with your obligations to return property and reveal passwords.

25. HEALTH AND SAFETY

In accordance with health and safety legislation, you must:

a) take reasonable care for the health and safety of yourself and other persons who may be affected by your acts or omissions;
b) co-operate with the Company to enable the Company to ensure so far as is reasonably practicable the health, safety and welfare at work of all the Company's employees and to comply with any other duties or requirements relating to health and safety; and
c) not interfere with or misuse anything provided by the Company in the interests of health, safety or welfare.

26. GENERAL

This Agreement is entered into by the Company for itself and in trust for each Group Company, with the intention that each Company will be entitled to enforce the terms of this Agreement directly against you. The Contracts (Rights of Third Parties) Act 1999 will not create any rights in favour of you in relation to the benefits granted now or at any time in connection with your employment.

The Company reserves the right to make deductions from your wages/salary, or other amounts due to you, for the monies owed to the Company by you, or monies that become due to the Company from you, for any reason. Such deductions may include overpayments or wages/salaries, any losses sustained in relation to properties or monies of the Company, its customers or visitors or any other employee of the Company during your employment caused through your carelessness, recklessness or through your breach of the Company's rules or any dishonesty on your part.

In the event of termination, all monies will become immediately payable and the Company reserves the right to withhold or deduct any money owing or due to be paid by you under this Agreement or otherwise from any money owing or due to be paid to you. In the event that monies are still outstanding, you will be asked to repay any sums within three months of the end of employment.

Any communications posted to you should be sent to your last known domestic address, according to the Company's HR records.

This Agreement will be construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction in the English court to settle any disputes which may arise in the nature of this Agreement.
We reserve the right to make changes to any of your terms of employment at any time having regard to the changing needs and circumstances of the business. We will usually give you one month's written notice of any change.

27. DEFINITIONS

The Company: Motorsport Games Ltd.

Group Company: the Company, its Subsidiaries or Holding Companies from time to time and any Subsidiary of any Holding Company from time to time (and "Group" will be interpreted accordingly).

Subsidiary and Holding Company: in relation to a company mean "subsidiary" and "holding company" as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) a nominee.

Please acknowledge your acceptance and agreement to the terms outlined by signing this contract and send a copy to the HR Department.

Signed */s/ Varsha Mistry*	Signed */s/ Stephen Hood*
Varsha Mistry	Stephen Hood
On Behalf of Motorsport Games Limited	
Date 15 OCT 20	Date **13th October 2020**

Exhibit 10.14.1

PROMOTIONAL SERVICES AGREEMENT

This PROMOTIONAL SERVICES AGREEMENT (this "Agreement"), dated as of and effective as of July 20, 2020 (the "Effective Date"), by and between Motorsport Gaming US LLC, a Florida limited liability company (the "Company"), and Fernando Alonso Diaz ("Consultant").

WHEREAS, Consultant has qualifications to assist the Company by promoting its services and activity, serving as a consultant and desires to provide such assistance to the Company.

NOW, THEREFORE, in consideration of Consultant's engagement with the Company, and any compensation now or hereafter paid to Consultant, the parties hereby agree as follows:

AGREEMENT

1. **Promotional Services.** Subject to the provision set forth in Section 2(b) below, Consultant agrees to (i) make commercially reasonable efforts to promote the Company and its affiliated entities, whether now existing or established in the future, including, where time permits, producing videos, interviews and other materials as necessary to promote the Company and known affiliated entities, making introductions to major motorsport and automotive industry participants as Consultant finds appropriate and (ii) perform promotional and consulting services as may reasonably be requested by the Company and as agreed from time to time between the Company and Consultant (collectively, the "Services"). The parties acknowledge and agree that to the extent possible Consultant shall render the Services preferably from the Consultant's personal residence or such other jurisdiction as agreed to by the parties. The parties agree that Consultant will provide services in the United States only residually, if at all, that Consultant has no obligation to provide services in any particular jurisdiction or for any specific period of time, that Consultant has no obligation to perform services in the United States or any other jurisdiction that Consultant reasonably concludes could result in that jurisdiction exercising regulatory or taxing authority over Consultant and that Consultant's refusal to provide services in such a jurisdiction shall not constitute a breach of this Agreement. The parties agree to use their best efforts to ensure that the majority of Consultant's activities can be and are performed in a jurisdiction that Consultant selects or where Consultant resides. Consultant hereby grants the Company and its affiliated entities the right to use his image and likeness for promotional purposes, subject to his approval, which approval shall not be unreasonably withheld.

As of the Effective Date, and taking into account Consultant's knowledge and experience in the motorsport business, pursuant to the terms of this Agreement the Company's board of directors or the persons serving that function if Company is not incorporated (the "board") can request his advice on related matters, but Consultant's participation shall be in an advisory capacity only and not as a director or officer, either personally or via his representative, of the Company. To the extent Consultant's schedule permits, he shall make himself available by electronic means to participate in the Company's management calls and to consult with management of the Company on an as needed basis. For the avoidance of doubt, Consultant's advisory role to Company executives or board members is a non-executive title of a non-employee strategic advisor to the board and management of the Company. Consultant's advisory role does not confer any voting, veto or approval rights as to any Company matter or otherwise, and Consultant shall not serve or be eligible to serve as a director or officer of the Company during the Term (as defined below).

2. **Compensation; Expenses**. As compensation to Consultant for the Services provided pursuant to this Agreement, Consultant shall be entitled to:

(a) **Grant Shares**. If (i) the Company has consummated an initial public offering (the "IPO") of the Company's shares of Class A common stock ("Class A Stock") and (ii) Consultant has purchased, as promptly as possible after the Effective Date, a small number (determined by Consultant) of ordinary shares of Motorsport Games Limited, a private limited company organized under the laws of England and Wales with company number 12445844 whose registered office is at Silverstone Innovation Centre, Silverstone Park, Silverstone, England, NN12 8GX, the Company will issue to Consultant either at the time pf the IPO or as soon as practicable after the IPO such number of shares of Class A stock that represents in the aggregate 3% of the Company's issued and outstanding Class A Stock as of the effective date of the IPO (the "Grant Shares"). The Grant Shares will be issued by the Company subject to the applicable compliance with the U.S. federal and state securities laws and, if applicable, the Nasdaq rules (including, without limitation, the Nasdaq shareholders' approval rules). The Grant Shares will be issued in reliance on the applicable exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and shall bear the applicable restrictive legend. The grant and issuance of the Grant Shares will be subject to Consultant providing to the Company customary written investor representations in the form attached hereto as **Exhibit A**.

(b) **Start of Services**. The parties agree that Consultant will not be obligated to provide the Services to the Company until the Grant Shares are issued as set forth in Section 2(a) above.

(c) **Prorated Compensation**. If the Company terminates the consulting relationship for Cause (as defined below) before the end of the Term, or if Consultant terminates the consulting relationship for any reason before the end of the Term, then Consultant shall be entitled to remuneration pursuant this Section 2 but with the amount prorated for the period starting on the date of the issuance of the Grant Shares to Consultant and ending on the effective date of termination as opposed to ending at the end of the Term (as defined below). After the issuance to Consultant of the Grant Shares, such pro ration will be accomplished by either (i) transferring and assigning by Consultant of the excess Grant Shares resulting from such pro ration back to the Company or, (ii) if Consultant sold the Grant Shares prior to such pro ration, purchasing by Consultant of the corresponding number of shares of Class A Stock in the open market and transferring and assigning such shares to the Company.

"Cause" shall mean any of the following: (A) Consultant's willful failure to perform Consultant's duties (other than any such failure resulting from incapacity due to physical or mental illness); (B) Consultant's willful failure to comply with any reasonable request by the Company within the scope of Services delineated in this Agreement; (C) Consultant's engagement in dishonesty, illegal conduct or misconduct; (D) Consultant's embezzlement, misappropriation or fraud; (E) Consultant's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or foreign equivalent) or a crime; or (F) Consultant's willful and material breach of any material obligation under this Agreement or any other written agreement between Consultant and the Company.

3. **Term**. The term of this Agreement shall commence on the Effective Date and shall end on the third anniversary of the Effective Date (the "Term"), unless terminated earlier pursuant to Section 2(c) above.

4. **Independent Contractor Status and Compliance with Laws; Absence of Conflicts**. Consultant will be an independent contractor, will provide the Services remotely, and will have sole control of the manner and means of performing Consultant's obligations under this Agreement. Consultant will not be considered an agent or legal representative of the Company any of their respective affiliates. Consultant shall have no authority to commit or bind the Company or any of their respective affiliates in any way. Consultant will be solely responsible for withholding and paying all applicable payroll taxes of any manner, including social security and other social welfare taxes or contributions that may be due on amounts paid to Consultant hereunder. In performing the Services, Consultant agrees to comply with all applicable federal, state, local and foreign laws. Consultant warrants that Consultant is free to provide the Services in accordance with the terms of this Agreement without violation of obligation to any third party, and by providing the Services to the Company, Consultant will have no conflict of interest with any third party, including any employment relationships the Consultant may have.

5. **Confidentiality.** Consultant and Company each understand and agree that the other party and its affiliates (collectively, the "Affiliates") possess Proprietary Information (as defined below) that is important to their respective businesses, and that this Agreement creates a relationship of confidence and trust between Consultant and the Company with regard to the Proprietary Information. For purposes of this Agreement, "Proprietary Information" means all information concerning or related to the business, operations, assets, liabilities, financial condition, or prospects of an Affiliate or a party, including, without limitation: (i) all information regarding the members, managers, officers, directors, employees, equity holders, and customers, in each case whether past, present, or prospective; (ii) all software, inventions, discoveries, trade secrets, processes, techniques, methods, formulae, ideas and know-how; (iii) all financial statements, audit reports, budgets and business plans or forecasts; (iv) the terms of and engagement of Consultant pursuant to this Agreement and work produced by Consultant pursuant to this Agreement that the parties agree is proprietary; and (v) all analyses, compilations, forecasts, data studies, notes, translations, memoranda, or other documents or materials, prepared by or for Consultant and containing, based on, generated or derived from, in whole or in part, any Proprietary Information. At all times, both during the Term and after its termination, each party will keep in confidence and trust, and will not use or disclose, any Proprietary Information of the other party without the prior written consent of that other party. No rights, licenses, or other rights to use the Proprietary Information of a disclosing party are granted by this Agreement. All Company Proprietary Information and related materials Company discloses to Consultant, and all Consultant Proprietary Information and related materials that Consultant discloses to Company shall remain the property of the disclosing party or the Affiliate of the disclosing party that created the information. A party receiving Proprietary Information from the other party shall promptly return to the disclosing party all documents and any tangible material or medium containing or representing such Proprietary Information upon request of the disclosing party and promptly after termination of this Agreement, and the receiving party shall not retain copies, extracts, or other reproductions, in whole or in part, of such information or material except as otherwise required by law or regulation. The disclosing party shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that the disclosing party may have for a breach of this Agreement, as provided in Section 10, below.

Exceptions. Proprietary Information will not include information that a receiving party can demonstrate: (a) is in or enters the public domain without breach of this Agreement; (b) was in its possession prior to first receiving it from the disclosing party; (c) was received from a third-party without restriction on disclosure and without breach of a nondisclosure obligation; (d) was developed independently of the other party's Proprietary Information; (e) was identified by the disclosing party as no longer proprietary or confidential; or (f) has been disclosed by the disclosing party to a third-party under no obligation of confidentiality. Proprietary Information shall not be deemed to be in "the public domain" under this Section 5 merely because any part or portion of said information, in contrast to the whole or all of the particular information which is claimed not to be Proprietary Information, is embodied in general disclosures or because individual features, components, or combinations thereof are now or become known to the public.

6. **Rights in Work Product**. The Company or its designee will own all right, title, and interest in all data, content, know-how, ideas, studies, reports, documents, memoranda, publications and the like or other information conceived, prepared, or created by Consultant during the Term in the providing of Services hereunder. Consultant agrees to assign and hereby assigns to the Company its rights in all copyrights, trademarks, or other intellectual property of any kind arising from the work performed under this Agreement, which will be the sole property of the Company or its designee, including all rights to reproduce and distribute such work product and intellectual property. Consultant shall promptly disclose any such intellectual property to the Company or its designee and assist the Company or its designee in applying for, maintaining, or otherwise securing legal protection for the same, and Consultant agrees to execute any papers, documents, or letters necessary to vest title in the intellectual property in the Company or its designee. Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, any third party against Consultant or the Company.

7. **Insider Information**. Consultant shall not use any nonpublic information for his own benefit or for the benefit of others (including but not limited to the trading of any shares based on information learned during Consultant's engagement pursuant to this Agreement). Nonpublic information includes information that has not been made public, relating, directly or indirectly, to any Company Affiliate, any other company in which a Company Affiliate has an ownership interest or any other company that has relations with a Company Affiliate.

8. **Severability**. Should any part of this Agreement be unenforceable or in conflict with the applicable laws or regulations of a jurisdiction with legal or regulatory authority over the activities contained in this Agreement, the invalid or unenforceable part or provision will be replaced with a provision that accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement will remain binding upon the parties.

9. **Governing Law; Dispute Resolution**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, regardless of any conflicts of law principles that would require the application of the law of another jurisdiction. Any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement shall be finally settled by binding arbitration administered by the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the Consultant and the Company. The place of arbitration shall be in Miami, Florida. The language of the arbitration shall be English. Each of Consultant and the Company shall bear its own costs and expenses related to the arbitration, including attorneys' and arbitrator's fees. The arbitration shall be conducted by one (1) arbitrator. Within thirty (30) days after delivery of the written request for arbitration, Consultant and the Company, acting in good faith, shall mutually agree upon and nominate one (1) arbitrator. In the event that Consultant and the Company fail to agree upon and nominate an arbitrator within this time period, then upon request of either party to the arbitration, such arbitrator shall instead be appointed by the President of the American Arbitration Association or their designee, which shall promptly notify the parties of the appointment of such arbitrator. Judgment upon any award(s) rendered by the arbitrator appointed in accordance with the above provisions may be entered and enforced in any applicable jurisdiction, including, for avoidance of any doubt, in the U.S. and/or any foreign jurisdiction. The award rendered by the arbitral tribunal shall be final and binding on Consultant and the Company. Nothing in this Agreement shall prevent either party from seeking provisional measures from any court of competent jurisdiction, and any such request shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.

10. **Injunctive Relief; Attorney's Fees**. The parties understand and agree that money damages would not be a sufficient remedy for any breach of Section 2, 5, 6 and/or 7 of this Agreement and that the disclosing party in question, with respect to Section 5, and/or the Company, with respect to Sections 6 and/or 7, or the Consultant with respect to Section 2 shall be entitled to equitable relief, including injunction and specific performance, as a remedy for any such breach or threatened breach, without any requirement to post bond or other security or to prove actual damage or harm. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or equity. In the event of any litigation relating to this Agreement, if a court of competent jurisdiction determines that a party is liable to the other party for breach of this Agreement, then the liable party shall also be liable and pay to the other party the reasonable legal fees incurred by the other party in connection with such litigation, including any appeal therefrom.

11. **Entire Agreement, Survival of Certain Provisions and Amendments; No Assignment**. This Agreement represents the entire understanding between the parties as of the date of this Agreement with respect to the subject matter described, and supersedes all prior agreements, negotiations, understandings, representations, statements, and writings between the parties. Sections 4 through 14 will survive any expiration or termination of this Agreement. No modification, alteration, waiver, or change in any of the terms of this Agreement will be valid or binding upon the parties unless made in writing and specifically referring to this Agreement and signed by each of the parties. No party to this Agreement may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party, and Consultant may not subcontract any of his personal-service obligations hereunder without the prior written consent of Company. Notwithstanding this Section 11 or any other provision of this Agreement, Consultant shall have the right to assign his rights, but not his obligations, to a trust or entity that constitutes part of Consultant's personal business, tax, marital or succession planning.

12. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signatures to this Agreement transmitted by facsimile, email, portable document format (or .pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as the physical delivery of the paper document bearing original signature.

13. **Authority to Sign**. Each person signing below on behalf of a party represents and warrants that he or she is authorized to sign on behalf of and bind that party.

14. **Limitation of Liability**. Consultant's total liability, whether arising out of contract, negligence, strict liability or warranty, shall not exceed the amounts paid by the Company to Consultant for the Services. Company's total liability, whether arising out of contract, negligence, strict liability or warranty, shall not exceed the consideration due (but not yet delivered) from the Company to Consultant for the Services.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

Consultant:

/s/ FERNANDO ALONSO DIAZ

FERNANDO ALONSO DIAZ

The Company: MOTORSPORT GAMING US LLC

By: */s/ Mike Zoi*

Name: Mike Zoi
Title: Manager

Exhibit A
Investment Representations and Warranties

As a condition to the issuance of the Grant Shares to Consultant, Consultant hereby represents and warrants to the Company as follows:

Consultant acknowledges that the issuance and transfer to it of the Grant Shares has not been reviewed by the Securities and Exchange Commission or any state securities regulatory authority because such transaction is intended to be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws. Consultant understands that the Company is relying upon the truth and accuracy of, and Consultant's compliance with, the representations, warranties, acknowledgments and understandings of Consultant set forth in this Agreement in order to determine the availability of such exemptions and the eligibility of Consultant to acquire the Grant Shares.

Consultant represents that the Grant Shares are being acquired by Consultant for its own account, for investment purposes only and not with a view to or for distribution or resale to others in contravention of the registration requirements of the Securities Act or applicable state securities laws. Consultant agrees that it will not sell or otherwise transfer any of the Grant Shares unless such transfer or resale is registered under the Securities Act and applicable state securities laws or unless exemptions from such registration requirements are available.

Consultant has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of Consultant's investment in the Company through Consultant's acquisition of the Grant Shares. Consultant is able to bear the economic risk of its investment in the Company through Consultant's acquisition of the Grant Shares for an indefinite period of time. At the present time, Consultant can afford a complete loss of such investment and has no need for liquidity in such investment.

Consultant recognizes that its acquisition of the Grant Shares involves a high degree of risk in that: (a) an investment in the Company is highly speculative and only Consultant who can afford the loss of their entire investment should consider investing in the Company and securities of the Company; (b) transferability of the Grant Shares is limited; (c) the Company has experienced recurring losses and it must raise substantial additional capital in order to continue operating its business; (d) subsequent equity financings will dilute the ownership and voting interests of Consultant and equity securities issued by the Company to other persons or entities may have rights, preferences or privileges senior to the rights of Consultant; (e) any debt financing that may be obtained by the Company must be repaid regardless of whether the Company generates revenues or cash flows from operations and may be secured by substantially all of the Company's assets; (f) there is absolutely no assurance that any type of financing on terms acceptable to the Company will be available to the Company or otherwise obtained by the Company; and (g) if the Company is unable to obtain additional financing or is unable to obtain additional financing on terms acceptable to it, then the Company may be unable to implement its business plans or take advantage of business opportunities, which could have a material adverse effect on the Company's business prospects, financial condition and results of operations and may ultimately require the Company to suspend or cease operations.

Consultant acknowledges that he has prior investment experience and that he recognizes and fully understands the highly speculative nature of Consultant's investment in the Company pursuant to its acquisition of the Grant Shares. Consultant acknowledges that he, either alone or together with its professional advisors, has the capacity to protect its own interests in connection with this transaction.

Consultant is an "accredited investor" as such term is defined in Rule 501(a) under the Securities Act of 1933, as amended.

Consultant acknowledges that it has carefully reviewed this Agreement and the Company's business, operational and financial data, all of which Consultant acknowledges have been made available to it. Consultant has been given the opportunity to ask questions of, and receive answers from, the Company concerning this Agreement, the issuance to it of the Grant Shares, and the Company's business, operations, financial condition and prospects, and Consultant has been given the opportunity to obtain such additional information, to the extent the Company possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of same as Consultant reasonably desires in order to evaluate its investment in the Company pursuant its acquisition of the Grant Shares. Consultant fully understands all of such documents and has had the opportunity to discuss any questions regarding any of such documents or filings with its legal counsel and tax, investment and other advisors. Notwithstanding the foregoing, Consultant acknowledges and agrees that the only information upon which it has relied upon in executing this Agreement is the information set forth in this Agreement. Consultant acknowledges that it has received no representations or warranties from the Company, its employees, agents or attorneys in making this investment decision. Consultant acknowledges that it does not desire to receive any further information from the Company or any other person or entity in order to make a fully informed decision of whether or not to execute this Agreement and accept the Grant Shares.

Consultant acknowledges that the issuance to it of the Grant Shares may involve tax consequences to Consultant. Consultant acknowledges and understands that Consultant must retain its own professional advisors to evaluate the tax and other consequences of Consultant's receipt of the Grant Shares.

Consultant understands and acknowledges that the Company is under no obligation to register the resale of the Grant Shares under the Securities Act or any state securities laws. Consultant agrees that the Company may, if it desires, permit the transfer of the Grant Shares out of Consultant's name only when Consultant's request for transfer is accompanied by an opinion of counsel reasonably satisfactory to the Company that the proposed transfer satisfies an applicable exemption from registration requirements under the Securities Act and applicable state securities laws.

Consultant understands that the certificate(s) representing the Grant Shares shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the Grant Shares):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR (B) AN OPINION OF COUNSEL, IN A REASONABLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS, OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

The legend set forth above will be removed, and the Company will issue a certificate without such legend to the holder of the Grant Shares upon which it is stamped, only if (a) such Grant Shares are being sold pursuant to an effective registration statement under the Securities Act, (b) such holder delivers to the Company an opinion of counsel, in a reasonably acceptable form to the Company, that the disposition of the Grant Shares is being made pursuant to an exemption from federal and state registration requirements, or (c) such holder provides the Company with reasonable assurance that a disposition of the Grant Shares may be made pursuant to Rule 144 under the Securities Act without any restriction as to the number of shares acquired as of a particular date that can then be immediately sold.

Consultant acknowledges that he has a preexisting personal or business relationship with the Company or one or more of its officers, directors or controlling persons.

Consultant represents and warrants that he was not induced to invest in the Company (pursuant to the issuance to it of the Grant Shares) by any form of general solicitation or general advertising, including, but not limited to, the following: (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media (including via the Internet) or broadcast over the news or radio; and (b) any seminar or meeting whose attendees were invited by any general solicitation or advertising. Consultant's current address is on file with the Company.

Exhibit 10.14.2

AMENDMENT TO PROMOTIONAL SERVICES AGREEMENT

This Amendment to Promotional Services Agreement (as defined below) is effective as of November 23, 2020 (this "**Amendment**").

WHEREAS, Motorsport Gaming US LLC, a Florida limited liability company ("**Company**"), and Fernando Alonso Diaz ("**Consultant**"), entered into that certain Promotional Services Agreement, effective as of July 20, 2020 (the "**Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Section 11 of the Agreement allows the parties to modify the Agreement if agreed in writing by both the Company and Consultant.

WHEREAS, Company and Consultant desire to amend Section 5 of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Company and Consultant hereby agree that the Agreement shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**. Section 5 of the Agreement is hereby amended by adding the following sentence at the end of Section 5:

   "Notwithstanding anything to the contrary set forth herein or any other document, the Company and/or its direct and indirect parent entities shall have the right to disclose this Agreement and its terms and conditions as required by the applicable securities laws, rules and regulations."

3. **Limited Effect**. Except as expressly amended and modified by this Amendment, the Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the internal laws of the State of Florida without regard to principles of conflicts of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

COMPANY:		**CONSULTANT:**
MOTORSPORT GAMING US LLC		
By:	*/s/ Dmitry Kozko*	*/s/ Fernando Alonso Diaz*
Print name:	Dmitry Kozko	Fernando Alonso Diaz
Title:	CEO	

FORM OF MOTORSPORT GAMES INC.
2021 EQUITY INCENTIVE PLAN

EFFECTIVE DATE: _____, 2020
APPROVED BY STOCKHOLDERS: _____, 2020

SECTION 1
ESTABLISHMENT, PURPOSE, EFFECTIVE DATE, EXPIRATION DATE

1.1 ESTABLISHMENT. Motorsport Games Inc. (the "Company") hereby establishes the Motorsport Games Inc. 2021 Equity Incentive Plan (the "Plan").

1.2 PURPOSE. The purpose of the Plan is to enhance and promote the success of the Company by linking the personal interests of the members of the Board, employees, officers, executives, consultants and advisors to those of the Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Board members, employees, officers, executives, consultants and advisors upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. To further these objectives, the Plan provides for the grant of Options, Stock Appreciation Rights, Restricted Stock Awards, Performance Share Awards and Restricted Stock Unit Awards.

1.3 EFFECTIVE DATE. The Plan will become effective on the date it is approved by the Board (the "Effective Date"), subject to approval by the Company's stockholders within twelve (12) months of such Board approval.

1.4 EXPIRATION DATE. The Plan will expire on, and no Award may be granted under the Plan after, the tenth (10th) anniversary of the Effective Date (the "Expiration Date"). Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

SECTION 2
GLOSSARY; CONSTRUCTION

2.1 GLOSSARY. When a word or phrase appears in this Plan document with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase will generally be given the meaning ascribed to it in Section 1 or in the attached Glossary, which is incorporated into and is part of the Plan. All of these key terms are listed in the Glossary. Whenever these key terms are used, they will be given the defined meaning unless a clearly different meaning is required by the context.

2.2 CONSTRUCTION. The masculine gender, where appearing in the Plan, shall include the feminine gender (and vice versa), and the singular shall include the plural, unless the context clearly indicates to the contrary. If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions shall continue in full force and effect.

SECTION 3
ELIGIBILITY AND PARTICIPATION

3.1 GENERAL ELIGIBILITY. Persons eligible to participate in this Plan include all employees, officers, and Non-Employee Directors of, and Consultants to, the Company or any Subsidiary. Awards may also be granted to prospective employees or Non-Employee Directors but no portion of any such Award will vest, become exercisable, be issued, or become effective prior to the date on which such individual begins to provide services to the Company or its Subsidiaries.

3.2 ACTUAL PARTICIPATION. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards will be granted and will determine the nature and amount of each Award.

3.3 FOREIGN PARTICIPANTS. In order to assure the viability of Awards granted to Participants employed in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations set forth in Section 5.

SECTION 4
ADMINISTRATION

4.1 GENERAL. The Plan shall be administered by the Compensation Committee or, with respect to individuals who are Non-Employee Directors, the Board. All references in the Plan to the "Committee" shall refer to the Committee or Board, as applicable. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent registered public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan. The Committee is authorized to interpret the Plan, to prescribe, amend, and rescind rules and regulations as it may deem necessary or advisable to administer the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company, and to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan.

4.2 COMMITTEE RESPONSIBILITIES. Subject to the provisions of the Plan, the Committee shall have the authority to: (a) designate the Participants who are entitled to receive Awards under the Plan; (b) determine the types of Awards and the times when Awards will be granted; (c) determine the number of Awards to be granted and the number of shares of Stock to which an Award will relate; (d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price or base value, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines; provided, however, that the Committee shall not take any action or fail to take any action with respect to the operation of the Plan that would cause all or part of the payment under any Award to be subject to the additional tax under Section 409A of the Code; (e) determine whether, to what extent, and in what circumstances an Award may be settled in, or the exercise price or purchase price of an Award may be paid in, cash, Stock, other Awards, or other property, or whether an Award may be cancelled, forfeited, exchanged or surrendered; (f) prescribe the form of each Award Agreement, which need not be the same for each Participant; (g) decide all other matters that must be determined in connection with an Award; (h) interpret the terms of, and determine any matter arising pursuant to, the Plan or any Award Agreement; and (i) make all other decisions or determinations that may be required pursuant to the Plan or an Award Agreement as the Committee deems necessary or advisable to administer the Plan, including, without limitation, establishing, adopting, or revising any rules and regulations as it may deem necessary or advisable to administer the Plan. The Committee shall also have the authority to modify existing Awards to the extent that such modification is within the power and authority of the Committee as set forth in the Plan. The foregoing list of powers is not intended to be complete or exclusive and, to the extent not contrary to the express provisions of the Plan, the Committee shall have such powers, whether or not expressly set forth in this Plan, that it may determine necessary or appropriate to administer the Plan.

4.3 DECISIONS FINAL. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award granted under the Plan.

SECTION 5
SHARES AVAILABLE FOR GRANT

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 10, the aggregate number of shares of Stock reserved and available for grant pursuant to the Plan shall be ***[10% of outstanding]***. The shares of Stock delivered pursuant to any Award may consist, in whole or in part, of authorized but unissued Stock, treasury Stock not reserved for any other purposes, or Stock purchased on the open market.

5.2 SHARE COUNTING. The following rules shall apply solely for purposes of determining the number of shares of Stock available for grant under the Plan at any given time:

(a) The number of shares of Stock reserved and available for grant pursuant to the Plan shall be reduced by one share of Stock for each one share issued in connection with Awards granted under the Plan (or by which the Award is valued by reference).

(b) In the event any Award granted under the Plan after the Effective Date is terminated, expired, forfeited, or cancelled for any reason, the number of shares of Stock subject to such Award will again be available for grant under the Plan (i.e., any prior charge against the limit set forth in Section 5.1 shall be reversed).

(c) If shares of Stock are not delivered in connection with an Award because the Award may only be settled in cash rather than in Stock, no shares of Stock shall be counted against the limit set forth in Section 5.1. If any Award may be settled in cash or Stock, the rules set forth in Section 5.2(b) shall apply until the Award is settled, at which time, if the Award is settled in cash, the underlying shares of Stock will be added back to the shares available for grant pursuant to Section 5.1.

(d) The exercise of a Stock-settled SAR or broker-assisted "cashless" exercise of an Option (or a portion thereof) will reduce the number of shares available for grant under Section 5.1 by the entire number of shares of Stock subject to that SAR or Option (or applicable portion thereof), even though a smaller number of shares of Stock will be issued upon such an exercise.

(e) Shares of Stock tendered to pay the exercise price of an Option or tendered, withheld or otherwise relinquished by a Participant to satisfy a tax withholding obligation arising in connection with any Award will not again become Stock available for grant under the Plan. Moreover, shares of Stock purchased on the open market with cash proceeds generated by the exercise of an Option or SAR will not increase or replenish the number of shares available for grant under Section 5.1.

(f) If the provisions of this Section 5.2 are inconsistent with the requirements of any regulations issued pursuant to Section 422 of the Code, the provisions of such regulations shall control over the provisions of this Section 5.2, but only as this Section 5.2 relates to Incentive Stock Options.

(g) To the maximum extent permitted by applicable law and the ***[NASDAQ]*** listing standards (or the rules of any exchange on which the Stock is then listed), shares of Stock awarded in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against shares of Stock available for grant under Section 5.1.

(h) The Committee may adopt such other reasonable rules and procedures as it deems to be appropriate for determining the number of shares of Stock that are available for grant under Section 5.1.

5.3 AWARD LIMITS. Notwithstanding any other provision in the Plan, and subject to adjustment as provided in Section 10:

(a) The maximum number of shares of Stock that may be awarded as Incentive Stock Options under the Plan shall be ***[10% of outstanding]***.

NOTE: This is a limit that must be in the Plan pursuant to Code Section 422. The limit can be any number that is equal to or less than the total number of shares available under the Plan.

(b) The sum of the total cash compensation earned and paid and the aggregate grant date fair value (calculated as of the Date of Grant in accordance with applicable accounting rules) of shares subject to Awards granted to any one Participant who is a Non-Employee Director during any one twelve (12) month period shall not exceed $_____. For the avoidance of doubt, if a Non-Employee Director serves the Company in more than one capacity during any twelve (12) month period, the total compensation limit described in this Section 5.3(b) shall only apply to the compensation paid for services performed as a Non-Employee Director. To the extent any Non-Employee Director compensation is deferred, it shall be counted toward this total compensation limit for the year in which the compensation was first earned or granted.

NOTE: This limit is not required for Non-Employee Directors, but we believe that, based on recent case law, imposing such a limit is considered best practices and can provide a substantial defense to a shareholder lawsuit if the limit is reasonable.

5.4 FRACTIONAL SHARES. No fractional shares of Stock shall be issued pursuant to the Plan and the Committee, in the Award Agreement, shall determine whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate. In the event of adjustment as provided in Section 10, the total number of shares of Stock subject to any affected Award shall always be a whole number by rounding any fractional share to the nearest whole share.

SECTION 6
STOCK OPTIONS

6.1 OPTIONS. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Options to one or more Participants upon such terms and conditions and in such amounts, as shall be determined by the Committee. Options are also subject to the following additional terms and conditions:

(a) Exercise Price. No Option shall be granted at an exercise price that is less than the Fair Market Value of one share of Stock on the Date of Grant.

(b) Exercise of Option. Options shall be exercisable at such times and in such manner, and shall be subject to such restrictions or conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant. Unless otherwise provided in an Award Agreement, Options shall immediately lapse if a Participant's employment is terminated for Cause. In addition, unless otherwise provided in an Award Agreement, if a Participant incurs a termination of employment on account of Disability or death before the Option lapses, the Option shall lapse, unless it is previously exercised, on the earlier of: (i) the scheduled termination date of the Option; or (ii) twelve (12) months after the date of the Participant's termination of employment on account of death or Disability. Upon the Participant's death or Disability, any Options exercisable at the Participant's death or Disability may be exercised by the Participant's legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Option or dies intestate, by the person or persons entitled to receive the Option pursuant to the applicable laws of descent and distribution.

(c) Term of Option. Each Option shall expire at such time as determined by the Committee; provided, however, that no Option shall be exercisable later than the tenth (10th) anniversary the Date of Grant.

(d) Payment. The exercise price for any Option shall be paid in cash or shares of Stock held for longer than six (6) months (through actual tender or by attestation). In the Award Agreement, the Committee also may prescribe other methods by which the exercise price of an Option may be paid, the form of payment including, without limitation, any net-issuance arrangement or other property acceptable to the Committee (including broker-assisted "cashless exercise" arrangements), and the methods by which shares of Stock shall be delivered or deemed to be delivered to Participants. The Committee, in consideration of applicable accounting standards and applicable law, may waive the six (6) month share-holding period described in the first sentence of this paragraph (d) in the event payment of an Option is made through the tendering of shares.

(e) Repricing of Options. Notwithstanding any other provision in the Plan to the contrary, without approval of the Company's stockholders, an Option may not be amended, modified or repriced to reduce the exercise price after the Date of Grant. Except as otherwise provided in Section 10 with respect to an adjustment in capitalization, an Option also may not be surrendered in consideration of or exchanged for cash, other Awards or a new Option having an exercise price below the exercise price of the Option being surrendered or exchanged.

6.2 INCENTIVE STOCK OPTIONS. Incentive Stock Options shall be granted only to Participants who are employees and the terms of any Incentive Stock Options granted pursuant to the Plan must comply with the following additional provisions of this Section 6.2:

(a) Exercise Price. Subject to Section 6.2(d), the exercise price per share of Stock pursuant to any Incentive Stock Option shall be set by the Committee, provided that the exercise price for any Incentive Stock Option shall not be less than the Fair Market Value of one share of Stock as of the Date of Grant.

(b) Lapse of Option. An Incentive Stock Option shall lapse in the following circumstances:

(i) The Incentive Stock Option shall lapse ten (10) years from the Date of Grant, unless an earlier time is set in the Award Agreement;

(ii) The Incentive Stock Option shall lapse upon a termination of employment for any reason other than the Participant's death or Disability, unless otherwise provided in the Award Agreement; and

(iii) If the Participant incurs a termination of employment on account of Disability or death before the Option lapses pursuant to paragraph (i) or (ii) above, the Incentive Stock Option shall lapse, unless it is previously exercised, on the earlier of: (1) the scheduled termination date of the Option; or (2) twelve (12) months after the date of the Participant's termination of employment on account of death or Disability. Upon the Participant's death or Disability, any Incentive Stock Options exercisable at the Participant's death or Disability may be exercised by the Participant's legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Stock Option or dies intestate, by the person or persons entitled to receive the Incentive Stock Option pursuant to the applicable laws of descent and distribution.

(c) Individual Dollar Limitation. The aggregate fair market value (determined as of the time an Award is made and calculated in accordance with Section 422 of the Code) of all shares of Stock with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Stock Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Stock Options.

(d) Ten Percent Owners. An Incentive Stock Option may be granted to any individual who, at the Date of Grant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of Stock of the Company only if such Option is granted at a price that is not less than one hundred and ten percent (110%) of Fair Market Value on the Date of Grant and the Option is exercisable for no more than five (5) years from the Date of Grant.

(e) Right to Exercise. Except as provided in Section 6.2(b)(iii), an Incentive Stock Option may be exercised only by the Participant during the Participant's lifetime.

SECTION 7
STOCK APPRECIATION RIGHTS

7.1 STOCK APPRECIATION RIGHTS. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant SARs to one or more Participants upon such terms and conditions, and in such amounts, as shall be determined by the Committee. SARs are also subject to the following additional terms and conditions:

(a) Base Value. No SAR shall be granted at a base value that is less than the Fair Market Value of one share of Stock on the Date of Grant.

(b) Exercise of SARs. SARs shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall, in each instance approve, which need not be the same for all Participants.

(c) Term of SARs. Each SAR shall expire at such time as determined by the Committee; provided, however, that no SAR shall be exercisable later than the tenth (10th) anniversary the Date of Grant.

(d) Payment of SAR Amount. Upon the exercise of a SAR, the Participant shall be entitled to receive the payment of an amount determined by multiplying: (i) the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise, over the base value fixed by the Committee on the Date of Grant; by (ii) the number of shares with respect to which the SAR is exercised. Payment for SARs shall be made in the manner and at the time specified by the Committee in the Award Agreement. At the discretion of the Committee, the Award Agreement may provide for payment of SARs in cash, shares of Stock of equivalent value, or a combination thereof.

(e) Repricing of SARs. Notwithstanding any other provision in the Plan to the contrary, without approval of the Company's stockholders, a SAR may not be amended, modified or repriced to reduce the base value after the Date of Grant. Except as otherwise provided in Section 10 with respect to an adjustment in capitalization, a SAR also may not be surrendered in consideration of or exchanged for cash, other Awards or a new SAR having a base value below the base value of the SAR being surrendered or exchanged.

SECTION 8
RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNIT AWARDS

8.1 RESTRICTED STOCK AWARDS. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Stock Awards to one or more Participants upon such terms and conditions, and in such amounts, as shall be determined by the Committee. Restricted Stock Awards are also subject to the following additional terms and conditions:

(a) Issuance and Restrictions. Restricted Stock Awards shall be subject to such conditions and/or restrictions as the Committee may impose (including, without limitation, limitations on transferability, the right to receive dividends, or the right to vote the Stock), which need not be the same for each grant or for each Participant. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as determined by the Committee. Except as otherwise provided in the Award Agreement, Participants holding shares of Restricted Stock Awards may not exercise voting rights with respect to the shares of Restricted Stock during the period of restriction.

(b) Forfeiture. Except as otherwise provided in the Award Agreement or other written document, such as an employment agreement or a change of control agreement, upon a termination of employment (or termination of service in the case of a Consultant or Non-Employee Director) during the applicable period of restriction, Restricted Stock Awards that are at that time subject to restrictions shall be forfeited.

(c) Evidence of Ownership for Restricted Stock Awards. Restricted Stock Awards granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine, which may include an appropriate book entry credit on the books of the Company or a duly authorized transfer agent of the Company. If certificates representing shares of Stock are registered in the name of the Participant, the certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock Award, and the Company may, in its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

8.2 RESTRICTED STOCK UNIT AWARDS. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Stock Units to one or more Participants upon such terms and conditions, and in such amounts, as shall be determined by the Committee. Restricted Stock Unit Awards are also subject to the following additional terms and conditions:

(a) Issuance and Restrictions. Restricted Stock Unit Awards grant a Participant the right to receive a specified number of shares of Stock, or a cash payment equal to the Fair Market Value (determined as of a specified date) of a specified number of shares of Stock, subject to such conditions and/or restrictions as the Committee may impose, which need not be the same for each grant or for each Participant. These restrictions may lapse separately or in combination at such times, in such circumstances, in such installments, or otherwise, as determined by the Committee.

(b) Forfeiture. Except as otherwise provided in the Award Agreement or other written document, such as an employment agreement or a change of control agreement, upon a termination of employment (or termination of service in the case of a Consultant or Non-Employee Director) during the applicable period of restriction, Restricted Stock Unit Awards that are at that time subject to restrictions shall be forfeited.

(c) Form and Timing of Payment. Payment for vested Restricted Stock Unit Awards shall be made in the manner and at the time designated by the Committee in the Award Agreement. In the Award Agreement, the Committee may provide that payment will be made in cash or Stock, or in a combination thereof. As a general rule, the shares issued under any Restricted Stock Unit Award (or cash delivered pursuant to such Award) will be paid to the Participant in a single lump sum within sixty (60) days following the date on which the Restricted Stock Unit Awards vests. Unless the related Award Agreement is structured to qualify for an exception to the requirements of Section 409A of the Code, such payment is intended to be made at a specified time or pursuant to a fixed schedule under Treasury Regulation Section 1.409A-3(a)(4). Subject to the six (6) month delay described in Section 16.11(b), the Restricted Stock Unit Awards that vest upon a Participant's Separation from Service will be issued to the Participant within sixty (60) days following the date of the Participant's Separation from Service.

SECTION 9
PERFORMANCE SHARE AWARDS

9.1 PERFORMANCE SHARE AWARDS. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Awards to one or more Participants upon such terms and conditions, restrictions and in such amounts, as shall be determined by the Committee. These restrictions may lapse separately or in combination at such times, in such circumstances, in such installments, or otherwise, as determined by the Committee.

9.2 FORFEITURE. Except as otherwise provided in the Award Agreement or other written document, such as an employment agreement or a change of control agreement, upon a termination of employment (or termination of service in the case of a Consultant or Non-Employee Director) during the applicable performance period, Performance Share Awards that have not yet vested based on the attainment of the applicable performance goals shall be forfeited.

9.3 FORM AND TIMING OF PAYMENT. Payment for vested Performance Share Awards shall be made in the manner and at the time designated by the Committee in the Award Agreement. In the Award Agreement, the Committee may provide that payment will be made in cash or Stock, or in a combination thereof. As a general rule, the shares issued under any Performance Share Award (or cash delivered pursuant to such Award) will be paid to the Participant in a single lump sum within sixty (60) days following the date on which the Performance Share Award vests.

SECTION 10
CHANGES IN CAPITAL STRUCTURE

10.1 SHARES AVAILABLE FOR GRANT. In the event of any change in the number of shares of Stock outstanding by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares or similar corporate change, the maximum aggregate number of shares of Stock available for grant under Section 5.1, the number of shares of Stock subject to any Award, and any numeric limitation expressed in the Plan shall be appropriately adjusted by the Committee. Any action taken pursuant to this Section 10.1 shall be taken in a manner consistent with the requirements of Section 409A of the Code and, in the case of Incentive Stock Options, in accordance with the requirements of Section 424(a) of the Code.

10.2 OUTSTANDING AWARDS – INCREASE OR DECREASE IN ISSUED SHARES WITHOUT CONSIDERATION. Subject to any required action by the stockholders of the Company, in the event of any increase or decrease in the number of issued shares of Stock resulting from a subdivision or consolidation of shares of Stock or the payment of a stock dividend (but only on the shares of Stock), or any other increase or decrease in the number of such shares effected without receipt or payment of consideration by the Company, the Committee shall proportionally adjust the number of shares of Stock subject to each outstanding Award and the exercise price per share of Stock of each such Award. Any action taken pursuant to this Section 10.2 shall be taken in a manner consistent with the requirements of Section 409A of the Code and, in the case of Incentive Stock Options, in accordance with the requirements of Section 424(a) of the Code.

10.3 OUTSTANDING AWARDS – CERTAIN MERGERS. Subject to any required action by the stockholders of the Company, in the event that the Company shall be the surviving corporation in any merger or consolidation (except a merger or consolidation as a result of which the holders of shares of Stock receive securities of another corporation), each Award outstanding on the date of such merger or consolidation shall pertain to and apply to the securities that a holder of the number of shares of Stock subject to such Award would have received in such merger or consolidation. Any action taken pursuant to this Section 10.3 shall be taken in a manner consistent with the requirements of Section 409A of the Code and, in the case of Incentive Stock Options, in accordance with the requirements of Section 424(a) of the Code.

10.4 OUTSTANDING AWARDS – OTHER CHANGES. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Section 10, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share exercise price of each Award as the Committee may consider appropriate to prevent the dilution or enlargement of rights relating to Awards granted under the Plan. Any action taken pursuant to this Section 10.4 shall be taken in a manner consistent with the requirements of Section 409A of the Code and, in the case of Incentive Stock Options, in accordance with the requirements of Section 424(a) of the Code.

10.5 NO OTHER RIGHTS. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to an Award or the exercise price of any Award.

SECTION 11
CHANGE OF CONTROL

11.1 TREATMENT OF AWARDS – ASSUMPTION/SUBSTITUTION. Except as otherwise provided in an Award Agreement or other written document, such as an employment agreement or a change of control agreement, if a Change of Control occurs and Awards are converted, assumed, or replaced by a successor, the Committee shall have the discretion to cause all outstanding Awards to become fully exercisable and all restrictions on outstanding Awards to lapse.

11.2 TREATMENT OF AWARD – NO ASSUMPTION/SUBSTITUTION. Except as otherwise provided in an Award Agreement or other written document, such as an employment agreement or a change of control agreement, if a Change of Control occurs and Awards are not converted, assumed, or replaced by a successor, all outstanding Awards shall automatically become fully exercisable and all restrictions on outstanding Awards shall lapse. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Section 6.2(c), the excess Options shall be deemed to be Non-Qualified Stock Options. Upon, or in anticipation of, such an event, the Committee may cause every Award outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise Awards during a period of time as the Committee, in its sole and absolute discretion, shall determine.

11.3 PARTICIPANT CONSENT NOT REQUIRED. Nothing in this Section 11 or any other provision of this Plan is intended to provide any Participant with any right to consent to or object to any transaction that might result in a Change of Control and each provision of this Plan shall be interpreted in a manner consistent with this intent. Similarly, nothing in this Section 11 or any other provision of this Plan is intended to provide any Participant with any right to consent to or object to any action taken by the Board or Committee in connection with a Change of Control transaction.

SECTION 12
OTHER PROVISIONS APPLICABLE TO AWARDS

12.1 AWARD AGREEMENTS. All Awards shall be evidenced by an Award Agreement. The Award Agreement shall include such terms and provisions as the Committee determines appropriate including, without limitation, non-solicitation provisions, non-competition provisions, confidentiality provisions and other restrictive covenant provisions the Committee deems appropriate. The terms of the Award Agreement may vary depending on the type of Award, the employee or classification of the employee to whom the Award is made and such other factors as the Committee deems appropriate.

12.2 FORM OF PAYMENT. Subject to the provisions of this Plan, the Award Agreement and any applicable law, payments or transfers to be made by the Company or any Subsidiary on the grant, exercise, or settlement of any Award may be made in such form as determined by the Committee including, without limitation, cash, Stock, other Awards, other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or any combination thereof, in each case determined by rules adopted by the Committee.

12.3 LIMITS ON TRANSFER.

(a) General. Except as provided in Section 6.1(b), Section 6.2(b)(iii), Section 12.3(b) or Section 12.4, no Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, to, or in favor of, any party other than the Company or a Subsidiary, until the expiration of any period during which any vesting or transfer restrictions are applicable to the Award as determined by the Committee.

(b) Transfer to Family Members. The Committee shall have the authority, in its discretion, to grant (or to sanction by way of amendment to an existing Award) Awards which may be transferred by the Participant during his or her lifetime to any Family Member. Unless transfers for the Participant have been previously approved by the Committee, the transfer of an Award to a Family Member may only be affected by the Company at the written request of the Participant. In the event an Award is transferred pursuant to this Section 12.3(b), such transferred Award may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. A transferred Award shall continue to be governed by and subject to the terms and limitations of the Plan and relevant Award Agreement, and the transferee shall be entitled to the same rights as the Participant, as if the transfer had not taken place.

12.4 BENEFICIARIES. Notwithstanding Section 12.3(a), a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is provided to the Committee.

12.5 EVIDENCE OF OWNERSHIP. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates, make any book entry credits, or take any other action to evidence shares of Stock pursuant to the exercise of any Award, unless and until the Company has determined, with advice of counsel, that the issuance and delivery of such certificates, book entry credits, or other evidence of ownership is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the ***[NASDAQ]*** listing standards (or the rules of any exchange on which the Stock is then listed). All Stock certificates, book entry credits, or other evidence of ownership delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Company deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the ***[NASDAQ]*** listing standards (or the rules of any exchange on which the Stock is then listed). If certificates representing shares of Stock are registered in the name of the Participant, the certificates must bear an appropriate legend referring to the applicable terms, conditions, and restrictions and the Company may, in its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse. In addition to the terms and conditions provided herein, the Company may require that a Participant make such reasonable covenants, agreements, and representations as the Company, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

12.6 CLAWBACK. Every Award issued pursuant to this Plan is subject to potential forfeiture or recovery to the fullest extent called for by law, any applicable listing standard, or any current or future clawback policy that may be adopted by the Company from time to time, including, without limitation, any clawback policy adopted to comply with the final rules issued by the Securities and Exchange Commission and the final listing standards to be adopted by the ***[NASDAQ]*** pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. By accepting an Award, each Participant consents to the potential forfeiture or recovery of his or her Awards pursuant to applicable law, listing standard, and/or Company clawback policy, and agrees to be bound by and comply with the clawback policy and to return the full amount required by the clawback policy. As a condition to the receipt of any Award, a Participant may be required to execute any requested additional documents consenting to and agreeing to abide by the Company clawback policy as it may be amended from time to time.

12.7 DIVIDEND EQUIVALENTS. In the event an Award Agreement for any Award calls for the grant of dividend equivalents, such dividend equivalents shall be payable in accordance with the requirements of Section 409A or an exception thereto. With respect to any Award that vests based on the achievement of performance goals, in no event will any dividend equivalents vest or be paid prior to the vesting of the corresponding Award and such dividend equivalents shall only be paid to the Participant if and to the extent that the performance goals related to the corresponding Award are satisfied.

SECTION 13
AMENDMENT, MODIFICATION, AND TERMINATION

13.1 AMENDMENT, MODIFICATION AND TERMINATION OF THE PLAN. With the approval of the Board, the Committee may, at any time and from time to time, terminate, amend or modify the Plan; provided, however, that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or [***NASDAQ***] listing rule (or the rules of any exchange on which the Stock is then listed), the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required; (b) except in the context of an adjustment described in Section 10, stockholder approval is required for any amendment to the Plan that: (i) increases the number of shares available under the Plan, (ii) permits the Committee to grant Options or SARs with an exercise price or base value that is below Fair Market Value on the Date of Grant, (iii) permits the Committee to extend the exercise period for any Option or SAR beyond ten (10) years from the Date of Grant, (iv) reprices or reduces the exercise price or base value of any previously granted Options or SARs (or would be treated as a repricing under applicable [***NASDAQ***] listing rules or the rules of any exchange on which the Stock is then listed), (v) expands the types of Awards available for grant under the Plan, or (vi) expands the class of individuals eligible to participate in the Plan; and (c) no such action shall be taken that would cause all or part of the payment under any Award to be subject to the additional tax under Section 409A of the Code.

13.2 AWARDS PREVIOUSLY GRANTED. No amendment, modification, or termination of the Plan or any Award under the Plan shall in any manner adversely affect in any material way the rights of the holder under any Award previously granted pursuant to the Plan without the prior written consent of the holder of the Award. Such consent shall not be required if the change: (a) is required by law or regulation; (b) does not adversely affect in any material way the rights of the holder; (c) is required to cause the benefits under the Plan to comply with the requirements of Section 409A of the Code; or (d) is made pursuant to any adjustment described in Section 10.

SECTION 14
TAX WITHHOLDING

The Company shall have the power to withhold, or require a Participant to remit to the Company, up to the maximum statutory amount necessary in the applicable jurisdiction, to satisfy federal, state, and local withholding tax requirements on any Award under the Plan. The Committee may permit the Participant to satisfy a tax withholding obligation by: (a) directing the Company to withhold shares of Stock to which the Participant is entitled pursuant to the Award in an amount necessary to satisfy the Company's applicable federal, state, local or foreign income and employment tax withholding obligations with respect to such Participant; (b) tendering previously-owned shares of Stock held by the Participant for six (6) months or longer to satisfy the Company's applicable federal, state, local, or foreign income and employment tax withholding obligations with respect to the Participant (which holding period may be waived in accordance with Section 6.1(d)); (c) a broker-assisted "cashless" transaction; or (d) personal check or other cash equivalent acceptable to the Company.

SECTION 15
INDEMNIFICATION

To the extent allowable pursuant to applicable law, each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his or her behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's Articles of Incorporation or Bylaws, resolution or agreement, as a matter of law, or otherwise, or pursuant to any other power the Company may have to indemnify them or hold them harmless.

SECTION 16
GENERAL PROVISIONS

16.1 NO RIGHTS TO AWARDS. No Participant or other person shall have any claim to be granted any Award and neither the Company nor the Committee is obligated to treat Participants and other persons uniformly.

16.2 NO STOCKHOLDERS RIGHTS. No Award gives the Participant any of the rights of a stockholder of the Company unless and until shares of Stock are in fact issued to such person in connection with such Award.

16.3 NO RIGHT TO CONTINUED EMPLOYMENT OR SERVICES. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or service at any time, nor confer upon any Participant any right to continue in the employ or service of the Company or any Subsidiary.

16.4 UNFUNDED STATUS OF AWARDS. The Company shall not be required to segregate any of its assets to ensure the payment of any Award under the Plan. Neither the Participant nor any other persons shall have any interest in any fund or in any specific asset or assets of the Company or any other entity by reason of any Award, except to the extent expressly provided hereunder. The Plan is an unfunded, performance-based bonus plan for a select group of management or highly compensated employees and is **not** intended to be either an employee pension or welfare benefit plan subject to ERISA.

16.5 RELATIONSHIP TO OTHER BENEFITS. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary.

16.6 EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

16.7 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.8 SECURITIES LAW COMPLIANCE. With respect to any Participant who is, on the relevant date, obligated to file reports pursuant to Section 16 of the Exchange Act, transactions pursuant to this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors pursuant to the Exchange Act. Notwithstanding any other provision of the Plan, the Committee may impose such conditions on the exercise of any Award as may be required to satisfy the requirements of Rule 16b-3 or its successors pursuant to the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be void to the extent permitted by law and voidable as deemed advisable by the Committee.

16.9 GOVERNMENT AND OTHER REGULATIONS. The granting of Awards and the issuance of shares and/or cash under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The Company shall be under no obligation to register pursuant to the Securities Act, any of the shares of Stock paid pursuant to the Plan. If the shares of Stock paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption. The Committee shall impose such restrictions on any Award as it may deem advisable, including without limitation, restrictions under applicable federal securities law, under the requirements of the [***NASDAQ***] (or the rules of any exchange on which the Stock is then listed), and under any other blue sky or state securities law applicable to such Award.

16.10 GOVERNING LAW. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Delaware without regard to the conflict of laws provisions of any jurisdictions. All parties agree to submit to the jurisdiction of the state and federal courts of Delaware with respect to matters relating to the Plan and the Award Agreements and agree not to raise or assert the defense that such forum is not convenient for such party.

16.11 SECTION 409A OF THE CODE.

(a) General Compliance. Some of the Awards that may be granted pursuant to the Plan (including, but not necessarily limited to, Restricted Stock Unit Awards and Performance Share Awards) may be considered to be "non-qualified deferred compensation" subject to Section 409A of the Code. If an Award is subject to Section 409A of the Code, the Company intends (but cannot and does not guarantee) that the Award Agreement and this Plan comply with and meet all of the requirements of Section 409A of the Code or an exception thereto and the Award Agreement shall include such provisions, in addition to the provisions of this Plan, as may be necessary to assure compliance with Section 409A of the Code or an exception thereto.

(b) Delay for Specified Employees. If, at the time of a Participant's Separation from Service, the Company has any Stock which is publicly traded on an established securities market or otherwise, and if the Participant is considered to be a Specified Employee, to the extent any payment for any Award is subject to the requirements of Section 409A of the Code and is payable upon the Participant's Separation from Service, such payment shall not commence prior to the first business day following the date which is six (6) months after the Participant's Separation from Service (or the date of the Participant's death if earlier than the end of the six (6) month period). Any amounts that would have been distributed during such six (6) month period will be distributed on the day following the expiration of the six (6) month period.

(c) Prohibition on Acceleration or Deferral. Under no circumstances may the time or schedule of any payment for any Award that is subject to the requirements of Section 409A of the Code be accelerated or subject to further deferral except as otherwise permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A of the Code. If the Company fails to make any payment pursuant to the payment provisions applicable to an Award that is subject to Section 409A of the Code, either intentionally or unintentionally, within the time period specified in such provisions, but the payment is made within the same calendar year, such payment will be treated as made within the specified time period. In addition, in the event of a dispute with respect to any payment, such payment may be delayed in accordance with the regulations and other guidance issued pursuant to Section 409A of the Code.

MOTORSPORT GAMES INC.

By: _____

Its: _____

GLOSSARY

(a) "Award" means any Option, Stock Appreciation Right, Restricted Stock Award, Performance Share Award, or Restricted Stock Unit Award granted to a Participant under the Plan.

(b) "Award Agreement" means any written agreement, contract, or other instrument or document, including an electronic agreement or document, evidencing an Award, regardless of whether the Participant's signature or acknowledgement is required.

(c) "Board" means the Company's Board of Directors, as constituted from time to time.

(d) "Cause" means and will exist in the following circumstances in which the Participant: (i) is convicted of a felony; (ii) engages in any fraudulent or other dishonest act to the detriment of the Company; (iii) fails to report for work on a regular basis, except for periods of authorized absence or bona fide illness; (iv) misappropriates trade secrets, customer lists, or other proprietary information belonging to the Company for his or her own benefit or for the benefit of a competitor; (v) engages in any willful misconduct designed to harm the Company or its stockholders; or (vi) fails to perform properly his or her assigned duties. The definition of "Cause" in this Plan shall be superseded by the definition of "Cause" in any applicable change of control agreement or employment agreement that a Participant has with the Company.

(e) "Change of Control" means any of the following: (i) a sale, transfer, or other disposition by the Company through a single transaction or a series of transactions of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then-outstanding securities to any "Unrelated Person" or "Unrelated Persons" acting in concert with one another; (ii) a sale, transfer, or other disposition through a single transaction or a series of related transactions of all or substantially all of the assets of the Company to an Unrelated Person or Unrelated Persons acting in concert with one another; or (iii) any consolidation or merger of the Company with or into an Unrelated Person, unless immediately after the consolidation or merger the holders of the common stock of the Company immediately prior to the consolidation or merger are the beneficial owners of securities of the surviving corporation representing at least fifty percent (50%) of the combined voting power of the surviving corporation's then outstanding securities. For purposes of this definition, the term "Person" shall mean and include any individual, partnership, joint venture, association, trust, corporation, or other entity (including a "group" as referred to in Section 13(d)(3) of the Exchange Act) and the term "Unrelated Person" shall mean and include any Person other than the Company, or an employee benefit plan of the Company

A Change of Control will not be deemed to have occurred for purposes of the Plan until the transaction (or series of transactions) that would otherwise be considered a Change of Control closes. The transfer of Stock or assets of the Company in connection with a bankruptcy filing by or against the Company under Title 11 of the United States Code will not be considered to be a Change of Control for purposes of this Plan. Notwithstanding the foregoing a Change of Control shall not occur for purposes of this Plan in the case of Awards that are subject to the requirements of Section 409A of the Code unless such Change of Control constitutes a "change in control event" as defined in Section 409A of the Code and the regulations thereunder. The definition of "Change of Control" in this Plan shall be superseded by the definition of "Change of Control" in any applicable change of control agreement or employment agreement that a Participant has with the Company.

(f) "Code" means the Internal Revenue Code of 1986, as amended. All references to the Code shall be interpreted to include a reference to any applicable regulations, rulings or other official guidance promulgated pursuant to such section of the Code.

(g) "Committee" means the Committee identified in Section 4.1.

(h) "Company" means Motorsport Games Inc.

(i) "Compensation Committee" means the Compensation Committee of the Board and shall consist of at least two (2) individuals, each of whom qualify as: (i) a Non-Employee Director; and (ii) an "independent director" for purposes of the [***NASDAQ***] listing standards. The composition of the Compensation Committee may change from time to time in recognition of, response to, or in anticipation of, changes in applicable laws, rules, or regulations, including, without limitation, the Code and the [***NASDAQ***] listing standards (or the rules of any exchange on which the Stock is then listed).

(j) "Consultant" means a consultant or advisor that provides bona fide services to the Company or any Subsidiary as an independent contractor and not as an employee; provided, however, that such person may become a Participant in the Plan only if the Consultant: (i) is a natural person; and (ii) does not provide services in connection with the offer or sale of the Company's securities in a capital-raising transaction and does not promote or maintain a market for the Company's securities.

(k) "Date of Grant" means the date the Committee approves the Award or a date in the future on which the Committee determines the Award will become effective.

(l) "Disability" means that the Participant qualifies to receive long-term disability payments under the Company's long-term disability insurance program, as it may be amended from time to time but, for purposes of any Incentive Stock Option, "Disability" shall have the meaning ascribed to it in Section 22(e)(3) of the Code. Except in the case of an Incentive Stock Option, the definition of "Disability" in this Plan shall be superseded by the definition of "Disability" in any applicable change of control agreement or employment agreement that a Participant has with the Company.

(m) "Effective Date" means the date the Plan is approved by the Board, subject to approval by the Company's stockholders within twelve (12) months of such Board approval.

(n) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended. All references to a section of ERISA shall be interpreted to include a reference to any applicable regulations, rulings or other official guidance promulgated pursuant to such section of ERISA.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. All references to the Exchange Act shall be interpreted to include a reference to any applicable regulations, rulings or other official guidance promulgated pursuant to such section of the Exchange Act.

(p) "Expiration Date" means the tenth (10th) anniversary of the Effective Date.

(q) "Fair Market Value" means, as of any given date, the fair market value of Stock on a particular date determined by such methods or procedures as may be established from time to time by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of Stock as of any date shall be the closing price for the Stock as reported on the [***NASDAQ***] (or on any national securities exchange on which the Stock is then listed) for that date or, if no such prices are reported for that date, the average of the high and low trading prices on the next preceding date for which such prices were reported.

(r) "Family Member" means a Participant's spouse and any parent, stepparent, grandparent, child, stepchild, or grandchild, including adoptive relationships or a trust or any other entity in which these persons (or the Participant) have more than fifty percent (50%) of the beneficial interest.

(s) "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(t) "Non-Employee Director" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

(u) "Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option.

(v) "Option" means a right granted to a Participant under Section 6, to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

(w) "Participant" means a person who, as a member of the Board, or an employee, officer, or executive of, or Consultant to, the Company or any Subsidiary, has been granted an Award pursuant to the Plan.

(x) "Performance Share Award" means a right granted to a Participant under Section 9, to receive cash or Stock, the payment of which is contingent upon achieving certain performance goals established by the Committee.

(y) "Plan" means this Motorsport Games Inc. 2021 Equity Incentive Plan, as amended from time to time.

(z) "Restricted Stock Award" means Stock granted to a Participant under Section 8 that is subject to certain restrictions and risk of forfeiture as determined by the Committee.

(aa) “Restricted Stock Unit Award” means a right granted to a Participant under Section 8, to receive cash or Stock, the payment of which is subject to certain restrictions and risk of forfeiture as determined by the Committee.

(bb) “Securities Act” means the Securities Act of 1933, as amended from time to time. All references to the Securities Act shall be interpreted to include a reference to any applicable regulations, rulings or other official guidance promulgated pursuant to such section of the Securities Act.

(cc) “Separation from Service” is a term that applies only in the context of an Award that the Company concludes is subject to Section 409A of the Code and shall have the meaning set forth in Section 409A. Whether a Separation from Service has occurred will be determined based on all of the facts and circumstances and in accordance with Section 409A of the Code. In the case of a Non-Employee Director, Separation from Service means that such member has ceased to be a member of the Board. Whether a Consultant has incurred a Separation from Service will be determined in accordance with Treasury Regulation Section 1.409A-1(h).

(dd) “Specified Employee” means certain officers and highly compensated employees of the Company as defined in Treasury Regulation Section 1.409A-1(i).

(ee) “Stock” means the common stock of the Company and such other securities of the Company that may be substituted for Stock pursuant to Section 10.

(ff) “Stock Appreciation Right” or “SAR” means a right granted to a Participant under Section 7 to receive the appreciation on Stock.

(gg) “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

Exhibit 10.16

FORM OF MOTORSPORT GAMES INC.
2021 EQUITY INCENTIVE PLAN

NOTICE OF GRANT OF INCENTIVE STOCK OPTIONS

This Incentive Stock Option Agreement consists of this Notice of Grant of Incentive Stock Options (the "Grant Notice") and the Incentive Stock Option Award Agreement immediately following. The Incentive Stock Option Agreement sets forth the specific terms and conditions governing Incentive Stock Option Awards under the Motorsport Games Inc. 2021 Equity Incentive Plan (the "Plan"). All of the terms of the Plan are incorporated herein by reference.

Name of Optionee:	[Name]
Total No. of shares of Stock subject to the Option:	[Number]
Date of Grant:	[Date]
Expiration Date:	[Date]
Exercise Price:	$[____]
Vesting Schedule:	[_____]

BY EXECUTING THIS INCENTIVE STOCK OPTION AGREEMENT, OPTIONEE ACCEPTS PARTICIPATION IN THE PLAN, ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS GRANT NOTICE AND THE PLAN, AND AGREES THAT THIS GRANT NOTICE, THE AWARD AGREEMENT AND THE PLAN SHALL GOVERN THE TERMS AND CONDITIONS OF THIS AWARD.

IN WITNESS WHEREOF, the Company and Optionee have duly executed this Incentive Stock Option Agreement, and this Incentive Stock Option Agreement shall be effective as of the Date of Grant set forth above.

MOTORSPORT GAMES INC.	**OPTIONEE**
By: _____	_____
	Signature
Print Name: _____	
Its: _____	_____
	Print Name

INCENTIVE STOCK OPTION AWARD AGREEMENT
Under the Motorsport Games Inc.
2021 Equity Incentive Plan

This Incentive Stock Option Award Agreement (this "Agreement") is between Motorsport Games Inc. (the "Company") and the individual (the "Optionee") identified in the Notice of Grant of Incentive Stock Options (the "Grant Notice"), and is effective as of the grant date referenced in the Grant Notice (the "Date of Grant"). This Agreement supplements the Grant Notice to which it is attached, and, together, with the Grant Notice, constitutes the "Incentive Stock Option Agreement" referenced in the Grant Notice.

RECITALS

A. The Board of Directors of the Company (the "Board") has adopted and the stockholders have approved the Motorsport Games Inc. 2021 Equity Incentive Plan (the "Plan") to promote the interests and long-term success of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the continued growth and profitability of the Company.

B. The Committee has approved the grant of Incentive Stock Options to Optionee pursuant to Section 6.2 of the Plan.

C. To the extent not specifically defined in this Agreement, all capitalized terms used in this Agreement shall have the meaning set forth in the Plan.

D. In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Optionee agree as follows:

AGREEMENT

1. Grant of Option. Subject to the terms of this Agreement and Section 6.2 of the Plan, the Company grants to Optionee the right and option to purchase from the Company all or any part of the aggregate number of shares of Stock specified in the Grant Notice ("Option"). The Option granted under this Agreement **is** intended to be an "Incentive Stock Option" under Section 422 of the Code.

2. Exercise Price. The exercise price under this Agreement is the exercise price per share of Stock specified in the Grant Notice, as determined by the Committee, which **shall not** be less than the Fair Market Value of a share of Stock on the Date of Grant.

3. Vesting of Option. Subject to the Optionee's continued employment, the Option shall vest and become exercisable according to the vesting schedule set forth in the Grant Notice.

4. Exercise of Option. This Option may be exercised in whole or in part at any time after it vests in accordance with Section 3 and before the Option expires by delivery of a written notice of exercise (under Section 5 below) and payment of the exercise price. The exercise price may be paid in cash, or shares of Stock (through actual tender or by attestation), or such other method permitted by the Committee (including broker-assisted "cashless exercise" arrangements) and communicated to Optionee before the date Optionee exercises the Option.

5. Method of Exercising Option. Subject to the terms of this Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company. The notice shall state Optionee's election to exercise the Option and the number of underlying shares in respect of which an election to exercise has been made. Such notice shall be signed by Optionee, or if the Option is exercised by a person or persons other than Optionee because of Optionee's death, such notice must be signed by such other person or persons and shall be accompanied by proof acceptable to the Committee of the legal right of such person or persons to exercise the Option.

6. Term of Option. The Option granted under this Agreement expires, unless sooner terminated, ten (10) years from the Date of Grant, through and including the normal close of business of the Company on the tenth (10^{th}) anniversary of the Date of Grant (the "Expiration Date").

7. Termination of Employment.

(a) If Optionee's employment is terminated by the Company by reason of death or Disability, the Option shall lapse (to the extent not exercised) on the earlier of: (i) the Expiration Date; or (ii) twelve (12) months after the date Optionee terminates employment. The Option may be exercised pursuant to this Section 7(a) only if the Option was exercisable by Optionee immediately prior to his or her termination of employment. In no event shall the Option be exercisable after the Expiration Date.

(b) If Optionee's employment is terminated for any reason other than those described in Section 7(a), the Option shall lapse (to the extent not exercised) on the earlier of: (i) the Expiration Date; or (ii) three (3) months after the date Optionee terminates employment; ***provided, however***, that if Optionee's employment is terminated for Cause, the Option shall immediately lapse which means that the Option shall not be exercisable by Optionee regardless of whether the Option is already vested. The Option may be exercised pursuant to this Section 7(b) only if the Option was exercisable by Optionee immediately prior to his or her termination of employment. In no event shall the Option be exercisable after the Expiration Date.

8. Disqualifying Disposition. By accepting this Award, the Optionee agrees that he or she shall notify the Company if the Optionee disposes of any shares of Stock subject to the Option in a "disqualifying disposition" as described in Section 422 of the Code. Such notice must be provided within fifteen (15) days following the date of the disqualifying disposition and must include the date or dates of the disposition, the number of shares of Stock subject to the disposition, and the consideration received, if any, for the shares of Stock. Upon request by the Company, the Optionee agrees to forward to the Company the amount necessary to satisfy any federal, state or local taxes as are required by law to be withheld upon the disqualifying disposition. If requested by the Company, the Optionee also agrees to forward to the Company up to the maximum statutory amount necessary, in the applicable jurisdiction, to satisfy any other applicable taxes or assessments that may be incurred as a result of the disqualifying disposition.

9. Nontransferability of Options. The Options granted by this Agreement shall not be transferable by Optionee or any other person claiming through Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution or as otherwise provided by the Committee pursuant to Section 12.3 of the Plan.

10. No Right to Continued Employment. This Agreement shall not be construed to confer upon Optionee any right to continue employment with the Company and shall not limit the right of the Company, in its sole and absolute discretion, to terminate Optionee's employment at any time.

11. Administration. This Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Committee in accordance with the terms of and as provided in the Plan. The Committee shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect thereto and to this Agreement shall be final and binding upon Optionee and the Company. In the event of any conflict between the terms and conditions of this Agreement and the Plan, the provisions of the Plan shall control.

12. Adjustments. The number of shares of Stock issued to Optionee pursuant to this Agreement shall be adjusted by the Committee pursuant to Section 10 of the Plan, in its discretion, in the event of a change in the Company's capital structure.

13. Securities Laws Compliance. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any other applicable federal or state securities laws or regulations.

14. No Shareholders Rights. Optionee will have no voting rights or any other rights as a shareholder of the Company with respect to the Option until the Company issues the stock certificates representing the shares of Stock underlying the Option.

15. Copy of Plan. By the execution of this Agreement, Optionee acknowledges receipt of a copy of the Plan.

16. Governing Law. This Agreement shall be interpreted and administered under the laws of the State of California.

17. Amendment. Except as otherwise provided in the Plan, this Agreement may be amended only by a written agreement executed by the Company and Optionee. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by a representative of the Committee.

18. Clawback. Pursuant to Section 12.6 of the Plan, every Award issued pursuant to the Plan is subject to potential forfeiture or "clawback" to the fullest extent called for by applicable federal or state law or any policy of the Company. By accepting this Award, Optionee agrees to be bound by, and comply with, the terms of any such forfeiture or "clawback" provision imposed by applicable federal or state law or prescribed by any policy of the Company.

MANY OF THE PROVISION OF THIS AWARD AGREEMENT ARE SUMMARIES OF SIMILAR PERTINENT PROVISIONS OF THE PLAN. TO THE EXTENT THAT THIS AGREEMENT IS SILENT ON AN ISSUE OR THERE IS A CONFLICT BETWEEN THE PLAN AND THIS AGREEMENT, THE PLAN PROVISIONS SHALL CONTROL.

FORM OF
RESTRICTED STOCK AWARD AGREEMENT
UNDER THE MOTORSPORT GAMES INC.
2021 EQUITY INCENTIVE PLAN

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement") is entered into pursuant to the Motorsport Games Inc. 2021 Equity Incentive Plan (the "Plan"). This Agreement is made effective as of _____ (the "Date of Grant") by and between Motorsport Games Inc., a Delaware corporation (the "Company"), and _____ (the "Grantee").

1. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to such terms in the Plan.

2. Grant of Stock. Subject to the terms and conditions of this Agreement and Section 8.1 of the Plan, the Company hereby awards Grantee _____ shares of Stock representing Restricted Stock Award under the Plan (such shares shall be referred to herein as the "Restricted Shares").

3. Vesting of Restricted Shares.

(a) *General Rule*. The Restricted Shares granted pursuant to Section 2 above shall become vested and nonforfeitable on _____ ("Vesting Date").

(b) *[Termination.* Notwithstanding Section 3(a) above, upon a termination of employment (or termination of service in the case of a Consultant or Non-Employee Director), all of the Restricted Shares (to the extent not previously vested) shall be forfeited.][1]

(c) *Change in Control*. Notwithstanding Section 3(a) or 3(b) above, all of the Restricted Shares (to the extent not previously vested), shall become vested and nonforfeitable if a Change of Control occurs prior to a Vesting Date.

4. Stockholder Rights. Grantee will have all rights of the stockholder with respect to the Restricted Shares as of the Date of Grant; provided, however, that the Restricted Shares that have not become vested and nonforfeitable may not be transferred or assigned by Grantee or by operation of law, other than by will or by the laws of descent and distribution. For the avoidance of doubt, Grantee shall have the right to receive dividends with respect to the Restricted Shares.

5. Right to Terminate Service. Nothing contained in this Agreement shall create a contract of employment (or service) or give Grantee a right to continue in the employ (or service) of the Company or any Subsidiary, or restrict the right of the Grantee to terminate his employment at any time or the Company or a Subsidiary to terminate the employment (or service) of Grantee at any time.

6. Adjustments. Upon the occurrence of certain events relating to the Company's Common Stock as contemplated by Section 10 of the Plan, an adjustment shall be made to the Restricted Shares granted hereby as the Committee, in its sole discretion, deems equitable or appropriate to prevent dilution or enlargement of the rights of Grantee.

[1] To be revised if the Grantee has inconsistent provisions in the applicable employment or similar agreement.

7. Additional Restrictions on Transfer. The Restricted Shares issued hereunder shall be subject to any additional restrictions on transfer then in effect pursuant to the certificate of incorporation or by-laws of the Company.

8. Withholding. Pursuant to Section 14 of the Plan, the Company may require Grantee to remit to the Company the minimum amount necessary to satisfy all applicable income and employment taxes required to be withheld by the Company in connection with this Agreement.

9. Section 83(b). The Grantee understands that Section 83 of the Code taxes as ordinary income the difference between the amount paid, if any, for the Restricted Shares and the fair market value of the Restricted Shares on each Vesting Date. The Grantee understands that he may elect, pursuant to Section 83(b) of the Code, to be taxed at the time the Restricted Shares are granted rather than when and as the Restricted Shares vest by filing a Section 83(b) election with the Internal Revenue Service within 30 days from the date the Restricted Shares are transferred to Grantee. Grantee understands that failure to make this filing timely shall result in the recognition of ordinary income by the Grantee on the fair market value of the Restricted Shares as the Restricted Shares become vested and nonforfeitable. GRANTEE ACKNOWLEDGES THAT IT IS GRANTEE'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b), EVEN IF GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON GRANTEE'S BEHALF.

10. Clawback. Pursuant to Section 12.6 of the Plan, every Award issued pursuant to the Plan is subject to potential forfeiture or "clawback" to the fullest extent called for by applicable federal or state law or any policy of the Company. By accepting this Award, the Grantee agrees to be bound by, and comply with, the terms of any such forfeiture or "clawback" provision imposed by applicable federal or state law or prescribed by any policy of the Company.

11. Plan. This Agreement and all rights of Grantee under this Agreement are subject to all of the terms and conditions of the Plan, which are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and conditions of this Agreement and the Plan, the terms and conditions of the Plan shall govern. Grantee agrees to be bound by the terms of the Plan and this Agreement. Grantee acknowledges having read and understood the Plan and this Agreement. Unless otherwise expressly provided in other sections of this Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not (and shall not be deemed to) create any rights in Grantee unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

12. Entire Agreement. This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. This Agreement may be amended only by a written agreement executed by the Company and Grantee.

13. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

BY EXECUTING THIS AGREEMENT, GRANTEE ACCEPTS PARTICIPATION IN THE PLAN, ACKNOWLEDGES THAT HE HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS AGREEMENT AND THE PLAN, AND AGREES THAT THIS AGREEMENT AND THE PLAN SHALL GOVERN THE TERMS AND CONDITIONS OF THIS AWARD.

IN WITNESS WHEREOF, the Company and Grantee have duly executed this Agreement effective as of the Date of Grant set forth above.

MOTORSPORT GAMES INC.	**GRANTEE**
By: _____	_____
Print Name: _____	*Signature*
Its: _____	_____
	Print Name

Exhibit 10.18

GRANT OF THE RIGHT OF FIRST REFUSAL

Parties:

Motorsport Gaming US LLC

and

Luminis International B.V.

19 May 2020

THIS GRANT OF THE RIGHT OF FIRST REFUSAL TO PURCHASE IS MADE BETWEEN:

I. **Motorsport Gaming US LLC**, a limited liability company incorporated under the laws of the State of Florida, United States of America, with its registered seat in Miami, United States of America, and its place of business at 5972 NE 4th Ave, FL 33 137, ("**MSG**");

and

II. **Luminis International B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered seat in Amersfoort, The Netherlands, and its place of business at Stadsring 107, 3811 HP Amersfoort, registered in the trade register of the Dutch Chamber of Commerce under number 58261869 ("**Luminis**");

HEREINAFTER JOINTLY REFERRED TO AS THE "PARTIES**" AND EACH INDIVIDUALLY AS A "**PARTY**".**

RECITALS:

A. Luminis is the owner of one hundred percent (100%) of the shares in Studio397 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered seat in Apeldoorn, the Netherlands, and its place of business at Regentesselaan 11 in 7316 AA Apeldoorn, registered in the trade register of the Dutch Chamber of Commerce under number 66752973 ("**Studio397**").

B. Studio397 is a simracing company that specializes in near-real game experiences using their rFactor Technology platform.

C. The Studio397 strategy is to exploit the rFactor Technology platform using the following business models:

1. To develop and sell simracing games to end users;

2. To license and support the rFactor Technology platform to third parties as a basis for bespoke game development;

3. To offer esports services like competitions, events, broadcasts and other media services like for instance adds and betting using the Studio397 games, rFactor Technology platform and other technologies and concepts.

D. Studio397 seeks investment to accelerate this strategy.

E. MSG has expressed interest in purchasing some or all of the ownership of shares in Studio397 to accelerate the Studio397 strategy at an undetermined time in the future.

F. Under this agreement, Luminis has agreed to grant to MSG a right of first refusal to purchase shares in Studio397 that it decided to sell during the term of this Agreement (the "**Term**"), subject to the terms set out herein.

1. RIGHT OF FIRST REFUSAL

1.1. If, at any time during the Term Luminis decides to sell any shares in Studio397, such that the sale of these shares would result in a change-of-control of Studio397 or the authority to change agreements between MSG and Studio397, including any sale or transfer of shares or assets with a similar effect, Luminis shall grant to MSG the first right of refusal to make an offer that is equal or better to purchase these shares from Luminis by giving notice to MSG of its desire to sell these shares.

1.2. If, at any time during the Term, Luminis receives a bona fide offer for the purchase of any or all of its shares in Studio397, such that the sale of these shares would result in a change-of-control of Studio397 or the authority to change agreements between MSG and Studio397, from a potential third party purchaser, Luminis will notify MSG of such an offer so as to allow MSG to make an offer for the purchase of these shares that is equal or better than the existing bona fide offer.

1.3. MSG shall, within ten (10) business days of receipt of notice from Luminis under either Clause 2.1or 2.2 notify Luminis in writing whether it wishes to purchase the shares, the price that it wishes to offer, and the terms of such offer. If Luminis accepts the offer, Luminis and MSG shall be bound to implement the transaction within 30 days, subject to MSG's satisfaction after performing reasonable due diligence.

1.4. If MSG elects not to purchase the shares or fails to give notice of its intention within the ten (10) business days period, Luminis shall be free to convey, assign or otherwise transfer such interest to a third party.

2. TERM AND TERMINATION

2.1. This Agreement shall be effective for as long as parties are bound by other agreements that pertain to the rFactor Technology platform or any other technology that is supplied by Studio397.

2.2. This Agreement shall be evaluated annually on desirability and applicability and will be terminated only upon mutual agreement. This mutual agreement on termination shall be confirmed in writing and shall take effect upon signature of the document.

2.3. Either Party may terminate this Agreement forthwith on written notice if the other Party shall become insolvent or bankrupt or makes an arrangement with its creditors or goes into liquidation.

3. GOVERNING LAW AND DISPUTE RESOLUTION

3.1. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of the Netherlands.

3.2. Except as otherwise provided in this Agreement, all disputes arising out of or in connection with this Agreement shall, if no amicable settlement can be reached between the Parties, in first instance be submitted to the competent courts in Amsterdam.

Agreed upon and signed by:

/s/ Dmitry Kozko

Motorsport Gaming US LLC
By: Dmitry Kozko
Position: CEO
Place: Miami, Florida, USA
Date: 18 May 2020

/s/ Hans Bossenbroek

Luminis International B.V.
By: Hans Bossenbroek
Position: CEO
Place: Apeldoorn, NL
Date: 19-05-2020

Exhibit 10.19

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

SOFTWARE DEVELOPMENT AND LICENSE AGREEMENT

Parties:

Motorsport Gaming US LLC

and

Studio397 B.V.

19th May 2020

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SCHEDULES

Schedule 1 – Software Functional and Technical Requirements
Schedule 2 – rFactor Technology
Schedule 3 – Planning and Milestones
Schedule 4 – License Fee
Schedule 5 – Services
Schedule 6 – Review & Approval Process

THIS SOFTWARE DEVELOPMENT AND LICENSE AGREEMENT IS MADE BETWEEN:

I. **Motorsport Gaming US LLC**, a limited liability company incorporated under the laws of the State of Florida, United States of America, with its registered seat in Miami, United States of America, and its place of business at 5972 NE 4th Ave, FL 33 137, ("**MSG**");

and

II. **Studio397 B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered seat in Apeldoorn, the Netherlands, and its place of business at Regentesselaan 11 in Apeldoorn (7316 AA), registered in the trade register of the Dutch Chamber of Commerce under number 66752973 ("**Studio397**");

hereinafter jointly referred to as the "**Parties**" and each individually as a "**Party**".

RECITALS:

A. MSG offers an integrated digital platform that is intended to be the destination for everything cars and racing;

B. Studio397 is a simracing company that specializes near-real game experiences and uses/makes available their rFactor Technology platform as a basis for bespoke game development.;

C. MSG is the creator, owner and oversees the publishing of the game 'NASCAR Next';

D. Studio397 will make available to and develop for MSG certain software and software elements, which will be incorporated in said game by MSG, as further specified herein;

E. under this software development and license agreement ("**Agreement**"), Studio397 will license to MSG certain proprietary pre-existing software currently called rFactor 2 Technology, as well as create new custom-made software on top of the rFactor 2 Technology software in relation to which the intellectual property rights will be transferred and assigned to MSG, as further set out herein.

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement, unless where explicitly provided otherwise, capitalised words and expressions have the following meanings:

Agreement	as defined in Recital E;
Confidential Information	as defined in Clause 14.1;
Confidentiality Agreement	the confidentiality agreement executed between the Parties dated 31 July 2019;
Deposit Materials	as defined in Clause 12.2;
Development Fee	as defined in Clause 8;
Effective Date	19th May 2020;
Error	any failure of the Software to meet its defined, documented and accepted functional specifications and detected in defined acceptance tests;
Error Report	a written report of the Errors found during the acceptance test, specifying the nature of the Errors;
Game	the cross-platform video game currently entitled NASCAR Next, and including any sequels thereto, as well as the relevant source codes and object codes, created by MSG and owned by MSG and/or its licensors as applicable, in which the Software and rFactor Technology will be incorporated for *inter alia* offering the best gameplay;
Intellectual Property Rights	means trademarks, service marks, trade names, domain names, logos, patents, inventions, design rights, copyrights, database rights and all other similar rights in any part of the world, including rights in trade secrets and know-how, and where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations;

License Fee	the amount payable by MSG for the rights to the rFactor Technology, which includes fees for related support services, as set forth in **Schedule 4**;
Major Error	any Error other than a Minor Error;
Milestone	specific progress points relating to various phases in the development of the Software and related deliverables, as further specified in **Schedule 3**;
Minor Error	an Error which does not materially affect the use of the Software;
rFactor Technology	the racing simulation software, including a game engine, authoring tools, software development kit, build scripts, runtime and related materials developed by Studio397 which can be used for the purpose of supporting, developing, modifying, testing and evaluating the Game and which may be incorporated into the Game on the conditions set out herein, as further specified in **Schedule 2**;
Review & Approval Process	means, in relation to Software, the Parties' process for reviewing work product, the remedy of Major Errors as applicable and approval, set out in **Schedule 6**;
Services	the services to be rendered by Studio397 pursuant to this Agreement, as specified in **Schedule 5**;
Software	the custom-made software, code and data elements developed by Studio397 exclusively for MSG for the purpose of integrating and incorporating the rFactor Technology in the Game, and any other related technical activities and work product in that regard, as further specified in **Schedule 1**;
Third Party Software	means third party software components included in the rFactor Technology;

1.2. In this Agreement, unless specified otherwise:

a. a "**Clause**", "**Recital**", "**Schedule**" or "**Annex**" means a clause (including all sub clauses), a recital, a schedule or an annex in or to this Agreement;

b. the Recitals, Schedules, Annexes and any other attachments to this Agreement, form an integral part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and a reference to this Agreement includes the Recitals, Schedules, Annexes and any other attachments to this Agreement;

c. the headings are included for convenience of reference only and shall not affect the interpretation of this Agreement or of any provisions thereof;

d. legal terms refer to Dutch legal concepts only; references to legal terms or concepts apply even where the concept referred to by such term does not exist outside the Netherlands and, if necessary, shall include a reference to the term in that jurisdiction outside the Netherlands that most approximates the Dutch term;

e. the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and interpreted accordingly;

f. the singular includes the plural and vice versa, and use of one gender includes any other.

2. SCOPE

2.1. Studio 397 shall develop the Software, provide MSG with, and license to MSG, the rFactor Technology, and render the Services in accordance with this Agreement.

3. RFACTOR TECHNOLOGY LICENSE

3.1. Studio397 hereby grants to MSG a non-exclusive, non-transferable, sublicensable (to the extent permitted herein) worldwide license to install, reproduce, display, use and operate the rFactor Technology for the purpose of developing, modifying, testing and evaluating the Game, on the terms and conditions of this Agreement for an indefinite period, unless terminated pursuant to this Agreement.

3.2. MSG is allowed to distribute:

a. the rFactor Technology incorporated in object code format only as an inseparable part of the Game to end users pursuant to an end user license agreement that grants Studio397 equal or better protection than this Agreement;

b. the rFactor Technology incorporated in object code format only as an inseparable part of the Game to an end user for which MSG specifically developed the Game in exchange for a fee. Prior to this distribution, MSG must ensure that the end user is subject to a license agreement that grants Studio397 equal or better protection than this Agreement;

c. the rFactor Technology to a different (third) party that has received a license to the rFactor Technology from Studio397.

3.3. MSG must take active measures to prevent end users from modifying the rFactor Technology. Examples of active measures are encryption of assets, using proprietary fileformats for assets that are specific for the Game and the use of checksums as a basis for integrity checks.

3.4. MSG is not allowed to disassemble, decompile, modify or reverse engineer the rFactor Technology, or permit / authorize a third party to do so, except to the extent that these activities are expressly and specifically permitted by this Agreement or by law.

3.5. MSG has the right to grant sublicenses as provided for in Clause 4.

3.6. Studio397 shall provide the Services as outlined in Schedule 3.

4. SUBLICENSE

4.1. MSG may at its discretion sublicense the rights to the rFactor Technology to its subsidiaries and affiliates involved in the co-development and related marketing of the Game, including but not limited to 704Games Company, a North Carolina corporation. Further sub-licensing shall only be allowed with Studio 397's prior written consent.

5. SOFTWARE DEVELOPMENT

5.1. Studio397 shall develop the Software, under Studio397's own cost, responsibility and risk and by means of its own organization, in accordance with this Agreement, including but not limited as regards functional requirements, distribution platforms, planning, expertise and budget.

5.2. In the event that MSG should desire to launch a new game (in addition to the Game) within 2 years from the Effective Date, and should desire to engage Studio397 for its development services and for licensing the rFactor Technology or certain aspects thereof, Studio397 agrees to work with MSG to negotiate reasonable and mutually agreeable unit fees and terms in good faith.

6. DEVELOPMENT ACTIVITIES & PLANNING

6.1. Studio397 shall develop the Software as needed to comply with the general functional requirements specified in Schedule 1, and in doing so comply with the Milestones further specified in Schedule 3.

6.2. All development activities shall be carried out by Studio397 in accordance with the Review & Approval Process.

6.3. Studio397 will provide reasonable assistance to MSG to ensure that any Software developed will function together with the rFactor Technology and other planned integrations and technology.

6.4. MSG shall provide Studio397 with information and assistance reasonable requested by Studio397 in relation to the development of the Software.

6.5. The Software developed pursuant to this Agreement shall not include any open source software that is licensed under the GNU General Public License or another open source code license having a similar "contaminating" effect on MSG's Intellectual Property Rights or proprietary assets, or that would otherwise require MSG to release any portion of its source code, or to permit free redistribution, reverse engineering or modification of any of MSG proprietary assets, including the Game.

7. DELIVERY AND TESTING

7.1. Studio397 shall deliver the Software to MSG as per the applicable Milestone in the format agreed by the Parties. The deliverables in relation to the Software per each Milestone will be signed off by MSG in accordance with the Review & Approval Process.

7.2. As part of the delivery of the Software to MSG, Studio397 shall deliver a copy of the source code of such Software and any components and libraries included therein.

8. (POST-RELEASE) SUPPORT

8.1. Upon acceptance in accordance with the Review & Approval Process, Studio397 shall provide post-release support services in relation to the Software and rFactor Technology, which is charged as a proportion of the agreed development rate of EUR 1,000.00 per person per day for a period of nine (9) months post-Completion of development.

9. FEES AND PAYMENT

9.1. Subject to acceptance of each Milestone in accordance with the Review & Approval Process, MSG shall pay Studio397 a monthly instalment of EUR [***] (for a total development fee of EUR [***]) payable by MSG on the first day of each month following the Milestone date.

9.2. For the rights to the rFactor Technology, MSG shall pay Studio397 the License Fee. Studio397 shall invoice MSG for the License Fee in accordance with Schedule 4.

9.3. Studio397 shall not be entitled to invoice any fees other than specified in this Agreement, or as otherwise agreed in writing by MSG.

9.4. Any fees shall be exclusive of VAT.

10. INTELLECTUAL PROPERTY RIGHTS

10.1. The Intellectual Property Rights to the Game are owned exclusively by MSG and/or its licensors as applicable. Nothing in this Agreement shall result in or be interpreted as an assignment of any Intellectual Property Rights from Studio397 to MSG or vice versa, in relation to the Game.

10.2. Any Intellectual Property Rights to Software developed by Studio397 pursuant to this Agreement and any additional work order or addendum hereunder shall be owned by MSG.

10.3. Studio397 hereby assigns, transfer and delivers in advance (*bij voorbaat*) to MSG any Intellectual Property Rights to the Software, and MSG hereby accepts such assignment, transfer and delivery in advance. This Agreement constitutes the instrument of delivery of such Intellectual Property Rights to MSG.

10.4. Insofar the Software developed pursuant to this Agreement includes any components or libraries which are not owned by Studio397, Studio397 hereby grants MSG an unlimited non-exclusive perpetual irrevocable transferable license to use such components and libraries as part of the Software, for any purpose. MSG shall be free to make any changes to such components and libraries.

10.5. Studio397 shall not re-use any of the Intellectual Property Rights to any Software developed pursuant to this Agreement, assigned and transferred to MSG pursuant to this Agreement for any purpose without MSG's prior written approval.

10.6. Studio397 shall not in any way reproduce or redistribute the Game or any content of the Game, including but not limited to any images, brands or names without MSG's prior written approval, unless to the extent strictly necessary for developing the Software in accordance with this Agreement.

11. RFACTOR TECHNOLOGY

11.1. Studio397 hereby confirms that the rFactor Technology and Libraries do not include any open source software other than as described in Clause 6.5.

11.2. The license specified in Clause 3 shall survive termination of this Agreement for any reason.

12. SOURCE CODE ESCROW

12.1. At the completion of the development of the Software, MSG shall have the option to require Studio397 to enter into a source code escrow agreement with a mutually agreed source code escrow company (such as Iron Mountain Incorporated) setting forth source code escrow deposit procedures and source code release procedures relating to the rFactor Technology and shall deposit and maintain in escrow all source code within the rFactor Technology, which escrow agreement shall remain in effect for no less than five (5) years from the completion of the development of the Software.

12.2. The source code delivered to the source code escrow company will be in a form suitable for reproduction by MSG. The source code deposit will comprise: (i) the complete source code for the RFactor Technology; (ii) source code for any third- party software used in support, maintenance or enhancement of the deposited RFactor Technology, which is not reasonably commercially available from third parties, provided that Studio397 has access to such third party code; and (iii) complete documentation (the "**Deposit Materials**").

12.3. In the event that (i) Studio397 becomes insolvent or bankrupt, (ii) Studio397 makes an assignment for the benefit of creditors, (iii) Studio397 consents to a trustee or receiver appointment, (iv) a trustee or receiver is appointed for Studio397 or for a substantial part of its property without its consent, (v) Studio397 voluntarily initiates bankruptcy, insolvency, or reorganization proceedings, or is the subject of involuntary bankruptcy, insolvency, or reorganization proceedings, or (vi) such other event as mutually agreed upon by the Parties and the escrow company in the source code escrow agreement (any or all of these events to be considered a "**Release Condition**"), then MSG may give written notice to the source code escrow company, specifying that a release condition has occurred, and the source code escrow company will promptly deliver to MSG all Deposit Materials. In the event of a release of the Deposit Materials pursuant to this section, said source code shall continue to be the Intellectual Property Rights of Studio397 or its successor in and MSG may only use, copy and/or modify the source code consistent with the rights of MSG under this Agreement.

12.4. All costs associated with Escrow, including costs incurred by Studio397 for administration of the Escrow provision shall be borne by MSG.

13. INDEMNITY

13.1. Studio397 will indemnify MSG from and against any claim that the Software, rFactor Technology infringe on any third party's rights. Studio397 will pay the resulting costs, damages and attorney fees awarded by a court in a final judgment, not open to appeal, provided that:

a. MSG shall, after and if it has become aware, notify Studio397 in writing with reasonable detail of any: (i) actual, suspected, or threatened infringement of the Software or rFactor Technology; (ii) actual, suspected, or threatened claim that use of the Software or rFactor Technology infringes the rights of any third party; or (iii) any other actual, suspected, or threatened claim to which the Software or rFactor Technology may be subject;

b. Studio397 shall have exclusive control over, and conduct of, all claims and proceedings regarding matters concerning the rFactor Technology and MSG shall provide Studio397 with all assistance that Studio397 may reasonably require in the conduct of any claims or proceedings.

13.2. In the event that the Software or rFactor Technology are found to infringe on any third Party's rights, Studio397 shall have the right at its expense, and after consultation with MSG, to:

a. modify the Software or rFactor Technology to cure the infringement;

b. obtain a license for MSG to continue using the rFactor Technology, or

c. accept return of the Software and refund the License Fee in respect of the Software.

14. CONFIDENTIALITY

14.1. "Confidential Information" is all information and data disclosed by one party (the "Disclosing Party") to the other party (the "Recipient").

14.2. In particular the following information is considered Confidential Information:

A. Information regarding released or unreleased software or hardware products;

B. Product development plans;

C. (Other) information about software & technology;

D. Financial information

E. Information regarding suppliers, products and customers;

F. Intellectual and/or industrial property;

G. Know how;

14.3. Information is not Confidential Information if:

A. The information is, or subsequently becomes, public knowledge other than as a direct or indirect result of the information being disclosed in breach of this Agreement; or

B. The Recipient can establish to the reasonable satisfaction of the Disclosing Party that it found out the information from a source not connected with Disclosing Party and that the source is not under any obligation of confidence in respect of the information; or

C. The Recipient can establish to the reasonable satisfaction of the Disclosing Party that the information was known to the Recipient before the date of this agreement and that it was not under any obligation of confidence in respect of the information; or

D. The parties agree in writing that it is not confidential.

14.4. In return for the Disclosing Party making Confidential Information available to the Recipient, the Recipient must:

a. Keep the Confidential Information secret;

b. Use the Confidential Information only to consider, evaluate or negotiate about the Collaboration;

c. Refrain from using or exploiting the Confidential Information for its own benefit and/or purposes or for the benefit and/or purposes of any third party;

d. Refrain from disclosing the Confidential Information to any third party, unless the Disclosing Party agrees in writing that this third party may receive the Confidential Information;

e. Inform the Disclosing Party immediately upon becoming aware or suspecting that an unauthorised person has access to the Confidential Information.

15. APP STORES

15.1. Insofar as necessary, Studio397 shall provide MSG with all cooperation necessary, at the then standard rates used by Studio397, to update any registration in Valve's Steam store or similar app store relating to the Software to reflect the assignment and transfer effectuated by this Agreement.

16. WARRANTIES

16.1. Studio397 hereby represents and warrants to MSG that:

a. Studio397 is the exclusive legal and beneficial owner of the Intellectual Property Rights relating to any software developed pursuant to this Agreement, and such Intellectual Property Rights are free of any encumbrance.

b. Studio397 is the exclusive legal and beneficial owner of, or is entitled to grant licenses relating to, the Intellectual Property Rights to the rFactor Technology and Libraries and any components and libraries included in Software developed pursuant to this Agreement;

c. There is no unauthorised use by a person of any Software developed pursuant to this Agreement; and

d. The Intellectual Property Rights to the rFactor Technology and Libraries, as well as any Software developed pursuant to this Agreement and any components and libraries included in Software developed pursuant to this Agreement, do not infringe any Intellectual Property Rights of any third party, and that no claim has been made against Studio397 in respect of such an infringement.

17. PROPRIETARY NOTICES

17.1. If the Game contains credits, MSG is obliged to place the following notice(s) in the credits:

"[Game name] uses rFactor 2 Technology. rFactor 2 is a trademark or registered trademark of Studio 397 in The Netherlands and elsewhere"

"rFactor 2 Technology, Copyright 2016 – 2021, Studio 397. All rights reserved".

18. TERM AND TERMINATION

18.1. This Agreement shall be effective for an indefinite term as from the Effective Date.

18.2. MSG may rescind the Agreement (*ontbinden*) forthwith on written notice if (i) Studio397 fails to provide one or more deliverable(s) associated with each Milestone and after it has failed to remedy the relevant breach in accordance with the Review & Approval Process, or (ii) if all steps set out in the Review & Approval Process are followed, fails to provide acceptable Software, provided that the Parties have not come to agreement on a mutually acceptable solution.

18.3. Either Party may terminate this Agreement forthwith on written notice if the other Party shall become insolvent or bankrupt or makes an arrangement with its creditors or goes into liquidation.

18.4. MSG may terminate (*opzeggen*) this Agreement for convenience by written notice to Studio 397 taking into account a notice period of at least one (1) month, in which event it (i) shall pay any outstanding portion of the License Fee within thirty (30) days of termination; and (ii) shall be entitled to receive the Software developed up until that moment in consideration of the applicable development fees. For the avoidance of doubt MSG shall not be responsible for any future monthly instalment payments of the development fee for work not yet completed as of the date of termination under this clause.

18.5. Termination of this Agreement shall not prejudice any rights of either Party which have arisen on or before the date of termination and all provisions of this Agreement which expressly or by implication are intended to continue in force following termination shall so do.

18.6. Termination of this Agreement for whatever reason shall not affect the transfer of (i) any Intellectual Property Rights pursuant to this Agreement and (ii) any licenses to the extent stated in this Agreement.

18.7. If any of the events under the Clause 18.2 and 18.3 were to materialize, the Parties will work together in good faith to develop a mutually agreed plan for either the continuation of or the termination of the License Agreement.

19. RIGHT TO LICENSE RFACTOR TECHNOLOGY

19.1. MSG shall have the right to license the rFactor Technology for use in future product franchises under similar financial terms as agreed under this Agreement. This right to future license(s) does not automatically commit Studio397 to provide development services or otherwise supply engineering resources necessary to integrate and use the rFactor Technology. Where development help is required, this will be negotiated with Studio397 and on a case-by-case basis, but it is expected that MSG will be able to integrate the rFactor Technology into other games without the help of Studio397. For example, car handling and AI parameters and data can be worked on using available tools and processes already freely available to the community.

20. MISCELLANEOUS

20.1. Unless explicitly provided otherwise in this Agreement, the Parties shall each bear their own costs, charges and expenses incurred in relation to this Agreement.

20.2. This Agreement, together with any documents referred to herein, contains the entire agreement between the Parties relating to its subject matter and replaces and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

20.3. Any variation of this Agreement is not valid unless and until it is in writing and has been signed by or on behalf of all Parties.

20.4. If a provision of this Agreement is or becomes invalid or non-binding, the Parties shall remain bound by the remaining provisions. In that event, the Parties shall replace the invalid or non-binding provision by provisions that are valid and binding and that have, to the greatest extent possible, a similar effect as the invalid or non- binding provision, given the contents and purpose of this Agreement.

20.5. A single or partial exercise of any right or remedy under this Agreement by a Party shall not preclude any other or further exercise of that right or remedy or the exercise of any other right or remedy. A waiver of any breach of this Agreement by a Party shall not be deemed to be a waiver of any subsequent breach.

20.6. Unless explicitly provided otherwise in this Agreement, this Agreement does not contain any stipulation in favour of a third party (*derdenbeding*). In the event that any stipulation in favour of a third party (*derdenbeding*) contained in this Agreement is accepted by any third party, such third party will become a Party to this Agreement for that particular purpose only.

20.7. This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. The Parties may enter into this Agreement by signing any such counterpart.

21. GOVERNING LAW AND DISPUTE RESOLUTION

21.1. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of the Netherlands.

21.2. Except as otherwise provided in this Agreement, all disputes arising out of or in connection with this Agreement shall, if no amicable settlement can be reached between the Parties, in first instance be submitted to the competent courts in Amsterdam.

Agreed upon and signed by:

/s/ Stephen Hood

Motorsport Gaming US LLC
By: Stephen Hood
Position: President
Place: England
Date: 18th May 2020

/s/ Marcel Offermans

Studio397 B.V.
By: Marcel Offermans
Position: Managing Director
Place: Netherlands
Date: 18th May 2020

Schedule 1 – Software Functional and Technical Requirements

MSG intends to release the Game on three (3) platforms, including PC, Sony PlayStation and Microsoft Xbox (with respect to Sony PlayStation and Microsoft Xbox consoles, the game is to be launched on the new hardware expected to be released to market in winter 2020). The Software should enable these releases.

Schedule 2 – RFactor Technology

The RFactor Technology are critical to the proper functioning of the Game.

The RFactor Technology may be used for (a combination of) the following purposes: 1) providing car handling physics and balance tuning to represent agreed season Cup car in the Game; 2) balancing performance of cars and team cars to represent agreed season cup performance; 3) balancing and tuning of component parts of a car to simulate mechanical reliabilities; 4) tuning as relates to pre-determined DLC cars (some of which may be historic/iconic); 5) Artificial Intelligence for AI cars to compete on all tracks in varying conditions and sessions; 6) tuning to balance competitiveness of AI opponents in relation to difficulty modes and tracks; 8) allowing for the ability of MSG to tune global and detailed AI opponent competitiveness at will; 9) creating rules code to represent authentic race sessions and those required by game specification; and 10) managing game states.

Schedule 3 – Planning and Milestones

Milestone 1: March 27th, 2020

- rFactor stock car physics engine implemented
- Designed to be ready to adjust for 2021 Next Gen car
- rFactor tire model integrated
- Setup parameters and impound rules are integrated
- Track specific simulation is integrated (Homestead Specifically)
- Dynamic racing line
- Temperature
- Practice session & qualifying modes complete (Homestead Specifically)
- Garage waypoints / Driving
- In Game Camera specification provided to Moscow team
- Pipeline tooling for tracks (able to edit/save vehicle spawn points, AI waypoints on tracks and collision models)

Milestone 2: June 19th, 2020

- rFactor damage model integrated (Mechanical)
- Events for sound and VFX for replay and networking (instead of using vehicle physics states)
- Expose state for visualisation of tyre deformation
- Pit stop mechanics integrated
- Pit road waypoints
- Pit Stop repairs
- rFactor AI integration (Not refined)
- Race session state complete
- Rule states (Black / Yellow flags)
- Pace car
- Gameplay logic for:
- NASCAR flags (current RF2 behavior has been ported)
    - Caution / restarts (current RF2 behavior has been ported)
    - Stages
    - Drafting (current RF2 behavior has been ported)
    - AI behavior for above mentioned gameplay logic (current RF2 behavior has been ported)
- 8 Functional tracks (waypoints, driving mechanics, collisions)
    - Homestead (Done)
    - Sonoma
    - Bristol
    - Daytona
    - Charlotte
    - Charlotte Roval
    - Kentucky
    - Las Vegas

Milestone 3: September 11th, 2020

- Porting rF2 physics to Next Gen Xbox
- Porting rF2 physics to PS5
- Wheel integration and configuration in Unreal
- Expose weather system API

- Expose Real Road Visualization API
- Refine AI (Racing lines, tactics, characteristics, choreography)
    - Refine pit stop mechanics
    - Differing strategies, possibilities
    - Assists Settings / Difficulty Implementation
    - Yellow Flag Replay Mode implemented
    - Caution replays (for accidents)
    - Integrate RF2 replay system
- 8 (More) Functional tracks (waypoints, driving mechanics, collisions)
    - Auto Club
    - Atlanta
    - Texas
    - Phoenix
    - Talladega
    - Watkins Glen
    - New Hampshire
    - Richmond

Milestone 4: December 4th, 2020

POTENTIAL ALPHA MILESTONE

- Refine damage model (Visual / Mechanical)
- Refine difficulty
- Implement 2021 Next Gen car rules / design
- All Functional tracks (waypoints, driving mechanics, collisions)
    - Indianapolis
    - Pocono
    - Michigan
    - Chicagoland
    - Darlington
    - Dover
    - Kansas
    - Martinsville

Milestone 5: February 26th, 2021

POTENTIAL BETA MILESTONE

- Refine / Finalize 2021 Next Gen Car
- Finalize damage model (Visual / Mechanical) for Next Gen Car
- Finalize 2021 rules states
- Refine modes
- Refine AI for all tracks
- Make adjustments and improvements to 2021 Next Gen car based on data from initial races of 2021 season.
- Adjust and refine AI behavior based on data from initial races of 2021 season.
- Pipeline tooling for vehicles (maybe manual process is sufficient)

Schedule 4 – License Fee

In relation to the Software, the following License Fees apply:

A. A one-time license fee of EUR [***] to be paid by MSG to Studio397 for the first platform in two instalments: 1) 50% upon the Execution of the Agreement (paid within sixty (60) days of the final signature) and 2) 50% no later than sixty (60) days after the Game, is made available for sale on the Steam platform..

B. An additional EUR [***] for each additional platform, to be paid at the start of (re)development of the Game for each additional platform. For the purposes of this Agreement, start of (re)development is considered to be delivery to Studio 397 of next-generation PlayStation or Microsoft hardware necessary to begin development of the Game on those platforms**.**

Schedule 5 – Services

Studio397 will supply software technologies, development expertise and original code to meet the needs of the NASCAR NXT project as broadly described in the Milestones set forth in Schedule 3 and in Schedule 2 – rFactor Technology. The software technologies provide necessary core elements for the project and will be featured in the final product released to consumers. It is understood that Studio397 will need to write original code and interfaces to meet product requirements so as to feature these technologies in a form conducive to the product architecture. Additionally, Studio397 will be considered part of the "team" and as such will be expected to contribute to production, development and strategic decisions around the use of the supplied technologies and other components, be they from Studio397 or another source. This development expertise should be considered supplementary to the core requirement of technology inclusion, but part of the services contracted for herein

Schedule 6 – Review & Approval Process

Simplified Process of Approvals for Software

The pre-agreed (details of which are to be agreed upon no less than two (2) weeks prior to the start of development for any particular Milestone) Milestones tasks are demonstrated by Studio397 in the appropriate Milestone review meeting (The milestone review process - held on the days the Milestone is due).

That review build is then used to verify the status and functionality of the pre-agreed deliverables, independently (where possible) of Studio397 and under supervision of the Technical Director and Creative Director (for Studio397 tasks).

This post-Milestone review is carried out within 3 business days of the relevant Milestone date, to provide ample time for review by the stakeholders.

The work is either accepted, part-accepted (in the case of some elements functioning as agreed) or entirely rejected. Where Milestone deliverables are accepted, in their entirety, this acceptance will be communicated to a designated authority (President) who will convey acceptance directly to the MD of Studio397 stating our intent to accept the work and receive an invoice for said work.

In the case of part-acceptance and rejection, a process of remedy is followed. The company will provide clear reasons for the work not meeting expectations and will provide, within a reasonable time frame, a list of requirements for the work to meet the expected standards for approval. Those elements identified as being rejected will be classed as relating to one of two categories. 1) Technical: error or underperformance OR 2) Creative Change.

These remedial requirements are communicated to the MD of Studio397 and a response with plan of action is expected in return within 3 business days.

That plan of remedy is accepted or rejected within 1 business day. If accepted, it must allow for the remedial work to be carried out within the proposed period and without affecting the delivery of future work. If this is communicated as not practical, S397 is expected to manage this additional workload at their cost **where elements relate to the technical category**. Where work relates to Creative Change, it will take place at cost to MSG and for that cost to be negotiated with S397 on a case by case basis.

When remedial work has been carried out, Studio397 must request a remedial review **– which will follow the Milestone review process**. When the work has been demonstrated and independently verified, Studio397 will invoice for the work.

If changes need to be made to the milestone goals, either moving the order in which goals are delivered or adding or removing goals from the milestones, the company will give Studio397 a period of four weeks' notice of the change to the milestone goals. The proposed changes will be discussed with Studio397 and the milestone goals will be amended, distributed and confirmation of acceptance sought from S397.

All Milestone work is reviewed by a **Steering Committee** comprising Hans Bossenbroek (CEO Luminis, Studio397 parent company) and Stephen Hood (President, Motorsport Gaming US LLC). This purpose of this committee is to provide a means or arbitration during the collaboration of development of NASCAR NEXT.

Exhibit 10.20

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

UNREAL® ENGINE 4

LICENSE AGREEMENT

This Agreement is entered into on August 11, 2020 (the "Effective Date") by and between Epic Games International S.à r.l., a Luxembourg Société á Responsibilité Limitée, having its principal business offices at Atrium Business Park, 33 rue du Puits Romain, L8070 Bertrange, Grand-Duchy of Luxembourg, acting through its Swiss branch, having its principal business offices at Platz 3, 6039 Root, Switzerland ("Epic"), and MS Gaming Development, LLC , a Russian limited liability company with offices at Myasnitsakaya st., 17 building 1, 4th floor, office 37, Moscow, Russian Federation 101000 ("Licensee").

RECITALS

Epic has developed a proprietary computer program known as the Unreal Engine 4 and grants to certain individuals and organizations nonexclusive licenses to use the Unreal Engine 4 in object and source code form for the development of specific products.

Licensee desires to enter into a nonexclusive, nontransferable and terminable license agreement with Epic pursuant to which Licensee will devote its best efforts to develop, market, and sublicense certain products using the Unreal Engine 4 and Third Party Software.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration and in consideration of the mutual covenants and conditions herein contained, Epic and Licensee agree as follows:

1. DEFINITIONS. For the purposes of this Agreement, the terms set forth below shall be defined as follows:

a. The term "Active Development Period" means the period from the Effective Date to [***].

b. The term "Affiliate" means any person or entity that, either directly or indirectly, controls, is under common control with, or is controlled by a party to this Agreement, whether such control is exercised by voting rights or otherwise.

c. The term "Authorized Platform" means each of the hardware platforms listed on Exhibit A.

d. The term "Authorized Product" means the software product identified on Exhibit A through Exhibit A.X as the "Authorized Product" (increment X+1 for each additional Authorized Product) and developed for operation on the Authorized Platform.

e. The term "Derivative Technology" means a work of authorship (including software) that is based upon all or any portion of the Licensed Technology, such as a translation, modification, correction, addition, extension, upgrade, improvement, adaptation, abridgment, recasting, transformation, or elaboration.

f. The term "Editing Tools" means the Editor and any tools based upon all or any portion of the Editor.

g. The term "Editor" means the Unreal Engine editor and other tools associated with the Unreal Engine 4 which Epic chooses to make available to Licensee or its other Unreal Engine 4 licensees, including modules found with the Editor and Developer source code folders, in each case for the Authorized Platform.

h. The term "Enhancements" means any software developed by Licensee, for use in conjunction with the Licensed Technology in the development of the Authorized Product and which is not a Derivative Technology.

i. The term "Epic Marketplace" means the digital marketplace maintained by Epic or its Affiliates in connection with the Unreal Engine 4.

j. The term "Epic Trademarks" means the trademarks, service marks, trade names, and logos associated with Epic and its Affiliates and their games and other intellectual property, including the Unreal® Engine.

k. The term "Hosting Costs" means the actual and verifiable costs related to Authorized Product delivery and multi-player network play. All other hosting-related costs, including cloud rendering solutions and online store hosting, are excluded.

l. The term "Initial License Fee" has the meaning set forth in Section 3(a).

m. The term "Intellectual Property Rights" means any and all tangible and intangible and now known or hereafter existing (i) rights associated with works of authorship throughout the world, including copyrights, moral rights, and mask-works; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights; (iv) patents, designs, algorithms, and other industrial property rights; (v) all other intellectual and proprietary rights (of every kind and nature throughout the world and however designated) (including logos, character rights, "rental" rights, and moral rights), whether arising by operation of law, contract, license, or otherwise; and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof (including rights in any of the foregoing).

n. The term "License Fee Royalty" has the meaning as set forth in Section 3(b).

o. The term "Licensed Technology" means (i) the proprietary computer software program known as the Unreal Engine 4 specifically for the Authorized Platform, (ii) the Editor, and (iii) any Updates. Licensed Technology shall include Third Party Software other than where expressly excluded in this Agreement. Any artwork or other content assets that may be provided to Licensee as an example by Epic are expressly excluded from Licensed Technology.

p. The term "Product Revenue" means:

(i) (A) any and all amounts paid to or received by Licensee or any of its Affiliates by or from any source including, but not limited to, retail or electronic publishers or distributors (e.g., Apple, Microsoft, Sony, Valve Corporation, IGN, Best Buy, etc.) and advertising networks, in connection with or related to the Authorized Product, including, without limitation, any amounts from or related to Authorized Product sales, subscriptions, online play, in-product advertisements, downloadable content, purchase of virtual currency for the Authorized Product , in-product purchases that are not purchased with virtual currency, and purchases outside of the product for content or services related to the Authorized Product, less (only in cases where Licensee self-publishes the Authorized Product, and only to the extent that the following are not already deducted from the amounts that are paid to or received by Licensee) (B) actual and verifiable (1) third party platform holder (i.e., Apple, Google Play, Sony, Microsoft, Nintendo, Steam, etc.) license and manufacturing fees; (2) cash-based costs for returns, bad debts, rebates, credits, allowances, discounts and price protection; (3) for Authorized Products in hard copy (i.e., SKU form), shipping, transportation, insurance, and handling charges; (4) sales, use and value added taxes (5) third party payment processing fees, but only to the extent Licensee is self-distributing the Authorized Product; and (6) third party Hosting Costs directly related to gameplay (e.g., not costs associated with rendering farms, etc.).

(ii) Any advances, development funds, or bonuses received by Licensee or any of its Affiliates (from a publisher, platform holder, storefront, or otherwise) for or in connection with the Authorized Product; and

(iii) Any other revenue not described above that is paid to Licensee, Licensee's Affiliates, or any third party publisher(s) or distributor(s) and which is from or related to the Authorized Product, but explicitly excluding recoupable investments from the Canadian Media Fund as well as any revenue generated by licensed ancillary products, including novels, comic books, apparel, theatrical productions, etc., unless such ancillary products are bundled with the Authorized Product or related digital game content.

For the purpose of clarity, if an Authorized Product is both self-published and publisher-published, then the deductions set forth in (i)(B) of this definition shall only apply to the portion of the revenue generated from the self-published Authorized Products.

Notwithstanding the foregoing, "Product Revenue" does not include: (1) any revenues received by Licensee or any of its Affiliates that are generated by any sale, transfer, or exchange of Editing Tools that is transacted through the Epic Marketplace; or (2) any UGC Revenue received after Licensee's first distribution of any Editing Tool (which, for clarity, may include the Editor) pursuant to Section 2(b)(iii).

q. The term "Sequel" means a new product with an original storyline based on the Authorized Product's Intellectual Property Rights.

r. The term "Support" has the meaning set forth in Section 2(h).

s. The term "Support Fee" has the meaning set forth in Section 3(c).

t. The term "Support Period" means the period of time commencing on the Effective Date and ending upon the earlier of (i) two (2) years thereafter and (ii) termination of this Agreement.

u. The term "Territory" means worldwide.

v. The term "UGC" means digital game content that is created or developed by end-user consumers for use with the Authorized Product developed under this Agreement, including but not limited to art, sound, or gameplay modifications.

w. The term "UGC Revenue" means any and all revenues received by Licensee or any of its Affiliates, or by any third party publisher(s) or distributor(s) of an Authorized Product or UGC, that are generated by any sale, transfer, or exchange of UGC.

x. The term "UGC Royalty" has the meaning set forth in Section 3(b).

y. The term "Unreal Engine" means the Licensed Technology, excluding the Third Party Software.

z. The term "Unreal Engine EULA" means the Unreal Engine End User License that Epic publishes on its web site from time to time, under which Epic or its Affiliate grants to third parties nonexclusive licenses to use the Licensed Technology in object or source code form for the development of products, which may be amended from time to time in Epic's sole discretion. As of the Effective Date, the Unreal Engine License is available at unrealengine.com/eula.

aa. The term "Updates" means any improvements, enhancements, updates, fixes, and other changes to the Licensed Technology which Epic chooses to make available to its licensees of the Unreal Engine and which are not marketed as separate stand-alone programs.

2. GRANT OF LICENSE; RESTRICTIONS; OBLIGATIONS.

a. Effective upon the full execution of this Agreement, and subject to the terms and conditions of this Agreement, Epic hereby grants to Licensee, and Licensee hereby accepts from Epic, a nonexclusive, nontransferable, terminable, and non-sublicensable license within the Territory only to:

i. use the Licensed Technology in object code format and in source code format internally for the purpose of developing Authorized Products for the Authorized Platforms only;

ii. use the Licensed Technology in object code format and in source code format internally for the purpose of developing Derivative Technology for use in conjunction with the Authorized Products; and

iii. incorporate the Licensed Technology and Derivative Technology (excluding any Editing Tools) only in object code format and only in and as an inseparable part of the Authorized Products for the Authorized Platforms only.

b. Effective only upon Epic's receipt of the Initial License Fee for an Authorized Product, in full, and subject to the terms and conditions of this Agreement, Epic hereby grants to Licensee, and Licensee hereby accepts from Epic, a nonexclusive, nontransferable, terminable, and non-sublicensable (except as specifically provided herein) license within the Territory only to:

i. distribute, and have distributed, the Licensed Technology and Derivative Technology (excluding any Editing Tools), only in object code format, only in and as an inseparable part of the Authorized Product for the Authorized Platform, and only to end users pursuant to an end user license agreement with terms consistent with and no less protective of Epic's rights than those contained herein and/or as may be otherwise specified in writing from time to time by Epic;

ii. reproduce the Licensed Technology and Derivative Technology (excluding any Editing Tools) only in object code format and only in and as an inseparable part of the Authorized Products;

iii. distribute, and have distributed, Editing Tools only in object code format, only through the Epic Marketplace, and only to end users who are licensed by Epic to use the Licensed Technology under the Unreal Engine EULA; provided, however, that such distribution shall additionally be subject to the terms and conditions under which Epic makes the Epic Marketplace available to the public for distribution of content (including any related payment or revenue sharing obligations); and

iv. reproduce Editing Tools only in object code form, and only as necessary for permitted distribution under Section 2(b)(iii).

c. Licensee may sublicense the Licensed Technology and Derivative Technology (excluding any Editing Tools) only in object code format and only in and as an inseparable part of the Authorized Product in order to grant end users the ability to use, or to permit Licensee's publishers and distributors to market and distribute, such Authorized Product. Licensee may sublicense Editing Tools only in object code format and only in order to grant end users the ability to use the Editing Tools in accordance with the terms of the Unreal Engine EULA. Licensee shall not, and the licenses granted in this Agreement do not include the right to, grant sublicenses of the Licensed Technology or Derivative Technology (including any Editing Tools) except as expressly set forth in this Section 2(c).

d. If Licensee is not distributing a particular Editing Tool (which, for clarity, may include the Editor) pursuant to Section 2(b)(iii), then Licensee shall not knowingly redistribute or have redistributed any UGC created using such Editing Tool, or derive any direct financial benefit from the sale, transfer, or exchange of any such UGC.

e. Licensee has the right to have third party contractors practice, on Licensee's sole behalf, the license rights granted in Sections 2(a) and 2(b) above. Licensee shall cause each such contractor to abide by all obligations of Licensee hereunder as if it were a party to this Agreement. Licensee shall be directly and primarily responsible and liable for any acts or omissions of such contractor in relation to any subject matter of this Agreement. Licensee shall not, and the licenses granted in this Agreement do not include the right to, have any third party practice the license rights granted in Section 2(a) or Section 2(b) on Licensee's or any other person's or entity's behalf except as expressly set forth in this Section 2(e).

f. The number of Authorized Products that Licensee is permitted to develop under the terms and conditions of this Agreement is: [***]. Licensee shall provide Epic with a completed Exhibit A.X (in the form attached hereto) for each Authorized Product upon commencement of development of such Authorized Product. Each Exhibit A.X provided by Licensee is subject to Epic's prior written approval (e-mail acceptable) before becoming effective. Each Sequel is a separate Authorized Product.

g. Licensee acknowledges and agrees that: (i) Licensee shall have no right to use, copy, reproduce, incorporate, distribute, sublicense, adapt, enhance, modify, display, perform, prepare derivative works of, exploit, or otherwise provide to third parties the Licensed Technology, in whole or in part, except as expressly set forth in this Agreement; (ii) Licensee shall have no right to use, copy, reproduce, incorporate, distribute, sublicense, adapt, enhance, modify, display, perform, prepare derivative works of, exploit, or otherwise provide to third parties any Derivative Technology, in whole or in part, except as expressly set forth in this Agreement; (iii) Licensee will have no other rights in and to the Licensed Technology other than those expressly licensed to Licensee under this Agreement; and (iv) Licensee will have no other rights in and to any Derivative Technology other than those expressly licensed to Licensee under this Agreement. All rights granted to Licensee pursuant to this Agreement are expressly granted by license only, and Epic does not directly, by implication, estoppel, or otherwise, grant to Licensee any other rights or licenses hereunder. Without limiting the foregoing, the licenses granted in this Agreement do not include any right to use, and Licensee shall not use, the Licensed Technology or any Intellectual Property Rights therein (or any Derivative Technology or any Intellectual Property Rights therein) in connection with the development of: (A) products that are not the Authorized Product, (B) game engines, (C) any middleware other than Editing Tools, (D) any other software or code that are not a part of the Authorized Product, or (E) any product that misappropriates any of Epic's or Epic's Affiliates' other products or services. Additionally, no title shall pass to Licensee in any copies or components of or Intellectual Property Rights in or to the Licensed Technology or any Derivative Technology, notwithstanding anything contained herein to the contrary. Epic shall own all Derivative Technology, and Licensee hereby assigns all right, title, and interest (including all Intellectual Property Rights) therein to Epic. However, Licensee shall not provide Epic with any copies of or access to any Derivative Technology unless requested by Epic in writing.

h. Except with respect to Third Party Software, Epic shall use commercially reasonable efforts to provide the following support ("Support") during the Support Period: (i) provide Licensee with Updates to the Licensed Technology that Epic provides to its other Unreal Engine licensees; and (ii) technical support via licensee forum. Epic has no obligation to support Licensee after the initial Support Period, and the determination to offer support beyond the initial Support Period, and at what additional fee, shall be made by Epic in its sole discretion.

i. Nothing contained in this Agreement shall be deemed to restrict Epic's ability to directly or indirectly acquire, license, develop, produce, distribute, market or promote products competitive with Licensee's business.

j. The Licensed Technology includes third party software components (collectively, the "Third Party Software"). To the extent such Third Party Software has separate software license and/or attribution requirements, the license or other attribution requirements for those Third Party Software components can be found in the Perforce depot for each QA-approved build of the Licensed Technology at //UE4/Main/Engine/Source/ThirdParty/Licenses. Such terms will govern Licensee's use of the Third Party Software, and if there is inconsistency, such terms shall supersede the license terms of this Agreement solely in relation to such Third Party Software. Licensee shall not remove any copyright or other similar notice from any Third Party Software. Licensee is solely responsible for determining and abiding by the Third Party Software license and attribution requirements for the version(s) of the Licensed Technology that it is licensing from Epic. Without prejudice to anything to the contrary contained in this Agreement, Licensee agrees that all terms and provisions of this Agreement shall be enforceable by the owner(s) of the Third Party Software as a third party beneficiary directly against Licensee solely in relation to such Third Party Software. For the avoidance of doubt, the immediately preceding sentence is not intended to allow the owner(s) of the Third Party Software to claim any right in the payment of any fees hereunder, and the same shall be due and payable only to Epic.

k. Upon confirmation by Epic of the full execution of this Agreement, Epic will provide Licensee a single point of access to the Licensed Technology. From time to time during the Term, as Updates may be made available to its licensees by Epic, Epic will provide Licensee a single point of access thereto. Epic does not have any obligation to make any particular improvements, enhancements, updates, fixes, or other changes to the Licensed Technology available to its licensees. Nor does Epic have any obligation to continue to make available for access any or all prior versions of the Licensed Technology, including any Updates thereto.

l. Licensee shall provide Epic with: (i) for retail (packaged) Authorized Products, three (3) copies of the Authorized Products on each Authorized Platform within thirty (30) days of such game's release; and (ii) for online-only Authorized Products, notice of a game's release within thirty (30) days following its release and, where necessary to fully access and play the Authorized Product, no less than three (3) access codes for free access to the Authorized Products. Retail (packaged) Authorized Products shall be sent to Epic's address specified above, or such other address as Epic may provide to Licensee during the term of this Agreement, Attention: General Counsel. Access codes shall be sent to legal@epicgames.com.

m. Any other provision of this Agreement notwithstanding, Licensee shall not be permitted to engage in active development on new or existing Authorized Products after the Active Development Period, and Authorized Products may only be first commercially released to a general end-user audience under this Agreement during the Active Development Period. Following the Active Development Period, Authorized Products which were first commercially released to a general end-user audience under this Agreement may continue to be released and monetized, but no new Authorized Products may be released.

3. PAYMENTS; TAXES; RECORDS

a. Non-Recoupable; Non-Refundable Initial License Fee. No later than thirty (30) days following the Effective Date, Licensee shall pay Epic the non-recoupable, non-refundable license fee payment equal to [***] as the "Initial License Fee" for rights to the Licensed Technology granted by Epic to Licensee under this Agreement according to the following installments:

(1) [***] no later than October 15, 2020;

(2) [***] no later than December 15, 2020.

Additionally, Licensee shall have the option of adding additional Authorized Platforms to Exhibit A upon written notice to Epic of such addition and the payment in full of a supplemental license fee of [***] per Authorized Platform added, no later than thirty (30) days prior to launch on such additional Authorized Platform

b. License Fee Royalty Payments. Licensee agrees to pay Epic license fee royalty payments equal to [***] of Product Revenue (the "License Fee Royalty"). In addition, notwithstanding anything to the contrary in this Agreement, if Licensee has distributed any Editing Tool(s) (which, for clarity, may include the Editor) pursuant to Section 2(b)(iii), then from and after the first such distribution of Editing Tools, Licensee agrees to pay Epic royalty payments equal to [***] of UGC Revenue (the "UGC Royalty"). Any other provision of this Agreement notwithstanding, if the full and complete Initial License Fee has not been received by Epic, regardless of the reason, prior to the first monetization of the Authorized Product (*i.e.*, the first time when end users are able to purchase, license for money, or otherwise spend money in or on the Authorized Product), the License Fee Royalty under this license shall irrevocably convert to a rate of the greater of (a) [***] of Product Revenue or (b) the License Fee Royalty plus [***] of Product Revenue. Within forty-five (45) days after the close of each calendar quarter, Licensee shall remit to Epic the full amount of all License Fee Royalties and UGC Royalties due for such quarter and send Epic a detailed report setting forth the following:

(i) The name of each Authorized Product to which the License Fee Royalties and UGC Royalties generated in such quarter apply.

(ii) The country in which each such Authorized Product was developed.

(iii) The total product revenue for each Authorized Product on a product type basis (*i.e.*, initial product sales, downloadable content, microtransactions, etc.).

(iv) The following information broken out separately for each Authorized Product on a per platform basis: total Product Revenue and total UGC Revenue for such quarter, total number of units sold, and total amount of License Fee Royalties and UGC Royalties due. All payments paid by Licensee to Epic shall be non-recoupable and non-refundable. Payment of any UGC Royalties by Licensee shall not be construed to relieve Licensee from or otherwise limit Licensee's obligations under Section 2(d) or to limit any right or remedy of Epic for breach thereof.

c. Support Fee. No later than thirty (30) days following the Effective Date, Licensee shall pay Epic the non-refundable license support fee of [***] per year as the "Support Fee" for Epic's provision of Support to Licensee under this Agreement, in a lump sum of [***]. The Support Fee shall be recognized as [***] per year over the two-year period of the Support Period.

d. Payment Terms. All amounts due or payable to Epic under this Agreement shall be remitted by Licensee without issuance of an invoice by Epic. Interest shall accrue on all amounts not paid at a rate, calculated upon the unpaid balance, of the lesser of: (i) l.5% per month; or (ii) the highest rate allowed by law. Interest on unpaid balances shall compound monthly. All payments made hereunder shall be payable in United States Dollars; all revenues realized in other currencies shall be converted to United States Dollars at the officially published average exchange rates of the reporting period (using rates published by an international bank or recognized exchange rate website - www.oanda.com, www.x- rates.com, www.xe.com). All payments made by Licensee to Epic under this Agreement will be sent by wire transfer to the account of Epic's choosing as indicated below, which account may be changed from time to time on written notice from Epic to Licensee.

Beneficiary: [OMITTED]
Beneficiary Bank: [OMITTED]
Domestic Account #: [OMITTED]
IBAN: [OMITTED]
SWIFT Code: [OMITTED]
Sort Code: [OMITTED]

e. Taxes. Licensee shall not be entitled to deduct the amount of any such taxes, including duties, assessments, value added taxes and taxes as required by international tax treaties, customs or other import or export taxes, or amounts levied in lieu thereof, based on charges set, services performed or payments made hereunder, from any payments due to Epic under this Agreement without Epic's prior written consent. For countries that offer withholding exemption treaties that may permit withholding to be avoided, Epic will provide Licensee documentation sufficient to substantiate reduced (if any) withholding taxes subject international tax treaties. In the event any taxes are withheld following written consent of Epic, Licensee shall furnish Epic a tax withholding report detailing Initial License Fee, License Fee Royalty, or Support Fee amounts due less withholdings within 45 days of making payment to Epic. Any unauthorized tax withholdings or failure to provide report detailing any withholding may result in unpaid Initial License Fee, License Fee Royalty, or Support Fee and shall be subject to terms and conditions contained herein. In the event Epic does not receive withholding documentation sufficient to substantiate the withholding, Licensee shall reimburse Epic for the difference within 30 days of notice by Epic.

f. Records and Audits.

i. Licensee agrees to keep proper records and books of account and proper entries therein relating to the manufacture, distribution, and sale of the Authorized Products and any UGC, and of Product Revenue and UGC Revenue.

ii. Epic may cause an audit to be made of Licensee's applicable records in order to verify statements rendered and amounts paid (or unpaid) to Epic. Any such audit shall be conducted only by a certified public accountant (which can be an Epic employee, contractor, or third party firm engaged to perform such services) after prior written notice to Licensee, and shall be conducted during regular business hours at Licensee's offices. In no event shall the audits be made hereunder more frequently than twice annually. The results of any such audit shall be deemed Confidential Information of both parties (as such term is defined in Section 7).

iii. Costs for each audit and related activities will be paid for by Epic, unless the results of the audit show a shortfall in payments owed to Epic for a calendar quarter exceed five percent (5%), in which case, Epic's costs for the audit will be paid by Licensee.

iv. The rights and obligations of the parties under this Section 3(f) shall survive any expiration, termination or cancellation of this Agreement for a period of five (5) years.

4. <u>WARRANTIES; DEFENSE.</u>

a. <u>Epic's Warranties</u>.

i. Epic represents and warrants solely for the benefit of Licensee that: (A) Epic is an entity validly existing and in good standing under the laws of the jurisdiction in which it is organized; (B) it has the full right, power, legal capacity, and authority to enter into this Agreement and to carry out the terms and conditions hereof and thereof; and (C) it has the right to grant to Licensee each of the rights herein granted to Licensee.

ii. <u>Special Warranty as to Non-infringement</u>. Epic represents and warrants, as of the Effective Date, that (A) the current version of the Unreal Engine does not infringe any United States copyrights, or United States trademark rights of any third party, (B) to its knowledge, such version of the Unreal Engine does not infringe any United States patent rights of any third party, and (C) to its knowledge, as the Third Party Software included in the current version of the Licensed Technology does not infringe any United States patent rights, United States copyrights, or United States trademark rights of any third party. THE WARRANTIES SET FORTH IN THIS SECTION 4(a)(ii) SHALL NOT APPLY IF LICENSEE HAS BREACHED THIS AGREEMENT.

iii. <u>NO OTHER WARRANTIES</u>. THE EXPRESS WARRANTIES SET FORTH IN SECTIONS 4(a)(i) AND 4(a)(ii) ARE IN LIEU OF, AND EPIC AND ITS AFFILIATES DISCLAIM ANY AND ALL OTHER WARRANTIES, CONDITIONS, COMMON LAW DUTIES, AND REPRESENTATIONS (EXPRESS, IMPLIED, ORAL, AND WRITTEN), WITH RESPECT TO THE LICENSED TECHNOLOGY, EPIC'S CONFIDENTIAL INFORMATION, EPIC TRADEMARKS, SUPPORT, AND ANY OTHER MATERIALS, CODE, OR INFORMATION PROVIDED TO LICENSEE UNDER OR IN CONNECTION WITH THIS AGREEMENT (COLLECTIVELY, THE "EPIC MATERIALS"), OR ANY PART THEREOF, INCLUDING ANY AND ALL EXPRESS, IMPLIED, AND STATUTORY WARRANTIES AND CONDITIONS OF ANY KIND WHATSOEVER, INCLUDING THOSE OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT EPIC KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), SYSTEM INTEGRATION, ACCURACY OR COMPLETENESS OF RESPONSES OR RESULTS, REASONABLE CARE, WORKMANLIKE EFFORT, LACK OF NEGLIGENCE, AND LACK OF VIRUSES, WHETHER ALLEGED TO ARISE UNDER LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. ANY WARRANTY AGAINST INFRINGEMENT THAT MAY BE PROVIDED IN SECTION 2-312 OF THE UNIFORM COMMERCIAL CODE OR IN ANY OTHER COMPARABLE STATUTE IS EXPRESSLY DISCLAIMED BY EPIC AND ITS AFFILIATES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EPIC AND ITS AFFILIATES MAKE NO WARRANTY THAT: (I) ANY OF THE EPIC MATERIALS WILL OPERATE PROPERLY, INCLUDING AS INTEGRATED OR USED IN ANY PRODUCT; (II) THAT EPIC MATERIALS WILL MEET LICENSEE'S REQUIREMENTS OR BE SUITABLE FOR THE AUTHORIZED PLATFORMS; (III) THAT THE OPERATION OF THE EPIC MATERIALS WILL BE UNINTERRUPTED, BUG FREE, OR ERROR FREE IN ANY OR ALL CIRCUMSTANCES; (IV) THAT ANY DEFECTS IN THE EPIC MATERIALS CAN OR WILL BE CORRECTED; (V) THAT THE EPIC MATERIALS ARE OR WILL BE IN COMPLIANCE WITH AN AUTHORIZED PLATFORM MANUFACTURER'S RULES OR REQUIREMENTS; OR (VI) THAT AN AUTHORIZED PLATFORM MANUFACTURER WILL APPROVE ANY AUTHORIZED PRODUCT, OR WILL NOT REVOKE (ARBITRARILY OR OTHERWISE) APPROVAL OF AN AUTHORIZED PRODUCT FOR ANY OR NO REASON AT ALL. THE WARRANTIES SET FORTH IN SECTION 4(a)(ii) SHALL NOT APPLY IF THE LICENSEE HAS ALTERED THE LICENSED TECHNOLOGY. EPIC AND ITS AFFILIATES DO NOT GUARANTEE CONTINUOUS, ERROR-FREE, VIRUS-FREE, OR SECURE OPERATION OF OR ACCESS TO THE EPIC MATERIALS. THIS PARAGRAPH WILL APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

b. Defense. Epic hereby agrees to defend Licensee from any claim, which, taking the claimant's allegations to be true, would result in a breach by Epic of Epic's warranties set forth in Section 4(a)(ii) of this Agreement, EXCEPT to the extent such claim: (A) is based upon or arises out of (I) any alteration or modification of the Unreal Engine or Third Party Software created by any person other than Epic, (II) the operation or use of the Unreal Engine or Third Party Software in combination with any other software or device, (III) any failure by Licensee, or others acting under Licensee's authority or control, to comply with Licensee's obligations under this Agreement, or (IV) any customizations to the Licensed Technology requested or made by Licensee; (B) is made against an Authorized Product containing Licensed Technology source code which differs from that provided most recently by Epic; or (C) is in response to (e.g, is part of a counterclaim by a third party in response to) any suit, action or claim made by Licensee against a third party which is unrelated to the Licensed Technology, in whole or in part.

i. Conditions for Epic Defense. To be entitled to defense by Epic under Section 4(b) above: (A) Licensee shall advise Epic in writing promptly of the existence of the claim, upon learning of the assertion of the claim against Licensee (whether or not litigation or any other proceeding has been filed or served); and (B) Licensee shall permit Epic to have the sole right to control the defense and/or settlement of all such claims, in litigation or otherwise, provided, however, if any settlement or compromise admits wrongdoing by Licensee, Licensee shall have the right to pre-approve any such compromise or settlement in writing, such approval not to be unreasonably withheld. Licensee, at its own expense, shall cooperate with Epic in all reasonable aspects in connection with the defense of any such claim. Licensee will have the right to participate in the defense of the claim with separate counsel of its own choice at its own expense.

ii. Infringement Injunctions Obtained by Third Parties. If a claim defended by Epic under this Section 4(b) is sustained in a final judgment from which no further appeal is taken or possible, and such final judgment includes an injunction prohibiting Licensee from continued use of all or any portions of the Licensed Technology, then Epic shall, by its sole election and at its expense, either: (A) procure the right to continue to use the Unreal Engine or Third Party Software pursuant to this Agreement; or (B) replace or modify the Unreal Engine or Third Party Software to make it noninfringing; or (C) if neither of the foregoing is commercially reasonable, direct Licensee to cease use of the Licensed Technology or of the specific function(s) of the Unreal Engine or Third Party Software that resulted in the final judgment. For clarity, the foregoing remedy shall apply only to the extent that such injunction is adjudged in such final judgment to arise from Epic's infringement in breach of Section 4(a)(ii). If Epic directs Licensee to cease use of the Unreal Engine or Third Party Software pursuant to this Section 4(b)(ii), then Licensee will have the option to terminate this Agreement upon notice to Epic.

iii. Epic's Responsibility for Infringement Monetary Awards. If a claim defended by Epic under this Section 4(b) is sustained in a final judgment of a court of competent jurisdiction from which no further appeal is taken or possible, or pursuant to a bona fide and final compromise or settlement of claims, then Epic will pay or otherwise satisfy any monetary award entered against Licensee as part of such final judgment or pursuant to such compromise or settlement, but only to the extent that such award is adjudged in such final judgment, or under such compromise or settlement, to arise from Epic's infringement in breach of Section 4(a)(ii); provided, however, any such monetary award is subject to the limitations of liability set forth in Section 6.

c. Sole Remedy. Epic's obligations under Section 4(b) are Licensee's sole and exclusive remedies with respect to any breaches or alleged breaches by Epic of Section 4(a)(ii) or any infringement by the Licensed Technology of any third party Intellectual Property Rights.

d. Licensee's Warranties and Indemnity. Licensee represents and warrants for the benefit of Epic and its Affiliates that: (i) Licensee is an entity validly existing and in good standing under the laws of the jurisdiction in which it is organized; (ii) it has the full right, power, legal capacity, and authority to enter into this Agreement and to carry out the terms and conditions hereof and thereof; (iii) that it is under no contractual or other legal obligation which would interfere in any way with the full, prompt, and complete performance of its obligations pursuant to this Agreement; (iv) that it will conduct its business in a manner that reflects favorably at all times on the Licensed Technology and the good name, goodwill and reputation of Epic; (v) that it will avoid deceptive, misleading, or unethical practices that are or might be detrimental to Epic, the Licensed Technology, or the public, including the disparagement of Epic or the Licensed Technology; (vi) that it will not make false or misleading representations with regard to Epic or the Licensed Technology; (vii) that it will not publish, employ, or cooperate in the publication or employment of any misleading or deceptive advertising material related to the Licensed Technology or Epic; (viii) that it will not make representations, warranties, or guarantees to customers or to the trade, with respect to the specifications, features, or capabilities of the Licensed Technology which are inconsistent with the literature distributed by Epic; (ix) it has executed and entered into all appropriate and necessary licenses with the various console hardware manufacturers (for example, iOS, Xbox One, PlayStation 4, etc.) or other applicable entities to make it a properly licensed developer for the Authorized Platforms prior to accessing the Licensed Technology for the Authorized Platforms; and (x) the Licensee's trademarks, trade names, service marks, and logos, and the Authorized Products, do not and will not infringe or violate the Intellectual Property Rights of any third party. Licensee further represents and warrants that, in the event that any case or claim is brought by Epic against Licensee or by Licensee against Epic which is based on or relates to breach of a provision or provisions of this Agreement in which Epic is the prevailing party, Licensee will pay all of Epic's related attorney and expert witness fees and costs.

e. Licensee agrees to indemnify, pay the defense costs of, and hold Epic and its Affiliates harmless from any and all claims, demands, costs, liabilities, losses, expenses and damages (including attorneys' fees, costs (including litigation costs and costs incurred in the settlement or avoidance of any such claim), and expert witnesses' fees) arising out of or in connection with (i) any claim which, taking the claimant's allegations to be true, would result in a breach by Licensee of any provisions of this Agreement, including a breach by Licensee of its representations, warranties, responsibilities, or obligations set forth in this Agreement, (ii) any claim that the Authorized Product, any Enhancement, or any other code or materials developed by or for Licensee violates or infringes the Intellectual Property Rights of any third party, or (iii) any federal, state, or foreign civil or criminal actions relating to the development, marketing, sale, or distribution of the Authorized Products.

f. If any action shall be brought against Epic in respect to which indemnity and/or defense cost payment may be sought from Licensee pursuant to the provisions of Section 4(e), Epic shall promptly notify Licensee in writing, specifying the nature of the action. Licensee shall cooperate with Epic, at Licensee's expense, in all reasonable respects in connection with any such action. Licensee shall reimburse Epic on demand for: (i) any and all defense costs incurred by Epic; and (ii) any payments made or loss suffered by it at any time after the Effective Date, based upon the judgment of any court of competent jurisdiction or pursuant to a compromise or settlement of claims, demands or actions, in respect to any damages to which the foregoing relates.

5. INTELLECTUAL PROPERTY RIGHTS.

a. Except as otherwise provided in this Section 5(a), as between the parties, Licensee shall retain ownership of all aspects of the Authorized Product and the Enhancements, including all right, title, and interest in and to Authorized Product, and all Intellectual Property Rights in the Authorized Product; provided, however, notwithstanding the foregoing: (i) Licensee shall not retain or acquire ownership in any Epic Trademarks or Third Party Software; (ii) Epic shall retain ownership of all aspects of the Licensed Technology, including all right, title, and interest in and to the Licensed Technology and all Intellectual Property Rights in the Licensed Technology; and (iii) Epic shall retain ownership of all aspects of all Derivative Technology (regardless of creator), including all right, title and interest in and to the Derivative Technology and all Intellectual Property Rights in the Derivative Technology. Except as expressly provided in this Agreement, all rights granted by this Agreement to Licensee are by license as expressly provided in this Agreement and nothing herein shall constitute a transfer of ownership of Epic's Intellectual Property Rights to Licensee or to any third party.

b. As a condition of the license granted by Epic under this Agreement, Licensee agrees not to remove or destroy any copyright notices, trademarks, or other proprietary or confidential legends or markings placed upon or contained within the Licensed Technology or on any other documentation or materials related to the Licensed Technology. Licensee further agrees to place such copyright and trademark notices as are set forth in Exhibit A under "Required Trademark Notice" and "Required Copyright Notice" on and within the Licensed Technology, the Authorized Product and on any documentation or materials related to the Licensed Technology. Licensee shall also place certain Epic logos in the Authorized Products and their packaging in accordance with the "Required Logo Placement" section on Exhibit A (the "Required Logos").

c. Licensee acknowledges that Epic is the sole and exclusive owner of the Epic Trademarks. During the term of this Agreement, subject to the terms and conditions of this Agreement, Epic hereby grants to Licensee a non-exclusive, non-transferable (except as provided in Section 11(c)), non-sublicensable license to use the "UNREAL® Engine" mark and the "Unreal Engine" logo (the "Permitted Epic Trademarks") solely in connection with Licensee's sub-licensing, advertisement and promotion of the Authorized Products; provided, however, Licensee's use of the Permitted Epic Trademarks shall be in accordance with Epic's trademark usage and cooperative advertising policies located at https://www.unrealengine.com/branding-guidelines-and-trademark-usage, which are subject to update and revision by Epic from time to time. Licensee shall obtain the prior written approval of Epic for its use of the Permitted Epic Trademarks in connection with all proposed marketing and promotional efforts incorporating the Permitted Epic Trademarks. At Epic's reasonable written request, Licensee shall, at Epic's cost, promptly record the license granted to it in this section in the relevant trademark registries in the countries in which it markets and distributes the Authorized Product, and Epic shall provide reasonable assistance, at Epic's cost, to enable Licensee to comply with this obligation.

d. Except as set forth in Section 5(b) and Section 5(c), Licensee has no rights with respect to any Epic Trademark. Licensee agrees not to attach any trademarks, service marks, trade names, or logos to the Licensed Technology or Derivative Technology, other than the Permitted Epic Trademarks and the Required Logos. Nothing contained in this Agreement shall give Licensee any interest in the Epic Trademarks, and all use of the Epic Trademarks and goodwill derived from them shall inure to the benefit of Epic. Epic and its Affiliates shall have sole right, in its and their discretion, to maintain the existing registrations of the Epic Trademarks and prosecute any pending applications. Licensee shall provide, at the reasonable request of Epic, all necessary assistance with such maintenance and prosecution. If Licensee acquires any rights in the Epic Trademarks, by operation of law or otherwise, such rights shall be deemed and are hereby irrevocably assigned to Epic without further action by any of the parties. Licensee agrees that it will not at any time during or after this Agreement: (i) assert or claim any interest in or do, or omit to do, or permit to be done, anything which may dilute the Epic Trademarks or tarnish or bring into disrepute the reputation of or goodwill associated with the Epic Trademarks or Epic, or which may adversely affect the validity or enforceability of any Epic Trademarks, whether or not licensed to Licensee; (ii) register, seek to register, or cause to be registered any of Epic Trademarks (or any marks confusingly similar thereto) without Epic's prior written consent; (iii) register, seek to register, obtain any ownership in, or otherwise utilize any website, domain name, URL, Internet presence, or other electronic communications portal which contains, incorporates, or consists of any Epic Trademarks without Epic's prior written consent; or (iv) develop and/or publish a product with a name confusingly similar to any of the Epic Trademarks. In the event that Licensee registers or attempts to register any Epic Trademarks, or registers, attempts to register, obtains any ownership in, or otherwise utilizes any website, domain name, URL, Internet presence or other electronic communications portal in violation of this section, in addition to any rights Epic may have, Licensee hereby acknowledges and agrees that any such trademark registration or website, domain name, URL, Internet presence or other electronic communications portal, including any copyrights therein, shall be deemed to be property of Epic, and Licensee hereby assigns all of its right, title, and interest therein and thereto to Epic.

e. Licensee hereby grants to Epic a non-exclusive, fully-paid, royalty-free, worldwide, perpetual, irrevocable, sublicensable, non-terminable, transferable, and assignable license to reproduce, distribute, publicly perform, publicly display, make, have made, use, sell, offer to sell, import, modify, and make derivative works based on, and otherwise exploit any and all Feedback for all current and future methods and forms of exploitation in any country. "Feedback" means suggestions, comments, ideas, and all other types of information, including software and code, which (a) is given or communicated directly (including in connection with or via the UDN) or indirectly by Licensee (including their employees, assignees, sub-licensees, agents, contractors, or representatives) to Epic or its agents; and (b) relates to the Licensed Technology, the Derivative Technology, or their components. Any and all Feedback shall be subject to Epic's underlying rights in the subject matter of such Feedback.

f. During the term of this Agreement, Epic is authorized by Licensee to use the Licensee trademarks, service marks, trade names, logos, and packaging associated with the Authorized Products, as well as publicly released screen shots and video content from the Authorized Products, in connection with Epic's marketing, advertisement and promotion of the Licensed Technology in any and all media throughout the universe without restriction.

g. Each of the parties agrees to execute any documents and take any actions reasonably requested by the other in order to effectuate any of the provision of this Section 5.

6. LIMITATION OF LIABILITY.

IN NO EVENT SHALL EPIC, ITS LICENSORS, NOR ITS OR THEIR AFFILIATES, NOR ANY OF THEIR SERVICE PROVIDERS, SUPPLIERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS BE LIABLE FOR LOSS OF PROFITS, OR ANY SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING THE BREACH OF THIS AGREEMENT BY EPIC, THE EPIC MATERIALS, THE USE OF (OR INABILITY TO USE OR DELAY IN USE OF) THE EPIC MATERIALS, THE FUNCTIONALITY (OR LACK OF FUNCTIONALITY) OF THE EPIC MATERIALS, ERRORS OR BUGS WITHIN THE LICENSED TECHNOLOGY, OR SUPPORT, WHETHER UNDER THEORY OF CONTRACT, TORT (INCLUDING NEGLIGENCE), INDEMNITY, PRODUCT LIABILITY, OR OTHERWISE. IN NO EVENT SHALL EPIC'S LIABILITY ARISING UNDER, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING ANY LIABILITY FOR DIRECT OR INDIRECT DAMAGES, LOSSES, OR INJURIES, AND ANY LIABILITY UNDER SECTION 4(b)(iii) HERETO, EXCEED AN AMOUNT EQUAL TO THE LESSER OF: (I) THE TOTAL AMOUNT OF MONIES ACTUALLY RECEIVED BY EPIC FROM LICENSEE PURSUANT TO THIS AGREEMENT; OR (II) FOUR HUNDRED AND FIFTY THOUSAND DOLLARS ($450,000.00). THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION SHALL APPLY TO THE FULLEST EXTENT PERMISSIBLE AT LAW. NEITHER EPIC NOR ANY EPIC AFFILIATE, NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL BEAR ANY RISK, OR HAVE ANY RESPONSIBILITY OR LIABILITY, OF ANY KIND TO LICENSEE OR TO ANY THIRD PARTIES WITH RESPECT TO THE QUALITY (OR LACK THEREOF), OPERATION (OR LACK THEREOF), OR PERFORMANCE (OR LACK THEREOF) OF ALL OR ANY PORTION OF THE LICENSED TECHNOLOGY.

7. CONFIDENTIALITY.

a. "Confidential Information" of a party means any information, including all trade secrets, technical, economic, financial, and marketing information, that relates to the business, strategies, or operations of such party or its Affiliates that is disclosed by such party to the other party during the term of this Agreement. Without limiting the foregoing, the Licensed Technology, Derivative Technology, and the Epic Materials shall constitute Confidential Information of Epic for all purposes under this Agreement. Confidential Information may consist of information in any medium, whether oral, printed, in machine-readable form or otherwise, including information disclosed orally and reduced to tangible or written form at any time during the term of this Agreement. Notwithstanding anything to the contrary in this Agreement, Feedback shall not be considered Confidential Information of Licensee.

b. The existence of a relationship between Epic and Licensee for the purposes set forth herein shall be deemed to be Epic's Confidential Information unless otherwise agreed to in writing by the parties or until publicly announced in accordance with Section 11(k). Licensee's identity and the existence of this Agreement shall not be considered Licensee's Confidential Information, and Epic shall have the right to disclose such information to Third Party Software suppliers and others.

c. The term for the protection of Confidential Information shall commence on the Effective Date and shall continue in full force and effect as long as such Confidential Information continues to be maintained as confidential and proprietary by the disclosing party.

d. Each party shall, with respect to the other party's Confidential Information:

i. Not disclose such Confidential Information to any person or entity, other than those employees or contractors who need to know or have access to such Confidential Information for the purposes of this Agreement, and only to the extent necessary for such purposes. Any employees or contractors who obtain access to such Confidential Information shall be advised by the receiving party of the confidential nature of the Confidential Information, and the receiving party shall be responsible for any breach of this Agreement by its employees or contractors.

ii. Take all measures necessary to safeguard such Confidential Information in order to avoid disclosure, publication, or dissemination, using as high a degree of care and scrutiny, but at least reasonable care, as is consistent with the protection of valuable trade secrets by companies in high technology industries.

iii. At the disclosing party's request, return or destroy (and deliver to the disclosing party a certificate of destruction signed by an authorized officer of the receiving party) promptly to the disclosing party any and all portions of such Confidential Information, together with all copies thereof.

iv. Not use such Confidential Information, or any portion thereof, except as provided herein.

e. The foregoing restrictions shall not apply to any portion of the disclosing party's Confidential Information which:

i. was previously known to the receiving party without restriction on disclosure or use, as proven by written documentation of the receiving party; or

ii. is or legitimately becomes part of the public domain through no fault of the receiving party or its employees or contractors; or

iii. is independently developed by the receiving party's employees who have not had access to such Confidential Information, as proven by written documentation of the receiving party; or

iv. is required to be disclosed by administrative or judicial action; provided that the receiving party must attempt to maintain the confidentiality of such Confidential Information by asserting in such action the restrictions set forth in this Agreement, and, promptly after receiving notice of such action or any notice of any threatened action, the receiving party must notify the disclosing party to give the disclosing party the maximum opportunity to seek any other legal remedies to maintain such Confidential Information in confidence as herein provided; or

v. is approved for release by written authorization of the disclosing party.

f. Disclosure of Confidential Information to a party under this Agreement shall not constitute any option, grant, or license from the disclosing party to the receiving party under any Intellectual Property Rights now or hereinafter held by the disclosing party, other than as expressly set forth in this Agreement. The disclosure of Confidential Information to a party hereunder shall not give the receiving party any right to, directly or indirectly, develop, manufacture or sell any product derived from or which uses any of such Confidential Information, other than as expressly set forth in this Agreement.

g. If at any time the receiving party becomes aware of any unauthorized duplication, access, use, possession, or knowledge of any of the disclosing party's Confidential Information, it shall notify the disclosing party as soon as reasonably practicable.

h. The terms and conditions of this Agreement shall be treated as Epic's Confidential Information and Licensee's Confidential Information; provided that each party may disclose the terms and conditions of this Agreement:

i. to legal counsel;

ii. in confidence, to accountants, banks and financing sources and their advisors;

iii. in confidence, in connection with the enforcement of this Agreement or rights arising under or relating to this Agreement; and

iv. if required, in the opinion of counsel, to file publicly or otherwise disclose the terms of this Agreement under applicable federal and/or state securities or other laws, the disclosing party shall be required to promptly notify the other party such that the other party has a reasonable opportunity to contest or limit the scope of such required disclosure, and the disclosing party shall request, and shall use its best efforts to obtain, confidential treatment for such sections of this Agreement as the other party may designate.

8. TERM. The term of this Agreement shall commence upon the Effective Date and continue until terminated in accordance with the provisions of this Agreement.

9. TERMINATION; DISPOSITION AT TERMINATION.

a. Epic shall have the right to terminate this Agreement immediately, by providing written notice of such election to Licensee, upon the occurrence of any of the following:

i. Licensee is delinquent in making payment of any sum due under this Agreement and continues to be delinquent (1) in the case of the Initial License Fee, for a period of five (5) days after the last day on which such payment is due, (2) in the case of the Support Fee, for a period of ten (10) days after the last day on which such payment is due, or (3) in the case of all other payments, for a period of thirty (30) days after the last day on which such payment is due.

ii. Licensee breaches any of its other obligations hereunder, or any other agreement entered into between Epic or Affiliates of Epic and Licensee.

iii. If during the term of this Agreement, Licensee develops commercial video game engine software which is competitive with the Licensed Technology, or if a controlling interest in Licensee or in an entity which directly or indirectly has a controlling interest in Licensee is transferred to a party that (A) is in breach of any agreement with Epic or an Affiliate of Epic; or
(B) is in litigation with Epic or Affiliates of Epic concerning any proprietary technology or other Epic Intellectual Property Rights or Epic's Confidential Information. As used in this Section 9(a)(iii), "controlling interest" means, with respect to any form of entity, sufficient power to control the decisions of such entity.

iv. Licensee or any third party owning an equity interest of more than fifty percent (50%) of Licensee shall petition for reorganization, readjustment or rearrangement of its business or affairs under any laws or governmental regulations relating to bankruptcy or insolvency, or is adjudicated bankrupt or if a receiver is appointed for Licensee or such third party, or if Licensee or such third party makes or attempts an assignment for the benefit of creditors, or is unable to meet its or their obligations in the normal course of business as they fall due.

v. Licensee is dissolved, liquidated, or ceases to do business for any reason.

Licensee shall immediately notify Epic in writing if any of the events or circumstances specified in this Section 9(a) occur.

b. Licensee shall have the right to terminate this Agreement immediately, by providing written notice of such election to Epic, at any time after payment of the Initial License Fee and Support Fee in full.

c. Effect of Termination.

i. With respect to physical copies of the Authorized Products (*e.g.*, DVDs, CDs, etc.), within thirty (30) days of the date of the effective date of termination, Licensee shall provide Epic with an itemized statement, certified to be accurate by an officer of Licensee, specifying the number of unsold Authorized Products, which remain in its inventory and/or under its control at the time of the effective date of termination. Epic shall be entitled to conduct at its expense a physical inspection of Licensee's inventory upon reasonable written notice during normal business hours in order to ascertain or verify such inventory and inventory statement. With respect to all other copies of the Authorized Products (*e.g.*, Authorized Products available for download), distribution of such Authorized Products shall cease as of the effective date of termination. For the sake of clarity, any non-physical versions of the Authorized Product, such as those made commercially available on-line, shall cease operations and commercialization immediately in connection with termination.

ii. Upon termination and subject to Section 9(c)(iii) below, the licenses and related rights herein granted to Licensee shall immediately terminate in their entirety and revert to Epic, and Licensee shall cease any further use of Epic's Confidential Information, Epic Trademarks, the Licensed Technology, Derivative Technology, and any Epic Intellectual Property Rights therein, and, subject to the provisions of Section 9(c)(iii) below, Licensee shall have no further right to continue the development, publication, manufacture, marketing, sale or distribution of any units of the Authorized Product, or to continue to use any Epic Trademarks.

iii. Provided that this Agreement is not terminated due to a breach or default of Licensee, Licensee may, upon termination of this Agreement, sell off existing physical inventories of the Authorized Product, on a non-exclusive basis, for a period of ninety (90) days from the date of termination of this Agreement, and provided such inventories have not been manufactured solely or principally for sale during such period. Subsequent to the expiration of such ninety (90) day period, or in the event this Agreement is terminated as a result of any breach or default of Licensee, any and all units of the Authorized Product remaining in Licensee's inventory shall be destroyed by Licensee within five (5) business days of such expiration or termination, as applicable. Within five (5) business days after such destruction, Licensee shall provide Epic with an itemized statement, certified to be accurate by an officer of Licensee, indicating the number of units of the Authorized Product which have been destroyed (on a title- by-title basis), the location and date of such destruction and the disposition of the remains of such destroyed materials.

iv. Upon the termination of this Agreement, Licensee shall immediately deliver to Epic, or if and to the extent requested by Epic destroy, all Licensed Technology, all Derivative Technology, and any and all copies thereof, and Licensee and Epic shall, upon the request of the other party, immediately deliver to the other party, or if and to the extent requested by such party destroy, all Confidential Information of the other party, including any and all copies thereof. Within five (5) working days after any such destruction, Licensee or Epic, as applicable, shall provide the other party with an affidavit of destruction and an itemized statement, each certified to be accurate by an officer of Licensee or Epic, as applicable, indicating the number of copies or units of the Licensed Technology, Derivative Technology, or Confidential Information which have been destroyed, the location and date of such destruction and the disposition of the remains of such destroyed materials. In the event that Licensee fails to return the Licensed Technology, Derivative Technology, or Confidential Information and Epic must resort to legal means (including any use of attorneys) to recover the Licensed Technology, Derivative Technology, or Confidential Information or the value thereof, all costs, including Epic's reasonable attorney's fees, shall be borne by Licensee, and Epic may, in addition to Epic's other remedies, withhold such amounts from any payment otherwise due from Epic to Licensee under any agreement between Epic and Licensee.

v. Termination of this Agreement for any reason shall not relieve Licensee of any payment obligation incurred prior to such termination. In the event of the termination of this Agreement, no portion of any payments of any kind whatsoever previously provided to Epic hereunder shall be owed or be repayable to Licensee.

d. In the event the Support Period expires or Support is terminated in accordance with the provisions hereof, neither Epic nor Licensee shall be liable to the other because of such expiration, termination, or failure to renew or extend the Support Period, for any compensation, damages, reimbursements, loss of prospective or anticipated profits based upon any expenditure, investments of capital, leases, licenses, or commitments made by either Epic or Licensee for any reason whatsoever.

e. EPIC AND ITS AFFILIATES SHALL NOT BE LIABLE TO LICENSEE FOR DAMAGES OF ANY KIND INCLUDING DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ON ACCOUNT OF TERMINATION OF THIS AGREEMENT FOR ANY REASON WHATSOEVER EVEN IF EPIC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. COMPLIANCE WITH LAW. In connection with its obligations hereunder, Licensee agrees to comply with all laws, rules, regulations, orders, decrees, judgments and other governmental acts of the United States of America, and of the Territory in which the Licensed Technology may be licensed, and their political subdivisions, agencies and instrumentalities, that may be applicable to the Licensee, its activities hereunder, or to the Licensed Technology. Epic and Licensee agree to take all such further acts and execute all such further documents as the other party reasonably may request to assist either party in complying with the laws, rules and regulations of the United States of America, the Territory and other countries applicable to either party's business and its activities hereunder.

11. GENERAL PROVISIONS.

a. Amendment. No modification or amendment of any provision of this Agreement shall be effective unless in writing and signed by both of the parties. Notwithstanding the foregoing, Epic reserves the right to modify its trademark usage and cooperative advertising policies from time to time in accordance with the terms of this Agreement.

b. Notices. All notices or other communications required or desired to be sent to either of the parties shall be in writing and shall be sent by registered or certified mail, postage prepaid, or sent by recognized international courier service, with charges prepaid. The address for all notices or other communications required to be sent to Epic or Licensee, respectively, shall be the mailing address stated in the preamble hereof, or such other address as may be provided by written notice from one party to the other on at least ten (10) days' prior written notice. Any such notice shall be effective upon the date of actual or tendered delivery, as confirmed by the sending party.

c. Assignment. Epic has entered into this Agreement based upon the particular reputation, capabilities and experience of Licensee and its officers, directors, and employees. Accordingly, Licensee may not assign this Agreement or any of its rights hereunder, nor delegate or otherwise transfer any of its obligations hereunder, to any third party unless the prior written consent of Epic shall first be obtained; provided, however, that Licensee may assign this Agreement, without such consent, upon a transfer or sale of all or substantially all of its business to which this Agreement relates to a third party, whether by merger, sale of stock, sale of assets, or otherwise, provided in each case that such assignee delivers to Epic a written instrument, in form and substance reasonably satisfactory to Epic, unconditionally agreeing to be bound by this Agreement. The foregoing notwithstanding, to the extent the licenses granted herein are on a company-wide or unlimited Authorized Product basis, rather than for a single or fixed number of Authorized Products, the license to develop or distribute additional Authorized Products not already commercially released prior to assignment shall immediately terminate upon assignment of this Agreement. For clarity, if Licensee has developed and distributed two Authorized Products prior to a permitted assignment, the assignee may continue to commercially distribute those Authorized Product but the assignee is not permitted to develop or distribute any Authorized Products beyond the two already released. Any attempted or purported assignment, delegation or other such transfer, directly or indirectly, in violation of the foregoing shall be void. Subject to the foregoing, this Agreement shall inure to the benefit of the parties and their respective successors and permitted assigns. Epic shall have the right to assign any and all of its rights and obligations hereunder to any party.

d. Independent Contractors. The relationship between Epic and Licensee, respectively, is that of licensor and licensee. Both parties are independent contractors and are not the legal representative, agent, joint venturer, partner, or employee of the other party for any purpose whatsoever. Neither party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever.

e. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of North Carolina, excluding that body of law related to choice of laws, and of the United States of America. Any action or proceeding brought to enforce the terms of this Agreement or to adjudicate any dispute arising hereunder shall be brought in the Superior Court of Wake County, State of North Carolina or the United States District Court for the Eastern District of North Carolina. Each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for purposes of any such action and agrees that any service of process may be effected by delivery of the summons in the manner provided in the delivery of notices set forth in Section 11(b) above. The validity, construction and performance of this Agreement, and the legal relations among the parties to this Agreement shall not be governed by the provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods or the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended.

f. Governing Language. The original of this Agreement has been written in English. Licensee waives any right it may have under the law of Licensee's country to have this Agreement either written in the language of Licensee's country or in the language of any country in the Territory.

g. Interpretation. All terms used herein in any one gender or number shall mean and include any other gender and number as the facts, context, or sense of this Agreement may require. The section headings used in this Agreement are intended primarily for reference and shall not by themselves determine the construction or interpretation of this Agreement or any portion hereof. References to sections of an agreement refer to sections of this Agreement unless expressly stated otherwise. The words "include", "includes", and "including" shall be deemed to be followed by the phrase "without limitation" unless otherwise expressly indicated.

h. Entire Agreement. This Agreement constitutes the entire agreement between Epic and Licensee and supersedes all prior or contemporaneous agreements, proposals, understandings and communications between Epic and Licensee, whether oral or written, with respect to the subject matter hereof including the Evaluation Agreement between the parties, if any. For clarity, the subject matter of this Agreement shall not be governed by any Unreal® Engine End User License Agreement that Licensee has previously entered into or subsequently enters into with Epic.

i. Waiver. No failure or delay by either party in exercising any right, power or remedy under this Agreement shall operate as a waiver of any such right, power or remedy. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. Any waiver by either party of any provision of this Agreement shall not be construed as a waiver of any other provision of this Agreement, nor shall such waiver operate or be construed as a waiver of such provision respecting any future event or circumstance.

j. Severability. In the event that any provision of this Agreement (or portion thereof) is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, such provision (or portion thereof) shall be enforced to the extent possible consistent with the stated intention of the parties, or, if incapable of such enforcement, shall be deemed to be deleted from this Agreement, while the remainder of this Agreement shall continue in full force and remain in effect according to its stated terms and conditions; provided, however, that if the absence of such provision causes a material adverse change in either the risks or benefits of this Agreement to either party, the parties shall negotiate in good faith a commercially reasonable substitute or replacement for the invalid or unenforceable provision.

k. Press Release. In Epic's sole discretion, the parties shall cooperate to jointly draft a press release regarding the existence of their relationship as described in this Agreement and to jointly issue such press release. Each party must approve the press release before it is issued.

l. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. If this Agreement is executed in counterparts, no signatory shall be bound until all of the parties named below have duly executed or cause to be duly executed a counterpart of this Agreement. Signatures by facsimile shall be deemed original signatures.

m. Survival. The following Sections of this Agreement shall survive its expiration or termination for any reason: 2(g), 2(j), 3, 4, 5, 6, 7, 8, 9, 10 and 11.

n. Remedies. Unless expressly set forth to the contrary, either party's election of any remedies provided for in this Agreement shall not be exclusive of any other remedies. Breaches of certain sections of this Agreement would cause significant and irreparable harm to Epic, the extent of which would be difficult to ascertain. Accordingly, in addition to any other remedies including equitable relief to which Epic may be entitled, in the event of a breach by Licensee or any of its employees or contractors of any such sections of this Agreement, Epic shall be entitled to the immediate issuance without bond of ex parte injunctive relief or, if a bond is required under applicable law, on the posting of a bond in an amount not to exceed $50,000, enjoining any breach or threatened breach of any or all of such provisions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement effective as of the Effective Date.

MS Gaming Development, LLC		**EPIC GAMES INTERNATIONAL S.À R.L.** **Acting Through Its Swiss Branch**	
By:	*/s/ Dmitry Kozko*	By:	*/s/ Paul Spiering*
Name:	Dmitry Kozko	Name:	Paul Spiering
Title:	CEO	Title:	Branch Manager

EXHIBIT A.1

To the Unreal Engine 4 License Agreement entered into on August 11, 2020 by and between Epic Games International S.à r.l., acting through its Swiss branch, ("Epic"), and MS Gaming Development, LLC ("Licensee").

LICENSED TECHNOLOGY:	UNREAL® ENGINE 4
AUTHORIZED PRODUCT: (Working Title OK):	TBD
PROJECTED SHIP DATE	February 26, 2021
NOTICE REQUIREMENT FOR AUTHORIZED PRODUCT:	Licensee must notify Epic of shipping product name and ship date for Authorized Product as soon as that information becomes available, but at least 180 days before Authorized Product publication. Licensee agrees to notify Epic of any ship date changes should the release schedule for the Authorized Product change.
AUTHORIZED PLATFORMS:	PC
REQUIRED TRADEMARK NOTICE:	"Unreal® is a trademark or registered trademark of Epic Games, Inc. in the United States of America and elsewhere"
REQUIRED COPYRIGHT NOTICE:	"Unreal® Engine, Copyright 1998 - 20xx, Epic Games, Inc. All rights reserved." 20xx = year you release the Authorized Product
REQUIRED LOGO PLACEMENT:	"Unreal Engine" logo on: (i) the physical packaging of the Authorized Product and non-video marketing materials; (ii) within the opening sequence or splash screen of the Authorized Product and related promotional videos; and (iii) in the Authorized Product manual. Licensee agrees that any display of the "Unreal Engine" logo will comply with the logo usage guidelines and logo image files that can normally be found at https://www.unrealengine.com/branding-guidelines-and- trademark-usage or by searching UDN or contacting branding@unrealengine.com for direct assistance.

Licensee Business Contact:	**Licensee Technical Contact:**
Name: Roman Yegorov	Name: Renat Nezametdinov
Title: Executive Producer	Title: Head of Moscow Office
Phone: +1 (305) 409-4149	Phone: +7 916 219 4368
E-mail: roman.egorov@motorsport.com	E-mail: enat.nezametdinov@motorsport.com

EXHIBIT A.X

[COPY AND PASTE AS NECESSARY TO NOTIFY EPIC OF ALL AUTHORIZED PRODUCTS]

To the Unreal Engine 4 License Agreement entered into on August 11, 2020 by and between Epic Games International S.à r.l., acting through its Swiss branch, ("Epic"), and MS Gaming Development, LLC ("Licensee").

LICENSED TECHNOLOGY:	UNREAL® ENGINE 4
AUTHORIZED PRODUCT: (Working Title OK):	
PROJECTED SHIP DATE	
NOTICE REQUIREMENT FOR AUTHORIZED PRODUCT:	Licensee must notify Epic of shipping product name and ship date for Authorized Product as soon as that information becomes available, but at least 180 days before Authorized Product publication. Licensee agrees to notify Epic of any ship date changes should the release schedule for the Authorized Product change.
AUTHORIZED PLATFORMS:	
REQUIRED TRADEMARK NOTICE:	"Unreal® is a trademark or registered trademark of Epic Games, Inc. in the United States of America and elsewhere"
REQUIRED COPYRIGHT NOTICE:	"Unreal® Engine, Copyright 1998 - 20xx, Epic Games, Inc. All rights reserved." 20xx = year you release the Authorized Product
REQUIRED LOGO PLACEMENT:	"Unreal Engine" logo on: (i) the physical packaging of the Authorized Product and non-video marketing materials; (ii) within the opening sequence or splash screen of the Authorized Product and related promotional videos; and (iii) in the Authorized Product manual. Licensee agrees that any display of the "Unreal Engine" logo will comply with the logo usage guidelines and logo image files that can normally be found at https://www.unrealengine.com/branding-guidelines-and- trademark-usage or by searching UDN or contacting branding@unrealengine.com for direct assistance.

Licensee Business Contact:	**Licensee Technical Contact:**
Name:	Name:
Title:	Title:
Phone:	Phone:
E-mail:	E-mail:

Exhibit 10.21

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

XBOX CONSOLE PUBLISHER LICENSE AGREEMENT

This Xbox Console Publisher License Agreement is entered into and effective as of [***] ("***Effective Date***"), between Microsoft Corporation, a Washington corporation, ("***Microsoft***"), and 704Games Company, a Florida company ("***Publisher***").

RECITALS

Microsoft or its Affiliates provide a family of computer game and entertainment systems, including the Xbox One, Xbox One S, Xbox One X, and their successors and variants (collectively, "***Xbox One***"), a next generation game and entertainment system and its successors and variants (collectively, **"*Xbox Series*"**), and an associated proprietary online service (known as "***Xbox Live***".) Publisher intends to develop and/or publish software products for Xbox Consoles on the terms in this Agreement. The parties agree as follows:

1. Exhibits. The following exhibits are incorporated into this Agreement by this reference:

Exhibit 1: Digital Store Payments **Exhibit 2:** Physical Disc Manufacture and Sales

2. Definitions. As further described in this Agreement, the following terms have the following respective meanings:

2.1. "***Affiliate***" means a person or entity that Controls, is Controlled by, or is under common Control with a party (but only for so long as Control exists), where "Control" of a person or entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management, operating policies, or assets of that person or entity, whether by way of ownership of more than 50% of its voting or equity securities or assets or by way of contract, management agreement, voting trust, or otherwise.

2.2. "***Agreement***" means this Xbox Console Publisher License Agreement and includes this document (including all Exhibits), the Publisher Guide, any approved Concept submission forms (in the form approved by Microsoft), any other documents expressly referenced in other parts of this Agreement, the GDK Licenses, and applicable terms of the NDA.

2.3. "***Avatar***" means a character that is a virtual representation of an End User created using the Microsoft- provided avatar creator tools.

2.4. "***Avatar Items***" means items such as wearables for use with an Avatar.

2.5. "***Base Game***" means each software product (in either digital or physical format), as described in an approved Concept, including any Title Updates (if and to the extent approved by Microsoft) but does not include Demo, Trial, Premium Downloadable Content, or additional downloadable content.

2.6. "***Beta***" is a portion of an applicable Software Title that may be distributed to a select audience at no cost to test and help further develop a Software Title.

2.7. "***Branding Specifications***" means the specifications as provided by Microsoft for using Microsoft Trademarks, as set forth in the Publisher Guide.

2.8. "***Business Day***" means any day other than Saturday, Sunday, or national holidays in the U.S.A.

2.9. "***Certification***" means the approval process in which Microsoft approves or disapproves of a Software Title for distribution.

2.10. "**Certification Requirements**" means the requirements necessary to ensure proper functioning of the Software Title on Xbox Consoles and Xbox Services, as further described in this Agreement. Certification Requirements include Xbox Requirements, technical certification requirements, and functional test cases. The Certification Requirements will be set forth in the Publisher Guide and enforced during Certification.

2.11. "***Commercial Release***" or "***Commercially Released***" means the first availability of a Software Title to End Users not designated as a Demo or Trial.

2.12. "***Competitive Platforms***" means: [***]

2.13. "***Concept***" means a detailed description of Publisher's proposed Software Title, including such information as may be requested by Microsoft.

2.14. "***Data Protection Law***" means any law, rule, regulation, decree, statute, or other enactment, order, mandate or resolution, applicable to Publisher or Microsoft, relating to data security, data protection and/or privacy, and any implementing, derivative or related legislation, rule, regulation, and regulatory guidance, as amended, extended, repealed and replaced, or re-enacted.

2.15. "***Demo***" means a small portion of an applicable Software Title or timed availability of full Software Title that is provided to End Users at no or minimal cost to advertise or promote a Software Title.

2.16. "***DFU***" or "***Digital Finished Unit***" means an object-code copy of a Software Title that has passed Certification and has been approved by Microsoft and Publisher for Commercial Release.

2.17. "***Digital Content***" means any content, feature, or service published by Publisher for electronic distribution under this Agreement. Digital Content includes DFUs, PDLC, Game Features, Title Updates, Beta, Demo, Avatar Items, Trials, trailers, "themes," "gamer pictures" or any other category of digital content or online service approved by Microsoft or otherwise described in the Publisher Guide.

2.18. "***End User***" means an individual or entity that uses an Xbox Console, its features or applications, and associated services.

2.19. "***Game Features***" means content, features, or services (e.g., map packs, levels, and multiplayer functionality) related to consuming a specific Software Title that are made available to End Users, whether included in the Software Title or otherwise distributed via Xbox Services or Publisher Services (as defined in Section 11.3).

2.20. "***IPR***" means any patents, copyrights, trademarks and service marks, trade secrets, moral rights, and any other intellectual property or proprietary rights arising at any time under the applicable law of any applicable jurisdiction.

2.21. "***Marketing Guidelines***" means the requirements that form the basis for Microsoft's review and approval of Publisher's Marketing Materials and any media plan as per the Publisher Guide.

2.22. "***Marketing Materials***" collectively means all press releases, marketing, advertising, or promotional materials related to a Software Title, including web advertising and Publisher's web pages to the extent they refer to Software Title(s) that will be used and distributed by Publisher in the marketing of Software Title(s).

2.23. "***Microsoft Store***" means the proprietary online marketplace or store through which Digital Content is made available to End Users. Microsoft may elect to change the branding and/or name of Microsoft Store from time to time.

2.24. "***Microsoft Trademarks***" means the Microsoft trademarks so identified in the Publisher Guide.

2.25. "***NDA***" means the Microsoft Corporation Non-Disclosure Agreement entered into between the parties and signed by Publisher on [***].

2.26. "***Personal Data***" means any information relating to an identified or identifiable natural person ("Data Subject") and any other data or information that constitutes personal data or personal information under any applicable Data Protection Law.

2.27. "***Premium Downloadable Content (PDLC)***" means downloadable additional content offered to an End User for a fee, such as a game add-on, available from the Microsoft Store for use with or in a Software Title.

2.28. "***Project xCloud***" means the cloud-based game streaming features and service of Xbox Consoles. Microsoft may elect to change the branding and/or name of Project xCloud from time to time.

2.29. "***Sales Territory***" means the Asian Sales Territory, Australian Sales Territory, European, Middle East and African Sales Territory, Japan Sales Territory, North American Sales Territory, and South American Sales Territory as described further in the Publisher Guide.

2.30. "***Software Title***" means each software product that Publisher publishes for Xbox Consoles, in either digital or physical format, including any Title Updates (if and to the extent approved by Microsoft) and all Digital Content for such Software Title.

2.31. "***Streaming Devices***" means [***].

2.32. "***Sub-Publisher***" means an entity that has a valid Xbox Console Publisher License Agreement with Microsoft or a Microsoft Affiliate, and with which Publisher has entered into a written agreement to allow such entity to publish a Software Title in specific countries.

2.33. "***Trial***" means a subset of a full Software Title that can be converted to the full experience through digital entitlements and to which an End User is granted limited or timed access at no cost.

2.34. "***User Generated Content***" means any content that originates from End Users in any format, including graphics, text, or voice content published through or as part of a Software Title.

2.35. "***Verification Version***" means a unit of a Software Title that is intended to comply fully with all terms of this Agreement and that has not passed Certification, which is provided by Publisher for testing purposes.

2.36. "***Xbox Console(s)***" means collectively, Xbox One and Xbox Series.

2.37. "***Xbox Console Remote Access***" means the features that allow End Users to access their gameplay experiences from their Xbox Consoles on Streaming Devices.

2.38. "***Xbox Requirements***" or "***XRs***" means objective requirements regarding proper operation of Software Titles in relation to Xbox Consoles and Xbox Services, as stated in the Publisher Guide and enforced during Certification, and policy requirements that are enforced over the life of the Software Title.

2.39. "***Xbox Services***" means the proprietary online service offered by Microsoft to Xbox Live Users. The current product name of Xbox Services is "Xbox Live." Microsoft may elect to change the branding and/or name of Xbox Services from time to time.

2.40. **Other Terms.** Other initially capitalized terms are defined by their first use.

3. Game Development Kit License / Loaned Equipment.

3.1. **Xbox One and Game Development Kit License.** Xbox One Development Kits ("***XDK***") and Game Development Kits ("***GDK***") are licensed to Publisher and/or its Affiliates(s) under the terms of the development kit license(s) between Publisher and/or its Affiliate(s) and Microsoft for the relevant territory (each a "***GDK License***"). Microsoft retains title and ownership of the XDK and GDK, which will be licensed to Publisher and/or its Affiliates during the Term.

3.2. **Loaned Equipment.** Microsoft may periodically loan Publisher certain Microsoft assets in relation to Publisher's development, marketing, and promotion of Software Titles. Such loaned assets may include Xbox Console kiosks, Xbox Console hardware, and accessories ("***Loaned Equipment***"). With respect to all Loaned Equipment provided to Publisher: (1) Publisher will not provide the Loaned Equipment to any third party not approved by Microsoft in advance ("***Approved Third Party***") and, if so approved, Publisher will be responsible for ensuring that the Approved Third Party complies with this Section 3.2; (2) Publisher is solely liable for theft, damage, loss, or injury to people or property occurring while such Loaned Equipment is in Publisher's or an Approved Third Party's possession or control; (3) the Loaned Equipment will be used only in a Microsoft-approved location; (4) Publisher's insurance policy described in Section 18 will cover all theft, loss, damage, or injury to people or property in relation to Publisher's or an Approved Third Party's use or possession of Loaned Equipment; (5) Publisher (and any Approved Third Party) will use only power supplies, power cords, cables, and other parts and accessories provided by Microsoft to connect to or use Loaned Equipment; and (6) Publisher will return Loaned Equipment to Microsoft by the date requested (and in accordance with any shipping instructions provided by Microsoft). For clarity, Microsoft retains title and ownership of the Loaned Equipment.

4. **Publisher Guide.** Microsoft will provide Publisher access to a guide containing program-wide requirements and information applicable to the Xbox Consoles platform (as supplemented, revised or updated by Microsoft from time to time, the "***Publisher Guide***"), including Xbox Requirements, Branding Specifications, Marketing Guidelines, Xbox Games Store policy, End User data requirements, and other information regarding other operational aspects of Xbox Consoles, and Xbox Services. Each Software Title must comply with the Publisher Guide. On publication of a supplement, revision, or updated version of the Publisher Guide, Publisher will automatically be bound by all provisions. After a Software Title has completed optional certification or within [***] of submission for Certification, however, Publisher will not be obligated to comply, for such Software Title only, with any subsequent changes made by Microsoft to the Xbox Requirements or other required categories in the Publisher Guide, unless (1) such subsequent changes are intended to address privacy, security or technical integrity issues, or (2) compliance will not add significant expense or delay to a Software Title's development or Certification. Changes made to Branding Specifications or Marketing Guidelines will be effective as to a Software Title that has passed Certification only on a "going forward" basis (i.e., only to such Marketing Materials created more than [***] after Microsoft notifies Publisher of the change), unless Publisher can implement the change without delaying the publishing of affected Marketing Materials.

5. **Software Title Approval process.** The standard approval process for a Software Title is summarized below and is further described in the Publisher Guide.

5.1. **Concept.** Publisher will deliver to Microsoft a completed Concept submission form (using Microsoft's then- current form) describing the proposed Software Title. If Publisher wants to host (or have a third party host) any Game Features, Publisher will so indicate on the Concept submission form and must comply with all Publisher Services requirements in this Agreement the Publisher Guide. Microsoft will review Publisher's submission and notify Publisher whether the Concept is approved or rejected. Adherence to the approved Concept submission form is required for Certification.

5.2. **Certification.** Publisher will deliver to Microsoft the proposed final-release version of the applicable Software Title that is complete and ready for Commercial Release, commercial distribution, and access by End Users. Such version must include the final content rating required by Section 5.4. Microsoft will conduct compliance, compatibility, functional, and other testing to determine the Software Title's compliance with Certification Requirements ("***Certification Testing***") and will provide Publisher with the testing results, including any fixes required to pass Certification. Release from Certification for a Software Title requires: (1) passing Certification Testing; (2) conforming with the approved Concept; (3) providing any other materials required by the Publisher Guide; and (4) ongoing compliance with all Certification Requirements and other required categories in the Publisher Guide, except as otherwise provided in this Agreement. If a Software Title fails Certification, Microsoft may charge Publisher a reasonable fee designed to offset the costs associated with testing for any additional resubmissions. Publisher will not distribute any Software Title or submit any Software Title intended for distribution until Verification Version(s) have been submitted, evaluated, and approved, and Microsoft has given its final approval and release from Certification.

5.3. **Marketing Materials.** Publisher will submit to Microsoft all Marketing Materials that incorporate Microsoft Trademarks and will not use, publish, or distribute any such Marketing Materials until Microsoft has approved them in writing. Publisher will incorporate all changes related to the Microsoft Trademarks that Microsoft may require to bring such Marketing Materials into compliance with the Marketing Guidelines. Additionally, if press releases or announcements otherwise mention Xbox Consoles, Xbox Services, or Xbox Console versions of Software Titles, Publisher will make reasonable efforts to provide Microsoft with notice of such materials and their contents before release.

5.4. **Content rating.** Microsoft will not accept submission of a Software Title for Certification unless Publisher has obtained a rating of "Mature (17+)" (or its equivalent) or lower (i.e., more broadly appropriate) from appropriate rating bodies, including any independent content rating authority(ies) that Microsoft may reasonably designate (e.g., ESRB, PEGI, IARC). Publisher will include such rating(s) prominently on Marketing Materials, as per the applicable rating body's guidelines. For countries not using a content rating system, Microsoft will not approve any Software Title that, in Microsoft's opinion, is unsuitable for Xbox Consoles (e.g., because it contains excessive sexual content or violence, inappropriate language, or other unsuitable elements). If, after Commercial Release, Microsoft or a ratings body determines that a Software Title is suitable for adults only or is indecent, obscene, or illegal, Publisher will recall, at Publisher's own expense, all Marketing Materials for that Software Title. Unless Publisher has obtained, and communicated to Microsoft, a separate rating for Digital Content as per the Publisher Guide, Publisher represents and warrants that all Digital Content not in the initial Base Game for a Software Title will be consistent with the content rating (or, in those countries not using a content rating system, with the overall nature of the content) of the underlying Software Title. Publisher will also comply with any other rating requirements in the Publisher Guide. Microsoft may require removal of Digital Content or require Publisher to obtain a separate rating if Microsoft later deems such content inconsistent with the content rating for the underlying Software Title.

5.5. **User Generated Content.**

5.5.1. **Microsoft approval.** Publisher may not allow End Users to create, share, or otherwise provide User Generated Content through a Software Title without first obtaining Microsoft's express, written, approval. Furthermore, the Software Title must comply with any XRs related to the creation and/or consumption of User Generated Content.

5.5.2. **Third Party Claims.** If Microsoft has approved Publisher to make User Generated Content available, Publisher will maintain a procedure that complies with applicable law for removing User Generated Content in the event of a third party claim regarding the User Generated Content (e.g., of infringement, defamation, or violation of other rights). Microsoft may notify Publisher of any complaints related to User Generated Content. Publisher will remove User Generated Content subject to such claims no later than 48 hours after receipt of a third-party claim or notice from Microsoft. Publisher will notify Microsoft as soon as commercially practicable (and in any event no later than 48 hours) after Publisher receives any third-party claim, which notice will also specify the steps that Publisher has taken or will take in response. To mitigate escalation of any such claim, Microsoft may, in its discretion, take control of the claim and be the sole source of communication to the claimant.

5.5.3. **Violations of End User terms of use or code of conduct.** Microsoft may, in its discretion, require Publisher to remove User Generated Content that violates the End user terms of use, End User code of conduct, or both.

5.6. **Localization.** All Software Titles will be localized as required by local regulation (if applicable) and at least to the same extent (languages, in-game text, and voice) and provided to End Users in the same manner (e.g., incorporated in the Base Game) as any corresponding Competitive Platform product.

6. **Post-release compliance.**

6.1. **Bugs or errors.** Notwithstanding Microsoft's Certification, all Software Titles must remain in compliance with all Certification Requirements in the Publisher Guide on a continuing and ongoing basis. Nothing in this Agreement may be construed to relieve Publisher of its obligation to (and Publisher will, as soon as possible after discovery) correct material bugs and errors in Software Titles whenever discovered (including after Commercial Release) in a mutually-agreed manner (which may be via a Title Update). [***]

6.2. **Title Updates.** All Software Title digital patches and updates provided to End Users for free and that must be accepted for game play (collectively, "***Title Updates***") are subject to Microsoft's approval, except if otherwise stated in this Agreement. Microsoft may require Publisher to develop and provide a Title Update if a Software Title adversely affects Xbox Services. Microsoft reserves the right to remove or reverse a Title Update if such Title Update adversely impacts the Software Title (e.g., Software Title crashes for all End Users). Microsoft will not charge Publisher for Certification or distribution of Title Updates to End Users for any Title Update required by a Publisher Guide change or otherwise requested by Microsoft. However, [***]

6.3. **Minimum Commitment.** [***] Publisher will provide necessary customer support for such Game Feature during its availability and for [***] after discontinuation, and must retain in archive (in object code, source code, and symbol format) all versions of Digital Content made available to End Users during, and at least [***] after, the period in which it was available. Subject to Publisher's compliance with this Section 6.3, Publisher may terminate Microsoft's license to such Game Feature on [***] prior notice (which must include a Microsoft-approved decommission plan). Publisher will clearly notify End Users of the duration of availability, and will notify End Users reasonably in advance of discontinuation, of Game Features.

6.4. **Digital Content Availability.** Unless immediate removal is necessary to comply with Publisher's contractual or other legal obligations, Publisher will provide Microsoft [***] prior notice before removing Digital Content. Notwithstanding termination or expiration of Microsoft's license to distribute Digital Content, Microsoft may retain a copy of Digital Content, and Publisher grants Microsoft a license to redistribute the final version of any Digital Content to End Users who have previously purchased it, directly or indirectly, from Microsoft to their Xbox Consoles for [***], even if the End User is re- downloading to a different Xbox Console unit or within a different country than where originally downloaded.

6.5. **Disablement.** Microsoft may disable or remove any Digital Content from the Xbox Consoles (including by disabling previously downloaded copies on End Users' Xbox Consoles), Xbox Services, or the Microsoft Store, immediately and at any time, globally or in specific countries, if Microsoft determines that: (1) Publisher has breached this Agreement; (2) Publisher has terminated this Agreement in its entirety or as applicable to a particular Software Title, or terminated applicable license grants; (3) such Digital Content or its related Software Title fails to comply with applicable documentation, the approved Concept or other aspects of this Agreement; (4) such Digital Content or its related Software Title materially deviates from the version passing Certification or materially fails to perform as originally intended; (5) such Digital Content or its related Software Title is causing harm to (or is likely to harm) the Xbox Console, Xbox Services, third-party networks, End Users, or otherwise (e.g., due to piracy, security breach or security defects, or technical failure); or (6) such Digital Content is damaging (or is likely to damage) Microsoft's reputation, involve Microsoft in public controversy, or subject Microsoft to liability.

7. Other rights and obligations.

7.1. **Security.** Microsoft may add to the final release version of Software Titles delivered by Publisher to Microsoft such digital signatures, other security technology, and copyright management information (collectively, "***Security Technology***") as Microsoft elects, or Microsoft may elect to modify signatures included in any Security Technology included in the Software Title by Publisher. Additionally, Microsoft may add Security Technology that prohibits playing Software Titles on Xbox Consoles units sold in a country different from the country in which Software Titles are intended to be distributed, or Software Titles modified in any way not authorized by Microsoft. Any changes in Security Technology will not be applicable to Software Titles already in Certification testing, unless otherwise agreed by Publisher. Subject to this Section 7.1, Microsoft may update Security Technology requirements from time to time via the Publisher Guide.

7.2. **Samples.** For each Software Title published under this Agreement, Publisher will provide a reasonable number of samples as per the Publisher Guide (but not to exceed [***] per Software Title). Microsoft may use such samples for non-revenue generating purposes, such as for marketing, as product samples, and for customer support, product and charitable giveaways, testing, and archival purposes. Publisher will not be entitled to any [***] with respect to samples as authorized under this Section 7.2.

7.3. **Demos.** Subject to the Publisher Guide, Publisher may distribute Demo(s) digitally, either as a stand-alone or with other Demos, [***]. All rights, obligations, and approvals in this Agreement that apply to Software Titles will separately apply to any Demo. [***]

7.4. **Trials.** [***] All rights, obligations, and approvals in this Agreement that apply to Software Titles will separately apply to any Trial. [***]

7.5. **Sub-Publishing.** Publisher may enter into independent agreements with other publishers to publish Software Titles in approved countries if: (1) Publisher completes and provides to Microsoft, at least [***] before authorizing a Sub-Publisher to publish any Software Title(s) in each country for each Sub- Publisher, the Sub-Publishing Notification Form (as provided in the Publisher Guide) which will summarize the scope and nature of the Sub-Publishing relationship between Publisher and Sub-Publisher, identify which entity will be responsible for Certification of Software Title(s), list the Software Title(s) for which Sub- Publisher has acquired publishing rights, identify the geographic territory(ies) for which such rights were granted, and identify the term of Publisher's agreement with Sub-Publisher; and (2) Publisher and Sub- Publisher are and remain at all times in good standing under their respective publisher license agreements.

7.6. **Authorized affiliates.** If the parties and Publisher's Affiliate execute the "Authorized Affiliate" form (as provided by Microsoft in the Publisher Guide), such Affiliate may exercise the rights granted to Publisher under this Agreement. The foregoing will not apply to any Publisher Affiliate that operates from a European billing address. Any such European Affiliate must execute a Publisher Enrollment Form with Microsoft Ireland Operations Ltd., in the form provided in the Publisher Guide.

8. Pricing and Payment Exhibits. The parties will make payments to each other under the terms of the following Exhibit(s):

8.1. **Exhibit 1: Digital Store Payments**.

8.2. **Exhibit 2: Physical Disc Manufacture and Sales.**

9. Software Title parity. Each Software Title is subject to the following requirements:

9.1 **Features and content parity.**

9.1.1. [***]

9.1.2. [***]

9.2. **Simship with Competitive Platforms.**

9.2.1. [***]

9.2.2. [***]

9.3. **Software Title feature updates post-Commercial Release.** Subject to hardware limitations and announce/availability of development tools, at any time after Commercial Release, with respect to any hardware feature updates made to a Software Title (e.g., HDR, spatial audio) that are available for Competitive Platform versions, Publisher will (1) in its implementation of such features, optimize the performance and technical capability of Xbox Console versions in parity with the Competitive Platform version; and (2) make the same hardware feature updates commercially available for the Xbox Console versions either before or simultaneously with the Competitive Platform version(s). As used in this Section 9.3, "simultaneously" means within [***] of the availability of such hardware feature on a Competitive Platform.

9.4. **Cross Generation Licenses.** [***] Cross generation licenses must (1) grant End Users rights to both an Xbox One version and an Xbox Series version of the Software Title, and (2) include features and/or performance that differentiates the Xbox Series version of the Software Title from the Xbox One version, as described in the Publisher Guide.

10. Marketing, sales, support, and promotion.

10.1. **Publisher responsible.** As between Publisher and Microsoft, only Publisher will market Software Titles outside of the Microsoft Store, and only Microsoft is responsible and has sole discretion for marketing on the Microsoft Store and/or Microsoft sites. This section does not prohibit Publisher from purchasing advertising on Microsoft's advertising platforms (including the Microsoft Store). Publisher will provide all technical and other support related to Software Titles. Publisher will provide appropriate contact information (including Publisher's street address, telephone number, and the applicable individual/group responsible for customer support) to all End Users and to Microsoft for posting online. Microsoft is solely responsible for providing technical and all other support relating the Microsoft Store and Xbox Consoles.

10.2. **Software Title Marketing license.** Subject to Publisher's prior written consent (which may be via email) in each case (which will not be unreasonably withheld), Publisher grants Microsoft a worldwide, fully-paid, royalty-free, non-exclusive license to: (1) publicly perform and publicly display Software Titles at conventions, events, trade shows, press briefings, public interactive displays, and the like; (2) use the title of, screen shots from, and additional marketing assets related to the Software Title in advertising and promotional material related to Xbox Consoles and other Microsoft products and services, as Microsoft may reasonably deem appropriate; and (3) distribute Demos as a standalone product or with other demo software. The licenses granted in this Section 10.1 are sublicensable to Microsoft's Affiliates and third-party contractors. The parties may from time to time discuss additional proposed marketing and promotion activities. For purposes of the foregoing, it is not unreasonable for Publisher to withhold approval if it deems that its screen shots, advertising materials, and other materials permitted for use pursuant to this Section 10.2 would be depicted with Microsoft titles that compete with Publisher's Software Titles, or Microsoft's proposed use is inconsistent with Publisher's marketing plan for such Software Title (e.g., use by Microsoft prior to Publisher's official announcement of a Software Title). The parties will develop a process to pre- approve uses of Software Titles and screen shots in accordance with this Section 2. Nothing in this Agreement, however, will preclude Microsoft from using screen shots, Marketing Materials, and other materials permitted for use pursuant to this Section 10.2 as permitted by law without a license (e.g., "fair use" under applicable copyright and trademark law).

10.3. **Promotions.** If Publisher wants to distribute Microsoft-generated codes that are redeemable by End Users for Digital Content downloads ("***Tokens***") as part of promotional activities related to a Software Title (each, a "***Token Promotion***"), Publisher will comply with the Publisher Guide, including payment of all applicable fees as set in the Publisher Guide. Microsoft and Publisher may periodically develop, execute, and administer promotions involving Software Title(s) and execute a schedule for each Promotion as per the Publisher Guide.

11. Grant of distribution and other licenses; limitations.

11.1. **Digital Content rights.** In consideration of royalties payable under Exhibit 1, Publisher grants Microsoft a worldwide, transferable, sublicensable license during the Term to: (1) broadcast, transmit, distribute to the public, communicate to the public, make available, host, publicly perform and publicly display, reproduce, stream, and store Digital Content and Software Title gameplay for access, use, viewing, download and storage by End Users and other third parties. [***]

11.2. **Multiple Generation Xbox Console Support**. Publisher agrees that the rights granted to Microsoft in Section 11.1 also include the following rights in support of multiple-generational Xbox Console support:

11.2.1. Microsoft may make all Software Titles that are playable on Xbox One (including Software Titles from prior Xbox generations authorized by Publisher to play on Xbox One) available for access and use on Xbox Series at no cost to End Users who purchased or otherwise obtained rights to (e.g., via subscription) such Software Titles. [***]

11.2.2. Microsoft may make all Software Titles playable on Xbox One (including Software Titles from prior Xbox generations authorized by Publisher to play on Xbox One) available for purchase for access and use on Xbox Series.

11.2.3. Additional requirements for multiple generation Xbox Console support may be included in the Certification Requirements.

11.2.4. Publisher grants Microsoft the right to conduct testing of Software Titles that are playable on Xbox One to ensure compatibility and playability on Xbox Series.

11.2.5. Publisher has obtained and will maintain all third-party rights, consents, and licenses necessary to meet its commitments and obligations in this Section 11.2.

11.3. **Publisher Services.** As between Publisher and Microsoft, Microsoft will solely offer, host, fulfill, and deliver Software Titles, Game Features, and any other Xbox Console related content or services to End Users, [***].

11.3.1. Subject to Publisher's compliance with the terms of the Agreement and the Publisher Guide, Microsoft grants Publisher a worldwide, nonexclusive, royalty-free license to access the Xbox Services, as necessary to implement and operate the Publisher Services.

11.3.2. Subject to Microsoft's advance written consent (which may be by email), Publisher may subcontract to a third party host all or any portion of Publisher's rights or obligations solely with regard to providing Publisher Services. All actions and failures to act of any third party engaged by Publisher are imputed to Publisher and deemed to be Publisher's actions or failures to act. Publisher may provide the third party with access to only those portions of Xbox Services that are necessary to perform hosting services, and to no other portions. Publisher unconditionally and irrevocably guarantees any third party's performance of the applicable obligations imposed by this Agreement and the GDK License.

11.3.3. Additional requirements for Publisher Services may be included in the Publisher Guide.

11.4. **Gameplay record and share.** The Xbox Console gameplay record and share features allow End Users to record their gameplay experiences and publish the recorded gameplay clips to share with third parties via Microsoft and third-party video sharing sites and services. [***], Publisher grants Microsoft a worldwide, fully-paid, royalty-free, non-exclusive, perpetual license to, solely as part of the gameplay record and share features: (1) record portions of Software Title gameplay; (2) copy, archive, host, and have hosted such recordings; (3) create derivative works of such recordings (including by application of various compression and streaming technologies); (4) publicly perform, and publicly display such recordings; and (5) grant to third parties the right to view such recordings. The licenses granted in this Section 11.4 are sublicensable to Microsoft's affiliates, third-party contractors, and End Users.

11.5. **Gameplay streaming features.** The Xbox Console gameplay streaming features allow End Users to share their gameplay experiences with Microsoft and third-party applications and services (e.g., Mixer). [***], Publisher grants Microsoft a worldwide, fully-paid, royalty-free, non-exclusive, perpetual license, solely as part of the gameplay streaming feature, to broadcast, transmit, distribute, host, publicly perform and publicly display, reproduce, make available, communicate to the public, and stream gameplay of a Software Title with Microsoft and third-party applications and services. The licenses granted in this Section 11.5 are sublicensable to Microsoft's Affiliates, third-party contractors, and End Users.

11.6. **Xbox Console Remote Access.** [***], Publisher grants Microsoft a worldwide, fully-paid, royalty-free, non-exclusive, perpetual license, solely as part of the Xbox Console Remote Access feature, to (a) broadcast, transmit, distribute, host, publicly perform and publicly display, reproduce, and stream gameplay of a Software Title; and (b) provide use, access, and control of the gameplay on a Software Title on any Streaming Device.

11.7. **Project xCloud Support.** [***]

11.7.1. [***]

11.8. **Reservation.** All rights not expressly granted in this Agreement are reserved. Without limiting the above, and except to the extent otherwise expressly provided in this Agreement, nothing in this Agreement may be construed as a license to either party's IPR, expressly or by implication, estoppel, exhaustion, or otherwise.

11.9. **Ownership.** Except for IPR supplied by Microsoft to Publisher (including Microsoft Trademarks, licenses in software and hardware granted by a GDK License, or any of Microsoft's IPR that Publisher may have included in any Software Titles), ownership of which Microsoft retains, Publisher will, as between the parties, own all rights in the Software Titles.

11.10. **License to End Users.** Publisher may create a license agreement to govern Publisher's relationship with End Users with regard to Software Titles distributed to them (each, a "***EULA***"). If Publisher elects to bind End Users to a EULA, Publisher's EULA must: (1) to the maximum extent allowed by applicable law, disclaim any warranties, limit liability, and exclude damages on behalf of Microsoft and its Affiliates, either by category (e.g., by a reference to "Publisher's licensors") or by name; (2) disclaim any obligation on the part of Microsoft or its Affiliates to provide support or other services; (3) not prevent or limit access to the Software Title; and (4) not purport to govern or change, in any way, the End User's relationship with Microsoft under Microsoft's applicable agreements with such End User.

12. **Xbox Usage data and Personal Data.** Microsoft may collect and store Xbox Console usage data, including statistics, scores, ratings, and rankings (collectively, "***Xbox User Data***"), which may include End User Personal Data. Microsoft may periodically make certain Xbox User Data available to Publisher in accordance with the then-current Microsoft Privacy Statement. [***] Each party will comply with the obligations imposed on it under Data Protection Law. If Publisher receives Personal Data from Microsoft, then Publisher must comply with the following requirements:

12.1. Publisher must provide End Users with access to Publisher's privacy statement that governs Publisher's use of the Personal Data.

12.2. Publisher must ensure its network, operating system, software, databases, and other relevant computer systems are properly built, configured, and operated to store, manage and protect any Personal Data received or obtained from Microsoft in a secure manner.

12.3. [***]

12.4. [***]

12.5. [***]

12.6. Upon termination of the Agreement for cause, an adverse compliance review finding that Publisher is mishandling data, or upon investigation of Publisher by Microsoft or a third party for mishandling of data, Publisher will, at Microsoft's request, immediately delete or return to Microsoft all copies of Personal Data except to the extent Publisher has the right or obligation under applicable Data Protection Law to retain Personal Data after termination. If requested by Microsoft, Publisher shall confirm deletion in writing within 30 days.

12.7. Publisher will comply with Microsoft's other reasonable requirements governing the use of Xbox User Data set forth in the Publisher Guide.

13. Trademark rights and restrictions.

13.1. **Microsoft Trademarks.** Publisher will incorporate Microsoft Trademarks, and include credit and acknowledge Microsoft as required by the Branding Specifications, in each Software Title, Demo, Trial, and all Marketing Materials. Subject to all terms of this Agreement, Microsoft grants to Publisher a non- exclusive, non-transferable license to use Microsoft Trademarks on Software Titles, Demos, Trials, and Marketing Materials, solely in connection with marketing, sale, and distribution in approved countries. Except as expressly permitted in this Agreement, Publisher is granted no right, and will not purport to permit any third party, to use Microsoft Trademarks in any manner without Microsoft's prior written consent. Publisher has no right to use Microsoft Trademarks in connection with merchandising or selling related or promotional products, other than approved Demos. Publisher will not during the Term contest the validity of, by act or omission jeopardize, or take any action inconsistent with, Microsoft's rights or goodwill in Microsoft Trademarks in any country, including attempted registration of any Microsoft Trademark, or use or attempted registration of any mark confusingly similar to any Microsoft Trademark.

13.2. **Branding Specifications.** Publisher's use of Microsoft Trademarks must comply with the Publisher Guide, including the Branding Specifications. Publisher will not use Microsoft Trademarks with third-party trademarks in a manner that might suggest co-branding or otherwise create confusion as to source or sponsorship of the Software Title or Marketing Materials, or ownership of Microsoft Trademarks, unless Microsoft has approved such use, expressly and in writing. If Publisher learns of any non-conformance with this Section 13.2, it will promptly remedy such non-conformance and notify Microsoft of the non- conformance and remedial steps taken.

13.3. **Ownership; goodwill.** Publisher acknowledges Microsoft's ownership of, and all goodwill associated with, the Microsoft Trademarks. Use of the Microsoft Trademarks will not create any right, title, or interest in this Agreement in Publisher's favor. Publisher's use of the Microsoft Trademarks will inure solely to the benefit of Microsoft.

14. Confidentiality; publicity. The NDA will apply to all Confidential Information (defined in the NDA) provided by the parties under this Agreement or a GDK License (regardless of any earlier termination or expiration of the NDA). Any general terms in the NDA (e.g., applicable law and venue), however, will not apply to the extent they conflict with this Agreement. Except if otherwise stated in this Agreement, neither party will communicate with the press or public about their relationship under, or use the other's name connected to, this Agreement, without the other's express, prior, written consent, not to be unreasonably withheld. Notwithstanding the foregoing, if either party is advised by legal counsel that any portion of this Agreement must be disclosed as part of that party's public filings, it will notify the other in writing and the parties will jointly seek confidential treatment of such information to the maximum extent reasonably possible, in documents approved by both parties and filed with the applicable governmental or regulatory authorities, and Microsoft will prepare a redacted version of this Agreement for filing.

15. Protection of proprietary rights.

15.1. **Microsoft's IPR.** Publisher will promptly notify Microsoft if it learns of any infringement or misappropriation of Microsoft's IPR related to this Agreement. Microsoft may take such actions as it deems advisable to protect its IPR, and Publisher will, on request, cooperate with Microsoft in all reasonable respects, at Microsoft's expense. Microsoft will not, however, be required to take any action and may retain all proceeds derived from any such actions.

15.2. **Publisher's IPR.** Publisher, without Microsoft's express written permission, may bring any action related to actual or potential infringement of Software Titles, Marketing Materials, information, data, logos, software, or any other materials provided or otherwise made available by Publisher under or in relation to this Agreement (excluding only Microsoft Trademarks, Security Technology, and redistributable components in the form delivered to Publisher by Microsoft under a GDK License) (collectively, "***Publisher Content***"), to the extent such infringement involves Publisher's IPR (but not Microsoft's IPR). Publisher will make reasonable efforts to inform Microsoft regarding such actions in a timely manner and may retain all proceeds derived from any such actions.

15.3. **Joint actions.** The parties may jointly pursue cases of infringement involving Software Titles (as such products will contain IPR owned by each of them). Unless otherwise agreed, or unless recovery is expressly allocated between them by the court, if the parties jointly prosecute an infringement lawsuit under this Section 15.2, any recovery will be used first to reimburse the parties' respective reasonable attorneys' fees and expenses, pro rata, and any remaining recovery will also be given to the parties pro rata based on the fees and expenses incurred in bringing such action.

16. Representations, warranties, and disclaimers.

16.1. **Publisher.** Publisher continuously represents and warrants that:

16.1.1. It has full power to enter into this Agreement;

16.1.2. It has not previously granted, and will not grant, any rights to any third party that are inconsistent with the rights granted to Microsoft in this Agreement;

16.1.3. The Publisher Content does not, and Microsoft's and End Users' access to and use of Publisher Content through and in relation to Xbox Consoles will not, infringe or misappropriate any third-party IPR;

16.1.4. It will comply with all laws, regulations, administrative and court orders, and requirements applicable to (and will keep in force all necessary permits, licenses, registrations, approvals, and exemptions throughout the Term, as long as it is) distributing, selling, or marketing Publisher Content and Publisher's obligations under this Agreement;

16.1.5. The Publisher Content does not and will not contain any messages, data, images, or programs that are illegal (e.g., defamatory, obscene, pornographic, or violate privacy laws) or violate content rating requirements in all countries where the Software Title is marketed or distributed; and

16.1.6. Publisher has obtained and will maintain all third-party rights, consents, and licenses necessary for the permitted exploitation of Publisher Content and associated features, including Game Features, User Generated Content, gameplay recording and sharing, gameplay and Project xCloud streaming, remote access, and Digital Content under this Agreement.

16.2. **Microsoft.** Microsoft represents and warrants that it has full power to enter into this Agreement and it has not previously granted, and will not grant, any rights to any third party that are inconsistent with the rights granted to Publisher under this Agreement.

16.3. **Disclaimer. Expressly subject to Section 16.2, Microsoft provides all materials (including the Security Technology) and services under this Agreement "as is," without warranty of any kind, and, to the maximum extent permitted by applicable law, disclaims all other warranties (express, implied, statutory, or otherwise) under the applicable laws of any jurisdiction, regarding the materials and services it provides under this Agreement, including any warranties of merchantability or fitness for a particular purpose, of freedom from computer viruses, and of non-infringement.**

16.4. Excluded damages. To the maximum extent permitted by applicable law, in no event will Microsoft or its affiliates, licensors, or suppliers be liable for any special, incidental, punitive, or consequential damages of any kind or nature whatsoever, arising out of or related to this Agreement or the transactions contemplated under it, including lost profits or lost goodwill and whether based on breach of any express or implied warranty, breach of contract, tort (including negligence), or strict liability, regardless of whether Microsoft has been advised of the possibility of such damage or if such damage could have been reasonably foreseen.

16.5. Limitation of liability. [***]

17. Defense of claims.

17.1. Obligation. If a Claim is brought against a party, its Affiliates, agents, licensees, or successors, or any agents, directors, officers, or employees of any of them (all, collectively, "***Defendant***"), the other party ("***Respondent***") will defend the Claim (including by paying litigation costs and reasonable attorneys' fees) and pay any settlement that Respondent consents to or any adverse final judgment. As used in this Section, "***Claim***" means an unaffiliated third party's demand, suit, or other action to the extent: (1) as alleged, it reflects Respondent's breach of this Agreement; (2) as alleged, it arises from or relates to Respondent's gross negligence or willful misconduct; (3) solely for Microsoft as Respondent, it alleges that Publisher's use in any country of a Microsoft Trademark, as permitted under this Agreement, infringes claimant's trademark rights; or (4) solely for Publisher as Respondent, it relates to any Software Title or User Generated Content (excluding unmodified software delivered to Publisher by Microsoft under a GDK License), including any allegation relating to quality, performance, safety, privacy, security, or arising out of Publisher's use of Microsoft Trademarks in breach of this Agreement.

17.2. Procedure. Defendant: (1) will promptly notify Respondent of any Claim and permit Respondent, using agreed counsel, to answer and defend; (2) at Respondent's reasonable request and expense, will assist in the defense and provide non-confidential information; and (3) at its expense, may participate in the defense with separate counsel. Respondent is not responsible for settlements it does not consent to and will not settle Claims under this Section 17 without Defendant's consent (with both parties' consent not unreasonably withheld). Neither party will stipulate, acknowledge, or admit fault or liability on the other's part without the other's prior, written consent. Respondent will not publicize any settlement without Defendant's prior written consent.

18. Insurance.

18.1. **Coverage.** Publisher will maintain sufficient and appropriate insurance coverage to enable it to meet its obligations under this Agreement and by law. Without limiting the foregoing, Publisher will maintain all coverage required by **Table 1 below** (converted to the equivalent value in local currency, as of the date of issuance). The Professional Liability and Errors & Omissions Liability Insurance ("***E&O***") will include coverage for infringement of any third-party proprietary right, including copyright and trademark infringement, related to Publisher's performance under this Agreement. The E&O insurance retroactive coverage date will be no later than the Effective Date. Publisher will maintain an active policy, or purchase an extended reporting period providing E&O coverage for claims first made and reported to the insurance company within [***] after Microsoft's final payment related to this Agreement.

Table 1– Insurance Coverage Requirements

	Japan Sales Territory	Asian Sales Territory	Other Sales Territories
General liability coverage	[***]	[***]	[***]
E&O coverage	[***]	[***]	[***]
Deductible not to exceed	[***]	[***]	[***]

18.2. **Other requirements.** On request, Publisher will deliver to Microsoft proof of the coverage required by this Section 18. If Microsoft reasonably determines that Publisher's coverage is less than required to meet its obligations under this Agreement, Publisher will promptly acquire such coverage and notify Microsoft.

19. Bankruptcy. The rights conferred by Publisher on Microsoft under this Agreement, including those described in Sections 10.1 and 11, constitute a license running from Publisher to Microsoft of a right to intellectual property for purposes of Section 365(n) of the United States Bankruptcy Code (11 U.S.C. 101, et seq.), and that Microsoft will have, in a bankruptcy proceeding in which Publisher is a debtor, the rights of a "licensee" as set forth in that provision. In a bankruptcy proceeding of Publisher, and notwithstanding any other term of this Agreement, Publisher will not have the power, absent Microsoft's consent in its sole discretion, to assume or assign to a third- party any license running from Microsoft to Publisher of any property, interest, or right created in the Agreement, all such rights being purely personal to Publisher, such that governing non-bankruptcy law will preclude Publisher's assignment (and, if applicable, assumption) of those rights without Microsoft's consent.

20. Term and termination.

20.1. **Term.** This Agreement shall commence on the Effective Date and shall continue until March 31, 2022 (the "Term"). Unless one party gives the other notice of non-renewal within [***] of the end of the then-current term, this Agreement shall automatically renew for successive [***] terms. If the Agreement will expire, the parties will agree on a plan to allow End Users who purchase Software Titles near the expiration date to access and use the Digital Content of such Software Titles for a commercially reasonable time after expiration.

20.2. **Termination.** Either party may terminate this Agreement (in its entirety or solely for an applicable Software Title), effective immediately on notice if: (1) the other party materially breaches this Agreement (other than Section 14, the NDA, or a GDK License) and fails to cure within [***] after notice; (2) the other party materially breaches Section 14, the NDA, or a GDK License; or (3) if the other party becomes Insolvent. If Publisher is the breaching party, Microsoft may suspend availability of Digital Content during any cure period. In addition, Microsoft may terminate this Agreement immediately and without notice if Publisher fails to respond to all Agreement-related communications made by Microsoft during any consecutive [***] period (and automatically-generated responses are deemed not to be a response by Publisher for purposes of this termination right). Any notice of breach must be prominently labeled "Notice of Breach". Additionally, if Microsoft determines, at any time before Commercial Release that the applicable Software Title does not materially comply with the Publisher Guide (subject to Section 4) or any applicable laws, Microsoft may, notwithstanding any prior approvals, terminate this Agreement without cost or penalty on a Software Title by Software Title, or country by country basis, on notice to Publisher. "***Insolvent***" means admitting in writing the inability to pay debts as they mature; making a general assignment for the benefit of creditors; suffering or permitting appointment of a trustee or receiver for all or any assets, unless such appointment is vacated or dismissed within [***]; filing (or having filed) any petition as a debtor under any provision of law relating to insolvency, unless such petition and all related proceedings are dismissed within [***]; being adjudicated insolvent or bankrupt; having wound up or liquidated; or ceasing to carry on business.

20.3. **Effect.** On termination or expiration of this Agreement, Publisher has no further right to, and will not, exercise rights licensed under this Agreement. Publisher will, until the end of the Minimum Commitment term, continue to support existing Game Features for Software Titles sold before the effective date of termination or expiration.

20.4. **Cross-default.** If Microsoft has the right to terminate this Agreement, then it may also terminate the GDK License. If Microsoft has the right to terminate a GDK License, then Microsoft may also terminate this Agreement.

20.5. **Survival.** The following will survive expiration or termination of this Agreement: Sections 2, 6.3-6.4, 8, 10.1, 11.2.1, 11.4 (solely with respect to storing and distributing recorded gameplay clips), 11.5, 11.6, 11.7, 12, 14- 18, 20.3 - 20.5, and 21; Sections 1-5 of Exhibit 1; and Sections 1, 3.6-3.8, 3.10, 3.11, and 4-7 of Exhibit 2.

21. General.

21.1. **Law, venue, attorneys' fees.** Washington State law governs this Agreement (excluding conflicts principles that would require applying different law). If federal jurisdiction exists, the parties consent to exclusive jurisdiction and venue in the King County, Washington federal courts. If not, the parties consent to exclusive jurisdiction and venue in the King County, Washington Superior Court. In any action arising out of or relating to this Agreement, the prevailing party may recover its reasonable attorneys' fees, costs, and other expenses, including those on appeal or in a bankruptcy action.

21.2. **Notice.** All notices under this Agreement will be: (1) in writing; (2) in English; (3) deemed given when received; (4) sent by delivery service, messenger, or registered or certified mail (postage prepaid, return receipt requested); and (5) addressed and sent, with any required copies, as provided in Table 2 below (or as the recipient has otherwise designated, in writing or by email, before notice was sent). Ordinary business communications (excluding, for example, those related to payment or breach) may be sent by email and need not be cc'd.

Table 2– Contact Information

To Microsoft:	Microsoft Corporation One Microsoft Way Redmond, Washington 98052-6399 USA	**To Publisher:**	704games Company 5972 4th Avenue, Miami, FL 33137
Attention:	General Manager, Global Gaming Partnerships and Development	**Attention:**	CEO, Motorsport Gaming US LLC
Phone:	(425) 882-8080	**Phone:**	+1 305 507 87 99
Fax:	(425) 936-7329	**Fax:**	786-319-4168
Copy To:	Microsoft Corporation One Microsoft Way Redmond, Washington 98052-6399 USA Attn: Corporate, External, & Legal Affairs	**Copy To:**	Motorsport Games Silverstone Innovation Centre Silverstone Park, Silverstone NN12 8GX United Kingdom
Copy To Fax:	(425) 936-7329	**Copy To Fax:**	N/A

21.3. **No delay or waiver.** No delay or failure to exercise or enforce any right or remedy under this Agreement, and no course of dealing or performance, will waive any such right or remedy. No express waiver of any right or remedy in one instance will waive such right or remedy in any other instance. All rights and remedies will be cumulative, not exclusive.

21.4. **Assignment.** Publisher may not assign this Agreement, or any right or duty under it, to any third party unless Microsoft expressly consents to such assignment, in writing. Microsoft may assign this Agreement, or any right or duty under it, as it deems appropriate, or authorize its affiliates or contractors to perform this Agreement in whole or part on Microsoft's behalf. A merger, consolidation, or other corporate reorganization, or a transfer or sale of a controlling interest in a party's stock, or of all or substantially all of its assets, is deemed to be an assignment. This Agreement will inure to the benefit of and bind the parties, their successors, administrators, heirs, and permitted assigns.

21.5. **Relationship.** Each party is an independent contractor to the other and has no authority to act on behalf of or bind the other, and this Agreement does not create any other relationship (e.g., employment, partnership, or agency).

21.6. **Interpretation.** If a court of competent jurisdiction finds any part of this Agreement illegal, unenforceable, or invalid, that part will be deemed replaced with an enforceable term most closely matching the parties' intent, and the rest of the Agreement will remain in full force and effect. This Agreement will be interpreted according to its plain meaning without presuming that it should favor either party. Unless stated or context requires otherwise: (1) all internal references are to this Agreement, its parties, and its Exhibits; (2) all monetary amounts are expressed and, if applicable, payable, in U.S. dollars; (3) "***days***" means calendar days; (4) "***may***" means that the applicable party has a right, but not a concomitant duty; (5) "***partner***", if used in this Agreement or related documents, is used in its common, marketing sense and does not imply a partnership; (6) "***notify***" means to give notice as provided in (and "***notice***" means a notice that complies with) Section 21.1; (7) "***current***" or "***currently***" means "as of the Effective Date" but "***then-current***" means the present time when the applicable right is exercised or performance rendered or measured; (8) URLs are understood to also refer to successors, localizations, and information or resources linked from within websites at such URLs; (9) lists of examples following "***including***", ***"e.g.***", "***such as***", or "***for example***" are deemed to include "without limitation"; and (10) "***or***" means "and/or" (i.e., "a or b" is interpreted to mean "a, or b, or both a and b"); and (11) a party's choices under this Agreement are in its sole discretion.

21.7. **Injunction.** Publisher's threatened or actual unauthorized use of Microsoft Trademarks or other Microsoft proprietary rights, and either party's threatened or actual breach of confidentiality provisions, may result in immediate and irreparable damage for which there is no adequate remedy at law. In such event, the non- breaching party is entitled to appropriate injunctive relief from any court of competent jurisdiction.

21.8. **Miscellaneous.** All rights and remedies under this Agreement are cumulative. Each party will pay its own costs to perform (except if expressly stated otherwise). This Agreement: (1) is effective only when manually signed (i.e., with a pen) or signed via an electronic signature service by authorized representatives of both parties, which signature requirement is, without limitation, a material term; (2) is the parties' entire agreement on this subject and merges, replaces, and supersedes all related oral understandings, representations, prior discussions, letters of intent, or preliminary agreements, including any Xbox One Publisher License Agreement between the parties; (3) is formed as of the Effective Date; (4) may be modified only by a writing hand-signed (i.e., with a pen) or signed via an electronic signature service by authorized representatives of each party (except as otherwise expressly provided in this Agreement); and (5) may be executed in counterparts, by fax or other electronic means to accurately send images, or by electronic signature service. The parties have formed this Agreement as of the Effective Date.

21.9. **Microsoft Portal Terms and Conditions.** Publisher may be required to accept terms and conditions for the use of Microsoft web portals, including the App Developer Agreement (or its successor) governing the Microsoft Store and/or Partner Center (the "ADA"). In the event of any conflict between the terms of this Agreement and the ADA, the terms of this Agreement will control regarding the obligations of the parties governed by this Agreement (including the Certification, sale, and support of Publisher's Xbox Console Software Titles).

<Signature page to follow>

Agreed and accepted:

Microsoft Corporation		**704Games Company**	
Signature:	*/s/ Lacee Peterson*	Signature:	*/s/ Stephen Hood*
Name:	Lacee Peterson	Name:	Stephen Hood
Title:	Xbox 3PP Program Manager	Title:	Director, 704Games
Date:	5/14/2020	Date:	5/13/2020

EXHIBIT 1 – DIGITAL STORE PAYMENTS

1. **Definitions.** Capitalized terms used in this Exhibit but not defined below will have the meanings provided in the Agreement.

   1.1. "***CSV***" [***]

   1.2. "***CSV Remittance Rate***" [***]

   1.3. "***WSP***" or "***Wholesale Price***" means, when used in this Exhibit 1, the price set by Publisher for Digital Content.

2. **Digital Content and PDLC.**

   2.1. **Generally.** Publisher may submit Digital Content to Microsoft for distribution via the Microsoft Store. Publisher will set the WSP, which can be zero. Microsoft may choose to offer such Digital Content to End Users for free, for a fee, or not at all and for sale in currency or via CSV. If Publisher is requesting that Digital Content be delivered for free via the Microsoft Store, Microsoft may also charge Publisher a reasonable fee for such service. For all Digital Content for which Microsoft receives payment, Microsoft will pay Publisher a royalty as per Section 2.2 ("***Royalty Fee***").

   2.2. **Royalty.** [***]

      2.2.1. **CSV purchases.** [***]

      2.2.2. **Non-CSV purchases.** [***]

   2.3. **Payment.** [***]

   2.4. **Xbox Services billing, collection, and Publisher Hosted Services.** Microsoft has the sole right to bill and collect all fees associated with Xbox Services, including for subscriptions or any Digital Content for which End Users may be charged, which amounts will be in Microsoft's discretion. As between Publisher and Microsoft, Microsoft will solely offer, host, fulfill, and deliver Digital Content and any other Xbox Console-related content or services to End Users, except as permitted for Publisher Services.

   2.5. **Offsets.** [***]

   2.6. **Additional payment.** [***]

   2.7. **Taxes.** Neither party is liable for any of the other party's taxes that the other is legally obligated to pay and that are incurred or arise in connection with or related to transactions under this Agreement, and all such taxes (including net income or gross receipts taxes, franchise taxes, property taxes, or taxes arising from sales between a party and its subscribers or customers) are the financial responsibility of the party legally obligated to pay such tax. Each party will pay to the other any sales, use, or value-added taxes owed by that party solely as a result of entering into this Agreement and required to be collected under applicable law. A party may provide to the other a valid exemption certificate, in which case that other party will not collect taxes covered by such certificate. Each party will defend, indemnify, and hold the other harmless from any taxes (including sales or use taxes paid by one party to the other) or claims, causes of action, costs (including reasonable attorneys' fees), and any other liabilities of any kind whatsoever related to a party's taxes. If any taxes must be withheld on payments made by one party to the other, the paying party will deduct such taxes from the amount otherwise owed and pay them to the appropriate taxing authority. The paying party will secure and deliver to the other an official receipt for those withholdings and other documents reasonably requested by the other to claim a foreign tax credit or refund. The parties will use reasonable efforts to ensure that any taxes withheld are minimized to the extent possible under applicable law. This tax section will govern the treatment of all taxes arising as a result of, or connected with, this Agreement notwithstanding any other section of this Agreement.

3. **Audit.** Each party will keep all usual and proper records related to its performance under this Agreement (including any addenda or amendments), including audited financial statements and support for all transactions related to the ordering, production, inventory, distribution, or billing/invoicing information for [***] from the date created. Either party ("***Auditing Party***") may, on [***] notice, cause a third-party independent CPA or law firm to audit or inspect the other party's ("***Audited Party***") records no more than once in any [***] period to verify compliance with the financial, royalty, and payment terms of this Agreement. Auditing Party will have access to the previous [***] of Audited Party's records from the date that the audit request notice was received by Audited Party. The right of inspection and consultation will expire with respect to all records related to any amounts payable under this Agreement on the [***] anniversary of the date of the statement or payment to which such records relate. Any such audit will be conducted during regular business hours at Audited Party's offices and will be paid for by Auditing Party, unless Material discrepancies are disclosed. [***]

4. **Xbox Play Anywhere.** If a Software Title supports Xbox Play Anywhere ("***XPA***"), which means that the Software Title is playable on both Xbox Consoles and Windows 10 (as further described in the Publisher Guide), then Publisher acknowledges that for XPA Software Title(s) purchased via the Microsoft Store, the Royalty Fee set forth in Section 2 of Exhibit 1 shall be the sole compensation payable to Publisher for such XPA Software Title.

EXHIBIT 2 – PHYSICAL DISC MANUFACTURE AND SALES

The terms of this Exhibit govern the manufacturing and sale of Publisher's Software Titles on game media.

1. Definitions. Capitalized terms used in this Exhibit but not defined below will have the meanings provided in the Agreement.

1.1. "***Authorized Replicator***" means a software replicator approved by Microsoft to replicate FPUs for Xbox Consoles.

1.2. "***BTS***" means a Microsoft-designed break-the-seal sticker that will be issued to the Authorized Replicator for placement on the Packaging Materials as specified in the Publisher Guide.

1.3. "***FPU***" or "***Finished Product Unit***" means a copy of a Software Title, in object code form, that has passed Certification, has been affixed to a game media and is approved by Microsoft and Publisher for release and manufacturing. Once Packaging Materials have been added and the BTS has been assigned to the FPU or its packaging, the FPU also includes its accompanying BTS and Packaging Materials.

1.4. "***FPU Verification Version***" means a unit of a Software Title that is intended to comply fully with all terms of the Agreement and this Exhibit and that has not passed Certification, which Publisher or an Authorized Replicator provides for testing purposes.

1.5. ***"Packaging Materials***" means art and mechanical formats for the a Software Title, including retail packaging, End User instruction manual, warranties, End User warnings, FPU media label, and any promotional inserts and other materials to be included in retail packaging.

1.6. "***Security Technology***" means such digital signatures, other security technology, and copyright management information that may be added to an FPU.

1.7. "**SRP**" or "**Suggested Retail Price**" means the highest per unit price that Publisher or its agent recommends the FPU be made commercially available to End Users in the Japan Sales Territory.

1.8. "***Threshold Price***" means the WSP (for the North American, the European Middle East and African, the Asian, the Australian, and the South American Sales Territories) or SRP (for the Japan Sales Territory) at which Publisher intends to sell Software Titles. If the Software Title is bundled with any product or service that is not a Software Title, the Threshold Price will be the WSP or SRP for the entire bundle.

1.9. "***WSP***" or "***Wholesale Price***" [***]

2. Distribution License Conditions

2.1. **Content rating.** Publisher must include the content ratings(s) for all Software Titles prominently on FPUs and Marketing Materials, as per the applicable rating body's guidelines. If, after Commercial Release, Microsoft or a ratings body determines that the Software Title is suitable for adults only or is indecent, obscene, or illegal, Publisher must recall, at Publisher's own expense, all FPUs for the Software Title.

2.2. **Distribution license.** On Certification of a Software Title, approval of Marketing Materials, and receipt of the FPU Verification Version by Microsoft, and subject to all terms of the Agreement and this Exhibit, Microsoft grants Publisher a non-exclusive, non-transferable, personal license to distribute FPUs containing redistributable, sample code, and Security Technology in approved Sales Territories, solely in FPU form, to third parties for distribution to users or directly to End Users. Except for transfers of FPUs through normal distribution channels (e.g., retailers, wholesalers), Publisher may not sublicense, transfer, or assign its rights under this license to any third parties (including any right to distribute Software Titles or FPUs to another entity that will brand, co-brand, or otherwise assume control over such products as a "publisher" as that concept is understood in the console game industry) without Microsoft's express, prior, written consent. Publisher's license does not include any right, power, or authority to subject Microsoft's software (or derivative works of, or IPR associated with, such software) in whole or in part to any terms of an Excluded License. "Excluded License" means any license that requires, as a condition of use, modification, or distribution of software subject to the Excluded License, that such software or other software combined or distributed with such software be: (1) disclosed or distributed in source code form; (2) licensed for the purpose of making derivative works; or (3) redistributable at no charge.

2.3. **Distribution limitations.** Except as provided for in the Agreement and this Exhibit, Publisher will distribute FPUs only in the Sales Territories for which the Software Titles have been approved by Microsoft. Publisher will not, directly or indirectly: (1) export any FPUs from one Sales Territory to another, or outside of Sales Territories; (2) assist or knowingly permit any third party in doing so, except for de minimis quantities of which Publisher provides Microsoft advanced written notice; or (3) distribute FPUs to any person or entity that Publisher has reason to believe may re-distribute or sell such FPUs outside a Sales Territory. Publisher may, however, request to distribute FPUs in countries outside the Sales Territories, and Microsoft will not unreasonably withhold consent.

2.4. **Simship obligations.**

2.4.1. **DFU and FPU Simship.** For each FPU of a Base Game Commercially Released in a given Sales Territory, a DFU of the same Base Game must be made available for distribution in that same Sales Territory, on a country-by-country basis, via the Microsoft Store simultaneously. For purposes of this Section 2.4 only, "simultaneously" means within [***] of FPU Commercial Release.

2.4.2. [***]

3. Manufacturing.

3.1. **Replication.** Publisher will use only Authorized Replicators to produce FPUs. Before placing an order with an Authorized Replicator, Publisher will confirm with Microsoft that such entity is an Authorized Replicator, as such list of Authorized Replicators may change from time to time. A then-current list of Authorized Replicators will be in the Publisher Guide. Publisher will notify Microsoft of its intended Authorized Replicator for each Software Title. The agreement for replication services will be negotiated between Publisher and the applicable Authorized Replicator, subject to the terms of the Agreement and this Exhibit. Microsoft may charge Authorized Replicator for rights, services, or products associated with manufacturing FPUs. The agreement between Microsoft and each Authorized Replicator grants Microsoft the right to instruct Authorized Replicator to cease manufacturing FPUs, or to prohibit releasing FPUs to Publisher or its agents, if Publisher is in breach of the Agreement (including this Exhibit) or any credit arrangement between the parties. Microsoft does not guarantee performance of, and will not be liable for the failure to perform any agreement by, any Authorized Replicators. Microsoft is not obligated to ensure that FPUs are free of defects.

3.2. **Submission to Authorized Replicator.** Microsoft, and not Publisher, will provide to the applicable Authorized Replicator the final release version of the Software Title and all specifications required by Microsoft for manufacturing FPUs, including the Security Technology. Publisher will prepare and deliver to the Authorized Replicator all other items required for manufacturing FPUs, including approved Packaging Materials associated with the FPUs.

3.3. **Verification Versions.** Publisher shall allow Microsoft to cause Authorized Replicator to create several Verification Versions of each FPU that has been submitted, but has not passed Certification, that will be provided to both Microsoft and Publisher for evaluation. Before Authorized Replicator fully manufactures FPUs, both parties must approve the applicable Verification Version. Microsoft's approval of each Verification Version is a condition precedent to Publisher's right to manufacture, however Publisher will grant final approval and will work directly with Authorized Replicator regarding the production run, including by verifying that all FPUs are replicated in conformity with all quality standards and manufacturing specifications, policies, and procedures that Microsoft requires of Authorized Replicators and all Packaging Materials are approved by Microsoft before pack out. Publisher will cause Authorized Replicator to include BTS on each FPU.

3.4. **Manufacturing reports.** Publisher will provide Microsoft with forecasts showing [***] manufacturing projections by Sales Territory for each Software Title. Publisher will use commercially reasonable efforts to cause Authorized Replicator to deliver to Microsoft, within [***] after the end of each [***] during the Term, accurate [***] statements of FPUs manufactured in such [***], for each Software Title and with sufficient detail to satisfy Microsoft. Microsoft will have reasonable audit rights to examine Authorized Replicator's records regarding the number of FPUs manufactured.

3.5. **Samples.** In addition to DFU Samples required in the Agreement, for each Software Title published under the Agreement and this Exhibit, Publisher will provide to Microsoft a reasonable number of samples (as per the Publisher Guide, but not to exceed [***] in which the Software Title will be Commercially Released). Publisher will not be required to pay royalty fees for such FPU samples if the samples are shipped directly from an Authorized Replicator to Microsoft.

3.6. **Support.** Publisher will provide all technical and other support related to FPUs. Publisher will provide appropriate contact information (including Publisher's street address, telephone number, and the applicable individual/group responsible for customer support) to all End Users and to Microsoft for posting on www.xbox.com.

3.7. **Warranty.** Publisher will provide the original End User of any FPU a minimum warranty (in writing and in practice) that complies with local laws (as reasonably determined by Publisher) in each country of each Sales Territory in which the FPU is sold. Publisher will offer End Users additional warranty coverage in the applicable country of each Sales Territory as required by local law.

3.8. **Recall of FPUs.** Notwithstanding anything in the Agreement and this Exhibit to the contrary, if there is a material defect in any FPUs that in Publisher's or Microsoft's reasonable judgment would: (1) significantly impair any End User's ability to play such FPU; or (2) adversely affect Xbox Console gameplay, Microsoft may require Publisher to recall FPUs, at Publisher's own expense, and promptly repair or replace such FPUs if the defect has not been otherwise remedied via a Title Update.

3.9. **No unapproved or unauthorized bundling.** Except as expressly stated in this Section 3.9, Publisher will not market or distribute FPUs bundled with any other product or service, or knowingly permit or assist any third party in such bundling, without Microsoft's prior written consent. [***]

3.10. **Effect and sell-off.** On termination or expiration of the Agreement, Publisher has no further right to, and will not, exercise rights licensed under the Agreement and will promptly cease all manufacture of FPUs through its Authorized Replicators and, other than as provided below, cease using Microsoft Trademarks. Publisher will have [***] after expiration (or termination, if not due to Publisher's breach) ("***Sell-Off Period***") to sell its inventory of FPUs existing as of the date of termination or expiration, after which Publisher will immediately return all unsold FPUs to an Authorized Replicator for destruction. Publisher will cause the Authorized Replicator to: (1) destroy all returned FPUs; and (2) have its authorized representative certify to Microsoft, in writing, that all such FPUs were destroyed. All of Publisher's obligations under the Agreement and this Exhibit will apply during such Sell-Off Period. If the Agreement is terminated due to Publisher's breach, Microsoft may require Publisher to immediately destroy all undistributed FPUs not yet distributed to Publisher's distributors, dealers and/or end users and shall require all those distributing the FPU over which it has control to cease distribution. Publisher will, until the end of the Minimum Commitment term, continue to support existing Game Features for FPUs sold before the effective date of termination or expiration.

3.11. **Duty to defend.** In addition to Publisher's obligations set forth in the "Defense of Claims" Section of the Agreement, Publisher shall defend, indemnify, and hold harmless Microsoft, its Affiliates, and its and their subsidiaries from and against (including by paying any associated costs, losses, damages, or expenses and attorneys' fees) any and all third party claims that relate to the Software Title FPUs or related user generated content, including any allegation relating to quality, performance, safety, privacy, security thereof.

4. **Platform royalty** [***]

Table 1: Royalty Tier

	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]					
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]						

Table 2: Royalty Rate

	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]					
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]						

4.1. **Standard Software Titles.** Publisher will submit to Microsoft, at least [***] before placing the first manufacturing order for a Software Title, a completed "***Xbox Console Royalty Tier Selection Form***" as specified in the Publisher Guide (which may require electronic submission) for each Sales Territory. The selection in such form will be effective only once approved by Microsoft.

4.2. **Unit Discounts.** Publisher is eligible for a discount on FPUs manufactured for a particular Sales Territory (a "***Unit Discount***") based on the number of FPUs manufactured for sale in only that Sales Territory [***] as set forth in Table 3 of this Exhibit 2. The discount will be rounded up to the nearest USD Cent, Yen, or Euro Cent.

Table 3: Unit Discounts

[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]

4.3. **Royalty Tier migration.** [***] after Commercial Release of a FPU in a Sales Territory, Publisher may elect to change the Royalty Tier to any other valid Royalty Tier (e.g., migrate from Tier 1 to Tier 2 or from Tier 1 to Tier 3). A Software Title may migrate Royalty Tiers [***]. Publisher must submit to Microsoft, at least [***] before placing the first manufacturing order under the desired migrated Royalty Tier a completed "***Xbox Console Royalty Tier Migration Form"*** as specified in the Publisher Guide (which may require electronic submission). [***]

4.4. **Greatest Hits Program.** In each Sales Territory, if (i) a Software Title meets the criteria set forth below at the time of the targeted Commercial Release date of the Greatest Hits FPU; and (ii) Publisher satisfies all the conditions set forth below, Publisher is authorized to manufacture and distribute Greatest Hits FPUs in such Sales Territory at the royalty rate in Table 1 above applicable to Greatest Hits FPUs.

4.4.1. The Software Title must have been commercially available as a Standard FPU in the applicable Sales Territory for at least [***] at the time of Commercial Release of the Greatest Hits FPU.

4.4.2. As of the date Publisher wishes to Commercially Release the Software Title as a Greatest Hits FPU, Publisher must have manufactured the minimum FPUs and reached the minimum number of DFU transactions for such Software Title as set forth in Table 4 of this Exhibit 2 below:

Table 4: Combined FPU and DFU Transaction Thresholds

[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]

[***]

4.4.3. Packaging for a Greatest Hits Software Title must comply with all Microsoft packaging and branding requirements set forth in the Publisher Guide.

4.4.4. The Greatest Hits FPU version must be the same or substantially equivalent to the Standard FPU version of the Software Title. Publisher may modify or add additional content or features to the Greatest Hits FPU version of the Software Title (e.g., demos or game play changes) subject to Microsoft's review and approval, and Publisher acknowledges that any such modifications or additions may require the Software Title to be re-Certified at Publisher's expense.

4.4.5. Publisher acknowledges that Microsoft may change any of the qualifications for participation in a Greatest Hits Program upon [***] advanced written notice to Publisher.

4.4.6. Publisher shall submit to Microsoft, at least [***] prior to the targeted Commercial Release of the Greatest Hits Software Title, a completed and signed Xbox Console Greatest Hits Programs Election Form in the form available in the Publisher Guide for each Sales Territory. The Xbox Console Greatest Hits Programs Election Form will be effective once it has been approved by Microsoft. If a Greatest Hits Software Title does not have an approved Xbox Console Greatest Hits Programs Election Form as required hereunder (e.g., as a result of the Publisher not providing an Xbox Console Greatest Hits Programs Election Form or because Microsoft has not approved the Xbox Console Greatest Hits Programs Election Form), the royalty rate for such Software Title will default to the Royalty Tier that applied to the last manufacturing of the Software Title (i.e., if Microsoft does not approve an Xbox Console Greatest Hits Programs Election Form because it is filled out incorrectly, the royalty rate will default to the Royalty Tier that applied to the last manufacturing of the Software Title). Publisher may elect either GH Tier 1 or GH Tier 2 at initial Commercial Release as a Greatest Hits Software Title provided that the Greatest Hits Software Title meets the Threshold Price requirements set forth in Table 1 above.

4.4.7. After [***] from the Commercial Release of a Greatest Hits Software Title, Publisher may elect to change the previously elected Greatest Hits Tier royalty rate for such Greatest Hits Software Title to a lower Greatest Hits Tier royalty rate in a specific Sales Territory provided that the Greatest Hits Software Title has a Threshold Price that meets the requirements for the newly elected Greatest Hits Tier royalty rate in Table 2 above.

4.4.8. To change a previously elected Greatest Hits Tier royalty, Publisher must submit to Microsoft, at least [***] before placing the first manufacturing order for the applicable Greatest Hits Software Title, a completed Xbox Console Greatest Hits Royalty Tier Migration Form (a "Greatest Hits Tier Migration Form") set forth in the Publisher Guide for each Sales Territory. The change in royalty rate will only apply to manufacturing orders for such Greatest Hits Software Title placed after the relevant Greatest Hits Tier Migration Form has been approved by Microsoft.

5. Asian Language Localization Incentive Program. [***]

5.1. [***]

5.1.1. [***]

5.1.2. [***]

5.1.3. [***]

5.2. [***]

5.3. [***]

Table 5: Asian Language Localization Program Tier Discounts

	[***]	[***]	[***]	[***]
[***]	[***] and over	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

5.4. [***]

5.5. Publisher shall submit to Microsoft, at least [***] prior to the first manufacturing order being placed for the Software Title, a completed "Xbox One Asian Language Localization Tier Selection Form" for each Software Title in the form provided in the Publisher Guide. The selection in such form will be effective only once approved by Microsoft. If the Software Title does not have an approved Xbox One Asian Language Localization Tier Selection Form (e.g., due to Publisher not providing, or Microsoft not yet approving the form), the royalty rate for such Software Title will default to Tier 1, regardless of the actual WSP.

6. Japan Tier Reduction Incentive Program. [***]

6.1. [***]Program Qualifications for Japan Tier Reduction Incentive Program:

6.1.1. [***]

6.1.2. [***]

6.1.3. [***]

6.2. [***]

6.3. In order to participate in the program, Publisher shall submit to Microsoft a completed "Xbox Console Royalty Tier Selection Form" as specified in the Publisher Guide (which may require electronic submission) for Japan, at least [***] prior to the first manufacturing order being placed for the Software Title. The participation in the program and Tier selection will be effective only once approved by Microsoft. If the Software Title is not approved to qualify for the program (e.g., due to Publisher not submitting a completed "Xbox Console Royalty Tier Selection Form" electronically), the royalty rate for such Software Title will default to Tier 1, regardless of the actual SRP.

7. **FPU Exchanges for DFUs.** Microsoft may, and may authorize its suppliers and retail partners to, offer End Users the ability to exchange FPUs of Software Titles for DFUs of the same Software Title free of charge to End Users (except for processing and/or administrative fees) and Publisher. The DFU provided to End Users will be the same version of the Software Title as the FPU used for the exchange, or a substantially similar DFU if the same version is not available. Such exchanges will not be deemed the sale of the DFU provided to End Users, and Publisher will not be entitled to any Royalty Fee for the DFU granted to End Users in accordance therewith. All FPUs exchanged in this program will be destroyed either physically or electronically.

8. **Payment process.** Publisher will pre-pay all royalties owed to Microsoft for all FPUs manufactured by its Authorized Replicators prior to the first date of manufacture in a given Sales Territory. Authorized Replicators are authorized by Microsoft to begin production once Microsoft has provided them with written confirmation that Publisher has satisfied its payment obligations with respect to such manufacturing order. Upon the Authorized Replicator's receipt of such confirmation, the Authorized Replicator will determine the timing of production. All payments will be made by wire transfer, in accordance with payment instructions in the Publisher Guide, in the currency stated in Table 5 of this Exhibit 2 below for FPUs manufactured for sale in the applicable Sales Territory. Publisher has [***].

Table 5: Payment Currency

Sales Territory	North American	European, Middle East and African	Australian	Japan	Asian	South American
Currency	U.S. Dollars	Euros	U.S. Dollars	Yen	U.S. Dollars	U.S. Dollars

9. **Billing address.** Publisher may have up to two "bill to" addresses for royalty payment under this Exhibit. Each such address will be for FPUs manufactured by Authorized Replicators in a given Sales Territory. If Publisher includes a "bill-to" address in a European country, Publisher (or its Affiliate) must execute a Publisher Enrollment Form (in the form provided in the Publisher Guide) with Microsoft's affiliate, Microsoft Ireland Operations, Ltd. within [***] before establishing a billing address in a European country. Publisher's billing address(es) for North American Sales Territory and/or either Japan or Asian Sales Territory set forth in Table 6 below.

Table 6: Publisher Addresses

North American Sales Territory	Publisher Entity Name: 704games Company Address: 5972 4th Avenue, Miami, FL 33137 Phone: +1 305 507 87 99 Accounts Payable Contact: Michelle Baker Dillon Accounts Payable Contact Email Alias: michelle.dillon@motorsportgames.com
Japan or Asian Sales Territory	N/A

Exhibit 10.22

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

CONFIDENTIAL

PLAYSTATION GLOBAL DEVELOPER & PUBLISHER AGREEMENT

PLEASE SCROLL DOWN AND READ THIS AGREEMENT CAREFULLY. TO BECOME A LICENSED DEVELOPER OR PUBLISHER ON THE PLAYSTATION PLATFORM, YOU MUST AGREE TO THESE TERMS BY CLICKING THE "ACCEPT" BUTTON BELOW. IF YOU DO NOT AGREE TO THESE TERMS, YOU WILL NOT BE ABLE TO PROCEED. THIS IS A LEGALLY BINDING AGREEMENT. THE PERSON ACCEPTING THIS AGREEMENT ON DEVELOPER'S OR PUBLISHER'S BEHALF REPRESENTS THAT HE OR SHE IS AUTHORIZED TO BIND DEVELOPER OR PUBLISHER TO THIS AGREEMENT.

This PlayStation Global Developer and Publisher Agreement ("**GDPA**"), effective on the Effective Date), is entered into by Sony Computer Entertainment, Inc. ("**SCEI**"), a Japanese company with offices at 1-7-1 Konan, Minato-ku, Tokyo 108-0075, Japan, Sony Computer Entertainment America LLC ("**SCEA**") a Delaware limited liability company with offices at 2207 Bridgepointe Parkway, San Mateo, CA 94404, and Sony Computer Entertainment Europe Ltd. ("**SCEE**"), an English company with offices at 10 Great Marlborough Street, London W1F 7LP, UK, on the one hand (SCEI, SCEA and SCEE each an "**SCE Company,**" and collectively, "**SCE**"), and the entity identified in your PlayStation partner registration ("**Publisher**"), on the other hand.

SCE and its Affiliates design and develop certain core technology relating to its Systems, and operate proprietary network services through PSN, including PlayStation Now.

Publisher desires to be granted a non-exclusive license to develop, publish, have manufactured, market, advertise, distribute or sell PlayStation Compatible Products in accordance with the provisions of this GDPA, and SCE is willing, in accordance with the terms and subject to the conditions of this GDPA, to grant Publisher such a license.

SCE and Publisher agree as follows:

1. **Definition of Terms.** Capitalized terms used in this GDPA are defined in Schedule 1.

2. **SCE Company Authority and Responsibility.** Each SCE Company enters into this GDPA individually and binds itself to and benefits from the terms of this GDPA only to the extent that such terms relate to the exercise of the rights and obligations under this GDPA taking place in that SCE Company's Territory, or otherwise directly relate to that SCE Company or its Territory. Each SCE Company shall have no liability outside of its Territory, shall neither be jointly nor severally liable with the other SCE Companies in their Territories, and nothing contained in this GDPA shall be deemed to make an SCE Company liable with respect to any activities, demands, obligations, covenants, claims or causes of action outside of that SCE Company's Territory. References in this GDPA to "SCE" shall mean "each SCE Company for its respective Territory only," except where the context clearly requires otherwise. Each SCE Company is authorized by each other SCE Company to present and execute this GDPA on behalf of each other SCE Company, and to bind each other SCE Company, as set forth in this Section 2. SCE shall be entitled to modify or expand the Territory of an SCE Company upon reasonable notice to Publisher, including by updating the Guidelines.

3. **Conditional License Grant.** SCE grants to Publisher, for the Term, a non-exclusive, non-transferable license, without the right to sublicense (except as specifically provided in this GDPA), as follows:

3.1 to use the SCE Materials solely to develop PlayStation Compatible Products;

3.2 to publish, distribute, supply, sell, rent, market, advertise and promote Digitally Delivered Products to end-users, through each applicable SCE Company (or its nominated Affiliate) through PSN, and to provide PlayStation Compatible Products to other Licensed Publishers for exploitation under a Licensed Publisher Agreement;

3.3 where Publisher has exercised its rights under Section 3.2 (or where the requirement of such exercise is expressly waived by the applicable SCE Company), to have the equivalent Physical Media Products manufactured by Designated Manufacturing Facilities according to those facilities' terms;

3.4 to publish, distribute, supply, sell, market, advertise and promote Physical Media Products directly to end-users or to third parties for distribution to end-users;

3.5 to use the Licensed Trademarks in connection with the manufacturing, packaging, marketing, advertising, promotion, sale and distribution of Licensed Products; and

3.6 to sublicense end-users the right to use Licensed Products for personal, noncommercial purposes in conjunction with the applicable Systems only.

4. **Compliance with Guidelines.** The licenses granted to Publisher are expressly conditioned on Publisher's compliance, throughout the Term, with this GDPA's terms, with all Guidelines applicable in the relevant Territories, and with all technical specifications that any Designated Manufacturing Facility issues. Subject to the remainder of this Section 4, SCE may remove any Digitally Delivered Product from PSN (in whole or in part) that does not conform to the Guidelines, notwithstanding any approval given to such product pursuant to Section 6.3. Publisher shall be given reasonable notice of modification or additions to the Guidelines. To the extent that Guidelines change after any PlayStation Compatible Product or related materials are approved by SCE pursuant to Section 6.3, Publisher is required to implement any such revised Guidelines only in subsequent orders, patches or re-releases of the relevant Physical Media Products, or subsequent publications of relevant Digitally Delivered Products or other PlayStation Compatible Products, unless otherwise advised by SCE (e.g., for System security reasons or compliance with law or government order). Publisher shall not be required to recall or destroy previously manufactured Physical Media Products unless such Physical Media Products did not comply with the standards, requirements and conditions set forth in the Guidelines at the time they were made, or unless explicitly required to do so in writing by SCE.

5. **Other Limitations on Licensed Rights**

5.1 **Limitations on use of Development Tools.** The development license granted in this GDPA is limited to development and testing of PlayStation Compatible Products, in formats SCE designates, and any other use of the SCE Materials, direct or indirect, is strictly prohibited. Publisher shall not use, modify, sublicense, distribute, create derivative works from, or provide to third parties, the SCE Materials other than as expressly permitted in this GDPA or the Guidelines. Publisher shall not make available to any third party any tools developed or derived from the study of the Development Tools without SCE's express prior written consent. Without limiting the generality of the foregoing, Publisher will not permit the use of the SCE Materials in connection with the emulation of Licensed Products, to develop or test products for any third party emulator of any System, or for any third party hardware that infringes the SCE Intellectual Property Rights (e.g., knock-off PlayStation systems). Publisher will not use or permit the use of any of the SCE Materials in connection with the development of any software, content or service for any computer hardware or software system, except as expressly permitted under this GDPA. Publisher is authorized to copy the libraries contained within the Development Tools solely to the extent necessary to integrate the libraries into PlayStation Compatible Products; to copy the Software Tools to an internal secure repository accessible by authorized personnel; and to make one copy of the Software Tools per Development Site solely for archival, legal or back up purposes. Publisher must comply with all programming procedures, requirements, guidelines and other recommendations in the Guidelines or communicated by SCE. Specifically with respect to the System emulator software, Publisher shall not bypass the System kernel and shall not transmit programming instructions directly to the registers or addresses located in: (i) areas of RAM that are used by the System kernel; or (ii) other System hardware devices (collectively, "**System Bypass Areas**") except with SCE's express prior written consent or to the extent necessary to comply with written instructions in the Documentation. As a prerequisite to requesting SCE's consent, Publisher must comply with SCE's procedures, including submission of a written application accompanied by a detailed specification of Publisher's proposal. Publisher shall not develop any software or tool to circumvent the System Bypass Areas. Publisher shall not make any addition, alteration or improvement to the Development Tools that contravenes or is inconsistent with the Guidelines (including any programming guidelines set forth in the Documentation), or that may compromise the security or integrity of any System, Development Tools, or PSN. Publisher bears all risks arising from incompatibility of its PlayStation Compatible Products and any System resulting from use of Publisher-created tools.

5.2 **Reverse Engineering Prohibited.** Except where such restriction is prohibited by applicable law, Publisher will not directly or indirectly disassemble, decrypt, electronically scan, peel semiconductor components from, decompile, or reverse engineer in any manner, or attempt to reverse engineer or derive any source code from, the Development Tools, or permit, assist or encourage any third party to do so or acquire or use any materials from any third party that does so. Publisher may study the performance, design and operation of the Development Tools solely for the limited purposes of developing and testing PlayStation Compatible Products, or to develop tools to assist Publisher with the development and testing of PlayStation Compatible Products. SCE reserves the right to require Publisher to furnish evidence satisfactory to SCE that Publisher has complied with this Section 5.2.

5.3 **Limitations on Licensed Products.** Unless expressly approved in writing by an SCE Company, Publisher will not:

5.3.1 publish a Licensed Product previously published by another Licensed Publisher in the same Territory for the same System; or

5.3.2 submit for approval as a Licensed Product, under Section 6.3 or otherwise, any non-game product or product which contains significant elements of, or is hybrid with, an audio or video product.

Where an SCE Company consents to any such proposed publication, this GDPA's terms apply, unless otherwise agreed in writing.

5.4 **Limitations Regarding Ownership and Protection of SCE Materials and SCE Intellectual Property Rights.** All rights with respect to the SCE Materials and the Systems, including the SCE Intellectual Property Rights, are the exclusive property of SCE. Nothing herein gives Publisher any right, title or interest in or to the SCE Materials or the Systems, other than the non-exclusive licenses provided in this GDPA. Publisher shall not contest, impair, or dilute (or assist any third party in doing so) any of SCE's rights, title or interests in or to the SCE Materials, the Systems or the SCE Intellectual Property Rights. Publisher shall not (i) apply for, seek to obtain or register any trademark in its own name or in any other person's name, or use or obtain rights to use Internet domain names or addresses, that are identical, similar to or likely to be confused with any of the Licensed Trademarks or any other SCE trademarks or (ii) challenge or attack any SCE Intellectual Property Rights in any part of the SCE Materials or the Systems. Publisher shall not patent anything created or derived from the SCE Materials. Publisher shall take all steps as SCE may reasonably require for the protection and maintenance of the SCE Intellectual Property Rights, including executing licenses or assisting SCE in obtaining registrations. All goodwill associated with the Licensed Trademarks, including any goodwill generated or arising by or through Publisher's or its subcontractors' or sublicensees' activities under this GDPA, accrues to the benefit of and belongs exclusively to the SCE Company that owns or controls the Licensed Trademark in its Territory. The Licensed Trademarks may be modified, supplemented or amended by SCE at any time. Nothing contained in this GDPA grants Publisher the right to use the trademark "SONY" in any manner or for any purpose without SCE's prior written consent. Where it is not possible under applicable law to prevent Publisher from challenging the validity of the SCE Intellectual Property Rights, nothing in this Section 5.4 shall prevent Publisher from doing so.

5.5 **Reservation of Rights.** This GDPA does not grant Publisher any right or license except as expressly authorized by and in strict compliance with this GDPA's terms and conditions. No right or license is to be implied by or inferred from any provision of this GDPA or from the parties' conduct. Subject only to the express rights of Publisher under this GDPA, all rights to the SCE Materials and the SCE Intellectual Property Rights are reserved to SCE.

5.6 **Acknowledgment of Publisher's Ownership Rights.** Separate and apart from the SCE Materials and other rights licensed to Publisher by SCE and to SCE by Publisher under this GDPA, as between Publisher and SCE, Publisher retains all rights, title and interest in and to the Publisher Property, Product Proposals, and Product Information, including Publisher Intellectual Property Rights therein, as well as Publisher's rights in any source code and other underlying material such as artwork and music (but specifically excluding the Licensed Trademarks and the Software Tools or any derivatives of those trademarks or tools), and any names used as titles for PlayStation Compatible Products and other trademarks used by Publisher. Nothing in this GDPA shall restrict the right of Publisher to: (i) develop, distribute or transmit products incorporating the Publisher Property for any hardware platform or service other than the Systems or related services, provided that the Publisher Property and underlying material do not contain or were not developed through use of or in reliance on the SCE Materials or the SCE Intellectual Property Rights, or (ii) use Printed Materials or Advertising Materials for any hardware platform or service other than the Systems or related services, provided that the Printed Materials or Advertising Materials do not contain any Licensed Trademarks.

6. **Development of PlayStation Compatible Products, Product Assessment and Quality Assurance**

6.1 **Right to Develop.** Pursuant to Section 3 and subject to payment of any applicable fees, SCE grants to Publisher the right to place orders for Hardware Tools pursuant to Section 7, and a non- exclusive, non-transferrable license to use Software Tools, for the sole purpose of developing and testing PlayStation Compatible Products. Each PlayStation Compatible Product developed using, incorporating or with reference to the Development Tools must be expressly authorized by SCE. SCE's authorization may require, at SCE's discretion, consent by Publisher to additional terms, or a requirement that the PlayStation Compatible Product be subject to compatibility, assessment and quality assurance testing by SCE.

6.2 **Developer Support Website.** Subject to the terms of this GDPA, SCE will grant Publisher access to relevant portions of the Developer Website to facilitate the dissemination of the Development Tools and other materials and information.

6.3 **Assessment and Quality Assurance of PlayStation Compatible Products.** Publisher will comply with the requirements and related process for assessment and format quality assurance of PlayStation Compatible Products and Advertising Materials, on a product-by-product basis, as specified in the Guidelines. All Licensed Products must successfully pass SCE's assessment and format quality assurance testing before distribution. SCE may require other PlayStation Compatible Products to undergo assessment and format quality assurance testing, in its sole discretion. SCE may withhold approval of a PlayStation Compatible Product that does not conform to the Guidelines, as determined by SCE in its sole discretion. Only upon and not prior to SCE approval, Physical Media Products may be ordered from a Designated Manufacturing Facility, and Digitally Delivered Products may be placed on PSN.

6.4 **Authentication**. Publisher will use reasonable efforts to protect Licensed Products and any other PlayStation Compatible Products that include Software Tools from and against illegal reproduction or copying by third parties. SCE may use on Licensed Products, or require Publisher to use on Licensed Products, an authentication or authorization system to be provided, licensed or designated by SCE to authenticate and verify all Licensed Products and units of the System. SCE may insert serial numbers or reasonable security measures on Licensed Products for security or authentication purposes.

6.5 **Advice and Support**. Any advice or support provided by any SCE Company or Affiliate to Publisher to assist with the development of PlayStation Compatible Products is provided at the complete discretion of the relevant SCE Company or Affiliate, which may change, suspend, remove or disable access to any such advice or support, or impose limits on its use, at any time without incurring liability. Any such advice or support is provided to Publisher on an "AS IS" and "AS AVAILABLE" basis and SCE shall have no liability whatsoever to Publisher in respect of such support or advice. Any Publisher Property, or other software, materials or information provided by Publisher to any SCE Company or Affiliate in connection with obtaining advice and support is provided at Publisher's own risk (but without prejudice to SCE's obligations under Section 20.6).

6.6 **Third Party Tools.** If Publisher uses any third-party tools to develop PlayStation Compatible Products or any portion thereof, Publisher shall be responsible at Publisher's sole risk and expense for ensuring that it has obtained all necessary licenses for its use.

6.7 **Publisher Compliance, Responsibility, Warnings**. Publisher bears sole responsibility and liability for PlayStation Compatible Product operation, features, capabilities, user-generated content, and Online Activity, including: (i) Online Activity between territories using different television standards, whether PAL, NTSC, or another standard; (ii) any cross-functionality between PlayStation Compatible Products on different Systems or software applications operating on any device other than the Systems that may interact with PlayStation Compatible Products; (iii) the granting of the right to end-users, or preventing end-users from exercising the ability, to copy, modify, distribute, perform, display and share content (including between the Territories) contained in or created from PlayStation Compatible Products ("**User Content**"), and (iv) the suitability or adequacy of health and safety or other warnings or notices that may be appropriate for PlayStation Compatible Products. SCE makes no representation regarding the suitability or adequacy of any System-generated warning or any warning provided, suggested, or required in the Guidelines, Packaging, manual or other templates, or elsewhere by any SCE Company or Affiliate.

6.8 **Peripherals and Compatibility of Licensed Products.** Publisher will not (directly, or indirectly through any third party) develop or distribute any Peripheral without the prior express written consent of SCE. Consent is within SCE's sole discretion, and may be subject to a right to test or evaluate the Peripheral and subject to other terms presented by SCE. Publisher is solely responsible for the functionality and operational compatibility of its Licensed Products with Peripherals that are not distributed by SCE. SCE has no responsibility to test or evaluate the compatibility of Publisher's Licensed Products with Peripherals that are not distributed by SCE. SCE is not responsible for any actual, incidental or consequential damages that may result from any use or inability to use any Peripheral with any PlayStation Compatible Product or System. If SCE elects, in its sole discretion, to test or evaluate the compatibility of Publisher's Licensed Products with any Peripheral then, (i) such testing or evaluation will not obligate SCE to test or evaluate any other Peripheral; (ii) such testing or evaluation will not shift to SCE any responsibility to ensure or assess the functionality or compatibility of any Peripheral or require SCE to report any Peripheral incompatibilities; (iii) SCE will not be deemed to have endorsed any Peripheral solely by reason of such testing or evaluation; and (iv) Publisher will provide SCE, at no additional cost or expense to SCE, with a reasonable number of samples of any Peripherals for testing and review in a timely manner. If any PlayStation Compatible Product fails to perform to SCE's satisfaction with any Peripheral that the PlayStation Compatible Product is intended to support, SCE may require that Publisher modify or remove such portions of the Publisher Property as are intended to support the affected third-party Peripheral.

6.9 **Publisher's Additional Quality Assurance Obligations.** If SCE becomes aware of any material defect (such materiality to be determined by SCE in its sole discretion) with respect to a PlayStation Compatible Product, or if SCE becomes aware of any improper use of the Licensed Trademarks or SCE Materials, then Publisher shall, at no cost to SCE, promptly correct that material defect or improper use, to SCE's commercially reasonable satisfaction, which may include, in SCE's discretion, the recall and re-release of units of an affected PlayStation Compatible Product distributed on physical media, or publication of an update, upgrade or technical fix to an affected PlayStation Compatible Product. If any PlayStation Compatible Product creates any risk of loss or damage to any property or injury to any person, Publisher shall immediately take effective steps, at Publisher's sole liability and expense, to recall and remove that PlayStation Compatible Product from any affected channels of distribution; provided, however, that if Publisher is not acting as the distributor or seller for the PlayStation Compatible Product its obligation shall be to use its best efforts to arrange removal of all affected units of the PlayStation Compatible Product from the relevant distribution channels. Publisher shall provide all end-user support for PlayStation Compatible Products in an efficient manner. SCE expressly disclaims any obligations or liability to provide end-user support with respect to PlayStation Compatible Products.

6.10 **Rating Requirements.** No PlayStation Compatible Product may be published, sold, distributed, marketed, advertised or promoted unless it bears a consumer advisory age rating and product descriptors, either as required by local law or as issued by, and following the rating display requirements of, a consumer advisory ratings system designated by SCE. Publisher alone bears all costs incurred in connection with obtaining any rating. No PlayStation Compatible Product and related Printed Materials or Advertising Materials may bear more than one consumer advisory rating in any Territory. Any digitally delivered PlayStation Compatible Product that can be used with or directly relates to another existing PlayStation Compatible Product must not bear (or must not contain any content which, if rated, would attract) a higher age rating than the rating issued to that other PlayStation Compatible Product, and, save in the case of an add-on to a previously- published PlayStation Compatible Product, shall not bear a rating that is lower than the rating issue to that other PlayStation Compatible Product, unless SCE waives these requirements in writing. Publisher shall comply with any other policies of SCE on the age rating, age gating and labeling of PlayStation Compatible Products intended to protect children as may be provided by SCE to Publisher.

7. Development Tools

7.1 **Acquisition of Development Tools**. For the purposes of this Section 7, "the applicable SCE Company" shall mean the SCE Company in the Territory in which the Development Tools are to be used or, at that SCE Company's direction, another SCE Company. The applicable SCE Company may sell or loan Development Tools to Publisher in its sole discretion, in accordance with this Section 7. For the avoidance of doubt, any Software Tools included with or provided in relation to Hardware Tools are licensed, not sold or loaned, to Publisher pursuant to the terms set forth in Sections 3, 5 and 6. Title to Software Tools does not pass to Publisher upon purchase or loan of the Hardware Tools. The nontransferable license of the Software Tools within the Hardware Tools may act as a restriction or prohibition against the resale of the Hardware Tools. The purchase price or loan fee for Development Tools, and the payment currency, is set forth on the Developer Website, or shall be otherwise notified by the applicable SCE Company to Publisher. Unless otherwise agreed, Publisher shall pay for the Development Tools in full prior to delivery or download, and title to Development Tools shall remain with the applicable SCE Company until it has received full payment (save in the case of the Software Tools where title does not pass to Publisher at any time). If Publisher collects the Development Tools and transfers them outside the country of collection, Publisher agrees to provide the applicable SCE Company with the relevant transport proofs required by the relevant taxation authorities to allow the supply by SCE to be exempt from VAT. The applicable SCE Company reserves the right to either: (i) charge VAT until such documents are provided at which time the VAT will be refunded; or (ii) subsequently charge VAT if those documents are not provided within three months of collection.

7.2 **Credit**. If the applicable SCE Company extends credit terms to Publisher or facilitates third-party financing for Publisher, until Publisher makes payment in full for all items so financed, Publisher (i) grants to that SCE Company, or its designee, a first position purchase money security interest in each Hardware Tool and in the proceeds of disposition of any Hardware Tool and (ii) shall not sell, hypothecate or encumber any such Hardware Tool. Publisher shall execute and deliver to the applicable SCE Company or its designee any documents the SCE Company needs to perfect the security interest, and agrees that applicable SCE Company or its designee may file those documents in its discretion.

7.3 **Orders**. Orders for Development Tools shall be submitted via the Developer Website or as otherwise notified by the applicable SCE Company. The applicable SCE Company may accept or reject, in its discretion, any Development Tools order, and does not warrant that Development Tools shall be available when ordered.

7.4 **Publisher Terms**. Any purchase order or other documentation issued by Publisher, purporting in any way to relate to the purchase, loan or license of Development Tools, does not amend or modify this GDPA or any terms presented by the applicable SCE Company in connection with the order of Development Tools, except as expressly agreed in writing by the applicable SCE Company.

7.5 **Delivery**. Upon acceptance of Publisher's order for Development Tools, and on payment of any applicable purchase or loan fee for the Development Tools, the applicable SCE Company will ship the loaned or purchased Development Tools, when available, to the Development Site. Publisher bears all expenses associated with delivery of the Development Tools, including insurance costs. Risk of loss or damage in transit to the Development Tools vests in Publisher immediately upon the applicable SCE Company's delivery to the carrier of its choice and remains with Publisher until that SCE Company receives return of the Development Tools. Publisher shall provide a signed acknowledgement of receipt in such form as shall be specified by the applicable SCE Company. The applicable SCE Company will make Software Tools, excluding Firmware but including Firmware updates, available at the Developer Website as set forth in Section 6.2, or such other method as chosen by that SCE Company.

7.6 **Deletion of Publisher Code**. Prior to Publisher shipping any Development Tool to the applicable SCE Company either pursuant to an announced upgrade "swap" program, or pursuant to the warranty provisions set forth below, or for any other reason, Publisher shall (i) securely delete Publisher's applications software from the hard drive and all other storage media contained in the Hardware Tool and (ii) execute any documentation required by the applicable SCE Company certifying such deletion.

7.7 **No Refunds**. All Development Tool purchases and loans made under this GDPA are final. In no event shall the applicable SCE Company be obligated to refund all or any portion of the purchase price or loan fee for the Development Tools.

7.8 **Care and Maintenance of Development Tools**. Publisher shall be solely responsible for the installation and administration of Hardware Tools. Publisher shall: (i) keep and use the Development Tools securely and only at the Development Site(s) notified to the applicable SCE Company or specified on the Developer Website, or other location approved in advance in writing by the applicable SCE Company; (ii) allow access to and use of the Development Tools only to persons whose duties justify the need for access and use in the exercise of the license granted under this GDPA, and who are authorized under Section 20.2.2 to have access to the SCE Materials; (iii) designate and authorize an individual to act as the applicable SCE Company's contact with respect to Development Tools and, if Publisher wishes to designate a new designee, provide the applicable SCE Company with written notice according to the procedures set forth on the Developer Website or designated by the applicable SCE Company; (iv) preserve any proprietary rights or other notices placed on the Development Tools by SCE or its Affiliates and place all such notices on any copies made as permitted by this GDPA; (v) keep Development Tools in good and serviceable condition; (vi) ensure full compliance with all instructions relating to the maintenance, security or operation of Development Tools; (vii) maintain and service with all due care the Development Tools at Publisher's expense according to SCE's reasonable, written instructions; (viii) take all necessary further steps to ensure that Publisher does not render Development Tools unsafe or a risk to the health or safety of any person or property; (ix) inform the applicable SCE Company immediately of any bugs, errors, failure or breakdown in Development Tools, however caused; (x) inform the applicable SCE Company immediately of any unauthorized access to or use of the Developer Website and cooperate with that SCE Company to take all actions chosen by that SCE Company to address any unauthorized access or use, including taking any actions to prevent the recurrence of unauthorized use of or access to the Developer Website; and (xi) inform the applicable SCE Company immediately of any suspected, potential or actual loss, theft, breach of security or other exposure involving the Development Tools, report any suspected or actual loss or theft to the police and obtain a police incident number, use best efforts to recover such Development Tools and comply with any corrective action specified by the applicable SCE Company to recover the Development Tools and to prevent any re-occurrence of any loss, theft, breach of security or other exposure involving the Development Tools and Publisher appoints the applicable SCE Company as its attorney-in-fact (in territories where such appointment is legally possible), or otherwise gives that SCE Company its authority, to conduct or assist in the recovery of lost, stolen or missing Development Tools. A breach of Sections 7.8(i) or (ii) constitutes a material breach of this GDPA not capable of remedy.

7.9 **Inspection**. Upon providing Publisher with reasonable, prior notice, the applicable SCE Company may inspect the Development Site at any time during Publisher's normal business hours to verify Publisher's compliance with this GDPA. That SCE Company shall not conduct an inspection in a manner that disrupts Publisher's business activities. Publisher shall also provide that SCE Company with an inventory report of Development Tools in its possession within seven days of SCE's request, including the serial number for each Development Tool and its current physical location.

7.10 **Failure or breakdown**. In the event any failure or breakdown of any of the Development Tools is notified to the applicable SCE Company pursuant to Section 7.8, that SCE Company shall, at its sole election, either repair or replace the Development Tools at no cost to Publisher provided: (i) such notice shall have been given within six months following the date of the delivery of the Development Tools in question or any component part(s) of such Development Tools; (ii) the failure or breakdown is due to defects in materials and/or workmanship which materially diminish or impair the functionality of the Development Tools; and (iii) the failure or breakdown is not attributable in whole or in part to Publisher's negligence or misuse. Any other repairs or replacements are provided at the applicable SCE Company's discretion. Nothing in this GDPA shall impose an obligation on SCE to repair or replace any Development Tools that it considers obsolete or beyond economical repair.

7.11 **Upgrades**. The applicable SCE Company may advise Publisher (either in writing or via the Developer Website) if and when during the Term that SCE Company makes generally available to Licensed Developers or Licensed Publishers, any revised, updated, modified or enhanced version of any component of the Development Tools. Publisher shall be entitled or, at that SCE Company's option, shall be required, to use such new version. The applicable SCE Company may, upon delivery to Publisher of these Development Tools, require Publisher to return to that SCE Company the Development Tools previously in Publisher's possession.

7.12 **Loan of Hardware Tools**. The applicable SCE Company may, in its discretion, loan Hardware Tools to Publisher.

7.12.1 Term, Termination and Return. The term of each applicable loan commences and ends on the dates specified by the applicable SCE Company for each Hardware Tool unit or component. The SCE Company may terminate the loan without cause upon 30-days' notice to Publisher, or immediately if Publisher breaches any obligation in this GDPA. Upon termination: (i) all rights granted to Publisher revert to the applicable SCE Company; (ii) Publisher shall cease and desist from further use of the Development Tools; and (iii) Publisher shall immediately return the loaned Development Tools, including any other SCE Materials, to the applicable SCE Company at Publisher's cost. Publisher shall be responsible for any customs formalities or duties arising in connection with any such returns. If the loaning SCE Company reasonably determines Publisher failed to comply with a provision in this GDPA, it may demand immediate return of the loaned Hardware Tools and all Software Tools, and Publisher shall comply within five business days. If Publisher fails to return any Development Tools, and the applicable SCE Company resorts to legal means to recover the same, then Publisher shall pay all of that SCE Company's expenses, including the replacement value of the loaned Development Tools and SCE's reasonable attorney's fees.

7.12.2 Risk of Loss. If any Hardware Tools are lost, stolen, damaged, destroyed or copied, Publisher shall pay the applicable SCE Company the replacement value of the Hardware Tools, as set forth in the Developer Website or as specified by the applicable SCE Company, in addition to fines, penalties, or any remedy that the applicable SCE Company may have at law or in equity. Publisher shall execute any documents and take all actions that SCE reasonably requests to protect SCE's right, title and interest to the Hardware Tools.

7.12.3 SCE Ownership. SCE retains all right, title and interest to any loaned Hardware Tools, including all Intellectual Property Rights. Publisher shall not sell, lease, license, transfer or dispose of the loaned Hardware Tools, or permit any lien or encumbrance. Publisher shall not do or cause to be done any act or thing in any way impairing or tending to impair SCE's right, title or interest in or to loaned Hardware Tools.

8. Manufacture and Supply of Physical Media Products

8.1 **Designated Manufacturing Facilities.** To ensure compatibility of Physical Media Products with the System, consistent quality of the Physical Media Products, and incorporation of anti-piracy security measures, each SCE Company shall designate and license at least one Designated Manufacturing Facility to reproduce Physical Media Products. Publisher shall purchase all of its requirements for Physical Media Products, including demonstration discs and cards, Printed Materials, Packaging and assembly from a Designated Manufacturing Facility in the Territory in which they are to be distributed by Publisher under this GDPA, except as expressly set forth in this Section 8. Any Designated Manufacturing Facility may enforce the terms of this GDPA that relate to the manufacture and delivery of Physical Media Products. If law in a Territory prohibits SCE from requiring Publisher to use only a Designated Manufacturing Facility to manufacture Physical Media Products, Publisher may have Physical Media Products, including demonstration discs and cards, manufactured by a third party other than a Designated Manufacturing Facility, but Publisher may do so only to the extent the law in the Territory requires that Publisher have the right to do so, and only for Physical Media Products distributed in the Territory with such a prohibition. Publisher's use of a third-party manufacturer other than a Designated Manufacturing Facility must otherwise comply with this GDPA, including the obligation to pay a platform charge.

8.2 **Creation of Master Media.** Using a fully-approved, reproducible file containing final Licensed Product, the applicable SCE Company or the applicable Designated Manufacturing Facility shall create a reproducible master of the Physical Media Product from which all units of the applicable Physical Media Product are to be replicated. Publisher shall be responsible for the costs, as determined by the applicable SCE Company or the applicable Designated Manufacturing Facility, of producing the reproducible masters of Physical Media Products.

8.3 **Orders.** Publisher shall issue Purchase Orders to the applicable Designated Manufacturing Facility, with a copy to the SCE Company in the Territory where the order is placed. No Purchase Orders will be processed for any Physical Media Product unless that product is approved in accordance with Section 6, and complies with the Guidelines. All Purchase Orders shall be subject to approval by the applicable SCE Company, not to be unreasonably withheld, and to acceptance by the applicable Designated Manufacturing Facility pursuant to the Guidelines. Purchase Orders issued by Publisher to a Designated Manufacturing Facility for each Licensed Product approved by the applicable SCE Company shall be non-cancelable and are subject to the terms and conditions of the Designated Manufacturing Facility. Publisher shall not, directly or indirectly, solicit orders for or sell any units of Physical Media Products in any situation where Publisher knows or reasonably should know that any of such Physical Media Products may be exported or resold outside of the Territory in which they are ordered.

8.4 **Manufacture and supply of units.** Upon approval of a Licensed Product and associated Printed Materials pursuant to Section 6, and subject to Sections 8.5 through 8.7, the applicable Designated Manufacturing Facility will, in accordance with the terms and conditions set forth in this Section 8, and at Publisher's request and sole expense (a) manufacture and supply Physical Media Products for and to Publisher; (b) manufacture and supply Publisher's Packaging and Printed Materials; and (c) assemble the Physical Media Products with the related Printed Materials and Packaging. Publisher shall comply with all Guidelines relating to the production of units of Physical Media Products. The applicable SCE Company reserves the right to insert or require Publisher to make arrangements for the insertion of certain Printed Materials relating to the System into each unit.

8.5 **Manufacture and supply of Printed Materials by Designated Manufacturing Facility**. Publisher shall deliver the applicable SCE-approved Printed Materials to the applicable Designated Manufacturing Facility, at Publisher's sole risk and expense, and the Designated Manufacturing Facility will manufacture Printed Materials in accordance with this Section 8. Neither SCE nor any Designated Manufacturing Facility is liable for loss of or damage to Printed Materials.

8.6 **Manufacture of Packaging and Printed Materials by Alternate Source.** Subject to the prior, express, written approval (in its sole discretion) of the SCE Company in the Territory in which the Physical Media Products are to be distributed by Publisher under this GDPA and the Guidelines, Publisher may elect to be responsible for manufacturing its own Packaging and Printed Materials (other than artwork which is to be reproduced or displayed on any Physical Media Product, which Publisher will supply to the applicable Designated Manufacturing Facility for incorporation within the Physical Media Product), at Publisher's sole risk and expense. The applicable SCE Company shall have the right to disapprove any Packaging or Printed Materials that do not comply with the applicable Guidelines. If Publisher elects to supply its own Packaging or Printed Materials, neither SCE nor any Designated Manufacturing Facility shall be responsible for any shortage or delays arising from use of Publisher's own Packaging or Printed Materials.

8.7 **Assembly Services by Alternate Source.** Subject to the prior, express, written approval (in its sole discretion) of the SCE Company in the Territory in which the Physical Media Products are to be distributed by Publisher under this GDPA and the Guidelines, Publisher may procure assembly services from an alternate source. If Publisher elects to be responsible for assembling the Physical Media Products, then the applicable Designated Manufacturing Facility shall ship the component parts of the Physical Media Product to a destination designated by Publisher, at Publisher's sole risk and expense. The applicable SCE Company shall have the right to inspect any assembly facilities that Publisher proposes to use in order to determine if the component parts of the Physical Media Products are being assembled in accordance with SCE's quality standards. The applicable SCE Company may require Publisher to recall any units of any Physical Media Products that fail to comply with the Guidelines. If Publisher elects to use alternate assembly facilities, neither SCE nor any Designated Manufacturing Facility shall be responsible for any shortage or delays or other production issues, including breakage or missing component parts, arising from use of alternate assembly facilities. Publisher shall comply with all applicable labor and employment laws and shall not employ child labor, slave labor or forced labor in connection with the assembly of the Licensed Products, or use any third party that does so.

8.8 **Delivery of Physical Media Products**. The applicable Designated Manufacturing Facility will deliver Physical Media Products to Publisher at Publisher's sole expense, except where otherwise stated in the Guidelines or agreed in writing by the applicable SCE Company, but does not guarantee delivery by any delivery date stipulated by Publisher. Publisher shall have no right to have completed units of Physical Media Products stored at the applicable Designated Manufacturing Facility after manufacture.

8.9 **Ownership of Original Master Discs.** Neither SCE nor any Designated Manufacturing Facility has any obligation to release to Publisher any original reproducible masters created under Section 8, or any other in-process materials. These masters and materials are and will remain the sole property of SCE or the Designated Manufacturing Facility (as applicable). Notwithstanding the foregoing, the Publisher Intellectual Property Rights that is contained in these masters or materials are, as between SCE and Publisher, the sole and exclusive property of Publisher or its licensors.

8.10 **Other Products.** This Section 8 shall apply to the manufacture, order, supply and delivery of other non-standard products or Packaging relating to Licensed Products, if any, ordered by Publisher from a Designated Manufacturing Facility, unless otherwise stated in this GDPA or the Guidelines.

9. **Distribution**. Distribution of any PlayStation Compatible Product is subject to written approval by SCE in its sole discretion. Such approval may be subject to assessment and testing requirements pursuant to Section 6.3, evaluation of the commercial aspects of the PlayStation Compatible Product, and to commercial or other conditions required by SCE (following such evaluation or otherwise), including a requirement that a PlayStation Compatible Product must be distributed through PSN. Licensed Products must be distributed in accordance with Sections 9.1 or 9.2, as applicable.

9.1 **Distribution of Physical Media Products**

9.1.1 Form of Distribution. Unless expressly approved in writing by the SCE Company in the applicable Territory, Licensed Products distributed physically to end-users shall be in the form of Physical Media Products only. Publisher shall not, directly or indirectly, bundle a Licensed Product with any other Licensed Product or any other content, good or service, without SCE's prior written consent. Where such approval is granted, the terms of this GDPA shall apply to those units.

9.1.2 Distribution Channels. Publisher may use distribution channels for Physical Media Products as Publisher deems appropriate, including the use of third-party distributors, resellers, dealers and sales representatives.

9.1.3 Simultaneous Publishing. Any Physical Media Product must be released by Publisher on the same date as any equivalent Digitally Delivered Product, as determined by SCE under Section 9.2 or as otherwise agreed between the parties.

9.2 Distribution of Digitally Delivered Products

9.2.1 Distribution Channel for Digitally Delivered Products. Unless expressly approved in writing by all SCE Companies in the relevant Territories, Digitally Delivered Products and any subscriptions or services associated with Licensed Products shall be distributed through PSN only, in accordance with this Section 9. Publisher may, however, electronically transmit PlayStation Compatible Products from Development Site to Development Site, or from machine to machine over a computer network, for the sole purpose of facilitating development or testing of PlayStation Compatible Products to be carried out under Section 6, provided that Publisher uses reasonable security measures customary within the high technology industry to reduce the risk of unauthorized interception or retransmission of those transmissions.

9.2.2 PSN. Publisher may offer to sell Digitally Delivered Products and subscriptions or other services related to Licensed Products to the SCE Company in each relevant Territory, or, if SCE chooses to make such option available to Publisher, have that SCE Company sell or rent those products on behalf of Publisher, on the terms of this Section 9 and the Guidelines, or other standard terms SCE may communicate to Licensed Publishers. Publisher grants to SCE the right, which may be exercised by SCE directly or through an Affiliate, on or through PSN, throughout the world, to: (i) install, load, host and reproduce Digitally Delivered Products and Product Information on servers; (ii) resell (including by means of a retail voucher or otherwise), deliver and provide access electronically to and use of Digitally Delivered Products (either alone or as part of a bundle) including by means of reproduction, transmission, digital streaming, broadcast, public performance, public display, public communication, digitally wrapping and repackaging (such rights extending to any product (including its offline manual) published exclusively as a Physical Media Product under a Licensed Publisher Agreement which the parties agree shall be digitally wrapped or repackaged by SCE for distribution as a Digitally Delivered Product through PSN subject to the terms of this GDPA); (iii) digitally stream Licensed Products to Users via PlayStation Now, and copy and adapt the Licensed Products as necessary for that purpose; (iv) sublicense to Users, for their personal, non-commercial purposes, the right to browse Digitally Delivered Products; and a worldwide, irrevocable and perpetual right to access, download, re-download, store, use and play Digitally Delivered Products, subject to the terms established by SCE under which Digitally Delivered Products are supplied to Users, including in exchange for rental, subscription, bundle or time-based usage fees, and subject to any rental, subscriptions or other usage terms established by SCE; (v) allow Users to re-download and use any Digitally Delivered Product previously downloaded to the same PSN account, without further charge or obligation; (vi) market, advertise and promote Digitally Delivered Products in any media; (vii) use Digitally Delivered Products, Advertising Material, and Product Information, as is reasonable in SCE's judgment, to facilitate Digitally Delivered Product resale on or through PSN; and (viii) make, store and use copies of Digitally Delivered Products and Product Information internally for testing, development, evaluation, quality control, User support, support in the operation of PSN (and any services offered thereunder) and for archiving, administrative, legal and rating board and other compliance purposes.

9.2.3 License to Product Information. Publisher shall provide SCE with Product Information for each Licensed Product for use by SCE in accordance with this Section 9.2.3 and the Guidelines. Publisher grants to SCE, for the Term, a non-exclusive license to use Product Information to further SCE's resale or other electronic distribution of Digitally Delivered Products. This license includes the following grant of rights to SCE to: (i) use, publish, reproduce, distribute, display, exhibit, transmit and communicate to the public, make available, and publicly perform on or through any media whatsoever Publisher's and its licensors' trademarks, service marks or logos, and Product Information in connection with the marketing or promotion of Digitally Delivered Products on PSN or in connection with any campaign which is primarily aimed at advertising, marketing or promoting PSN, the PlayStation Store, the Systems or the PlayStation brand generally, and; (ii) edit, crop or vignette all such materials as appropriate to comply with technical limitations. The licenses granted in this Section 9.2.3 include a license to use Publisher Intellectual Property Rights as reasonably necessary to exercise the foregoing rights and licenses.

9.2.4 PSN Vouchers. At Publisher's request, SCE may (without obligation) issue PSN voucher codes and printed vouchers displaying such codes for Digitally Delivered Products, subject to agreement with Publisher on Wholesale Price or revenue share, and, where applicable, on payment of SCE's fee for voucher production and supply as stipulated in the Guidelines, for: (i) non-commercial use (including internal use) by Publisher; (ii) promotional use by Publisher; or (iii) supply (but not resale) to consumers. SCE may change the fee on reasonable notice. PSN vouchers issued to consumers may be redeemed in any country of the applicable Territory in which PSN is available.

9.2.5 No Obligation. SCE reserves the right, in its sole discretion (unless otherwise stated), to do any of the following, at any time, without notice to Publisher: (i) operate and manage PSN; (ii) control the timing, manner, extent and duration of any offer, display, supply, distribution, delivery, marketing, advertising and promotion of Digitally Delivered Products acting reasonably and in good faith; (iii) distribute, rent, sell, resell or market any product and service on PSN, including those that compete with Digitally Delivered Products; (iv) use age gates, filters or other restrictions to accessing Digitally Delivered Products and Online Activity; (v) acting reasonably and in good faith, commence or discontinue the marketing, resale, or electronic distribution of any Digitally Delivered Product; and (vi) suspend or cease PSN's operation, in whole or in part, or suspend or cancel the offering or supply of any Digitally Delivered Product to a User in accordance with the ToSUA.

9.2.6 DRM. SCE has no obligation to use any digital rights management technology in conjunction with its resale or other electronic distribution of Digitally Delivered Products. If SCE, in its sole discretion, elects to use means to limit the improper use of Digitally Delivered Products, SCE will do so without any liability to Publisher, and Publisher shall support any such efforts.

9.2.7 Product Submission. Publisher shall provide Digitally Delivered Products to SCE for supply on or through PSN by submitting to an SCE Company a Digitally Delivered Product pursuant to the process described in the Guidelines or otherwise communicated to Publisher by SCE (each such submission a "**Product Submission**"). Each Product Submission must include a true and accurate description of the Digitally Delivered Product, along with complete metadata for the Digitally Delivered Product as specified in the Guidelines or otherwise communicated to Publisher by SCE. Publisher is liable to SCE and Users for inaccurate or misleading (including by omission) product descriptions. There will be no obligation on SCE to supply any Digitally Delivered Product until SCE has accepted the relevant Product Submission (without prejudice to Section 9.2.5(ii)). Each accepted Product Submission is hereby incorporated into and becomes a part of this GDPA. SCE may amend or change the Product Submission process and requirements at any time and will provide reasonable notice to Publisher of those changes. If a change to the Product Submission process or requirements requires additional information from Publisher, Publisher shall promptly provide that information to SCE. Publisher shall follow the Product Submission process that is current at the time Publisher submits Digitally Delivered Products. Any changes that Publisher wishes to make to a Product Submission must be notified to SCE by way of a separate Product Submission.

9.2.8 Removal from PSN Storefront. Publisher may cease the sale or other provision of a Digitally Delivered Product to SCE by providing SCE with written notice no less than 21 days prior to cessation, or as required by the Guidelines. SCE may purchase and resell or license and otherwise make available for electronic distribution via PSN, an unlimited quantity of Digitally Delivered Products until the date of cessation.

9.2.9 Territory Restrictions. SCE shall only be taken to have exercised its rights under this Section 9 in respect of any Digitally Delivered Product in a particular country where SCE's activities in respect of that Digitally Delivered Product are directed at that country. Access to, use of or download of such product through PSN by a User outside the Territory is not a breach of this GDPA or a breach of any Publisher Intellectual Property Rights or (as between SCE and Publisher) the Intellectual Property Rights of any other person.

10. EULAs and Additional Terms

10.1 **Additional Terms.** Publisher may request presentation on PSN of terms describing or limiting use of its Digitally Delivered Products, in accordance with the Guidelines ("**Additional Terms**"). Additional Terms shall be provided to SCE with the relevant Product Submission. Additional Terms shall be reasonable and consistent with industry practice, and SCE reserves the right to reject, in its sole discretion, Additional Terms that it deems are not, and to review and suggest revisions to the Additional Terms, but without liability for them. Publisher is liable to SCE and Users for Publisher's failure to comply with Additional Terms. The Additional Terms must not be inconsistent with the Software Product License Agreement or the ToSUA.

10.2 **Licensed Product Terms.** Publisher acknowledges that the Software Product License Agreement shall be the license effective between Publisher and users of Licensed Products. Publisher shall be entitled to present its own license (a "**Publisher EULA**") provided it is not inconsistent with the Software Product License Agreement or the ToSUA, and includes the following terms:

10.2.1 the Publisher EULA is between Publisher and the user, not between any SCE Company and the user;

10.2.2 Publisher is solely responsible for the Licensed Product;

10.2.3 a limited license to use the Licensed Product only on a System that the user owns or controls or other such system to which the Licensed Product is delivered by PSN; and

10.2.4 each SCE Company (or the SCE Company for the Territory where the Licensed Product is being sold if the Publisher EULA is regional) is a third party beneficiary of the Publisher EULA.

11. Advertising

11.1 **Generally.** Subject to Section 11.2, Publisher may advertise PlayStation Compatible Products or related Online Activity, but all advertising must be carried out in accordance with the Guidelines.

11.2 **In-Game Advertising.** No advertisements shall be placed in Licensed Products, nor shall advertisements be placed or served dynamically in Licensed Products, without the express written approval of SCE. In the event SCE approves such in-game advertisement, the advertisement must comply with the Guidelines. SCE has sole discretion to reject, block placement of, remove or require removal of any advertisement that (i) does not comply with the Guidelines, applicable law, regulations, court decision, other judicial or administrative order, age ratings system, or principles of any applicable age ratings board; or (ii) may cause SCE or any Affiliate to suffer public disrepute, contempt, scandal or ridicule, or which insults or offends the relevant community or any substantial organized group thereof or which could tend to adversely affect SCE or any Affiliate's name, reputation or goodwill. SCE reserves the right to require Publisher to comply with technical requirements to develop and implement a tracking mechanism to verify the number of users viewing advertisements. SCE reserves the right to set, and subsequently modify, advertising royalty fees. For the purposes of this Section 11.2, "advertisement" shall be deemed to include promotion, product placement, and references and trademarks relating to sponsorship.

12. Online Activity & Data Collection

12.1 **Publisher Obligations.** If a Licensed Product allows Users to engage in Online Activity, then Publisher must, at its sole expense for the term in which the User has rights to use the Licensed Product, do the following in compliance with the Guidelines and this GDPA:

12.1.1 host and provide Users with access to Online Activity;

12.1.2 provide Users with customer support in an efficient manner and in accordance with the Guidelines;

12.1.3 monitor and appropriately supervise Online Activity and, where it becomes aware of any breach or suspected breach by a User of the ToSUA, promptly notify SCE of that breach or suspected breach together with details of the User concerned and take steps to remedy any actual breach of the ToSUA;

12.1.4 appoint a dedicated contact person for Online Activity (including, where requested, an emergency email contact to address grief reports made to SCE or Affiliates), who will act as a liaison between SCE and Publisher for all matters relating to the same. Publisher shall give SCE 10 days written notice prior to any change of a designated contact person;

12.1.5 display Additional Terms relating to Online Activity prior to allowing any User to engage in Online Activity for the first time;

12.1.6 operate all Online Activity in a responsible manner, with particular regard to the protection of children and privacy, and in compliance with legal requirements or as stipulated under any voluntary system relating to the labeling and conduct of gameplay websites designated by SCE, and comply with any SCE policy relating to the protection of children during Online Activity and, where Publisher employs PSN authentication on websites in accordance with the Guidelines, implement age filters or gateways to ensure that children do not generally access content which is not appropriate for their age; and

12.1.7 provide notice to SCE and to consumers in a clear and conspicuous manner of any permanent shutdown to a server hosting or supporting Online Activity at least 90 days prior to any shutdown, and, if Online Activity is a significant feature (as determined by SCE in its discretion in the event of a dispute), use best efforts to arrange removal of all affected units of the relevant Physical Media Product from distribution channels.

12.2 **Use of PSN ID.** Publisher must require all end-users to sign in with their unique PSN ID, or such other SCE identifier specified by SCE, when accessing Online Activity.

12.3 **Personal Information Collection by Publisher.** If Publisher collects any Personal Information from a System or software on that System, Publisher shall do so in strict accordance with all applicable laws and regulations, and the Guidelines. Publisher shall, at a minimum:

12.3.1 Implement reasonable and appropriate measures to protect the confidentiality, security, and integrity of any Personal Information collected; and

12.3.2 Without limiting the obligation to comply with all applicable laws and regulations under this Section 12.3, provide notice to users of its privacy practices, including at least material terms relating to the following:

12.3.2.1 the Personal Information collected;

12.3.2.2 the purposes for which Personal Information will be used;

12.3.2.3 to whom Personal Information will be disclosed;

12.3.2.4 where Personal Information will be transferred; and

12.3.2.5 how an individual can access, correct and delete Personal Information about them.

Publisher shall comply with the practices described in Publisher's privacy notice.

12.4 **Personal Information Disclosed to Publisher by SCE.** SCE has no obligation to disclose data collected by or on behalf of SCE or its Affiliates to Publisher. If Personal Information is disclosed in SCE's absolute discretion, Publisher agrees:

12.4.1 to limit its processing of Personal Information strictly to those purposes defined in the Guidelines or in writing by SCE and for no other purpose;

12.4.2 that prior to processing Personal Information for any purposes beyond those defined under Section 12.4.1, it will:

12.4.2.1 obtain SCE's express, written consent to the use of such data for such purposes such consent to be in SCE's sole discretion;

12.4.2.2 inform the individual of Publisher's identity;

12.4.2.3 inform the individual of the purposes for which the data will be used;

12.4.2.4 obtain the individual's explicit consent to such transfer and use; and

12.4.2.5 provide notice to the individual that the use and any disclosure of the data shall be subject to Publisher's privacy policy and that SCE is not responsible or liable for Publisher's use of the data;

12.4.3 to handle Personal Information in accordance with law, Publisher's privacy policy, the Guidelines and with any terms for handling and use presented by SCE;

12.4.4 to implement measures to protect the confidentiality, security, and integrity of any Personal Information that SCE Company shares with Publisher that are reasonable, adequate or otherwise required by Section 12.4.3; and

12.4.5 where such data relates to an end user who is located in a country with, or is a customer of SCE that is subject to, a law, regulation or direction of any competent authority that restricts the export or transfer of such data outside of that country (or its region, such as the European Economic Area), if requested by SCE, Publisher shall implement such agreements and take such steps as are required by that law, regulation or direction to ensure SCE is in compliance with the restriction.

13. Marketing of Licensed Products

13.1 **Marketing Generally.** At no expense to SCE, Publisher will, and will direct its distributors to, diligently market, sell and distribute the Physical Media Products, market Digitally Delivered Products, use commercially reasonable efforts to stimulate demand for all Licensed Products throughout the applicable Territories, and supply units of Physical Media Products to satisfy any resulting demand.

13.2 **Samples.** Publisher will provide sample units of each Physical Media Product to the SCE Company in each relevant Territory in the quantities and per the terms specified in the Guidelines. In the event that Publisher assembles any Physical Media Product using an alternate source in accordance with Section 8.7, Publisher will be responsible for shipping such sample units to each applicable SCE Company, at Publisher's cost and expense, promptly following the commercial release of such Physical Media Product. SCE assumes no liability for release of samples prior to commercial release. SCE shall not directly or indirectly resell any such sample units of the Physical Media Products without Publisher's prior written consent. SCE may distribute sample units to its employees or those of its Affiliates, provided that it uses its reasonable efforts to ensure that such units are not sold into the retail market. In addition, subject to availability, Publisher shall sell to each applicable SCE Company additional units at cost.

13.3 **Marketing Programs.** SCE may invite Publisher to participate in promotional or advertising opportunities that may feature one or more Licensed Products from one or more Licensed Publishers. Participation shall be voluntary and subject to terms to be determined by SCE at the time of the opportunity. In the event Publisher elects to participate, all materials submitted by Publisher to SCE shall be submitted subject to the Guidelines and delivery of such materials to SCE shall constitute acceptance by Publisher of the terms of the offer. Each SCE Company shall be entitled to display and otherwise use an attribution line substantially similar to the following on its multi-product marketing materials: "Copyrights and trademarks are property of their respective owners."

13.4 **PlayStation Website.** Publisher shall provide SCE with Product Information in HTML or such other format as specified by SCE for each of its Licensed Products for display on one or more PlayStation promotional websites. Specifications for Product Information for those websites shall be as provided in the Guidelines. Publisher shall provide each applicable SCE Company with such Product Information for each Licensed Product upon submission of Printed Materials to the applicable SCE Company for approval pursuant to the Guidelines. Publisher shall also provide updates for any such web page in a timely manner as may be required in the Guidelines.

14. **Subcontracting.** Publisher may provide a subcontractor with access to the SCE Materials where required to assist with the development, publication and marketing of PlayStation Compatible Products only where Publisher has: (i) made the subcontractor aware of the confidentiality, data protection, and other relevant provisions of this GDPA; and (ii) received the subcontractor's written commitment to abide by those terms. Publisher shall remain fully liable for Publisher's compliance with all of the provisions of this GDPA, and shall remain fully liable for and hereby unconditionally guarantees all obligations for the compliance of any subcontractor with the confidentiality, data protection, and other provisions of this GDPA. Publisher shall disclose to a subcontractor the SCE Materials only to the extent necessary to allow the subcontractor to assist with the development, publication and marketing of PlayStation Compatible Products. SCE has no obligation to grant any subcontractor access to the Developer Website (and Publisher shall not share its access with a subcontractor). A subcontractor has no right to publish Licensed Products, including any right to order or pay for Publisher's Physical Media Product. SCE may prohibit disclosure of the SCE Materials to a subcontractor under this section at any time, effective immediately upon notice from SCE to Publisher. SCE may subcontract or sublicense any of its rights or obligations under this GDPA.

15. Revenue and Payments

15.1 Physical Media Products. Publisher shall pay each Designated Manufacturing Facility located in the Territory in which Publisher distributes Physical Media Products, either directly or through its designee, for Physical Media Products, including Physical Media Products in any "Greatest Hits," "Platinum" or any other program, and demonstration discs, at the rates and in the manner specified in the Guidelines, the terms of this Section 15, or otherwise communicated to Publisher by other means used by SCE to communicate standard terms to Publishers from time to time. Publisher shall inform SCE of its Wholesale Price for each Physical Media Product title which shall form the basis of the platform charge payable to the applicable Designated Manufacturing Facility, such amount to be calculated by SCE and notified to the Publisher in accordance with the Guidelines. Payment shall be made prior to manufacture unless the applicable SCE Company has agreed in writing to extend credit terms to Publisher under Section 15.1.1. The burden of proof under this Section 15 shall be on Publisher. SCE reserves the right to require Publisher to furnish evidence satisfactory to SCE that Publisher has complied with any or all of its obligations pursuant to this Section 15.

15.1.1 Credit Terms. SCE may extend credit terms to Publisher in SCE's sole discretion. Credit terms and limits shall be subject to revocation or extension at SCE's sole discretion. If credit terms are extended to Publisher, Purchase Orders will be invoiced by the Designated Manufacturing Facility upon shipment of Physical Media Products and each invoice will be payable within 30 days of the date of the invoice or other period stated in the Guidelines. Publisher shall be additionally liable for all costs and expenses of collection of any unpaid amounts, including reasonable fees for lawyers and court costs.

15.1.2 General Terms. Each shipment by the Designated Manufacturing Facility to Publisher shall constitute a separate sale, whether said shipment constitutes the whole or partial fulfillment of any Purchase Order. Title to units of Physical Media Products pass to Publisher only upon payment in full of the amounts due under this GDPA for those units. The receipt and deposit of any moneys payable by Publisher under this GDPA shall be without prejudice to any rights or remedies that SCE or the Designated Manufacturing Facility has and shall not restrict or prevent either from challenging the basis for calculation or payment accuracy.

15.1.3 SCE Audit. Publisher shall keep full, complete, and accurate records covering all transactions relating to Physical Media Products ordered and manufactured pursuant to this GDPA including, the Wholesale Price received for Physical Media Products, and all records relating to indirect revenue under Section 15.3. Publisher shall preserve such records, documents, and materials for a period of twenty-four (24) months after the expiration or termination of this GDPA. SCE's acceptance of any accounting statement, purchase order, or payment will not preclude SCE from challenging or questioning the accuracy thereof at a later time. If SCE reasonably believes that the pricing or revenue information provided by Publisher is not accurate, SCE is entitled to request additional documentation from Publisher to support the information provided. In addition, during the Term and for a period of two (2) years thereafter and upon the giving of reasonable prior written notice to Publisher, at SCE's expense, representatives of SCE shall be given access to, and the right to inspect, audit, and make copies and summaries of, and take extracts from, such portions of all records of Publisher, including those records from Publisher's affiliates and branch offices, as they pertain to the Licensed Products and any payments due or credits received. Any such audit shall take place during normal business hours and shall, at SCE's sole election, be conducted either by an independent certified accountant or by an appropriately professionally qualified SCE employee. If such inspection reveals any under-reporting of any payment due to SCE, Publisher shall immediately pay SCE such amount. If any audit conducted by SCE reveals that Publisher has under-reported any payment due to SCE by five percent or more for the relevant audit period, then in addition to the payment of the appropriate amount due to SCE, Publisher shall reimburse SCE for all reasonable audit costs for that audit and all collection costs to recover any unpaid amounts.

15.2 Digitally Delivered Products

15.2.1 Publisher Revenue. In consideration of the rights granted by Publisher under Section 9.2.2, each applicable SCE Company shall pay to Publisher the applicable Wholesale Price or agreed revenue share for the Digitally Delivered Products covered by a Product Submission accepted by SCE. SCE has no obligation to pay for any Digitally Delivered Product (and will be entitled to a refund for amounts paid to Publisher): (i) unless and until SCE receives payment from the relevant User; (ii) that is not fully compliant with this GDPA; (iii) that is defective, non-functional or inaccessible through no fault of SCE; or (iv) that is provided by SCE free of charge as a replacement copy or an agreed promotion. Other than the Wholesale Price or agreed revenue share, Publisher is not entitled to any other fee in connection with any Digitally Delivered Products. No further Wholesale Price or agreed revenue share shall be payable to Publisher where a User exercises an entitlement included with a Licensed Product (whether at purchase or at a later time) to download additional copies to other Systems or other compatible devices, whether by means of emulation or otherwise. Publisher may change a Digitally Delivered Product's Wholesale Price or Additional Terms by providing SCE with a revised Product Submission specifying the changes and the desired effective date. SCE makes no commitment to meet the effective date of any such changes chosen by Publisher. A revised Product Submission shall be subject to the provisions of Section 9.2.7.

15.2.2 Retail Price. Each SCE Company has the sole and exclusive right to set the retail price to Users for Digitally Delivered Products sold or otherwise made available for purchase on or through PSN in its Territory, unless SCE adopts and presents to Publisher an alternative structure for distributing Digitally Delivered Products. The applicable SCE Company may modify any Digitally Delivered Product's retail price at any time without notice to Publisher. Publisher shall not interfere with the applicable SCE Company's price setting, but may provide SCE with suggested retail prices for Digitally Delivered Products. SCE reserves the right to adopt an alternative distribution model upon reasonable notice to Publisher.

15.2.3 Refunds. SCE has no obligation to make any payment to Publisher under Section 15.2.1 in respect of any sale where SCE has chosen to refund the price paid by the User for that sale for any reason, other than where such refund becomes due directly as a result of SCE's failure to comply with the terms of this GDPA.

15.2.4 Report and Payment Terms. SCE will provide Publisher with statements identifying the quantity of Digitally Delivered Product sold or licensed by SCE to, or otherwise purchased by, Users (based upon the date SCE receives payment) as well as any refunds for Digitally Delivered Products. Subject to the receipt of Publisher's valid tax invoice which meets the requirements of the relevant taxation authorities (where requested by an SCE Company), SCE will pay Publisher the Wholesale Price or agreed revenue share for the net quantity of Digitally Delivered Products sold or licensed on PSN in the currency, at the times, and in the manner stated in the Guidelines, or as otherwise communicated to Publisher. Where any amounts that SCE must pay under this GDPA are based on SCE or Affiliate revenue, those amounts are calculated after deduction for consumption taxes (including VAT), duties, charges or assessments which SCE or an Affiliate may have to collect or pay with respect to the sale or licensing of Licensed Products. Applicable currency exchanges will be based on the Sony Corporation official rate, or such other independent third party currency conversion provider as SCE may adopt in its sole discretion, for the period in which the relevant Digitally Delivered Products are sold or licensed on PSN. If the total amount of refunds issued by the applicable SCE Company for refunded Digitally Delivered Products exceeds the amount owed by that SCE Company to Publisher in the relevant period, Publisher shall pay that SCE Company an amount equal to the difference. SCE may withhold sums equal to refunds it has made from any payments due to Publisher and withhold payment of any other disputed funds until such time as the parties resolve any dispute. If requested by SCE, Publisher shall issue credit notes to SCE for all refunds shown in SCE's statement in the month following that in which it receives a statement from SCE itemizing the refund in question.

15.2.5 SCE Subscriptions. From time to time, SCE may offer Publisher the opportunity to make certain Digitally Delivered Products available as part of PlayStation Plus or other premium package of products and services offered through PSN to Users paying the relevant subscription fee. The relevant Digitally Delivered Products and the agreed price, if any, to be paid by SCE for the inclusion of such products shall be recorded in a schedule to this GDPA or otherwise in writing. Failure to provide any such Digitally Delivered Product in the agreed form and at the agreed time shall entitle SCE to a refund of any sums paid for such product as set out in the Guidelines or such agreed writing. Publisher shall not share under this GDPA in any revenue received by SCE or any Affiliate as a result of the operation of or related to PSN generally, including subscription revenue generated by PlayStation Plus, regardless of whether or not a PlayStation Plus subscription is required to access a Licensed Product or elements of a Licensed Product.

15.2.6 Publisher Audit. SCE shall keep complete and accurate records to verify its calculation of proper payment pursuant to this Section 15.2, and shall preserve these records for a period of 12 months after this GDPA's termination, or two years after presenting the applicable periodic statement to Publisher, whichever is earlier. Publisher's acceptance of any accounting statements, records or payment under this GDPA will not preclude Publisher from challenging or questioning the accuracy of any statement or report during the Term and the 12-month period after this GDPA's termination. Publisher will give SCE specific notice of any objection to a statement provided under Section 15.2 within 26 months following the date on which SCE first sent the statement to Publisher, or the statement will become conclusively binding and Publisher waives any further right to object. If Publisher has a good faith and reasonable belief that SCE has not provided accurate information and owes Publisher payment under this Section 15.2 as a result, then Publisher may, upon describing in detail the basis for its reasonable belief and providing objective evidence indicating that SCE has underpaid, request additional, supporting documentation from SCE to verify the resale of Digitally Delivered Product to Users. If the matter remains unresolved, the parties shall then attempt in good faith, for a period of not less than 30 days to resolve any dispute related to any statement or payment challenged by Publisher. If such dispute remains unresolved, Publisher may then, at its expense, hire a nationally recognized, third-party accounting firm, on a non-contingency fee basis, reasonably acceptable to SCE, to inspect, audit and make copies and summaries of and take extracts from, those portions of SCE's records pertaining to payments due or credits received under this Section 15.2. Publisher shall require an accounting firm performing an audit to execute a non-disclosure agreement with SCE in a form acceptable to SCE. Information provided to or obtained by Publisher or the accounting firm performing an audit is deemed SCE Materials. The right to conduct such an audit shall not confer on Publisher the right to access any systems or equipment which comprise or support PSN or any information contained therein. Publisher shall provide SCE with reasonable prior written notice (in no event less than 30 days) of Publisher's intent to perform an audit, but no audit may take place within 45 days after the end of SCE's fiscal year. Any audit must take place during SCE's normal business hours. An audit may not be performed more than once every 12 months, and no record may be audited more than once. If an audit reveals any under-reporting of any payment due to Publisher, SCE shall promptly pay Publisher the under-reported amount. If an audit conducted by Publisher reveals that SCE has under-reported any payment due to Publisher by five percent or more for the relevant audit period and that is no less than $10,000, then in addition to the payment of the appropriate amount due to Publisher, SCE shall reimburse Publisher for reasonable third-party audit costs. Nothing in this GDPA shall give Publisher the right to challenge or audit any statement or records pertaining to any period prior to the Effective Date.

15.3 **Indirect Revenue.** If Publisher receives revenue or credit related to the exploitation of PlayStation Compatible Products (including related Online Activity), other than revenue from the sale of Licensed Products under Sections 9.1 and 9.2, including from product placement, sponsorships, advertising, or companion apps, then SCE shall be entitled to a royalty on such revenue received by or credited to Publisher at a rate to be agreed by the parties, but in no event less than [***]% of the gross revenue received by or credited to Publisher or any affiliate of Publisher. Prior to distribution of any PlayStation Compatible Product, Publisher shall advise SCE of any such exploitation. Publisher shall provide SCE with monthly reports of any such revenue or credits received and shall pay SCE's invoice within 30 days of the date of the invoice. For the avoidance of doubt, nothing in this Section 15.3 shall derogate from Publisher's obligation to distribute Licensed Products only in accordance with Sections 9.1 (for Physical Media Products) and 9.2 (for Digitally Delivered Products).

15.4 **Third Party License Fees**. If SCE's exercise of any of the rights granted by Publisher under this GDPA causes SCE or any Affiliate to become legally responsible for the payment of any fees, costs or expenses to any content rights holder or third party collecting payment for the use of voice, music, video, or other content, including unions, guilds, or performing rights organizations, then SCE reserves the right to offset such third party fees, costs or expenses from amounts due Publisher under this Section 15, or, in SCE's sole discretion, reimbursement by Publisher to SCE or the applicable Affiliate.

15.5 **Service Fees and Charges.** Publisher shall pay all fees for services provided by SCE (including format quality assurance) in accordance with terms set forth in the Guidelines. Where a User downloads a Digitally Delivered Product (including Digitally Delivered Products made available to end users for free), SCE reserves the right to charge Publisher for the cost attributable to bandwidth for such downloads at the current, standard rate set by the applicable SCE Company and specified in the Guidelines. Publisher must pay SCE's current, standard patching fee in respect of any patch published under this GDPA, where the patch is submitted to SCE within 60 days of the approval of the relevant Licensed Product pursuant to Section 6.3, or as otherwise stated in the Guidelines. SCE reserves the right to change, on reasonable notice, the rate or the basis on which any such service fees are calculated.

15.6 **Publisher Deductions & Offsets.** No costs incurred in the development, manufacture, marketing, sale or distribution of PlayStation Compatible Products shall be deducted from any amounts payable by Publisher under this GDPA. There shall be no deduction from any amounts owed by Publisher under this GDPA as a result of any uncollectible accounts owed to Publisher, or for any credits, discounts, allowances or returns which Publisher may credit or grant to any third-party customer of any PlayStation Compatible Products. Publisher may not assert any credit, set-off or counterclaim to justify withholding payment under this GDPA.

15.7 Taxes & Withholding

15.7.1 Taxes. The amounts that the parties must pay under this GDPA are exclusive of taxes (including VAT), duties, charges or assessments which the recipient is required to collect, for which the paying party is solely responsible (except that any such amounts that SCE must pay are deemed to be inclusive of all VAT where any such VAT cannot be reclaimed by SCE). Where required by law, each party shall provide the other with a valid VAT registration number and each shall fulfil its obligations relating to VAT under the applicable reverse charge procedure which, in the EU, is stipulated in Article 196 of the EU VAT Directive 2006/112/EC. If the paying party does not provide the appropriate and valid VAT registration number, or applicable documentation in support of an exemption from VAT, then the supplying party will be entitled to charge VAT at the appropriate rate until such a time as an appropriate and valid VAT registration number, or the applicable documentation, is provided, at which time the VAT charged will be refunded or otherwise credited as permissible by law, provided the VAT registration number or other exemption was valid and appropriate at the time the VAT was charged.

15.7.2 SCE Withholding and Offset. If laws or regulations require that SCE or an Affiliate make deductions from sums payable to Publisher under this GDPA, SCE or its Affiliate may withhold those required deductions from the amounts it pays Publisher, remit the deducted amounts to the proper authorities and furnish Publisher, as soon as reasonably practicable, with an official receipt evidencing those payments, together with documentation as Publisher may reasonably require in making submissions to the proper authority. If requested by SCE, prior to any payment being made by SCE Publisher will provide SCE a certificate of tax residency and other documentation required to verify the tax residency of Publisher and, when applicable, to allow a reduction of tax withholding. SCE reserves the right to offset against any payments owed to Publisher under this GDPA any outstanding amounts owed to any SCE Company or Affiliate under this GDPA or otherwise (including any outstanding fees owed to any SCE Company under Section 15.5). SCE shall be entitled to assert any credit, set-off or counterclaim to justify withholding payment under this GDPA.

15.7.3 Publisher Withholding. Publisher shall be solely responsible for, and shall not withhold from any payment to SCE or an Affiliate, any withholding taxes or other such assessments which may be imposed by any governmental authority with respect to payments to SCE or an Affiliate. Where Publisher has paid any such tax or assessments, Publisher may provide each applicable SCE Company with official tax receipts or other such documentary evidence issued by the applicable tax authorities sufficient to substantiate any such taxes or assessments that have in fact been timely paid. Where such substantiation is provided, and SCE or a Designated Manufacturing Facility has issued an approved credit memo or has approved Publisher's invoice describing the credit, Publisher may apply such credit to subsequent payments to the SCE Company or Designated Manufacturing Facility that approved the credit. If requested by Publisher, SCE will provide Publisher with a certificate of tax residency and other documentation required to allow, where applicable, a reduction of tax withholding.

15.7.4 Minimizing Withholding. Each party shall cooperate in good faith and use reasonable efforts to minimize any withholding tax.

15.8 Server Location. Publisher shall notify SCE in writing of the country location of all servers from which any Online Activity is delivered or made available to Users. Publisher shall notify SCE of any changes to the location of any these servers or the use of additional servers in writing at least three months prior to any change or use of additional servers taking place.

16. Representations and Warranties

16.1 Representations and Warranties of SCE

16.1.1 Each SCE Company represents and warrants, solely for the benefit of Publisher, that it has the right, power and authority to enter into this GDPA for its respective Territory, and to fully perform its obligations hereunder.

16.1.2 The following terms shall apply unless otherwise stated in the Guidelines. All Physical Media Products manufactured by a Designated Manufacturing Facility for Publisher pursuant to this GDPA shall be free from defects in materials and workmanship under normal use and service at time of delivery in accordance with this GDPA. For SCEA and SCEE, the sole obligation of SCE under this warranty shall be, for a period of 90 days from the date of delivery of such Physical Media Products, at SCE's election, either (i) to replace defective Physical Media Products; or (ii) to issue credit for, or to refund to Publisher, the charge for defective Physical Media Products and to reimburse Publisher its reasonable return shipping costs. This warranty is the only warranty applicable to Physical Media Products manufactured by the Designated Manufacturing Facility for Publisher pursuant to this GDPA. This warranty shall not apply to damage resulting from accident, fair wear and tear, wilful damage, alteration, negligence, abnormal conditions of use, failure to follow directions for use (whether given in instruction manuals or otherwise howsoever) or misuse of Physical Media Products, or to Physical Media Products comprising less than 1% (or, if greater, 100 units) in the aggregate of the total number of Physical Media Products manufactured by the Designated Manufacturing Facility for Publisher per Purchase Order of any Physical Media product. If, during such 90 day period, defects appear as aforesaid, Publisher shall notify SCE and, upon request by SCE (but not otherwise), return such defective Physical Media Products, with a written description of the defect claimed, to such location as SCE shall designate. SCE shall not accept for replacement, credit or refund as aforesaid any Physical Media Products except factory defective Physical Media Products (i.e. Physical Media Products that are not free from defects in materials and workmanship under normal use and service). All returns of Physical Media Products shall be subject to prior written authorization by SCE, not unreasonably to be withheld. If no defect exists or the defect is not such as to be covered under this warranty, Publisher shall reimburse SCE for expenses incurred in processing and analyzing the Physical Media Products. For SCEI, any obligation regarding manufacturing Physical Media Products is stated in the Guidelines.

16.2 Representations and Warranties of Publisher. Publisher represents and warrants throughout the Term that:

16.2.1 there is no threatened or pending action, suit, claim or proceeding alleging that the use or possession by Publisher or its affiliates of all or any part of the Publisher Property, Product Proposals, Product Information, Printed Materials, Advertising Materials, Packaging not provided by the Designated Manufacturing Facility, User Content or any underlying work or content embodied in any of the foregoing, including any name, designation or trademark used in conjunction with any PlayStation Compatible Product, infringes or violates any Intellectual Property Rights or other right or interest of any kind whatsoever anywhere in the world of any third party, or contesting any right, title or interest of Publisher in or to the Publisher Property, Product Proposals, Product Information, Printed Materials, Advertising Materials, Packaging not provided by the Designated Manufacturing Facility, User Content or any underlying work or content embodied in any of the foregoing, including any name, designation or trademark used in conjunction with any PlayStation Compatible Product;

16.2.2 Publisher Property, Product Proposals, Product Information, Printed Materials, Advertising Materials, Packaging not provided by the Designated Manufacturing Facility, User Content, and their contemplated or actual disclosure or use under this GDPA, do not and shall not infringe the Intellectual Property Rights, right of publicity, right to privacy, or moral rights anywhere in the world of any third party. Publisher has obtained the consent of all holders of Intellectual Property Rights necessary for SCE's or its Affiliates' use of any Licensed Products (apart from the SCE Materials), Product Proposals, Product Information, Printed Materials, Advertising Materials, User Content and Packaging not provided by the Designated Manufacturing Facility provided by Publisher, which may be reproduced, published, publicly displayed, publicly performed, marketed, sold and distributed by SCE and any Affiliates in accordance with this GDPA. Publisher has made all payments required to any person having any legal rights arising from such disclosure or use so that SCE will not incur any obligation to pay any royalty, residual, union, guild, collecting society or other fees or expenses;

16.2.3 Publisher Property does not contain and is not derived in any manner (in whole or in part), from any software, including without limitation open source software, that would require that any SCE or third party proprietary software or information be: (i) disclosed or distributed in source code form; (ii) licensed for the purpose of permitting modifications or derivative works; (iii) reproduced and/or redistributed (with or without charge); (iv) permitted to be reverse engineered; or (v) used only for non-commercial purposes;

16.2.4 Publisher has the right, power and authority to enter into this GDPA, to grant SCE the rights granted hereunder and to fully perform its obligations hereunder;

16.2.5 the making of this GDPA by Publisher does not violate any separate agreement, rights or obligations existing between Publisher and any other person, and Publisher shall not make any separate agreement with any third party that is inconsistent with any of the provisions of this GDPA;

16.2.6 Publisher has not previously taken any action that could be interpreted as having sold, assigned, leased, licensed or in any other way disposed of or encumbered any of the rights granted to Publisher hereunder. Publisher will not sell, assign, lease, license or in any other way dispose of or encumber any of such rights except as permitted by this GDPA;

16.2.7 neither Publisher nor its affiliates shall make any representation or give any warranty to any person or entity expressly or on SCE's behalf, or to the effect that the PlayStation Compatible Products are connected in any way with SCE other than that the Licensed Products have been developed, marketed, sold and distributed under license from SCE;

16.2.8 if any PlayStation Compatible Product that includes SCE Materials is delivered by Publisher to any other Licensed Publishers or Licensed Developers in source code form, Publisher will take all precautions consistent with the protection of valuable trade secrets by companies in high technology industries to ensure that such third parties protect and maintain the confidentiality of such source code;

16.2.9 PlayStation Compatible Products (apart from the SCE Materials), and any Product Information will (i) be in a commercially acceptable form; (ii) correspond with any written description provided by Publisher to SCE; (iii) be free of unauthorized content (including content that is inconsistent with the age rating applicable to the corresponding PlayStation Compatible Product); (iv) be free of bugs, defects, time bombs or viruses or any content which could disrupt, delay, or destroy the PlayStation Compatible Product, PSN, or a System, or render any of such items less than fully useful; (v) be free of any content that could cause SCE to suffer public disrepute, contempt, scandal or ridicule, which insults or offends the community or any substantial organized group thereof, which could tend to adversely affect SCE's name, reputation or goodwill associated with the System or which otherwise breaches any objectionable content criteria set out in the Guidelines; and (vi) shall be fully compatible with the relevant Systems and all Peripherals listed on the Printed Materials as compatible with the PlayStation Compatible Product;

16.2.10 PlayStation Compatible Products will be developed, marketed, sold and distributed by or at the direction of Publisher in an ethical and responsible manner with respect to the protection of children in the online environment, and in full compliance with all applicable laws, including federal, state, provincial, local laws, and any rules, regulations and standards promulgated thereunder, including lottery, labor, anti-bribery and corruption laws and will not contain content that violates applicable laws, including those relating to privacy or any obscene or defamatory matter;

16.2.11 PlayStation Compatible Products will include adequate and appropriate health and safety warnings that preclude Publisher and SCE liability to third parties;

16.2.12 Publisher's policies and practices with respect to the development, publishing, marketing, sale, and distribution of PlayStation Compatible Products will in no manner reflect adversely upon the name, reputation or goodwill of SCE or any Affiliate;

16.2.13 Publisher will make no false, misleading or inconsistent representations or claims with respect to SCE, PSN, or any System, PlayStation Compatible Product, or Affiliate; and

16.2.14 neither Publisher nor any director, officer or controlling shareholder is under sanction by the United States Office of Foreign Assets Control.

17. Indemnities

17.1 **Indemnification by SCE.** Each SCE Company shall indemnify and hold Publisher and its respective officers, directors, employees, agents, representatives, successors and assigns harmless from and against third-party claims, demands, losses, liabilities, damages, expenses and costs, including reasonable fees for lawyers, expert witnesses and litigation costs, and costs incurred in the settlement or avoidance of any such claim, that result from a breach of any of that SCE Company's representations or warranties set forth in Section 16.1 (collectively, "**SCE- Indemnified Claim(s)**"); provided that: (i) Publisher shall give prompt written notice to the applicable SCE Company of the assertion of any SCE-Indemnified Claim; (ii) the applicable SCE Company may select counsel and control the defense and settlement of any SCE-Indemnified Claim and Publisher shall not agree to the settlement of any SCE-Indemnified Claim without the applicable SCE Company's prior written consent; and (iii) Publisher shall provide the applicable SCE Company reasonable assistance and cooperation concerning any SCE-Indemnified Claim, except that Publisher need not incur any out-of-pocket costs in rendering such assistance and cooperation. The applicable SCE Company has the exclusive right, at its discretion, to commence and prosecute at its own expense any lawsuit or to take such other action with respect to SCE- Indemnified Claims as it deems appropriate.

17.2 **Indemnification by Publisher.** Publisher shall indemnify and hold SCE and its Affiliates and each of their respective officers, directors, employees, agents, representatives, successors and assigns harmless from and against claims, demands, losses, liabilities, damages, expenses and costs, including reasonable fees for lawyers, expert witnesses and litigation costs, and costs incurred in the settlement or avoidance of any such claim, that relate to (i) a breach or alleged breach of any of Publisher's representations or warranties set forth in Section 16.2, or in any collateral contract; (ii) asserted or actual infringement of a third party's Intellectual Property Rights or any individual consumer or class action claim, with respect to Publisher Property, Product Proposals, Product Information, Printed Materials, Advertising Materials, Packaging not provided by the Designated Manufacturing Facility, User Content, and their disclosure or use under this GDPA; (iii) Publisher's support of unauthorized or unlicensed Peripherals or software that do not comply with an appropriate System format specification as set forth in the Guidelines; (iv) Publisher's Advertising Materials, Product Information, or Publisher's failure to comply with Additional Terms or the applicable EULA; (v) any PlayStation Compatible Product features or capability related to cross-regional Online Activity; (vi) asserted or actual personal or bodily injury (including death or disability) or property damage arising out of, in whole or in part, the development, marketing, advertising, sale, distribution or use of any PlayStation Compatible Products unless due directly and solely to the breach of SCE in performing any of the specific duties or providing any of the specific services required of it under this GDPA; (vii) any civil or criminal investigations or actions relating to the development, marketing, advertising, sale or distribution of PlayStation Compatible Products; (viii) access to a Licensed Product outside of the country where SCE directs activity under Section 9.2.9 (Territory Restrictions), (ix) any claim relating to Publisher's handling of data collected from or through a System or software on a System by or on behalf of Publisher or any data provided to Publisher by SCE pursuant to Section 12.4, or (x) any penalties or interest assessed against SCE or an Affiliate for any taxes or charges Publisher is required to remit to any governmental taxing authority with respect to payments made to SCE or an Affiliate (all subsections collectively, "**Publisher-Indemnified Claim(s)**"), provided that (a) SCE shall give prompt written notice to Publisher of the assertion of any Publisher- Indemnified Claim; (b) Publisher shall have the right to select counsel and control the defense and settlement of any Publisher-Indemnified Claim, except that with respect to any Publisher- Indemnified Claims made by a third party against SCE, SCE shall have the right to select counsel for itself and control the defense and settlement of the Publisher-Indemnified Claim against SCE; and (c) SCE shall provide Publisher with reasonable assistance and cooperation concerning any Publisher-Indemnified Claim, except that SCE need not incur any out-of-pocket costs in rendering such assistance and cooperation. Subject to the foregoing, Publisher may, at its discretion, commence and prosecute at its own expense any lawsuit or to take such other action with respect to Publisher-Indemnified Claims as shall be deemed appropriate by Publisher.

18. Limitation of Liability

18.1 **SCE Limitation of Liability for Financial Losses.** In no event shall SCE or any Affiliate, or the officers, directors, employees, agents, licensors or suppliers of any of such entities, be liable for loss of revenue, loss of actual or prospective profits, loss of contracts, loss of anticipated savings, loss of business opportunity, reputation, goodwill or market share, loss of, damage to or corruption of data or for any interest or ex gratia payments (whether such loss, damages or payments are direct, indirect, special, incidental or consequential) arising out of, relating to, or in connection with this GDPA or any collateral contract (including the breach of this GDPA by any SCE Company), whether known, foreseen or foreseeable and whether in contract, tort (including negligence), product liability, under indemnity, or otherwise.

18.2 **SCE Limitation of Liability for Other Consequential Losses.** In no event shall SCE or any Affiliate or the officers, directors, employees, agents, licensors or suppliers of any of such entities, be liable for any indirect, special, incidental or consequential loss or damage of any kind arising out of or in connection with this GDPA or any collateral contract (including the breach of this GDPA by any SCE Company), whether known, foreseen or foreseeable and whether in contract, tort (including negligence), product liability, under an indemnity or otherwise.

18.3 **SCE Limitation of Liability for Representations.** Publisher shall have no remedy with respect to any representation made to it upon which it relied in entering into this GDPA and SCE or any Affiliate and the officers, directors, employees, agents, licensors or suppliers of any of such entities shall have no liability to Publisher other than under the express terms of this GDPA. In this Section 18.3, "representation" means any undertaking, promise, assurance, statement, representation, warranty or understanding, whether in writing or otherwise, of any person (whether a party to this GDPA or not), relating to the subject matter of this GDPA.

18.4 **SCE Limitation of Liability for SCE Materials and Publisher's Materials.** Except as expressly set forth herein, neither SCE or any Affiliate company, nor the officers, directors, employees, agents, licensors or suppliers of any of such entities, shall bear any risk, or have any responsibility or liability of any kind to Publisher or to any third parties with respect to the quality, functionality, operation or performance of, or the use or inability to use, all or any part of the SCE Materials, the System, PlayStation Compatible Products, or for any software errors or "bugs" in Product Information included on SCE demonstration discs.

18.5 **SCE Limitation of Financial Liability.** In no event shall the liability of each SCE Company or any Affiliate arising under, relating to, or in connection with this GDPA, or any collateral contract, exceed a sum equal to the total amount paid by Publisher under Section 15.1 to that SCE Company or its Designated Manufacturing Facility, and the net amount actually received by that SCE Company from purchases of Digitally Delivered Products by Users pursuant to Section 15.2, within the 12-month period immediately prior to the date of the first occurrence of the event or circumstances giving rise to the claimed liability.

18.6 **Publisher Limitation of Liability.** In no event shall Publisher, its officers, directors, employees, agents, licensors or suppliers be liable to SCE for loss of revenue, loss of actual or prospective profits, loss of contracts, loss of anticipated savings, loss of business opportunity, reputation goodwill or market share, loss of, damage to or corruption of data or for any interest or ex gratia payments (whether such loss, damages or payments are direct, indirect, special, incidental or consequential), arising out of or in connection with this GDPA or any collateral contract (including the breach of this GDPA by Publisher), provided that such limitations shall not apply to damages resulting from Publisher's breach of Sections 3 (Conditional License Grant), 5 (Other Limitations on Licensed Rights), 16.2 (Representations and Warranties of Publisher), 17.2 (Indemnification by Publisher) or 20 (Data Security and Confidentiality) of this GDPA, or to any amounts which Publisher may be required to pay pursuant to Sections 7.12.2 (Risk of Loss), or 17.2 (Indemnification by Publisher).

18.7 **Disclaimer of Warranty.** Except as expressly provided in Section 16.1, neither SCE or any Affiliate, nor any of its officers, directors, employees, agents or suppliers, make, nor does Publisher receive, any warranties (express, implied or statutory) regarding all or part of the SCE Materials, the SCE Intellectual Property Rights, the Systems, units manufactured hereunder, PSN, Product Information included on demonstration discs or any services provided by SCE pursuant to this GDPA. SCE disclaims any warranties, conditions or other terms implied by any law (including as to merchantability, satisfactory quality or fitness for a particular purpose and warranties against infringement, and the equivalents thereof under the laws of any jurisdiction) to the fullest extent permitted by applicable law. SCE disclaims any duty to determine or ascertain Publisher's authorization, permission or license to sell, supply or distribute any product or service.

18.8 **Law Applicable to Liabilities.** Nothing in this GDPA shall exclude or limit any liability of either party which may not be excluded or limited under applicable law.

19. **Infringement of SCE Intellectual Property Rights By Third Parties.** In the event that Publisher becomes aware that any of the SCE Intellectual Property Rights have been or are being infringed by any third party, Publisher shall promptly notify the SCE Company located in the relevant Territory or Territories. SCE shall have the sole right, in its discretion, to institute and prosecute lawsuits against third parties regarding infringement of SCE Intellectual Property Rights. Any lawsuit shall be prosecuted solely at the cost and expense of SCE and all sums recovered in any such lawsuits, whether by judgment, settlement or otherwise, shall belong solely to SCE. Upon SCE's request, Publisher shall execute all papers, testify on all matters and cooperate in every way necessary or desirable for the prosecution of any such lawsuit. SCE shall reimburse Publisher for the reasonable expenses incurred as a result of such cooperation, but unless authorized by other provisions of this GDPA, not costs and expenses attributable to any cross- claim, counterclaim or third party action by or against Publisher.

20. **Data Security and Confidentiality**

20.1 **Term of Protection of SCE Materials.** The term for the protection of the SCE Materials shall commence on the Effective Date and shall continue in full force and effect for as long as any of the SCE Materials continues to be maintained as confidential and proprietary by SCE or any Affiliate.

20.2 **Preservation of SCE Materials.** Publisher shall:

20.2.1 use the SCE Materials only for the purpose of performing its obligations or exercising its rights under this GDPA and not permit the use of the SCE Materials for any other purpose;

20.2.2 keep the SCE Materials in strict confidence, and not disclose the SCE Materials to any person, other than those employees, directors or officers of the Publisher, permitted subcontractors under Section 14, or legal counsel, whose duties justify a "need-to-know" (and only to the extent necessary) and who have executed a confidentiality agreement in which such employees, directors, officers, subcontractors or legal counsel have agreed not to disclose and to protect and maintain the confidentiality of all confidential information and materials inclusive of that of third parties which may be disclosed to them or to which they may have access during the course of their duties. At SCE's request, Publisher shall provide SCE with a copy of such confidentiality agreement between Publisher and its employees, directors, officers, subcontractors or legal counsel. Publisher shall not disclose any of the SCE Materials to third parties, other than permitted subcontractors under Section 14, including to consultants or agents, without SCE's prior written consent. Any employees, directors, officers, subcontractors, legal counsel, authorized consultants and agents who obtain access to or copies of the SCE Materials shall be advised by Publisher of the confidential or proprietary nature of the SCE Materials, and Publisher shall be responsible for any breach of this GDPA by all such persons. Publisher shall maintain a list of recipients of the SCE Materials and provide such list to SCE on request;

20.2.3 take all reasonable measures necessary to preserve the confidentiality of the SCE Materials in order to avoid disclosure, publication, or dissemination, using as high a degree of care and scrutiny as it uses to protect its own confidential information, but at least reasonable care and in a manner consistent with the protection of valuable trade secrets by companies in high technology industries;

20.2.4 ensure that all written materials relating to or containing the SCE Materials be maintained in a restricted access area and plainly marked to indicate the proprietary and confidential nature thereof; and

20.2.5 implement and maintain adequate security controls or measures to safeguard the SCE Materials while being transmitted and while at rest (i.e., encryption, password management, secure processing and transfer protocols). In addition, Publisher shall at all times:

20.2.5.1 implement secure user authentication, including unique (non-shared) user accounts and passwords, for persons having access to the SCE Materials;

20.2.5.2 document processes for issuing and revoking user access, including immediate revocation of access for terminated employees and secure communication of user accounts and passwords;

20.2.5.3 implement encryption or hashing, where such hashing shall include use of a random salt of user account passwords used to access the SCE Materials.

20.2.5.4 at any SCE Company's request, destroy or return promptly to that SCE Company any and all portions of the SCE Materials, together with all copies thereof; and

20.2.5.5 not use, copy, reproduce, modify, create derivative works from, sublicense, distribute, or disseminate the SCE Materials or any such derivative works, or any portion thereof, or permit any third party to do so, except as expressly authorized, nor shall Publisher remove any proprietary legend set forth on or contained within any of the SCE Materials.

20.3 **Exceptions.** The restrictions in Section 20.2 shall not apply to any portion of the SCE Materials which:

20.3.1 was previously known by Publisher without restriction on disclosure or use, as proven by written documentation of Publisher;

20.3.2 is or legitimately becomes part of the public domain (which shall not include limited disclosures to the public) through no fault of Publisher or any of its employees, directors, officers, consultants, legal counsel, or agents;

20.3.3 is independently developed by Publisher's employees or consultants who have not had access to or used the SCE Materials (or any portion thereof), as proven by written documentation of Publisher;

20.3.4 is required to be disclosed by court, administrative or governmental order; provided that Publisher must use all reasonable efforts prior to issuance of any such order to maintain the confidentiality of the SCE Materials, including asserting in any action or investigation the restrictions set forth in this GDPA, and, immediately after receiving notice of any such action, investigation, or threatened action or investigation, Publisher must notify SCE of such action, investigation, or threatened action or investigation, unless Publisher is ordered by a court not to so notify;

20.3.5 is required to be disclosed by applicable regulatory regime, in which case Publisher shall disclose only such SCE Materials as are required; or

20.3.6 is approved for release by written authorization of SCE.

20.4 **No Obligation to License.** SCE may disclose the SCE Materials to Publisher at such times as it deems necessary or desirable in its sole discretion. Other than as expressly set forth in this GDPA, such disclosure shall not (i) constitute any option, grant or license from SCE to Publisher under any SCE Intellectual Property Rights now or after owned or controlled by SCE; (ii) result in any obligation on the part of SCE to approve any materials of Publisher; (iii) give Publisher any right to, directly or indirectly, develop, manufacture, sell, market, promote, or distribute any product derived from or which uses or was developed with the use of the SCE Materials (or any portion thereof).

20.5 **Publisher's Obligations Upon Unauthorized Disclosure.** If at any time Publisher becomes aware of or suspects any actual or potential unauthorized duplication, access, use, possession or knowledge of any of the SCE Materials or any breach of security or exposure involving the SCE Materials, Publisher shall immediately notify SCE Information Security by telephone at +1-855- 723-2732, or via email (infosec@playstation.sony.com), or at such other numbers or addresses as may be provided in the Guidelines or notified to Publisher. In the event of such a security breach, Publisher shall:

20.5.1 provide any and all reasonable assistance to SCE to protect SCE's proprietary rights in any of the SCE Materials and collaborate with SCE to implement mitigation and remediation actions and controls to reduce the impact of and prevent further incidents;

20.5.2 notify customers of information breaches or incidents if requested by SCE;

20.5.3 provide a written report by electronic means detailing the incident and corrective and preventive actions; and

20.5.4 take all steps requested by SCE to prevent the recurrence of any unauthorized disclosure, duplication, access, use, possession or knowledge of the SCE Materials.

Where Publisher or its employees, directors, officers, or subcontractors, consultants, legal counsel, or agents may have directly or indirectly disclosed or made available SCE Materials not expressly authorized by this GDPA, Publisher shall cooperate fully with SCE in mitigating the effects of such disclosure, including enforcement of confidentiality agreements, commencement and prosecution in good faith (alone or with SCE) of legal action, and reimbursement for all reasonable lawyers' fees, costs and expenses incurred by SCE to protect its proprietary rights in the SCE Materials.

20.6 **Publisher Confidential Information**

20.6.1 Definition of Publisher Confidential Information. "**Publisher Confidential Information**" shall mean any Publisher Property provided to SCE pursuant to this GDPA and all documentation and information relating thereto, including Product Proposals, Product Information, Printed Materials and Advertising Materials (other than documentation and information intended for release to and use by end-users, the general public or the trade). Publisher Confidential Information may consist of information in any medium, whether oral, printed, in machine-readable form or otherwise, provided to SCE before or during the Term, including information subsequently reduced to tangible or written form.

20.6.2 Term of Protection of Publisher Confidential Information. The term for the protection of Publisher Confidential Information shall commence on the Effective Date and shall continue in full force and effect for as long as any of Publisher Confidential Information continues to be maintained as confidential and proprietary by Publisher. SCE shall have the right to destroy Publisher Confidential Information at any time after the date three years after SCE initially received such information.

20.6.3 Preservation of Publisher Confidential Information. SCE shall, with respect to Publisher Confidential Information:

20.6.3.1 hold all Publisher Confidential Information in strict confidence and implement reasonable steps to preserve the confidentiality of Publisher Confidential Information, and to avoid disclosure, publication, or dissemination, and to prevent it from falling into the public domain or into the possession of persons other than those persons to whom disclosure is authorized hereunder, but no less than reasonable care and in a manner consistent with the protection of valuable trade secrets by companies in high technology industries;

20.6.3.2 not disclose Publisher Confidential Information to any person other than SCE's or a Designated Manufacturing Facility's employees, directors, officers, agents, consultants, subcontractors, legal counsel, and licensors who need to know or have access to Publisher Confidential Information for the purposes of this GDPA, and only to the extent necessary for such purposes, and who have executed a confidentiality agreement with an SCE Company or Affiliate, or in circumstances where such employees, directors, officers, agents, consultants, subcontractors, legal counsel or licensors have a professional obligation to not disclose confidential information and materials inclusive of that of third parties which may be disclosed to them by SCE. Any such employees, directors, officers, agents, consultants, subcontractors, legal counsel, and licensors who obtain access to or copies of the Publisher Confidential Information shall be advised by SCE of the confidential or proprietary nature of the Publisher Confidential Information;

20.6.3.3 at Publisher's request, return promptly to Publisher any and all portions of Publisher Confidential Information, together with all copies thereof (except that SCE may retain Publisher Confidential Information in a secure location solely for archival or backup purposes, or as is needed for legal or internal compliance purposes, provided those copies are subject to this GDPA's terms and will eventually be erased or destroyed in the ordinary course of SCE's data processing procedures); and

20.6.3.4 not use Publisher Confidential Information, or any portion thereof, except as provided herein, nor shall SCE remove any proprietary legend set forth on or contained within any of Publisher Confidential Information, and, if explicitly requested by Publisher and agreed by SCE, ensure that all written materials containing highly sensitive Publisher Confidential Information be maintained in a reasonably secure manner and marked to indicate the proprietary and confidential nature thereof.

20.6.4 Additional Information. Publisher may request additional information regarding SCE security controls or measures reasonably required by Publisher to safeguard Publisher Confidential Information (i.e., encryption, password management, secure processing and transfer protocols), which may, upon SCE acceptance, include the following:

20.6.4.1 description of any secure user authentication, including unique (non-shared) user accounts and passwords, for persons having access to Publisher Confidential Information;

20.6.4.2 description of any current document processes for issuing and revoking user access, including immediate revocation of access for terminated employees and secure communication of user accounts and passwords; or

20.6.4.3 description of any encryption or hashing, where such hashing shall include use of a random salt of user account passwords used to access Publisher Confidential Information.

20.6.5 Exceptions. The foregoing restrictions shall not apply to any portion of Publisher Confidential Information which:

20.6.5.1 was previously known by SCE without restriction on disclosure or use, as proven by written documentation of SCE;

20.6.5.2 comes into the possession of SCE from a third party which is not under any obligation to maintain the confidentiality of such information;

20.6.5.3 is or legitimately becomes part of information in the public domain through no fault of SCE, or any of its employees, directors, agents, consultants or subcontractors;

20.6.5.4 is independently developed by SCE's or an Affiliate's employees, consultants or subcontractors who have not relied on Publisher Confidential Information (or any portion thereof), as proven by written documentation of SCE;

20.6.5.5 is required to be disclosed by court, administrative or governmental order; provided that the applicable SCE Company attempts, prior to the issuance of any such order, to maintain the confidentiality of Publisher Confidential Information, including asserting in any action or investigation the restrictions set forth in this GDPA, and immediately after receiving notice of any such action, investigation, or threatened action or investigation, notifies Publisher of such action, investigation, or threatened action or investigation, unless an SCE Company is ordered by a court not to so notify; or

20.6.5.6 is approved for release by written authorization of Publisher.

In addition, SCE shall have the right to disclose the existence of this GDPA, and to make public announcements regarding the GDPA, taking Publisher's reasonable requests into consideration as to the timing of any public announcement.

20.6.6 SCE's Obligations Upon Unauthorized Disclosure. If at any time SCE becomes aware of any unauthorized duplication, access, use, possession or knowledge of Publisher Confidential Information, it shall notify Publisher as soon as is reasonably practicable. The applicable SCE Company shall provide any and all reasonable assistance to Publisher to protect Publisher's proprietary rights in any of Publisher Confidential Information that it or its employees or permitted subcontractors may have directly or indirectly disclosed or made available and that may be duplicated, accessed, used, possessed or known in a manner or for a purpose not expressly authorized by this GDPA, including enforcement of confidentiality agreements, commencement and prosecution in good faith (alone or with Publisher) of legal action, and reimbursement for all reasonable lawyers' fees, costs and expenses incurred by Publisher to protect Publisher's proprietary rights in Publisher Confidential Information. SCE shall take all reasonable steps requested by Publisher to prevent the recurrence of any unauthorized duplication, access, use, possession or knowledge of Publisher Confidential Information.

21. Term and Termination

21.1 **Initial Term.** This GDPA shall be effective from the Effective Date until March 31, 2019 (the "**Initial Term**").

21.2 **Term Renewal.** The Initial Term shall be automatically extended for additional 12-month terms, unless either party provides the other with written notice of termination in accordance with this Section 21. The period commencing on the Effective Date and ending upon expiration or termination of the Initial Term and any additional terms is the "**Term**." Notwithstanding any termination or expiration, the term for the protection of the SCE Materials and Publisher Confidential Information shall be as set forth in Section 20.

21.3 **Termination by Publisher.** Publisher shall have the right to terminate this GDPA at any time after expiration of the Initial Term, for any reason or for no reason, by providing notice to SCE at least thirty days before the effective date of the termination. In addition, Publisher shall have the right to terminate this GDPA for all Territories immediately, at any time, upon written notice to SCE, if SCE is in material breach of any of its obligations under this GDPA, which breach, if capable of remedy, shall not have been cured in full within 30 days following notice from Publisher specifying and requiring the cure of such breach, or any repetition of a prior material breach of any such obligation, whether or not capable of remedy.

21.4 **Termination for Convenience by SCE.** SCE shall have the right to terminate this GDPA at any time after expiration of the Initial Term, for any reason or for no reason, by providing notice to Publisher at least thirty days before the effective date of the termination.

21.5 **Termination for Cause by SCE.** SCE shall have the right to terminate this GDPA for all Territories or on a Territory-by-Territory basis immediately, at any time, upon written notice to Publisher, upon the occurrence of any of the following:

21.5.1 if Publisher is in material breach of any of its obligations under this GDPA or under any other agreement entered into between an SCE Company or any Affiliate, on the one hand, and Publisher on the other hand, which breach, if capable of remedy, shall not have been cured in full within 30 days following notice from SCE (or the applicable Affiliate as the case may be) specifying and requiring the cure of such breach, or any repetition of a prior material breach of any such obligation, whether or not capable of remedy;

21.5.2 a statement of intent by Publisher to no longer exercise any of the rights granted by SCE to Publisher hereunder, or Publisher failing to submit any Purchase Orders for Licensed Products under Sections 8.3 or 9.2.7 during any period of twelve consecutive calendar months;

21.5.3 if Publisher:

21.5.3.1 is unable to pay its debts when due;

21.5.3.2 makes an assignment for the benefit of any of its creditors;

21.5.3.3 files or has filed against it a petition, or an order of bankruptcy or insolvency is made, under the bankruptcy or insolvency laws of any jurisdiction (and such petition is not discharged within 60 days) or becomes or is adjudicated bankrupt or insolvent;

21.5.3.4 is the subject of an order for, or applies for or notices its intent to apply for, the appointment of an administrator, receiver, administrative receiver, manager, liquidator, trustee or similar officer to be appointed over any of its business or property;

21.5.3.5 ceases to do business or enters into liquidation; or

21.5.3.6 takes or suffers any similar or analogous action in any jurisdiction as a consequence of debt;

21.5.4 if a controlling interest in Publisher, or in an entity which directly or indirectly has a controlling interest in Publisher, is transferred to a party that:

21.5.4.1 is in breach of any agreement with an SCE Company or any Affiliate;

21.5.4.2 directly or indirectly holds or acquires a controlling interest in a third party which designs or develops any of the core components for an interactive device or product which is directly or indirectly competitive with any System, or itself develops any product that is directly or indirectly competitive with any System; or

21.5.4.3 is in litigation or in an adversarial administrative proceeding with an SCE Company or any Affiliate concerning the SCE Materials or any SCE Intellectual Property Rights, including challenging the validity of any SCE Intellectual Property Rights;

21.5.5 if Publisher or any entity that directly or indirectly has a controlling interest in Publisher:

21.5.5.1 enters into a business relationship with a third party related to the design or development of any core components for an interactive device or product which is directly or indirectly competitive with any System; or

21.5.5.2 acquires an interest in or forms a strategic business relationship with any third party which has developed or owns or acquires Intellectual Property Rights in any such device or product;

21.5.6 if Publisher or any of its affiliates initiates any legal or administrative action against any SCE Company or any Affiliate or challenges the validity of any SCE Intellectual Property Rights;

21.5.7 if Publisher fails to pay any sums owed to any SCE Company on the date due and such default is not fully corrected or cured within ten (10) business days of the date on which such payment was originally due;

21.5.8 if Publisher or any of its officers or employees engage in “hacking” of any software for any PlayStation format or in activities which facilitate the same by any third party; or

21.5.9 if any director, officer or controlling shareholder or group of shareholders of Publisher, in their personal capacity, has been, is, or becomes involved in any dispute with SCE or any Affiliate, including being the subject of any allegation of fraud or breach or infringement of the legal rights of SCE or any Affiliate.

As used in this section, “controlling interest” means, with respect to any form of entity, sufficient power to control the decisions of such entity. Publisher shall immediately notify SCE in writing in the event that any of the events or circumstances specified in Section 21.5 occur. In the event of termination under 21.5.8, each SCE Company shall have the right to terminate any other agreements entered into between that SCE Company and Publisher.

21.6 **Product-by-Product Termination.** In addition to the events of termination described in Section 21.5, an SCE Company, at its option, shall be entitled to terminate, with respect to a particular PlayStation Compatible Product developed or published in that SCE Company's Territory, the licenses and related rights herein granted to Publisher immediately on written notice to Publisher, in the event that:

21.6.1 Publisher fails to notify the applicable SCE Company promptly in writing of any material change to any materials previously approved by that SCE Company in accordance with Section 6.3 and the relevant Guidelines, and such breach is not corrected or cured within 30 days after receipt of written notice of such breach;

21.6.2 Publisher fails to comply with the requirements of Section 14 in connection with the development of any PlayStation Compatible Product;

21.6.3 any third party with whom Publisher has contracted for the development of PlayStation Compatible Products breaches any of its material obligations to the applicable SCE Company pursuant to such third party's agreement with that SCE Company with respect to any such PlayStation Compatible Product;

21.6.4 Publisher cancels a Licensed Product, or fails to provide to each applicable SCE Company, in accordance with the provisions of Section 6.3 and the relevant Guidelines, the final version of a proposed Licensed Product or related Packaging and Printed Materials for any Licensed Product within three months of the scheduled release date (as referenced in the Product Proposal or as mutually agreed by the parties in writing), or fails to provide work in progress or a fully tested Licensed Product to each applicable SCE Company in strict compliance with the review process set forth in the Guidelines;

21.6.5 Publisher fails materially to conform to the Guidelines with respect to any particular PlayStation Compatible Product; or

21.6.6 any PlayStation Compatible Product gives rise to a breach of Section 16.2.

21.7 **Options in Lieu of Termination.** As alternatives to terminating the GDPA or all licensed rights with respect to a particular Licensed Product as set forth in Sections 21.4, 21.5 or 21.6, or where SCE reasonably suspects a breach of the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act, SCE may, at its option and upon written notice to Publisher, suspend this GDPA for all Territories or on a Territory-by-Territory basis, entirely or with respect to a particular Licensed Product, Online Activity, service or program, for a set period of time which shall be specified in writing to Publisher. Election of suspension shall not constitute a waiver of or compromise with respect to any of SCE's rights under this GDPA and SCE may elect to terminate this GDPA with respect to any breach.

21.8 **Extension of this GDPA; Termination Without Prejudice.** SCE shall be under no obligation to extend this GDPA notwithstanding any actions taken by either of the parties prior to the expiration of this GDPA.

21.9 **No Refunds.** In the event that this GDPA expires or is terminated under any of Sections 21.4 through 21.7, no portion of any payments of any kind whatsoever previously provided to SCE or any Affiliate under this GDPA shall be owed or be repayable or refunded to Publisher.

22. Effect of Expiration or Termination

22.1 **No Liability.** Upon the expiration or termination of this GDPA pursuant to Section 21, neither party shall be liable to the other for any damages (whether direct, indirect, consequential or incidental, and including any expenditures, loss of profits or prospective profits) sustained or arising out of or alleged to have been sustained or to have arisen out of such expiration or termination. The expiration or termination of this GDPA shall be without prejudice to any rights or remedies which one party may otherwise have against the other party, and shall not excuse either party from liability with respect to any events occurring prior to expiration or the effective date of termination.

22.2 **Inventory Statement.** Within 30 days of the date of expiration or the effective date of termination with respect to any or all Licensed Products or this GDPA, Publisher shall provide each SCE Company with an itemized statement, certified to be accurate by an officer of Publisher, specifying the number of unsold units of the Physical Media Products as to which such termination applies, on a title-by-title basis, which remain in its inventory or under its control in the relevant Territory at the time of expiration or the effective date of termination. Each SCE Company shall be entitled to conduct at its expense a physical inspection of Publisher's inventory and work in progress upon reasonable written notice during normal business hours in order to ascertain or verify such inventory and inventory statement.

22.3 **Reversion of Rights.** Upon expiration or termination and subject to Section 22.4, the licenses and related rights herein granted to Publisher shall immediately revert to SCE, and Publisher shall cease from any further use of the SCE Materials, Licensed Trademarks, and any SCE Intellectual Property Rights therein, and, subject to the provisions of Section 22.4, Publisher shall have no further right to continue the development, publication, manufacture, marketing, advertising, sale or other distribution of any PlayStation Compatible Products, or to continue to use any Licensed Trademarks; provided, however, that for a period of one year after the effective date of termination, and subject to all the terms of Section 20, and provided this GDPA is not terminated pursuant to Section 21.5, Publisher may retain such portions of the SCE Materials as SCE in its sole discretion agrees are required to support end-users who possess Licensed Products but must return all these materials at the end of such one year period. Upon expiration or termination, the licenses and related rights herein granted to SCE by Publisher shall immediately revert to Publisher, and SCE shall cease from any further use of Product Information and any Publisher Intellectual Property Rights therein; provided that SCE may continue the manufacture, marketing, advertising, sale and other such distribution by SCE or its designee's demonstration physical media containing Publisher's Product Information which Publisher had previously approved.

22.4 **Disposal of Unsold units upon Termination.** In the event of termination of this GDPA under Sections 21.4, 21.5.2, 21.5.4 or 21.5.5, Publisher may sell off existing inventories of units of the Physical Media Products, on a non-exclusive basis, and strictly in accordance with this GDPA, for a period of 90 days from the date of expiration or effective date of termination of this GDPA, provided such inventories have not been manufactured solely or principally for sale during such period. Subsequent to the expiration of such 90 day period, or in the event this GDPA is terminated otherwise under Section 21.5, any and all units of the Physical Media Products remaining in Publisher's inventory or under its control shall be destroyed by Publisher within five business days of such expiration or termination date. Within five business days after such destruction, Publisher shall provide each SCE Company with an itemized statement, certified to be accurate by an officer of Publisher, indicating the number of units of the Licensed Products which have been destroyed (on a title-by-title basis) in that SCE Company's Territory, the location and date of such destruction, and the disposition of the remains of such destroyed materials.

22.5 **Disposal of Unsold units upon Non-Renewal.** In the event that the Term expires and this GDPA is not renewed, Publisher may continue to publish those PlayStation Compatible Products whose development was completed before or during the Term, and to use the Licensed Trademarks strictly, only and directly in connection with such publication, until the Term expires or, if later, until the second anniversary of the 31 January next following such completion. Upon expiration of the Term or, the extended period for publishing PlayStation Compatible Products, Publisher may sell off existing inventories of such PlayStation Compatible Products on a non-exclusive basis for a period of 180 days from the applicable expiration date; provided that such inventory is not manufactured solely or principally for sale within such sell-off period.

22.6 **Rights in Digitally Delivered Products on Termination or Expiry**. On termination or expiry of this GDPA pursuant to Sections 21.3, 21.4 or 21.5, SCE shall have the right to continue to exercise its rights under Section 9.2.2 in respect of Digitally Delivered Products already available on PSN, in accordance with the terms of this GDPA, for a period of one year from the date of termination or expiry. In addition, upon expiration or earlier termination of the Term: (a) all rights, licenses or other entitlements to Digitally Delivered Products granted to users that purchased such Digitally Delivered Products during the Term shall survive termination and continue for so long as such rights, licenses or entitlements were granted; and (b) SCE shall have the corresponding post- termination rights to store, provide access to, and otherwise enable the permitted delivery of, such Digitally Delivered Products to such users for the remaining duration of their respective rights, licenses and entitlements.

22.7 **Return of the SCE Materials.** Upon the expiration or earlier termination of this GDPA or following either the 90 day period or the 180 day period referenced in Sections 22.4 and 22.5, and subject to Section 22.3, Publisher shall immediately deliver to SCE, or if and to the extent requested by SCE, destroy, all SCE Materials and any and all copies thereof, including any SCE Materials disclosed by Publisher to any third party pursuant to this GDPA, and delete any SCE Materials stored in electronic form. Publisher and SCE shall, upon the request of the other party, immediately deliver to the other party, or to the extent requested by such party destroy, all confidential information of the other party, including any and all copies thereof, which the other party previously furnished to it in furtherance of this GDPA. Within five business days after any such destruction, Publisher or SCE, as appropriate, shall provide the other party with a certificate of destruction and an itemized statement, each certified to be accurate by an officer of Publisher or SCE, indicating the location and date of such destruction and the disposition of the remains of such destroyed materials. In the event that Publisher fails to return or certify the destruction of the SCE Materials and SCE must resort to legal means (including any use of lawyers) to recover the SCE Materials or the value thereof, all costs, including SCE's reasonable lawyers' fees, shall be borne by Publisher, and SCE may, in addition to SCE's other remedies, withhold such amounts from any payment otherwise due from SCE to Publisher under any agreement between SCE and Publisher.

23. **Choice of Law and Forum.** THIS GDPA AND ANY DISPUTE OR CLAIM ARISING OUT OF ITS SUBJECT MATTER WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTIONS SET FORTH IN THIS SECTION 23. PUBLISHER HEREBY SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURTS DESCRIBED IN THIS SECTION FOR PURPOSES OF ANY ACTION OR PROCEEDING, AND AGREES THAT ANY SERVICE OF PROCESS MAY BE EFFECTED BY DELIVERY OF THE SUMMONS IN THE MANNER PROVIDED IN THE DELIVERY OF NOTICES SET FORTH IN SECTION 25.1. IN ADDITION, WHERE PERMITTED BY LAW, PUBLISHER AND EACH SCE COMPANY HEREBY WAIVES THE RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING RELATED TO THIS GDPA, OTHER THAN ACTIONS ARISING OUT OF VIOLATION OF INTELLECTUAL PROPERTY RIGHTS OR CONFIDENTIALITY OBLIGATIONS.

23.1 FOR ALL CLAIMS BROUGHT BY OR AGAINST SCEI OR RELATING TO SCEI ACTIVITIES OR DEVELOPMENT TOOLS LOCATED IN THE SCEI TERRITORY, THIS GDPA WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF JAPAN, EXCLUDING THAT BODY OF LAW RELATED TO CHOICE OF LAWS. ANY ACTION OR PROCEEDING TO ENFORCE THE TERMS OF THIS GDPA OR TO ADJUDICATE ANY DISPUTE ARISING UNDER THIS GDPA WILL BE HEARD IN THE COURT OF TOKYO DISTRICT COURT, TOKYO, JAPAN.

23.2 FOR ALL CLAIMS BROUGHT BY OR AGAINST SCEA OR RELATING TO SCEA ACTIVITIES OR DEVELOPMENT TOOLS LOCATED IN THE SCEA TERRITORY, THIS GDPA WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING THAT BODY OF LAW RELATED TO CHOICE OF LAWS. SUBJECT TO SECTIONS 24.1 AND 24.2, FOR ANY ACTION OR PROCEEDING TO ENFORCE THE TERMS OF THIS GDPA OR TO ADJUDICATE ANY DISPUTE ARISING UNDER THIS GDPA, THE PARTIES CONSENT TO JUSRISDICTION AND VENUE IN THE SUPERIOR COURT FOR THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SAN MATEO, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA. PUBLISHER WAIVES ALL DEFENSES OF LACK OF PERSONAL JURISDICTION AND FORUM NON CONVENIENS.

23.3 FOR ALL CLAIMS BROUGHT BY OR AGAINST SCEE OR RELATING TO SCEE ACTIVITIES OR DEVELOPMENT TOOLS LOCATED IN THE SCEE TERRITORY, THIS GDPA WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH ENGLISH LAW. THE PARTIES IRREVOCABLY AGREE FOR THE EXCLUSIVE BENEFIT OF SCEE THAT THE ENGLISH COURTS SHALL HAVE JURISDICTION TO ADJUDICATE ANY PROCEEDING, SUIT OR ACTION ARISING OUT OF OR IN CONNECTION WITH SUCH TERMS. HOWEVER, NOTHING CONTAINED IN THIS SECTION 23 SHALL LIMIT THE RIGHT OF SCEE TO TAKE ANY SUCH PROCEEDING, SUIT OR ACTION AGAINST PUBLISHER IN ANY OTHER COURT OF COMPETENT JURISDICTION, NOR SHALL THE TAKING OF ANY SUCH PROCEEDING, SUIT OR ACTION IN ONE OR MORE JURISDICTIONS PRECLUDE THE TAKING OF ANY OTHER SUCH PROCEEDING, SUIT OR ACTION IN ANY OTHER JURISDICTION, WHETHER CONCURRENTLY OR NOT, TO THE EXTENT PERMITTED BY THE LAW OF SUCH OTHER JURISDICTION. PUBLISHER SHALL HAVE THE RIGHT TO TAKE ANY SUCH PROCEEDING, SUIT OR ACTION AGAINST SCEE ONLY IN THE ENGLISH COURTS.

24. **Dispute Resolution.** SCE and Publisher shall attempt in good faith to resolve through informal discussions or negotiations any dispute, controversy or claim of any kind or nature arising under or in connection with this GDPA, including breach, termination or validity thereof (a "**Dispute**"). Neither SCE nor Publisher may commence any court or arbitration proceedings in relation to this GDPA until at least 30 days after commencing such negotiations or discussions, unless interim, equitable, or conservatory relief is sought pursuant to Section 24.2.

24.1 Any claim brought against SCEA, or any Dispute relating to SCEA or Development Tools located in the SCEA Territory, that SCEA and Publisher are unable to resolve through informal discussions or negotiations after 30 days will be submitted to binding arbitration conducted in accordance with and subject to the Commercial Arbitration Rules of the American Arbitration Association, except to the extent otherwise required under this dispute resolution clause. One arbitrator will be selected by the mutual agreement of SCEA and Publisher or, failing that, by the American Arbitration Association. The arbitrator must have substantial experience in disputes involving technology licensing agreements. The arbitrator will allow such discovery as is appropriate, and impose such restrictions as are appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost-effective resolution of disputes, except that (i) no requests for admissions will be permitted; (ii) interrogatories will be limited to (a) identifying persons with knowledge of relevant facts and (b) identifying expert witnesses and obtaining their opinions and the bases therefor; and (iii) SCEA and Publisher will each be limited to five (5) depositions. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any arbitration conducted pursuant to this section will take place within the Northern District of California. SCEA and Publisher will bear their own costs and will share equally in paying the expenses and fees of the arbitrator. The arbitrator may not alter the foregoing allocation of their costs, nor of the arbitrator's fees and expenses. Other than as set forth below with respect to interim, equitable, or conservatory relief for SCEA or any action necessary to enforce the award of the arbitrator, SCEA and Publisher agree that the provisions of this section are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute.

24.2 Notwithstanding the foregoing, any SCE Company may apply to any court of competent jurisdiction seeking a temporary restraining order, preliminary injunction, or other interim, equitable, or conservatory relief, with respect to the protection of any SCE Intellectual Property Rights or SCE Materials, including Licensed Trademarks.

25. Miscellaneous Provisions

25.1 **Notices.** All notices or other communications required or desired to be sent to either of the parties shall be in writing and shall be sent by registered or certified mail, postage prepaid, or sent by recognized international courier service, with charges prepaid. The address for all notices under this GDPA shall be addressed as set forth in this Section 25.1, or such other address as may be provided by written notice from one party to the other on at least ten days' prior written notice. Any such notice shall be effective upon the date of actual receipt.

25.1.1 If to Publisher, to the address for the legal contact set forth in Publisher's registration form.

25.1.2 If to SCEI:

ATTN: Vice President, Legal Dept.
Sony Computer Entertainment Inc.
1-6-27 Konan Minato-ku,
Tokyo 108-8270
Japan

25.1.3 If to SCEA:

ATTN: General Counsel
Sony Computer Entertainment America LLC
2207 Bridgepointe Parkway
San Mateo, CA 94404
USA

25.1.4 If to SCEE:

ATTN: Vice President, Legal & Business Affairs
Sony Computer Entertainment Europe Limited
10 Great Marlborough Street
London W1F 7LP
United Kingdom

In addition, any notice sent by any SCE Company modifying the Guidelines may be sent by email to the email address of the Publisher contact set forth in Publisher's registration form.

25.2 **Force Majeure.** Neither SCE nor Publisher shall be liable for any loss or damage or be deemed to be in breach of this GDPA if its failure to perform or failure to cure any of its obligations under this GDPA results from any event or circumstance beyond its reasonable control, including any natural disaster, fire, flood, earthquake or other Act of God; shortage of equipment, materials, supplies or transportation facilities; strike or other industrial dispute; war or rebellion; shutdown or delay in power, telephone or other essential service due to the failure of computer or communications equipment or otherwise (each of the foregoing a "**Force Majeure Condition**"); provided, however, that the party interfered with gives the other party written notice thereof promptly, and, in any event, within fifteen (15) business days of discovery of any Force Majeure Condition. If notice of the existence of any Force Majeure Condition is provided within such period, the time for performance or cure shall be extended for a period equal to the duration of the Force Majeure Condition described in such notice, except that any such cause shall not excuse the payment of any sums owed to any SCE Company prior to, during or after the occurrence of any Force Majeure Condition. In the event that the Force Majeure Condition continues for more than 60 days, SCE may terminate this GDPA for cause by providing written notice to Publisher to such effect.

25.3 **Non-Solicitation.** Neither Publisher nor any of its affiliates, by itself, its officers, employees or agents, directly or indirectly will, during the Term, induce or seek to induce, on an individually targeted basis, the employment or the engagement of the services of any employee of SCE or any Affiliate, whose services are (a) specifically engaged in product development or directly related functions or (b) otherwise reasonably deemed by his or her employer to be of material importance to the protection of its legitimate business interests, and (c) with whom Publisher or any of its affiliates shall have had contact or dealings during the Term. These provisions shall continue to apply for a period of 12 months after this GDPA expires or is terminated.

25.4 **No Agency, Partnership or Joint Venture.** The relationship between each SCE Company and Publisher is that of licensor and licensee. Both parties are independent contractors and neither party is the legal representative, agent, joint venturer, partner or employee of the other party for any purpose whatsoever. Neither party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever.

25.5 **Assignment.** SCE has entered into this GDPA based upon the particular reputation, capabilities and experience of Publisher and its officers, directors and employees. Except as provided in this GDPA, Publisher may not assign, sublicense, subcontract, encumber or transfer this GDPA or any of its rights hereunder, nor delegate or transfer any of its obligations hereunder, to any third party unless the prior written consent of SCE shall first be obtained. Any attempted or purported assignment, delegation or other such transfer, directly or indirectly, without the required consent of SCE shall be void and a material breach of this GDPA. SCE shall have the right to assign, sub-license, subcontract, encumber or transfer this GDPA or any and all of its rights and obligations hereunder. Subject to the foregoing, this GDPA shall inure to the benefit of the parties and their respective successors and permitted assigns (other than in connection with any of the events referenced in Section 21.5.4).

25.6 **Third Party Rights.** Except as expressly provided in this GDPA, and save that SCEI may enforce in any Territory the terms of Sections 3 (Conditional License Grant), 5 (Other Limitations on Licensed Rights, 6.1 (Right to Develop), 6.4 (Authentication), 7.8 (Care and Maintenance of Development Tools), 18 (Limitation of Liability), 19 (Infringement of SCE Intellectual Property Rights By Third Parties), 20 (Data Security and Confidentiality), 22 (Effect of Expiration or Termination), 23 (Choice of Law and Forum) and 25 (Miscellaneous Provisions), a person who is not a party to this GDPA shall have no right under any applicable law to enforce any of its terms.

25.7 **Compliance with Applicable Laws.** The parties shall at all times comply with all applicable laws and regulations and all conventions and treaties to which their countries are a party or relating to or in any way affecting this GDPA and the performance by the parties of this GDPA, including the UK Bribery Act 2010, the US Foreign Corrupt Practices Act, the US Children's Online Privacy Protection Act, Canada's Personal Information Protection and Electronic Documents Act, Mexico's Federal Data Protection Act, and all other laws and regulations relating to the gathering, handling and dissemination of all data from or concerning end-users of PlayStation Compatible Products. Each party, at its own expense, shall negotiate and obtain any approval, license or permit required in the performance of its obligations, and shall declare, record or take such steps to render this GDPA binding, including the recording of this GDPA with any appropriate governmental authorities (if required).

25.8 **Legal Costs and Expenses.** In the event it is necessary for either party to retain the services of a lawyer to enforce the provisions of this GDPA or to file or defend any action arising out of this GDPA, then the prevailing party in any such action shall be entitled, in addition to any other rights and remedies available to it at law or in equity, to recover from the other party its reasonable fees for lawyers and expert witnesses, plus such court costs and expenses as may be fixed by any court of competent jurisdiction. The term "prevailing party" for the purposes of this section shall include a defendant who has by motion, judgment, verdict or dismissal by the court, successfully defended against any claim that has been asserted against it.

25.9 **Remedies.** Unless expressly set forth to the contrary, either party's election of any remedies provided for in this GDPA shall not be exclusive of any other remedies at law or equity, and all such remedies shall be deemed to be cumulative. Any breach of Sections 3, 4, 5, 20, or 22.2 - 22.7 of this GDPA would cause significant and irreparable harm to SCE, the extent of which would be difficult to ascertain and for which damages might not be an adequate remedy. Accordingly, in addition to any other remedies, including damages to which each SCE Company may be entitled, in the event of a breach or threatened breach by Publisher or any of its directors, officers, employees, agents or permitted consultants or subcontractors of any such section or sections of this GDPA, each SCE Company shall be entitled to the immediate issuance without bond or other security, of ex parte equitable relief, including injunctive relief, or, if a bond is required under applicable law, on the posting of a bond in an amount not to exceed USD $50,000 (or the equivalent amount in foreign currency as determined by the applicable SCE Company's chosen exchange if located outside of the SCEA Territory), enjoining any breach or threatened breach of any or all of such provisions taking place in that SCE Company's Territory or otherwise affecting that SCE Company or its Territory.

25.10 **Severability.** In the event that any provision of this GDPA or portion thereof is determined by a court of competent jurisdiction to be invalid or unenforceable, such provision or portion shall be enforced to the extent possible consistent with the stated intention of the parties, or, if incapable of such enforcement, shall be deemed to be deleted from this GDPA, while the remainder of this GDPA shall continue in full force and remain in effect according to its stated terms and conditions.

25.11 **Sections Surviving Expiration or Termination.** The following Sections survive expiration or termination of this GDPA for any reason: 5 (Other Limitations on Licensed Rights), 7.12.3 (SCE Ownership), 8.9 (Ownership of Original Master Discs), 15.1.3 (SCE Audit), 15.2.6 (Publisher Audit), 16 (Representations and Warranties), 17 (Indemnities), 18 (Limitation of Liability), 20 (Data Security and Confidentiality), 21.9 (No Refunds), 22 (Effect of Expiration or Termination), 23 (Choice of Law and Forum), 24 (Dispute Resolution), and 25 (Miscellaneous Provisions).

25.12 **Waiver.** No failure or delay by either party in exercising any right, power or remedy under this GDPA shall operate as a waiver of any such right, power or remedy. No waiver of any provision of this GDPA shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. Any waiver by either party of any provision of this GDPA shall not be construed as a waiver of any other provision of this GDPA, nor shall such waiver operate or be construed as a waiver of such provision respecting any future event or circumstance.

25.13 **Modification and Amendment.** SCE reserves the right, without notice and with immediate effect, to amend the provisions of this GDPA or the Guidelines to take account of or in response to any decision, order, or objection of any court or governmental or other competition authority of competent jurisdiction, or any statutory or similar measures that give effect to any such decision (from which this GDPA or the Guidelines is not exempt) or to reflect any undertaking by SCE to any such authority. Any such amendment shall be of prospective application only and shall not be applied to any PlayStation Compatible Products submitted to the applicable SCE Company pursuant to Section 6.3 prior to the date of SCE's notice of amendment. Except as otherwise provided in this GDPA, no modification or amendment of any provision of this GDPA shall be effective unless in writing and signed by both of the parties.

25.14 **Interpretation.** The section headings used in this GDPA are intended primarily for reference and shall not by themselves determine the construction or interpretation of this GDPA or any portion hereof. Any reference to a section number is to a section of this GDPA. Any reference to persons includes natural persons as well as organizations, including firms, partnerships, companies and corporations. Any phrase introduced by the terms "including," "include," "in particular," or any similar expression shall be construed as illustrative and shall not limit the category preceding those terms.

25.15 **Integration.** This GDPA, together with the Guidelines, constitutes the entire agreement between each SCE Company and Publisher and supersedes all prior or contemporaneous agreements, proposals, representations, understandings and communications between each SCE Company and Publisher, whether oral or written, with respect to the subject matter hereof, including any confidentiality, licensed developer or publisher, store or development tools agreements. Publisher is not relying upon any statement, representation, warranty or understanding, whether negligently or innocently made, of any person other than as expressly set forth in this GDPA.

25.16 **Construction.** This GDPA shall be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either of the parties.

[This agreement was executed electronically as a clickthrough agreement.]

SCHEDULE 1

DEFINITIONS

"Additional Terms" has the meaning set forth in Section 10.1.

"Advertising Materials" means any advertising, marketing, merchandising, promotional, contest or competition- related, press release, display, point of sale or website materials regarding or relating to PlayStation Compatible Products or depicting Licensed Trademarks. Advertising Materials include any advertisements or promotions in which any System is displayed, referred to, or used, including giving away any System as a prize in contests or sweepstakes and the public display of any System in product placement opportunities.

"Affiliate" means Sony Computer Entertainment Korea Inc., Sony Computer Entertainment Hong Kong Limited, Sony Network Entertainment International, LLC, Sony Network Entertainment Europe Ltd., Gaikai, Inc., Sony Digital Audio Disc Corporation, Sony DADC Austria AG, any Designated Manufacturing Facility, any direct or indirect subsidiary or parent of any of the foregoing, and any other entity created that becomes a direct or indirect subsidiary or parent of, or shares a common direct or indirect parent with, an SCE Company.

"Designated Manufacturing Facility" means a manufacturing facility that is designated by the SCE Company, in its sole discretion, to manufacture and assemble Physical Media Products or any of their component parts in that SCE Company's Territory.

"Development Site" means the location(s) where Development Tools are used to develop PlayStation Compatible Products.

"Development Tools" means the Hardware Tools and Software Tools.

"Developer Website" means DevNet, TPRNet and any other password-protected website that an SCE Company may maintain to facilitate the dissemination of Development Tools or other SCE Materials to Licensed Publishers, or to provide Licensed Publisher with written materials associated with and that describe the function of the Development Tools, including any data, object code, source code, libraries, firmware, documentation, and other tools and information.

"Digitally Delivered Product" means a Licensed Product distributed to end-users by electronic or other non-physical means now known or hereafter devised (including wireless, cable, fiber optic, telephone, cellular, microwave or radio waves, the Internet, or private network).

"Dispute" has the meaning set forth in Section 24.

"Documentation" means all information or materials that SCE may provide to Licensed Publishers or Licensed Developers that are associated with and describe the function of the Development Tools or other SCE Materials.

"Effective Date" means the date on which Publisher accepts the terms of this GDPA.

"Firmware" means all code embedded on any chip contained within any Hardware Tool, as may be upgraded or changed from time to time.

"Force Majeure Condition" has the meaning set forth in Section 25.2.

"GDPA" has the meaning set forth in the first paragraph of this agreement.

“Guidelines” means any guidelines, specifications or policies of an SCE Company with respect to the development, manufacture, marketing and publishing of PlayStation Compatible Products, including any requirements regarding the display of Licensed Trademarks, use of Advertising Materials, or the protection of SCE Intellectual Property Rights. The Guidelines, and any modifications or additions made from time to time in accordance with Section 4, shall be set forth on the Developer Website or at such url as is provided by SCE to Publisher. The Guidelines shall be comparable to the guidelines applied by SCE to its own software products for the Systems. The Guidelines are incorporated into and form a part of this GDPA.

“Hardware Tools” means the hardware components of the development systems used for development of PlayStation Compatible Products, or portions of such components, as updated or changed, that SCE may provide to Licensed Publishers or Licensed Developers. “Hardware Tools” does not include Software Tools.

“Initial Term” has the meaning set forth in Section 21.1.

“Intellectual Property Rights” means all worldwide intellectual property rights, current or future, including rights in or related to patents, inventions, designs, copyrights and related rights, databases, trademarks, service marks, trade names, trade dress, mask work rights, utility model rights, trade secret rights, technical information, know-how, and the equivalents of the foregoing under the laws of any jurisdiction, and any other intellectual property rights recognized in the Territory (including all registrations, applications to register and rights to apply for registration of the same), for their full term including all renewals and extensions.

“Licensed Developer” means an entity that has in effect a Licensed Developer Agreement with an SCE Company, or that has executed this GDPA and been accepted as a “Licensed Publisher” as set forth in Section 3.

“Licensed Developer Agreement” means a valid and current license agreement authorizing the development of software for any System, fully executed between a Licensed Developer and a SCE Company.

“Licensed Product” means a PlayStation Compatible Product that installs or operates (or is designed to install or operate), in whole or in part, on a System, and associated Packaging, Printed Materials, metadata, and content. For the avoidance of doubt, Licensed Product does not include middleware (except as incorporated into a Licensed Product) or Peripherals.

“Licensed Publisher” means an entity that has executed a GDPA or other Licensed Publisher Agreement in full force and effect, and has been approved in writing by an SCE Company to develop or publish Licensed Products.

“Licensed Publisher Agreement” means a valid and current license agreement authorizing the publishing of software for any System, fully executed between a Licensed Publisher and an SCE Company, including any Global Developer and Publisher Agreement.

“Licensed Trademarks” means the trademarks, service marks, trade dress, logos, icons and other indicia designated in the Guidelines or for use on, in or in connection with Licensed Products.

“Online Activity” means the online interaction by end-users with other end-users (which, for the avoidance of doubt, includes the sharing of User Content within the gameplay or online environment of Licensed Products), with online elements (such as PlayStation Home, the virtual, interactive community of PSN), or with Publisher or its designee, via the use of a PlayStation Compatible Product.

“Packaging” means the carton, containers, cases, edge labels, wrapping materials, security seals and other proprietary labels and trade dress elements of or concerning the Physical Media Product (and all parts of any of the foregoing) but specifically excluding Printed Materials and discs or game cards.

“Peripheral” means a device that connects to, interfaces with or interacts with a System, including controllers, cameras, wheels, mice and keyboards and other input devices.

“Personal Information” means information relating to an identified or identifiable natural person, or substantially similar terms as defined by applicable law.

“Physical Media Product” means a Licensed Product distributed in a physical form specified by SCE, such as a Blu- ray disc or game card.

“PlayStation Compatible Product” means any software, content, service, hardware, Peripheral, good, or other item intended for or capable of use on, interaction with, or connection to a System, or which uses or is capable of using any service, aspect, or feature of PSN or PSN data, or which affects the gameplay of Users. PlayStation Compatible Product includes applications (including companion aps), communication features, virtual currency, audio and visual material (including demos, videos, themes, wallpapers, levels, maps, consumable items, skins, virtual items, and avatars), modifications, improvements, additions, upgrades, updates, patches, scripts, player statistics and data, notices, links or other content intended for or capable of use on, interaction with, or connection to a System.

“PlayStation Now” means the SCE proprietary cloud gaming service that allows Users to access content streamed from remote servers to Systems and other SCE-approved devices.

“PlayStation Plus” means the SCE premium subscription service available through PSN.

“PlayStation Store” means the primary destination within PSN for the discovery and purchase of content.

“Printed Materials” means all artwork and mechanicals for the disc label for each Physical Media Product and for the Packaging relating to any of the Physical Media Products, and all instructional manuals, liners, inserts, and any other materials and user information within or attached to the Packaging and distributed as part of the Physical Media Products.

“Product Information” means Publisher’s name, any extracts or references to Licensed Products, any trademarks, services marks, trade dress, logos, icons or other indicia used on, in or in connection with Licensed Products, any information owned or licensed by Publisher relating to any of the Licensed Products, including demos, videos, hints and tips, artwork, depictions of Physical Media Products, cover art and videotaped interviews; all of the foregoing as may be further specified in the Guidelines, and as provided by Publisher pursuant to Section 9.2.3.

“Product Proposal” means a written proposal prepared by Publisher and submitted to SCE under the Guidelines regarding the concept and design for a PlayStation Compatible Product.

“Product Submission” has the meaning given to it in Section 9.2.7

“PSN” means the proprietary online network operated by SCE or Affiliates accessible via the Systems and other devices, including services provided as part of or through that network, such as PlayStation Now and the PlayStation Store. PSN includes new services and features developed and offered after the date of this GDPA, and other online networks launched after the date of this GDPA, as specified by SCE.

“PSN ID” means SCE’s unique User identifier on PSN.

“Publisher” has the meaning set forth in the first paragraph of this GDPA. For the avoidance of doubt, a “Publisher” may be an entity which chooses only to exercise the rights to develop, and not the rights to publish, Licensed Products under this GDPA.

“Publisher Confidential Information” has the meaning set forth in Section 20.6.1. “Publisher EULA” has the meaning set forth in Section 10.2.

“Publisher-Indemnified Claims” has the meaning set forth in Section 17.2.

“Publisher Intellectual Property Rights” means those Intellectual Property Rights that are owned and controlled by Publisher and that relate to the Publisher Property, Packaging, Product Information, Product Proposals, Printed Materials, Advertising Materials or other materials.

“Publisher Property” means that part of a PlayStation Compatible Product developed by or on behalf of Publisher, or controlled by Publisher, or provided by or on behalf of Publisher in connection with any PlayStation Compatible Product, not including any Software Tools or SCE Intellectual Property Rights.

“Purchase Order” means a written purchase order issued by Publisher pursuant to Section 8.3, regarding the purchase of Physical Media Products (or other products or materials that may be ordered under this GDPA), that conforms to the Guidelines and other terms and conditions imposed by the applicable SCE Company or applicable Designated Manufacturing Facility.

“SCE” has the meaning set forth in the first paragraph of this GDPA.

“SCE Company” has the meaning set forth in the first paragraph of this GDPA.

“SCE-Indemnified Claims” has the meaning set forth in Section 17.1.

“SCE Intellectual Property Rights” means those Intellectual Property Rights that relate to a System, the design and development of PlayStation Compatible Products, PSN and any SCE Materials.

“SCE Materials” means the Development Tools, this GDPA, the Guidelines, all information obtained from a Developer Website; other information, documents and materials developed, owned, licensed or under the control of SCE or any Affiliate, including all those relating to processes, data, hardware, software, network communications and related activities, inventions, trade secrets, ideas, creations, improvements, designs, discoveries, developments, research and know-how, including SCE Intellectual Property Rights relating to the Development Tools; information, documents and other materials regarding SCE’s or any Affiliate’s finances, business and business methods (including commercial relationships, licensing terms, pricing and customers lists), marketing and technical plans, and development and production plans; and third-party information and documents licensed to or under the control of SCE or any Affiliate. SCE Materials consists of information in any medium, whether oral, printed, in machine- readable form or otherwise, provided to Publisher before or during the Term, including information subsequently reduced to tangible or written form. In addition, the existence of a relationship between Publisher and SCE shall be deemed to be SCE Materials unless otherwise agreed to in writing by the parties, or until publicly announced by SCE.

“SCEA” has the meaning set forth in the first paragraph of this GDPA.

“SCEE” has the meaning set forth in the first paragraph of this GDPA.

“SCEI” has the meaning set forth in the first paragraph of this GDPA.

“SCEA Territory” means the following countries: Canada, Mexico, Brazil, Chile, Argentina, Peru, Ecuador, Colombia, Nicaragua, Honduras, Costa Rica, Guatemala, El Salvador, Panama, Bolivia, Paraguay, United States of America (and its territories and possessions), and Uruguay, or as otherwise provided in the Guidelines.

“SCEE Territory” means the following countries: Albania, Algeria, Andorra, Angola, Armenia, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Belgium, Belorussia, Bosnia Herzegovina, Botswana, Bulgaria, Cameroon, Croatia, Cyprus, Czech Republic, Denmark , Djibouti, Egypt, Estonia, Ethiopia, Fiji, Finland, France, Georgia, Germany, Ghana, Gibraltar, Greece, Hungary, Iceland, India, Ireland, Israel, Italy, Jordan, Kazakhstan, Kenya, Kosovo, Kuwait, Kyrgyzstan, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia, Madagascar, Malawi, Malta & Gozo, Mauritius, Moldova, Monaco, Montenegro, Morocco, Mozambique, Namibia, Netherlands , New Zealand, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, Poland, Portugal, Qatar, Romania, Russian Federation, San Marino, Saudi Arabia, Senegal, Slovakia, Slovenia, Somalia, South Africa, Spain, Swaziland, Sweden, Switzerland, Tajikistan, Tanzania, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, united Arab Emirates, United Kingdom, Uzbekistan, Vatican, Yemen, Zaire, Zambia and Zimbabwe, or as otherwise provided in the Guidelines.

“SCEI Territory” means the following countries: Thailand, Philippines, Malaysia, Vietnam, Singapore, Indonesia, Taiwan, Korea, Hong Kong, and Japan, or as otherwise provided in the Guidelines.

“Software Product License Agreement” means the end-user license agreement between SCEA and a user found at us.playstation.com/softwarelicense or, for SCEE, the Software Usage Terms (or equivalent) between SCEE and a user found on the packaging or eu.playstation.com/legal.

“Software Tools” means software (including object code, source code and libraries and Firmware) and Documentation relating to the development of PlayStation Compatible Products.

“System” means each of the proprietary PlayStation systems known as the PlayStation, PlayStation 2, PlayStation 3, PlayStation 4, PlayStation Portable (PSP), PlayStation Vita (PS Vita), and PlayStation Vita TV (PS Vita TV), including all iterations and server emulation of each. Collectively, all of the foregoing are referred to as the “Systems.”

“System Bypass Areas” has the meaning set forth in Section 5.1.

“Term” has the meaning set forth in Section 21.2.

“Territory” means any one of the SCEA Territory, the SCEE Territory, or the SCEI Territory.

“ToSUA” means the terms of service for PSN, as amended from time to time.

“User” means an individual with a PSN account.

“User Content” has the meaning given to it in Section 6.7

“VAT” means Value Added Tax as set out in the UK Value Added Tax Act 1994 or, in relation to any member state of the European Union, the equivalent system of Value Added Tax as defined in the EU VAT Directive (2006/112/EC) or, in relation to any non-EU country, the equivalent tax, such as, but not limited to, VAT, sales tax and GST.

“Wholesale Price” means, for Digitally Delivered Products sold by Publisher to SCE for resale, the price that Publisher offers and SCE accepts for each unit of a specified Digitally Delivered Product, as may be stated in a form provided by SCE. For Physical Media Products, “Wholesale Price” means the initial wholesale price or price to trade Publisher offers to retailers, distributors, wholesalers or other intermediaries of Physical Media Products, as evidenced by sell sheets or other trade materials.

Exhibit 10.23

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**"), effective as of August 18, 2020, is entered into among HC2 Holdings 2, Inc., a Delaware corporation located at 450 Park Avenue, 30th Floor, New York, NY 10022 ("**HC2**"), Continental General Insurance Company, a Texas insurance company located at 11001 Lakeline Blvd., Suite 120, Austin, TX 78717 ("**Continental**" and, collectively with HC2, "**Sellers**"), and Motorsport Gaming US LLC, a Florida limited liability company located at 5972 NE 4th Avenue, Miami, FL 33137 ("**Buyer**").

WHEREAS, HC2 owns 54,807 shares of common stock, par value $0.001 per share, of 704Games Company, a Delaware corporation (the "**Company**"), and Continental owns 51,500 shares of common stock, par value $0.001 per share, of the Company (collectively all such shares owned by both HC2 and Continental are referred to herein as the "**Shares**");

WHEREAS, Sellers, Buyer and the Company are parties to that certain Stockholders' Agreement, dated as of August 14, 2018, by and among the Company and certain of its stockholders (the "**Stockholders' Agreement**"), and Section 3.2(f)(i) of the Stockholders' Agreement permits the transfer of the Shares from one stockholder of the Company to another in an arm's length transaction for fair market value; and

WHEREAS, Sellers wish to sell and transfer to Buyer, and Buyer wishes to purchase from Sellers, the Shares, in accordance with Section 3.2(f)(i) of the Stockholders' Agreement and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing (as defined in **Section 2**), Sellers shall sell, transfer and assign to Buyer, and Buyer shall purchase from Sellers, all of Sellers' right, title and interest in and to the Shares, free and clear of all Encumbrances (as defined herein), at a price of $11.2881 per Share or an aggregate purchase price for the Shares of One Million Two Hundred Thousand Dollars ($1,200,000) (the "**Purchase Price**").

2. Closing. Subject to the terms and conditions contained in this Agreement, the purchase and sale of the Shares contemplated hereby shall take place at a closing (the "**Closing**") to be on the date hereof concurrently with the execution and delivery of this Agreement by the parties hereto (the "**Closing Date**"). At the Closing, each Seller shall deliver to Buyer the stock certificates evidencing the Shares held by such Seller, free and clear of all Encumbrances (as defined herein), duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, and Buyer shall deliver, via wire transfer of immediately available funds to accounts designated by Sellers, the Purchase Price allocated among Sellers as set forth on Exhibit "A" attached hereto.

3. Purchase Price Adjustment. If, within and including the date that is six (6) months from the date hereof, Buyer completes a purchase of some or all of the (i) 41,204 shares of common stock, par value $0.001 per share, of the Company held by Gaming Nation Inc., an Ontario corporation, or its affiliates and permitted transferees, (ii) 30,903 shares of common stock, par value $0.001 per share, of the Company held by PlayFast Games, LLC, a North Carolina limited liability company, or its affiliates and permitted transferees, or (iii) 10,301 shares of common stock, par value $0.001 per share, of the Company held by Leo Capital Holdings, LLC, an Illinois limited liability company, or its affiliates and permitted transferees (each share referenced in clause (i), (ii) or (iii), a "**Subject Share**"), for a purchase price per Subject Share that is higher than $11.2881 per share (i.e., the per Share Purchase Price hereunder), then Buyer shall (1) promptly notify each Seller, in writing, of the completion of such purchase and (2) no later than five (5) business days following the completion of such purchase pay to each of HC2 and Continental an amount per Share transferred by such Seller hereunder equal to the amount by which such purchase price per Subject Share exceeds the greater of (A) the price per Share paid hereunder and (B) the highest price per share previously paid by Buyer or its affiliates in respect of a Subject Share to any of the aforementioned sellers.

By way of example only: If, (x) on the date that is one (1) month following the date hereof, Buyer purchases all of the Subject Shares held by Gaming Nation Inc. for $12.2881 per Subject Share, (y) on the date this is two (2) months following the date hereof, Buyer purchases all of the Subject Shares held by PlayFast Games, LLC for $11.5881 per Subject Share, and (z) on the date that is six (6) months following the date hereof, Buyer purchases all of the Subject Shares held by Leo Capital Holdings, LLC for $13.7881 per Subject Share, then Buyer shall make the following payments to Sellers: (1) on the date that is one (1) month following the date hereof, Buyer shall pay to each Seller $1.00 per Share sold by such Seller hereunder (the amount by which $12.2881 exceeds $11.2881), (2) on the date that is two (2) months following the date hereof, Buyer shall not make a payment to Sellers hereunder (the price per Subject Share (i.e., $11.5881) not exceeding the highest price per Subject Share previously paid by Buyer (i.e., $12.2881), and (3) on the date that is six (6) months following the date hereof, Buyer shall pay to each Seller $1.50 per Share sold by such Seller hereunder (the amount by which $13.7881 exceeds $12.2881). For the avoidance of doubt, if the hypothetical purchase of any Subject Share(s) is consummated at any time that is after 12:59 pm on the date that is the 6-month anniversary of the date hereof, Buyer shall not be obligated to make any payment to Sellers hereunder in connection with such purchase. The foregoing prices and calculations shall be adjusted proportionately for any stock splits, stock combinations, stock dividends and the like occurring after the date of this Agreement. All payments made pursuant to this Section 3 shall be treated by Buyer, Sellers and their respective affiliates, to the extent permitted by law, as an adjustment to the Purchase Price for income tax purposes.

4. Representations and Warranties of Sellers. Each Seller (severally and not jointly) hereby represents and warrants to Buyer solely with respect to itself as follows:

(a) HC2 is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Continental is an insurance company duly organized, validly existing and in good standing under the laws of the State of Texas.

(b) Seller has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. Seller has taken all action necessary to authorize its entry into and performance of its obligations under this Agreement. Seller has caused this Agreement to be executed and delivered on its behalf by its duly authorized officer whose signature is set forth on its behalf on the signature page of this Agreement. Assuming due authorization, execution and delivery by Buyer, this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the availability of equitable remedies.

(c) Seller is the sole direct and beneficial owner of the Shares indicated as being owned or held by such Seller on **Exhibit "A"** attached hereto, free and clear of all liens, pledges, security interests, charges, claims, encumbrances, agreements, options, voting trusts, proxies and other arrangements or restrictions of any kind ("**Encumbrances**"), other than other than (i) restrictions of general applicability imposed by federal state securities laws and (ii) restrictions on transfer set forth in the Stockholders' Agreement (each Encumbrances referenced in clause (i), (ii) or (iii), a "**Permitted Encumbrance**"). Upon consummation of the transactions contemplated by this Agreement, Buyer will receive good and marketable title to all such Shares as a consequence of the transactions contemplated hereby, free and clear of all Encumbrances, other than Permitted Encumbrances.

(d) The execution, delivery and performance by Seller of this Agreement do not conflict with, violate or result in the breach of, or create any Encumbrance on the Shares pursuant to, any agreement, instrument, order, judgment, decree, law or governmental regulation to which Seller is a party or is subject or by which the Shares are bound.

(e) No governmental, administrative or other third-party consents or approvals are required by or with respect to Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(f) Seller has not entered into any agreements of any kind or nature binding upon the Company and/or the Shares which have not been disclosed in writing to the Purchaser, other than the Stockholders' Agreement. There are no material liabilities of Seller relating to the Shares which have not been disclosed in writing to the Purchaser. There are no actions, suits, claims, investigations or other legal proceedings pending or, to the actual knowledge of Seller, threatened against or by Seller that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(g) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller

(h) Seller acknowledges that the Seller is under no compulsion to sell the Shares to Buyer and is completing the sale of the Shares on the Seller's own free will. The Seller (i) has sufficient knowledge and experience with and information about Buyer (including Buyer's business objective and current efforts to consummate a liquidity event or an initial public offering of Buyer as soon as practicable) and the Company in order to be fully familiar with Buyer, the Company and its current business, operations, assets, finances, financial results, financial condition and prospects and so as to be able to evaluate the risks and merits of consummating the transactions contemplated by this Agreement, (ii) has full access to all books and records of the Company and all of its contracts, agreements and documents and (iii) has had an opportunity to ask questions of, and receive answers from, representatives of Buyer and the Company regarding Buyer, the Company and its current business, operations, assets, financing, operating results, financial condition and prospects in order to make an informed decision to sell the Shares.

5. Representation and Warranties of Buyer.

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida.

(b) Buyer has all requisite power and authority (including, without limitation, the resolutions adopted by the sole manager of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby) to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the availability of equitable remedies.

(c) Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

(d) No governmental, administrative or other third-party consents or approvals are required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(e) There are no actions, suits, claims, investigations or other legal proceedings pending or, to the knowledge of Buyer, threatened against or by Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(f) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

(g) Buyer, in making its decision to enter into this Agreement and consummate the transactions contemplated herein, is neither relying on any representations or warranties of any person(s) other than Sellers nor its own due diligence investigation; rather Buyer is solely relying on the representations and warranties of Sellers expressly set forth in Section 4 of this Agreement.

(h) Buyer is able to evaluate the risks and benefits of acquiring the Shares, is able to bear the economic risk of owning the Shares for an indefinite period of time, and is able to bear the loss of its entire investment in the Shares. Buyer is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act.

6. Survival. All representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and the Closing hereunder; provided, however, that no party may bring any claim alleging or based on the breach of any representation or warranty unless the party alleging breach gives the party alleged to have breached a representation or warranty written notice in accordance with the provisions of Section 11 below within three (3) years after the Closing.

7. Indemnification. Each of Buyer and Sellers hereby agrees to indemnify and hold harmless the other, and the other's Related Parties from and against any and all losses, costs, damages, liabilities or expenses actually incurred, including, without limitation, reasonable and documented attorneys' fees or other legal expenses or expert fees (collectively, "**Damages**") arising out of: (a) any breach in any representation or warranty made by the Indemnifying Party in this Agreement provided notice of such breach is timely given in accordance with Section 6 above, or (b) any breach or failure of the Indemnifying Party to perform any covenant or obligation of the Indemnifying Party set out in this Agreement. The obligation of each Seller under this Section 7 shall be solely with respect to breaches of that Seller's own representations, warranties and covenants set forth herein. Notwithstanding anything to the contrary set forth herein, the maximum aggregate Damages for which a Seller shall be liable hereunder shall not exceed the portion of the Purchase Price paid to such Seller, as adjusted pursuant to Section 3. For purposes of this Agreement, (x) "**Related Party**" means with respect to a person, any or its affiliates, or any of its or its affiliate's shareholders, directors, officers, managers, members, partners, trustees, employees, contractors, subcontractors, attorneys, intermediaries, brokers or other agents, or representatives or any heir, personal representative, successor, or assign of any of the foregoing; and (y) "**Indemnifying Party**" means either Buyer or one or more Sellers when indemnification is sought from such Party pursuant to this Section 7, and "**Indemnified Party**" means Buyer, any Seller or any Related Party of Buyer or any Seller when such Person is seeking indemnification from an Indemnifying Party pursuant to this Section 7. The provisions of this Section 7 provide the exclusive remedy for any breach of any representation, warranty or covenant set forth in this Agreement.

8. Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

9. Release. Each Seller, for itself and on behalf of such Seller's affiliates, successors and assigns, shareholders, officers, directors, employees, contractors, affiliates, agents and their successors and assigns (collectively, the "**Seller Releasors**") hereby releases and forever discharges the Company, Buyer, Buyer's members, shareholders, managers, officers, directors, contractors, affiliates, heirs, successors, predecessors, assigns, agents, the Company's post-Closing shareholders, and all persons acting by, through or under each of them (collectively, the "**Buyer Releasees**"), of and from any and all claims, debts, obligations and liabilities, whether known or unknown, contingent or non-contingent, at law or in equity, in each case directly or indirectly arising from or in connection with, or relating to, the Company, the Company's business, the Shares or any agreements or obligations of the Company and/or Seller's ownership of the Company or resulting from Seller or any of its Related Parties having been a director, officer or employee of the Company, which the Seller Releasors or any of them now have or had or may hereafter have against either the Company or the Buyer Releasees, or any them; provided, however, that nothing in this Section 9 shall terminate or release Buyer's obligations to Sellers under this Agreement (or under any other agreement or instrument to be executed in conjunction with this Agreement in order to consummate the transactions contemplated herein).

10. Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

11. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective and shall be deemed to have been given or made (a) when sent by facsimile with delivery receipt or by electronic mail, (b) one business day after being deposited with such overnight courier service or (c) three business days after being deposited in the mail, in each case addressed to the party at its address specified herein. Notices may also be given in any other manner permitted by law, effective upon actual receipt.

12. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. There are no agreements, warranties, covenants or undertakings regarding the subject matter of this Agreement other than those expressly set forth herein.

13. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto.

14. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

15. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

16. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

17. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction). Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States or the courts of the State of Delaware in each case located in the State of Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

18. Jury Trial Waiver. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OR CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

HC2 HOLDINGS 2, INC.

By *[/s/ Michael J. Sena]*
Name: Michael J. Sena
Title: CFO

CONTINENTAL GENERAL INSURANCE COMPANY

By *[/s/ David Ramsey]*
Name: David Ramsey
Title: President & CEO

MOTORSPORT GAMING US LLC

By *[/s/ Dmitry Kozko]*
Name: Dmitry Kozko
Title: CEO

Exhibit "A"

PURCHASE PRICE ALLOCATION AND WIRE INSTRUCTION

Seller	Number of Shares held and owned by applicable Seller	Portion of the Purchase Price to be paid to applicable Seller
HC2 Holdings 2, Inc.	54,807 shares of common stock, par value $0.001 per share, of 704Games Company, a Delaware corporation	$618,664.81 (i.e., 51.56% of the aggregate Purchase Price)
Continental General Insurance Company	51,500 shares of common stock, par value $0.001 per share, of 704Games Company, a Delaware corporation	$581,335.19 (i.e., 48.44% of the aggregate Purchase Price)

HC2 Holdings 2, Inc. wire instruction:

Attached

Continental General Insurance Company wire instruction:

Attached

Exhibit 10.24

FORM OF

NOTICE OF GRANT OF STOCK OPTIONS

Under the Employment Agreement, dated January 1, 2020, between Motorsport Games Inc. (formerly Motorsport Gaming US, LLC) and Dmitry Kozko

This Stock Option Agreement consists of this Notice of Grant of Stock Options (the "Grant Notice") and the Stock Option Award Agreement immediately following. The Stock Option Agreement sets forth the specific terms and conditions governing Stock Option Awards under the Employment Agreement, dated January 1, 2020, between Motorsport Games Inc. (formerly Motorsport Gaming US, LLC) and Dmitry Kozko (the "Employment Agreement"). All of the terms of the Employment Agreement are incorporated herein by reference.

Name of Optionee:	Dmitry Kozko
Total No. of shares of Class A Common Stock of Motorsport Games Inc. subject to the Option:	[Number]
Date of Grant:	[Date]
Expiration Date:	[Date]
Exercise Price:	$[____]
Vesting Schedule:	[_____]

BY EXECUTING THIS STOCK OPTION AGREEMENT, OPTIONEE ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS GRANT NOTICE AND THE EMPLOYMENT AGREEMENT, AND AGREES THAT THIS GRANT NOTICE, THE AWARD AGREEMENT AND THE EMPLOYMENT AGREEMENT SHALL GOVERN THE TERMS AND CONDITIONS OF THIS AWARD.

IN WITNESS WHEREOF, the Company and Optionee have duly executed this Stock Option Agreement, and this Stock Option Agreement shall be effective as of the Date of Grant set forth above.

MOTORSPORT GAMES INC.

By: _____

Print Name: _____

Its: _____

OPTIONEE

_____

Signature

_____

Print Name

FORM OF

STOCK OPTION AWARD AGREEMENT

Under the Employment Agreement, dated January 1, 2020, between Motorsport Games Inc. (formerly Motorsport Gaming US, LLC) and Dmitry Kozko

This Stock Option Award Agreement (this "Agreement") is between Motorsport Games Inc. (formerly Motorsport Gaming US, LLC) (the "Company") and Dmitry Kozko (the "Optionee") (the "Grant Notice"), and is effective as of the grant date referenced in the Grant Notice (the "Date of Grant").

RECITALS

A. The Compensation Committee (the Committee") of the Board of Directors of the Company has ratified and the stockholder(s) of the Company have approved the equity awards to the Optionee under Section 5.3 of the Employment Agreement, dated January 1, 2020, between the Company and the Optionee (the "Employment Agreement") to promote the interests and long-term success of the Company and its stockholders by providing an incentive to attract, retain and reward the Optioned performing services for the Company in his capacity as the chief executive officer of the Company and by motivating the Optionee to contribute to the continued growth and profitability of the Company.

B. The Committee has approved the grant of Stock Options to Optionee pursuant to Section 5.3 of the Employment Agreement.

C. To the extent not specifically defined in this Agreement, all capitalized terms used in this Agreement shall have the meaning set forth in the Employment Agreement.

D. In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Optionee agree as follows:

AGREEMENT

1. Grant of Option. Subject to the terms of this Agreement and Section 5.3 of the Employment Agreement, the Company grants to Optionee the right and option to purchase from the Company all or any part of the aggregate number of shares of Class A common stock of the Company (the "Stock") specified in the Grant Notice ("Option").

2. Exercise Price. The exercise price under this Agreement is the exercise price per share of Stock specified in the Grant Notice, as determined by the Committee, which **shall not** be less than the market price of a share of Stock on the Date of Grant.

3. Vesting of Option. Subject to the Optionee's continued employment, the Option shall vest and become exercisable according to the vesting schedule set forth in the Grant Notice.

4. Exercise of Option. This Option may be exercised in whole or in part at any time after it vests in accordance with Section 3 and before the Option expires by delivery of a written notice of exercise (under Section 5 below) and payment of the exercise price. The exercise price may be paid in cash, or shares of Stock (through actual tender or by attestation), or such other method permitted by the Committee (including broker-assisted "cashless exercise" arrangements) and communicated to Optionee before the date Optionee exercises the Option.

5. Method of Exercising Option. Subject to the terms of this Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company. The notice shall state Optionee's election to exercise the Option and the number of underlying shares in respect of which an election to exercise has been made. Such notice shall be signed by Optionee, or if the Option is exercised by a person or persons other than Optionee because of Optionee's death, such notice must be signed by such other person or persons and shall be accompanied by proof acceptable to the Committee of the legal right of such person or persons to exercise the Option.

6. Term of Option. The Option granted under this Agreement expires, unless sooner terminated, ten (10) years from the Date of Grant, through and including the normal close of business of the Company on the tenth (10^{th}) anniversary of the Date of Grant (the "Expiration Date").

7. Termination of Employment.

(a) If Optionee's employment is terminated at any time during the Term by Optionee for Good Reason or by the Company for any reason (including in the event of the death of Optionee or upon Optionee becoming Disabled) other than Cause or in the event of a Change in Control during Optionee's employment with the Company, then (1) the not yet vested Option granted under this Agreement (or a part thereof if the Option granted under this Agreement is vesting in parts) shall be vested upon such termination or the effective date of such Change in Control (as applicable) and (2) the vested Option granted under this Agreement (or a part thereof if the Option granted under this Agreement is vesting in parts) shall not be forfeited by Optionee. In no event shall the Option be exercisable after the Expiration Date.

(b) If Optionee's employment is terminated is terminated at any time during the Term either (1) by Optionee for any reason (other than Good Reason) or (2) by the Company for Cause, the not yet vested Option granted under this Agreement (or a part thereof if the Option granted under this Agreement is vesting in parts) shall be forfeited by Optionee. In no event shall the Option be exercisable after the Expiration Date.

8. Nontransferability of Options. The Options granted by this Agreement shall not be transferable by Optionee or any other person claiming through Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution or as otherwise provided by the Committee.

9. No Right to Continued Employment. This Agreement shall not be construed to confer upon Optionee any right to continue employment with the Company and shall not limit the right of the Company, in its sole and absolute discretion, to terminate Optionee's employment at any time.

10. Conflict. This Agreement shall at all times be subject to the terms and conditions of the Employment Agreement. In the event of any conflict between the terms and conditions of this Agreement and the Employment Agreement, the provisions of the Employment Agreement shall control.

11. Adjustments. The number of shares of Stock issued to Optionee pursuant to this Agreement and the exercise price per share of Stock under this Agreement shall be adjusted in the event of a change in the Company's capital structure (including in the event of any change in the number of shares of Stock outstanding by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares or similar corporate change.

12. Securities Laws Compliance. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any other applicable federal or state securities laws or regulations.

13. No Shareholders Rights. Optionee will have no voting rights or any other rights as a shareholder of the Company with respect to the Option until the Company issues the stock certificates representing the shares of Stock underlying the Option.

14. Governing Law. This Agreement shall be interpreted and administered under the laws of the State of Delaware.

15. Amendment. Except as otherwise provided in the Employment Agreement, this Agreement may be amended only by a written agreement executed by the Company and Optionee. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by a representative of the Committee.

16. Issuance Subject to Applicable Exemption. Optionee understands and acknowledges that: (i) the issuance of the Option shall not be qualified or registered under the Securities Act of 1933, as amended (the "Act"), or under any applicable "Blue Sky" laws or other applicable rules and regulations in reliance on the applicable exemption; (ii) the Option and the Stock issued or issuable upon exercise of the Option are "restricted securities" under the Act and that such securities are being acquired from the Company in a transaction not involving a public offering, and that such securities may be resold without a registration under the Act only in certain limited circumstances and that otherwise such securities must be held indefinitely. As a condition precedent to the award of the Option, Optionee shall deliver to the Company, not later than the date of the grant of the Option, a filled out and signed by Optionee accredited investors questionnaire and standard subscription agreement containing investor's representations and warranties acceptable to the Company and its counsel.

Exhibit 10.25

LEASE AGREEMENT

This LEASE AGREEMENT ("**Lease**"), effective as of May 15, 2020 is by and between Lemon City Group, LLC, a Florida limited liability company, having its principal office at 5972 NE 4th Avenue, Miami, Florida 33137 ("**Landlord**") and 704Games, LLC, a Florida limited liability company, having its principal office at 5972 NE 4th Avenue, Miami, Florida 33137 ("**Tenant**").

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, Landlord and Tenant covenant, warrant and agree as follows:

1. Definitions. For purposes of this Lease, the following terms shall have the following meanings:

"**Alterations**" shall have the meaning set forth in **Section 8(a)** hereof.

"**Building**" shall mean the building located at 5952 NE 4 Avenue, Miami, Florida 33137.

"**Building Systems**" shall mean the HVAC Systems, mechanical, electrical, plumbing and life safety systems of the Building.

"**Default Rate**" shall have the meaning set forth in **Section 4(d)** hereof.

"**Extension Conditions**" shall mean, as a condition to Tenant exercising each Extension Option: (a) Tenant gives Landlord written notice no less than six (6) months prior to the commencement of the First Extension Term or Second Extension Term, as applicable, that Tenant is exercising the Extension Option; (b) at the date the applicable Extension Option is exercised, and at the commencement of the First Extension Term or the Second Extension Term, as applicable, no Event of Default has occurred and is continuing; and (c) Tenant has not been more than thirty (30) days late in the payment of any or all Rent more than a total of six (6) times for all periods prior to the commencement of the applicable Extension Term.

"**Extension Option**" shall have the meaning set forth in **Section 3(b) hereof.**

"**First Extension Term**" shall have the meaning set forth in **Section 3(b) hereof.**

"**Hazardous Materials**" shall mean any chemical, compound, material, substance or other matter that: (a) is defined as a hazardous substance, hazardous material or waste, or toxic substance under any Hazardous Materials Law; (b) is regulated, controlled or governed by any Hazardous Materials Law or other laws; (c) is petroleum or a petroleum product; or (d) is asbestos, formaldehyde, radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

"**Hazardous Materials Laws**" shall mean any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, the Building or the Property, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Hazardous Materials Transportation Act, any other law or legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing.

"**HVAC Systems**" shall mean the plumbing, heating, air conditioning, and ventilating systems of the Building.

"**Landlord's Address for Notices**" shall mean 355 NE 59th Terrace, Miami, Florida 33137.

"**Lease Commencement Date**" shall mean the date the Premises is delivered to Tenant in broom clean condition.

"**Lease Expiration Date**" shall mean the last day of the month in which occurs the fifth (5th) anniversary of the Lease Commencement Date, as same may be extended pursuant to **Section 3** hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants or conditions of this Lease or pursuant to law.

"**Permitted Use**" shall mean using the Building as office space.

"**Premises**" shall have the same meaning as Building.

"**Property**" shall mean the Building together with the parking lot and all appurtenances thereto on which the Building is located, together with all other improvements which may hereafter be constructed on such parcel of land.

"**Rent**" shall have the meaning set forth in **Section 4** hereof.

"**Security Deposit**" shall mean a security deposit in the amount of $6,000.00.

"**Second Extension Term**" shall have the meaning set forth in **Section 3(c) hereof.**

"**Tenant Owned Property**" shall have the meaning set forth in **Section 8(c) hereof.**

"**Tenant Parties**" shall have the meaning set forth in **Section 6(b)** hereof.

"**Tenant's Address for Notices**" shall mean 5972 NE 4 Avenue, Miami, Florida 33137.

"**Term**" shall mean a term of ten (10) years commencing on the Lease Commencement Date and ending on the Lease Expiration Date.

2. Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the Premises for the Term.

(b) Tenant shall have the exclusive right to use the Premises.

3. Term.

(a) The Term shall commence on the Lease Commencement Date and shall expire on the Lease Expiration Date.

(b) Tenant is granted the option ("**Extension Option**") to extend the initial Term of this Lease for an additional term of five (5) years ("**First Extension Term**") provided all of the Extension Conditions are met.

(c) Tenant is granted an additional Extension Option to extend the Term of this Lease for an additional term of five (5) years ("**Second Extension Term**") provided all of the Extension Conditions are met.

4. Rent.

(a) Tenant covenants and agrees to pay Rent in advance on the first (1st) day of each calendar month during the Term and without notice, demand, abatement, deduction, counterclaim, setoff, defense or otherwise, in lawful money of the United States, to Landlord throughout the Term of this Lease as follows:

(i) for the period commencing on the Lease Commencement Date and ending on April 15, 2025 an amount equal to Three Thousand and 00/100 Dollars ($3,000.00) per month;

(ii) for the First Extension Term, an amount to be negotiated prior to First Extension Term; and

(iii) for the Second Extension Term, an amount to be negotiated prior to Second Extension Term.

(b) Concurrently with Tenant's execution of this Lease, Tenant shall pay to Landlord an amount equal to two (2) monthly installments of Rent payable under this Lease wherein one installment shall be applied towards the payment of the first full calendar month of the Lease Term.

(c) If the Lease Commencement Date is a day other than the first day of a month, then the Rent from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of Rent payable.

(d) Any Rent payable by Tenant to Landlord under this Lease which is not paid within thirty (30) days after the same is due will be automatically subject to a late payment charge of five percent (5%) of the monthly Rent.

5. Preparation for Occupancy. Prior to the Lease Commencement Date, Landlord, at its sole cost and expense, shall prepare the Premises for Tenant's occupancy to Tenant's reasonable satisfaction.

6. Use of Premises; Compliance with Laws; Hazardous Materials.

(a) The Premises shall be used only for the Permitted Use and for no other purpose.

(b) Tenant, at Tenant's sole cost and expense, shall comply with and shall cause all of Tenant Parties to comply with all applicable laws, ordinances, rules and regulations of governmental and quasi-governmental authorities, including, without limitation, the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008 (and the regulations promulgated thereunder) applicable to the use or occupancy of the Premises.

(c) Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Premises, the Building or the Property; provided, however, Tenant may use and store reasonable quantities of cleaning and office supplies and other similar materials as may be reasonably necessary for Tenant to conduct normal business operations in the Premises. Tenant shall indemnify and hold Landlord, its employees and agents, harmless from and against any damage, injury, loss, liability, charge, demand or claim based on or arising out of the presence or removal of, of failure to remove, Hazardous Materials generated, used, released, stored or disposed of by Tenant or any Tenant Party in or about the Premises, the Building or the Property, whether before or after the Lease Commencement Date.

7. Building and Equipment; Maintenance and Repairs. At its expense, Landlord shall keep the Premises, Building, Building Systems and the Property in good repair and condition.

8. Alterations.

(a) Tenant shall have the right to make or allow to be made any alterations, additions or improvements in or to the Premises (collectively, "**Alterations**") without obtaining Landlord's consent.

(b) Tenant agrees that all Alterations shall be done at Tenant's sole cost and expense and in a good and workmanlike manner, that the structural integrity of the Building shall not be impaired, and that no liens shall attach to all or any part of the Premises, the Building, or the Property by reason thereof. Tenant shall obtain, at its sole expense, all permits required for such work.

(c) Unless otherwise elected by Landlord as hereinafter provided, all Alterations made by Tenant shall become the property of Landlord and shall be surrendered to Landlord on or before the Lease Expiration Date, except as otherwise set forth in this Lease. Notwithstanding the foregoing, movable equipment, trade fixtures, personal property, furniture, or any other items that can be removed without material harm to the Premises will remain Tenant's property (collectively, "**Tenant Owned Property**") and shall not become the property of Landlord but shall be removed by Tenant, at its sole cost and expense, not later than the Lease Expiration Date.

9. Insurance.

(a) Tenant shall procure at its cost and expense, and keep in effect during the Term, insurance coverage for all risks of physical loss or damage insuring the full replacement value of Alterations and all items of Tenant Owned Property. Landlord shall not be liable for any damage or damages of any nature whatsoever to persons or property caused by explosion, fire, theft or breakage, vandalism, falling plaster, by sprinkler, drainage or plumbing systems, or air conditioning equipment, by the interruption of any public utility or service, by steam, gas, electricity, water, rain or other substances leaking, issuing or flowing into any part of the Premises, by natural occurrence, acts of the public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or by anything done or omitted to be done by any tenant, occupant or person in the Building, it being agreed that Tenant shall be responsible for obtaining appropriate insurance to protect its interests.

(b) Tenant shall procure at its cost and expense, and maintain throughout the Term, at the minimum, a comprehensive commercial general liability insurance applicable to the Premises.

10. Indemnification.

(a) Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, losses, costs, liabilities, damages and expenses including, without limitation, penalties, fines and reasonable attorneys' fees, to the extent incurred in connection with or arising from the use or occupancy or manner of use or occupancy of the Premises or any injury or damage caused by Tenant, Tenant Parties or any person occupying the Premises through Tenant.

(b) Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims, losses, costs, liabilities, damages and expenses including, without limitation, penalties, fines and reasonable attorneys' fees, to the extent incurred in connection with or arising from: (i) any injury or damage caused by any negligent or willful acts of Landlord; (ii) the presence of Hazardous Substances introduced in, on, under or about the Premises as a result of the actions of Landlord or its agents, employees, representatives or contractors; or (iii) a default by Landlord under this Lease.

(c) The terms of this **Section 10** shall survive the expiration or sooner termination of this Lease.

11. Damage and Destruction.

(a) If the Premises are destroyed or damaged by fire or other casualty so that Tenant is unable to occupy the Premises for its Permitted Use, Landlord may terminate this Lease effective as of the date of the damage or destruction by giving Tenant written notice within ten (10) days of the date of the damage or destruction.

(b) If Landlord does not terminate this Lease as provided in **Section 11(a)** above, Landlord shall promptly rebuild, repair and restore the Premises and the Building to their former condition.

(c) If the damage or destruction renders all or part of the Premises untenantable, Rent shall proportionately abate commencing on the date of the damage or destruction and ending on the date the Premises are delivered to Tenant with Landlord's restoration obligation substantially complete. The extent of the abatement shall be based upon the portion of the Premises rendered untenantable, inaccessible or unfit for the Permitted Use.

(d) Notwithstanding anything to the contrary in this Lease, Landlord and Tenant mutually waive their respective rights of recovery against each other and each other's officers, directors, constituent partners, agents and employees, and Tenant waives such rights against each lessor under any ground or underlying lease and each lender under any mortgage or deed of trust or other lien encumbering the Property or any portion thereof or interest therein, to the extent any loss is or would be covered by fire, extended coverage, or other property insurance policies required to be carried under this Lease or otherwise carried by the waiving party, and the rights of the insurance carriers of such policy or policies are to be subrogated to the rights of the insured under the applicable policy. Each party shall cause its insurance policy to be endorsed to evidence compliance with such waiver.

12. Condemnation.

(a) If all of the Premises is condemned or taken in any permanent manner before or during the Term for any public or quasi−public use, or any permanent transfer of the Premises is made in avoidance of an exercise of the power of eminent domain (each of which events shall be referred to as a "**taking**"), this Lease shall automatically terminate as of the date of the vesting of title due to such taking. If a part of the Premises is so taken, this Lease shall automatically terminate as to the portion of the Premises so taken as of the date of the vesting of title as a result of such taking. If such portion of the Property is taken as to render the balance of the Premises unusable by Tenant for the Permitted Use, as reasonably determined by either Landlord or Tenant, this Lease may be terminated by Landlord or Tenant, as of the date of the vesting of title as a result of such taking, by written notice to the other party given within ten (10) days following notice to Landlord of the date on which said vesting will occur. If this Lease is not terminated as a result of any taking, Landlord shall restore the Building to an architecturally whole unit; provided, however, that Landlord shall not be obligated to expend on such restoration more than the amount of condemnation proceeds actually received by Landlord.

(b) Landlord shall be entitled to the entire award for any taking, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in any taking, together with any and all rights of Tenant now or hereafter arising in or to such award or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for its relocation expenses, the taking of personal property and fixtures belonging to Tenant, the unamortized value of improvements made or paid for by Tenant, or the interruption of or damage to Tenant's business.

(c) In the event of a partial taking that does not result in a termination of this Lease as to the entire Premises, Rent shall be equitably adjusted in relation to the portions of the Premises and Building taken or rendered unusable by such taking.

13. Assignment and Subletting.

(a) Neither Tenant nor any sublessee or assignee of Tenant, directly or indirectly, voluntarily or by operation of law, shall sell, assign, encumber, mortgage, pledge or otherwise transfer or hypothecate all or any part of the Premises or Tenant's leasehold estate hereunder (each such act is referred to as an "**Assignment**"), or sublet the Premises or any portion thereof or permit the Premises to be occupied by anyone other than Tenant (each such act is referred to as a "**Sublease**"), without Landlord's prior written consent in each instance, which consent will not be unreasonably withheld. Any Assignment or Sublease that is not in compliance with this **Section 13** shall be void. However, acceptance of Rent by Landlord from a proposed assignee, sublessee or occupant of the Premises shall constitute consent to such Assignment or Sublease by Landlord.

(b) Any request by Tenant for Landlord's consent to a specific Assignment or Sublease shall include: (i) the name of the proposed assignee, sublessee or occupant; (ii) the nature of the proposed assignee's sublessee's or occupant's business to be carried on in the Premises; (iii) a copy of the proposed Assignment or Sublease; and such other information as Landlord may reasonably request concerning the proposed assignee, sublessee or occupant or its business. Landlord shall respond in writing, stating the reasons for any disapproval, within ten (10) days after receipt of all information reasonably necessary to evaluate the proposed Assignment or Sublease.

(c) No consent by Landlord to any Assignment or Sublease by Tenant, and no specification in this Lease of a right of Tenant to make any Assignment or Sublease, shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether arising before or after: (i) the Assignment or Sublease; or (ii) any extension of the Term (pursuant to exercise of an option granted in this Lease). The consent by Landlord to any Assignment or Sublease shall not relieve Tenant or any successor of Tenant from the obligation to obtain Landlord's express written consent to any other Assignment or Sublease. No Assignment or Sublease shall be valid or effective unless the assignee or sublessee or Tenant shall deliver to Landlord a fully executed counterpart of the Assignment or Sublease and an instrument that contains a covenant of assumption by the assignee or agreement of the sublessee, reasonably satisfactory in substance and form to Landlord.

(d) Notwithstanding the foregoing, provided that: (i) Tenant is not in default under this Lease; and (ii) no such transaction is undertaken with the intent of circumventing Tenant's liability under this Lease, Tenant may assign this Lease to any affiliate or subsidiary of Tenant or in connection with a merger or other consolidation of Tenant and may sublease all or some portion of the Premises to an affiliate or subsidiary of Tenant without Landlord's consent provided: (A) Tenant shall remain liable hereunder; (B) Tenant provides reasonable prior written notice to Landlord of such Assignment or Sublease; (C) after such transaction is effected, the tangible net worth (excluding goodwill) of the new tenant under this Lease is equal to or greater than the tangible net worth of Tenant as of the date of this Lease; and (D) Landlord shall have received an executed copy of all documentation effecting such transfer on or before its effective date.

14. Tenant's Default. Each of the following events shall be an "**Event of Default**" hereunder:

(a) Tenant's failure to pay when due any installment of Rent and such failure continues for a period of thirty (30) days after the due date.

(b) Tenant's failure to perform or observe any other covenant, condition or other obligation of Tenant and such failure continues for a period of thirty (30) days after Landlord gives Tenant written notice thereof. Notwithstanding the foregoing, if a cure cannot be effected within the 30-day period and Tenant begins the cure and is pursuing such cure in good faith and with diligence and continuity during the 30-day period, then Tenant shall have such additional time as is reasonably necessary to effect such cure.

(c) The Premises become vacant and abandoned for greater than two (2) months.

(d) At Landlord's option, the occurrence of any of the following:

(i) the appointment of a receiver to take possession of all or substantially all of the assets of Tenant or the Premises;

(ii) an assignment by Tenant for the benefit of creditors;

(iii) the filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors;

(iv) the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or the Premises;

(v) the admission of Tenant in writing of its inability to pay its debts as they become due;

(vi) the filing by Tenant of any answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation or dissolution of Tenant or similar relief;

15. Landlord's Remedies. Upon the occurrence of an Event of Default by Tenant that is not cured by Tenant within the applicable grace periods specified in **Section 14** above, Landlord shall have all of the following rights and remedies in addition to all other rights and remedies available to Landlord at law or in equity:

(a) The right to terminate Tenant's right to possession of the Premises and to recover: (i) all Rent which shall have accrued and remains unpaid through the date of termination; plus (ii) the amount necessary to compensate Landlord for all the damages caused by Tenant's failure to perform its obligations under this Lease (including, without limitation, reasonable attorneys' and accountants' fees, costs of alterations of the Premises, interest costs and brokers' fees incurred upon any reletting of the Premises).

(b) The right to continue the Lease in effect after Tenant's breach and recover Rent as it becomes due. Acts of maintenance or preservation, efforts to relet the Premises or the appointment of a receiver upon Landlord's initiative to protect its interest under this Lease shall not of themselves constitute a termination of Tenant's right to possession.

(c) The right and power to enter the Premises and remove therefrom all persons and property, to store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant, and to sell such property and apply the proceeds therefrom pursuant to applicable law.

16. Subordination; Estoppel Certificates.

(a) This Lease shall be subject and subordinate at all times to: (i) all ground leases or underlying leases that may now exist or hereafter be executed affecting the Property or any portion thereof; (ii) the lien of any mortgage, deed of trust or other security instrument that may now exist or hereafter be executed in any amount for which the Property or any portion thereof, any ground leases or underlying leases, or Landlord's interest or estate therein is specified as security; and (iii) all modifications, renewals, supplements, consolidations and replacements thereof. The provisions of this Section shall be self-operative and no further instrument shall be required to effect the provisions of this Section.

(b) Either party, at any time and from time to time, within fifteen (15) days after written request from the other, shall execute, acknowledge and deliver to the other party, addressed to the other party and any prospective purchaser, ground or underlying lessor, or mortgagee or beneficiary of any part of the Property, an estoppel certificate in form and substance reasonably designated by the other party. It is intended that any such certificate may be relied upon by the party receiving same and any prospective purchaser, investor, ground or underlying lessor, or mortgagee or deed of trust beneficiary of all or any part of the Property.

17. End of Term; Holding Over.

(a) No later than the Lease Expiration Date, Tenant shall remove its Tenant Owned Property (except as otherwise provided herein) and will peaceably yield up the Premises in broom clean condition. Notwithstanding the foregoing, Tenant shall not be responsible: (i) to repair the effects of normal wear and tear; (ii) for damage which is Landlord's responsibility to repair; (iii) for damage by fire, the elements or casualty; and (iv) for damage which is the result of the misconduct or negligence of Landlord, its contractors, agents, employees or invitees.

(b) If Tenant shall hold over after the Lease Expiration Date, Tenant shall pay one hundred and twenty (120%) of the Rent payable during the final full month of the Term (exclusive of abatements, if any) and Tenant's occupancy shall otherwise be on the terms and conditions herein specified so far as applicable (but expressly excluding all renewal or extension rights). No holding over by Tenant after the Term shall operate to extend the Term. Any holding over with Landlord's written consent shall be construed as a tenancy at sufferance or from month to month, at Landlord's option. Any holding over without Landlord's written consent shall entitle Landlord to reenter the Premises as provided in **Section 15**, and to enforce all other rights and remedies provided by law or this Lease.

18. Security Deposit.

(a) Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit as security for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under this Lease. Landlord shall not be required to maintain the Security Deposit in a separate account. If an Event of Default occurs under this Lease by Tenant, Landlord shall have the right, but not the obligation, to use, apply or retain all or any portion of the Security Deposit for the payment of: (i) Rent or any other sum as to which Tenant is in default; or (ii) the amount Landlord spends or may become obligated to spend, or to compensate Landlord for any losses incurred by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, then within thirty (30) days after Landlord gives Tenant written notice, Tenant shall deposit with Landlord cash in an amount sufficient to restore the Security Deposit to the original amount. Tenant's failure to do so shall constitute an Event of Default under this Lease.

(b) If Landlord transfers the Security Deposit to any purchaser or other transferee of Landlord's interest in the Property, then Tenant shall look only to such purchaser or transferee for the return of the Security Deposit and Landlord shall be released from all liability to Tenant for the return of the Security Deposit.

19. Signs. Tenant may place its standard signs within the Premises.

20. Parking. Tenant shall have exclusive access to all available parking areas on the Premises.

21. Notices. All notices or other communications required hereunder shall be in writing and shall be deemed duly given: (a) when delivered in person (with receipt therefor); (b) on the next business day after deposit with a recognized overnight delivery service; or (c) on the third (3rd) business day after being sent by certified or registered mail, return receipt requested, postage prepaid, to addresses of Landlord and Tenant set forth in **Section 1**, provided, however, that after the Lease Commencement Date, all notices to Tenant may, at Landlord's option, be sent to the Premises. Either party may change its address for the giving of notices by notice given in accordance with this **Section 21**. A party's refusal to accept delivery of any notice or communication sent by the other party shall not render such notice ineffective. Notwithstanding the foregoing, all bills, statements, invoices, consents, requests or other communications from Landlord to Tenant with respect to Rent may be sent to Tenant by regular United States mail.

22. Miscellaneous Provisions.

(a) Landlord and Tenant each represents and warrants to the other that neither of them has employed or dealt with any broker, agent or finder in connection with this Lease. Tenant and Landlord shall each indemnify and hold harmless the other from and against any claim or claims for any broker's fee or commission asserted by any broker, agent or finder employed by Tenant. The provisions of this **Section 22(a)** shall survive the expiration or other termination of this Lease.

(b) The terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise expressly provided herein, their respective personal representatives and successors and assigns; provided, however, that upon the sale, assignment or transfer by Landlord (or by any subsequent Landlord) of its interest in the Building or Property as owner or lessee, including, without limitation, any transfer upon or in lieu of foreclosure or by operation of law, Landlord (or subsequent Landlord) shall be relieved from all subsequent obligations or liabilities under this Lease, and all obligations subsequent to such sale, assignment or transfer (but not any obligations or liabilities that have accrued prior to the date of such sale, assignment or transfer) shall be binding upon the grantee, assignee or other transferee of such interest. Any such grantee, assignee or transferee, by accepting such interest, shall be deemed to have assumed such subsequent obligations and liabilities.

(c) If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall remain in effect and shall be enforceable to the full extent permitted by law.

(d) The terms of this Lease are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Lease and may not be contradicted by evidence of any prior or contemporaneous agreement, arrangement, understanding or negotiation (whether oral or written). The parties further intend that this Lease constitutes the complete and exclusive statement of its terms, and no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Lease. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party by reason of such party having drafted such language.

(e) Upon Tenant paying the Rent and performing all of Tenant's obligations under this Lease, Tenant may peacefully and quietly enjoy the Premises during the Term as against all persons or entities claiming by, through or under Landlord subject, however, to the provisions of this Lease and to the priority of any mortgages or deeds of trust or ground or underlying leases referred to in **Section 16**.

(f) All of Tenant's and Landlord's covenants and obligations contained in this Lease which by their nature might not be fully performed or capable of performance before the expiration or earlier termination of this Lease shall survive such expiration or earlier termination. No provision of this Lease providing for termination in certain events shall be construed as a limitation or restriction of Landlord's or Tenant's rights and remedies at law or in equity available upon a breach by the other party of this Lease.

(g) The Laws of the State of Florida shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the state and judicial district in which the Building is located. The courts of the state where the Building is located will have exclusive jurisdiction and Tenant hereby agrees to such exclusive jurisdiction.

(h) This Lease may only be amended, modified or supplemented by an agreement in writing duly executed by both Landlord and Tenant.

(i) DELIVERY OF THE LEASE TO EITHER PARTY SHALL NOT BIND ANY PARTY IN ANY MANNER, AND NO LEASE OR OBLIGATIONS OF LANDLORD OR TENANT SHALL ARISE UNTIL THIS INSTRUMENT IS SIGNED BY BOTH LANDLORD AND TENANT AND DELIVERY IS MADE TO EACH PARTY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement by affixing their signatures below.

LANDLORD
LEMON CITY GROUP, LLC

By *[/s/ Mike Zoi]*
Name: Mike Zoi
Title: manager

TENANT
704GAMES

By *[/s/ Jonathan New]*
Name: Jonathan New
Title: CFO

Exhibit 10.26

September 4, 2020

Motorsport Network, LLC
5972 NE 4th Avenue,
Miami, FL 33137, USA
Attn: Mike Zoi, Manager

Dear Mr. Zoi:

This side letter agreement (this "Letter Agreement") is being entered into in connection with that that certain Promissory Note (the "Note") dated April 1, 2020, made by Motorsport Gaming US LLC, a Florida limited liability company ("Maker"), for the benefit of Motorsport Network, LLC, a Florida limited liability company ("Holder").

Effective as of the date hereof, Holder hereby agrees to not demand or otherwise accelerate any amount due under the Note that would otherwise constrain the Maker's liquidity position, including the Maker's ability to continue as a going concern

This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its principles of conflicts of law. If the foregoing accurately sets forth our understanding, please indicate your acceptance by signing below and returning a signed copy of this letter to my attention at dk@motorsport.com.

Sincerely,

Motorsport Gaming US LLC

By: */s/ Dmitry Kozko*
Dmitry Kozko, CEO

Accepted and agreed:
Motorsport Network, LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager
Date: September 4, 2020

Exhibit 10.27

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**"), effective as of October 6, 2020, is entered into among Leo Capital Holdings, LLC, an Illinois limited liability company located at 400 Skokie Boulevard, Suite 410, Northbrook, IL 60062 ("**Seller**"), and Motorsport Gaming US LLC, a Florida limited liability company located at 5972 NE 4th Avenue, Miami, FL 33137 ("**Buyer**").

WHEREAS, Seller owns 10,301 shares of common stock, par value $0.001 per share, of 704Games Company, a Delaware corporation (the "**Company**"); all such shares owned by Seller are referred to herein as the "**Shares**;"

WHEREAS, Seller, Buyer and the Company are parties to that certain Stockholders' Agreement, dated as of August 14, 2018, by and among the Company and certain of its stockholders (the "**Stockholders' Agreement**"), and Section 3.2(f)(i) of the Stockholders' Agreement permits the transfer of the Shares from one stockholder of the Company to another in an arm's length transaction for fair market value; and

WHEREAS, Seller wishes to sell and transfer to Buyer, and Buyer wishes to purchase from Seller, the Shares, in accordance with Section 3.2(f)(i) of the Stockholders' Agreement and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing (as defined in **Section 2**), Seller shall sell, transfer and assign to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in and to the Shares, free and clear of all Encumbrances (as defined herein), other than Permitted Encumbrances (as defined herein), at a price of $11.2881 per Share or an aggregate purchase price for the Shares of One Hundred Sixteen Thousand Two Hundred Seventy-Nine Dollars ($116,279) (the "**Purchase Price**").

2. Closing. Subject to the terms and conditions contained in this Agreement, the purchase and sale of the Shares contemplated hereby shall take place at a closing (the "**Closing**") to be on the date hereof concurrently with the execution and delivery of this Agreement by the parties hereto (the "**Closing Date**"). At the Closing, Seller shall deliver to Buyer the stock certificates evidencing the Shares, free and clear of all Encumbrances (as defined herein), other than Permitted Encumbrances (as defined herein), duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank.

3. Payment. At the Closing, Buyer shall deliver, via wire transfer of immediately available funds, the Purchase Price to the bank account of Seller in the wire instruction provided by Seller to Buyer at or prior to the Closing.

4. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) Seller has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. Seller has taken all action necessary to authorize its entry into and performance of its obligations under this Agreement. Seller has caused this Agreement to be executed and delivered on its behalf by its duly authorized officer whose signature is set forth on its behalf on the signature page of this Agreement. Assuming due authorization, execution and delivery by Buyer, this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the availability of equitable remedies.

(c) Seller is the sole direct and beneficial owner of the Shares, free and clear of all liens, pledges, security interests, charges, claims, encumbrances, agreements, options, voting trusts, proxies and other arrangements or restrictions of any kind ("**Encumbrances**"), other than other than (i) restrictions of general applicability imposed by federal state securities laws and (ii) restrictions on transfer set forth in the Stockholders' Agreement (each Encumbrances referenced in clause (i)) or (ii), a "**Permitted Encumbrance**"). Upon consummation of the transactions contemplated by this Agreement, Buyer will receive good and marketable title to all such Shares as a consequence of the transactions contemplated hereby, free and clear of all Encumbrances, other than Permitted Encumbrances.

(d) The execution, delivery and performance by Seller of this Agreement do not conflict with, violate or result in the breach of, or create any Encumbrance on the Shares pursuant to, any agreement, instrument, order, judgment, decree, law or governmental regulation to which Seller is a party or is subject or by which the Shares are bound.

(e) No governmental, administrative or other third-party consents or approvals are required by or with respect to Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(f) Seller has not entered into any agreements of any kind or nature binding upon the Company and/or the Shares which have not been disclosed in writing to the Purchaser, other than the Stockholders' Agreement. There are no material liabilities of Seller relating to the Shares which have not been disclosed in writing to the Purchaser. There are no actions, suits, claims, investigations or other legal proceedings pending or, to the actual knowledge of Seller, threatened against or by Seller that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(g) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller

(h) Seller acknowledges that the Seller is under no compulsion to sell the Shares to Buyer and is completing the sale of the Shares on the Seller's own free will. The Seller (i) has sufficient knowledge and experience with and information about Buyer (including Buyer's business objective and current efforts to consummate a liquidity event or an initial public offering of Buyer as soon as practicable) and the Company in order to be fully familiar with Buyer, the Company and its current business, operations, assets, finances, financial results, financial condition and prospects and so as to be able to evaluate the risks and merits of consummating the transactions contemplated by this Agreement, (ii) has full access to all books and records of the Company and all of its contracts, agreements and documents and (iii) has had an opportunity to ask questions of, and receive answers from, representatives of Buyer and the Company regarding Buyer, the Company and its current business, operations, assets, financing, operating results, financial condition and prospects in order to make an informed decision to sell the Shares.

5. Representation and Warranties of Buyer.

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida.

(b) Buyer has all requisite power and authority (including, without limitation, the resolutions adopted by the sole manager of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby) to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the availability of equitable remedies.

(c) Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

(d) No governmental, administrative or other third-party consents or approvals are required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(e) There are no actions, suits, claims, investigations or other legal proceedings pending or, to the knowledge of Buyer, threatened against or by Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(f) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

(g) Buyer, in making its decision to enter into this Agreement and consummate the transactions contemplated herein, is neither relying on any representations or warranties of any person(s) other than Seller nor its own due diligence investigation; rather Buyer is solely relying on the representations and warranties of Seller expressly set forth in Section 4 of this Agreement.

(h) Buyer is able to evaluate the risks and benefits of acquiring the Shares, is able to bear the economic risk of owning the Shares for an indefinite period of time, and is able to bear the loss of its entire investment in the Shares. Buyer is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act.

6. Survival. All representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and the Closing hereunder; provided, however, that no party may bring any claim alleging or based on the breach of any representation or warranty unless the party alleging breach gives the party alleged to have breached a representation or warranty written notice in accordance with the provisions of Section 11 below within three (3) years after the Closing.

7. Indemnification. Each of Buyer and Seller hereby agrees to indemnify and hold harmless the other, and the other's Related Parties from and against any and all losses, costs, damages, liabilities or expenses actually incurred, including, without limitation, reasonable and documented attorneys' fees or other legal expenses or expert fees (collectively, "**Damages**") arising out of: (a) any breach in any representation or warranty made by the Indemnifying Party in this Agreement provided notice of such breach is timely given in accordance with Section 6 above, or (b) any breach or failure of the Indemnifying Party to perform any covenant or obligation of the Indemnifying Party set out in this Agreement. Notwithstanding anything to the contrary set forth herein, the maximum aggregate Damages for which (i) Seller shall be liable hereunder shall not exceed the Purchase Price actually received by Seller and (ii) Buyer shall be liable hereunder shall not exceed an amount equal to (i) the Purchase Price less (ii) all amounts paid by Buyer to Seller. For purposes of this Agreement, (x) "**Related Party**" means with respect to a person, any or its affiliates, or any of its or its affiliate's shareholders, directors, officers, managers, members, partners, trustees, employees, contractors, subcontractors, attorneys, intermediaries, brokers or other agents, or representatives or any heir, personal representative, successor, or assign of any of the foregoing; and (y) "**Indemnifying Party**" means either Buyer or Seller when indemnification is sought from such Party pursuant to this Section 7, and "**Indemnified Party**" means Buyer, Seller or any Related Party of Buyer or Seller when such Person is seeking indemnification from an Indemnifying Party pursuant to this Section 7. The provisions of this Section 7 provide the exclusive remedy for any breach of any representation, warranty or covenant set forth in this Agreement.

8. Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

9. Release.

(a) Seller, for itself and on behalf of Seller's affiliates, successors and assigns, shareholders, officers, directors, employees, contractors, affiliates, agents and their successors and assigns (collectively, the "**Seller Releasors**") hereby releases and forever discharges the Company, Buyer, Buyer's members, shareholders, managers, officers, directors, contractors, affiliates, heirs, successors, predecessors, assigns, agents, the Company's post-Closing shareholders, and all persons acting by, through or under each of them (collectively, the "**Buyer Releasees**"), of and from any and all claims, debts, obligations and liabilities, whether known or unknown, contingent or non-contingent, at law or in equity, in each case directly or indirectly arising from or in connection with, or relating to, the Company, the Company's business, the Shares or any agreements or obligations of the Company and/or Seller's ownership of the Company or resulting from Seller or any of its Related Parties having been a director, officer, observer or employee of the Company, which the Seller Releasors or any of them now have or had or may hereafter have against the Buyer Releasees, or any them, for, upon or by reason of any matter, cause or event occurring prior to the Closing; provided, however, that nothing in this Section 9(a) shall terminate or release Buyer's obligations or liabilities to Seller under this Agreement (or under any other agreement or instrument to be executed in conjunction with this Agreement in order to consummate the transactions contemplated herein).

(b) Buyer, for itself and on behalf of the Company and the Buyer's affiliates, successors and assigns, shareholders, officers, directors, employees, contractors, affiliates, agents and their successors and assigns (collectively, the "**Buyer Releasors**") hereby releases and forever discharges the Seller and Seller's members, shareholders, managers, officers, directors, contractors, affiliates, heirs, successors, predecessors, assigns, agents, and all persons acting by, through or under each of them (collectively, the "**Seller Releasees**"), of and from any and all claims, debts, obligations and liabilities, whether known or unknown, contingent or non-contingent, at law or in equity, in each case directly or indirectly arising from or in connection with, or relating to, the Company, the Company's business or any agreements or obligations of the Company and/or Seller's ownership of the Company or resulting from Seller or any of its Related Parties having been a director, officer, observer or employee of the Company, which the Buyer Releasors or any of them now have or had or may hereafter have against the Seller Releasees, or any them, for, upon or by reason of any matter, cause or event occurring prior to the Closing; provided, however, that nothing in this Section 9(b) shall terminate or release Seller's obligations or liabilities to Buyer under this Agreement (or under any other agreement or instrument to be executed in conjunction with this Agreement in order to consummate the transactions contemplated herein).

10. Expenses. All costs and expenses incurred in connection with negotiating and drafting this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

11. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective and shall be deemed to have been given or made (a) when sent by facsimile with delivery receipt or by electronic mail, (b) one business day after being deposited with such overnight courier service or (c) three business days after being deposited in the mail, in each case addressed to the party at its address specified herein. Notices may also be given in any other manner permitted by law, effective upon actual receipt.

12. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. There are no agreements, warranties, covenants or undertakings regarding the subject matter of this Agreement other than those expressly set forth herein.

13. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto.

14. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

15. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

16. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

17. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction). Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States or the courts of the State of Delaware in each case located in the State of Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

18. Jury Trial Waiver. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OR CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

LEO CAPITAL HOLDINGS, LLC

By *[/s/ Randall O. Rissman]*
Name: Randall O. Rissman
Title: Manager

MOTORSPORT GAMING US LLC

By *[/s/ Mike Zoi]*
Name: Mike Zoi
Title: Manager

Exhibit 10.28

AMENDMENT TO PROMISSORY NOTE

This Amendment to Promissory Note (as defined below) is effective as of September 15, 2020 (this "**Amendment**").

WHEREAS, MOTORSPORT NETWORK, LLC a Florida limited liability company is the Holder of a Promissory note of up to U.S. $10,000,000 to be funded to MOTORSPORT GAMING US LLC ("Maker") effective April 1, 2020;

WHEREAS, Section 8 of the Promissory Note allows the parties to modify the Promissory Note by a written instrument executed by Maker and Holder;

WHEREAS, the Parties now wish to amend the Promissory Note to increase the principal sum of the promissory note from U.S. $10,000,000.00 to U.S. $12,000,000.00;

NOW THEREFORE, in consideration of the mutual covenants contained herein, Maker and Holder hereby agree that the Promissory Note shall be amended as follows:

1. **Recitals**. All of the recitals contained herein are true and correct and are incorporated herein by this reference.

2. **Amendment**. The first paragraph of the Promissory Note is hereby amended and restated as follows:

   "ON DEMAND (or as otherwise provided for in this Note), FOR VALUE RECEIVED, the undersigned, MOTORSPORT GAMING US LLC, a Florida company ("**Maker**"), does hereby promise to pay to the order of MOTORSPORT NETWORK, LLC, a Florida limited liability company ("**Holder**"), the principal sum of up to U.S. $12,000,000.00.

3. **Limited Effect**. Except as expressly amended and modified by this Amendment, the Promissory Note shall continue to be, and shall remain, in full force and effect in accordance with its terms.

4. **Governing Law**. This Amendment shall be governed by and construed in accordance with the local laws of the State of Florida without reference to that state's rules regarding choice of law.

5. **Counterparts**. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Amendment.

[Signatures are on following page.]

IN WITNESS WHEREOF, the parties to this Amendment have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first set forth above.

MAKER:

MOTORSPORT GAMING US LLC

By: */s/ Dmitry Kozko*
Name: Dmitry Kozko
Title: CEO

HOLDER ACCEPTS AND ACKNOWLEDGES:

MOTORSPORT NETWORK, LLC

By: */s/ Mike Zoi*
Name: Mike Zoi
Title: Manager

Exhibit 10.29

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

Letter of Intent

November 23, 2020

Mr. Pierre Fillon President
Automobile Club de l'Ouest

Dear Mr. Fillon:

This binding letter of intent sets forth the basic terms and conditions under which Motorsport Games US, LLC, a fully owned subsidiary of Motorsport Network, LLC, ("MSG") and Automobile Club de l'Ouest ("ACO") (together, the "Parties") will amend the Joint Venture Agreement (the "JV Agreement") entered into between the Parties on March 15, 2019, with respect to Le Mans Esports Series Ltd. (the "JV"), and will enter into a License Agreement under which the ACO will grant to the JV certain rights to develop, promote, and create video games based on the FIA World Endurance Championship and the 24 Hours of Le Mans (the "Licensed Rights"), and to promote and run an Esports events business based on the Licensed Rights. The parties agree to use their reasonable efforts to execute such Amendment to JV Agreement and License Agreement within 60 days of the execution of this binding letter of intent.

1. Amendment to Le Mans Esports Series Ltd JV Agreement

    a. The primary object of the JV will be revised to include both (i) the promotion and running of an Esports program based on the Licensed Rights; arid (ii) the development and publishing of video games based on the Licensed Rights.

    b. One ACO-appointed board member will be removed, and an additional MSG-appointed board member will be appointed so that the composition of the board includes three (3) MSG-appointed board members and two (2) ACO-appointed board members.

    c. As a result of the additional contributions to be made by MSG as set forth herein, the shareholdings of the JV shall be amended and ACO shall transfer to MSG as soon as possible six (6) of its shares (the "Share Transfer") so that upon completion of such Share Transfer, ACO holds a 49% ownership share in the JV and MSG holds a 51% ownership share in the JV.

    d. The parties will amend the Articles of Association of the JV so as to establish the following priorities for the distribution of profits:

        i. MSG will first recoup the funding and Royalty Payments as set forth herein;

        ii. After MSG has recouped its additional capital contribution, the next One Million Six Hundred Thousand Euros (€1,600,000) will be distributed to the parties in accordance with the shareholdings of the JV Agreement, which for the avoidance of doubt shall be 55% to ACO and 45% to MSG; and

        iii. After the parties have recouped their pro rata share in accordance with clauses (i) and (ii) above, any further profits will be distributed in such proportions so that MSG receives Fifty-One percent (51%) and ACO receives Forty-Nine percent (49%) of such profits.

e. The current reference to the separate license agreement between the parties to be revised to reflect the following:

i. In consideration of the investments which ACO and MSG have made to the JV, ACO will grant to the JV an exclusive license to use the Licensed Rights for promotion of and running of an Esports program replicating races of the FIA World Endurance Championship and the 24 Hours of Le Mans on an electronic gaming platform. The term of the license shall be for a period of ten (10) years beginning from the date of execution of the License Agreement, subject to the continuation of ACO's license agreement with the FIA under which ACO is granted the right to exclusively promote the FIA World Endurance Championship and the 24 Hours of Le Mans (the "Promotional Right"), and shall automatically renew for an additional term unless NCO provides written notice to the JV of its intent not to renew no less than one hundred and eighty (180) days prior to the end of the term. In the event the Promotional Right is terminated, ACO shall provide written notice to the JV and the parties will meet to discuss an amicable solution. The license will include the right to acquire and use in-game photography from the Esports events and to design, manufacture and distribute merchandise related to the Esports events.

ii. In consideration of (i) funding by MSG of the capital necessary for the development of video games based on the FIA World Endurance Championship and the 24 Hours of Le Mans, which for the avoidance of doubt, shall include but not be limited to the official 24 Hours of Le Mans and the Circuit des 24 Heures du Mans, also known as the Circuit de la Sarthe, such capital investment not to exceed an amount of [***], and (ii) the payment to ACO by MSG of an annual fee of [***], (the "Royalty Payment"), the first payment be made no later than sixty (60) days following the launch of the first video game product, and subsequent payments to be made no later than sixty (60) days following each anniversary thereof for the term of the license, the ACO shall grant to the JV an exclusive license to use the Licensed Rights for the development, promotion, advertising, distribution and packaging of video gaming products, including but not limited to simulation-style video gaming products and mobile video gaming products. The license shall include the right to use the video gaming products as the platform for conducting and administering the Esports program(s), including without limitation, the promotion, advertising and commercialization thereof, and shall also include the right to acquire and use in-game photography and to design, manufacture and distribute merchandise related to the video games and related Esports events. The term of the license shall be a period of ten (10) years beginning from the date of execution of the License Agreement, subject to the continuation of ACO's license agreement with the FIA under which ACO is granted the right to exclusively promote the FIA World Endurance Championship and the 24 Hours of Le Mans (the "Promotional Right"), and shall automatically renew for an additional term unless ACO provides written notice to the JV of its intent not to renew no less than one hundred and eighty (180) days prior to the end of the term. Upon delivery of such written notice of ACO's intent not to renew, the JV shall for a period of eighteen (18) months (the "Sell Off Period"), have the right to dispose of all stocks of products in its possession or control and all products in the course of manufacture at the date of delivery of such notice. In the event the Promotional Right is terminated, ACO shall provide written notice to the JV and the parties will meet to discuss an amicable solution.

f. Repayment of the funding of up to [***] by MSG will be made only by recoupment via profits of the JV, and in no event will ACO bear the risk for repayment of this funding.

g. Article 9 of the JV Agreement shall be amended to allow either Shareholder to transfer or otherwise dispose of its interest in all or any of the Shares held by it subject to certain restrictions, including but not limited mutual Preemption and Tag Along rights.

h. Article 16 of the JV Agreement shall be amended to reflect that ownership of the intellectual property related to the video gaming products shall be assigned to the and that ownership of intellectual property related to the 24 Hours of Le Mans Virtual program will remain the property of ACO, provided however that such intellectual property related to the 24 Hours of Le Mans Virtual program will be subject to the terms of the License Agreement between the parties.

i. Minority shareholder rights shall be specified and reinforced by:

    i. Requiring the approval of the ACO-appointed board member before proceeding with the following matters; however, should the ACO-appointed board member fail to either approve or disapprove within fifteen (15) calendar days from the date such approval is requested, the matter shall be considered approved:

        1. Increase of company debts, other than for emergencies that require urgent financing, which for example shall include the JV's compliance with law, current debt service, or protection of the JV's assets;

        2. Other than strictly pursuant to the priorities for distribution of profits set forth in clause 1(d) above, any payment of dividends and distribution of profits;

        3. Creation and development of new products;

        4. Approval of budget and expenses (other than those expenses covered by MSG's capital investment as described in clause 1(e)(ii), above); provided; however, that if the ACO-appointed board member does not approve any new budget, the then-current budget will remain in effect until such time that approval is granted;

        5. Decisions concerning the 24 Hours of Le Mans Virtual program. Granting ACO the right to audit the accounts of the JV at any time.

j. MSG shall warrant to ACO that in the event that the board of directors of the JV determines that the JV has no sufficient cash or working capital available for the development of future games and that additional funding is required, MSG shall provide such additional funding via a short term zero interest loan to the Company, to be repaid when such additional funding is no longer required, as determined by the board of directors using the same methodology used for the quantification of the additional funding requirement, such repayment to be made as a priority distribution of the JV's profits.

k. Article 14.3 of the JV Agreement will be modified to specify that any funding provided by MSG for the purpose of development of the game shall not be considered a Shareholder debt, and thus the status of repayment of these loans will not be considered an Event of Default as defined therein for the purpose triggering the Call Option,

l. The Parties will jointly appoint an individual to serve as CEO of the JV.

2. License Agreement

    a. The License will include the rights and terms as set forth in clauses 1(e)(i) and 1(e)(ii) above.

b. The License Agreement will include, amongst other standard representations and warranties, representations and warranties regarding the ACO's ability to grant the Licensed Rights for the purposes described herein.

c. In addition to other rights of ACO regarding quality control, the License Agreement will include certain provisions protecting the ACO, including but not limited to:

i. Requirement that track designs and racing lines will be respected so as to preserve authenticity;

ii. Requirement that with respect to in-game commercial opportunities, priority shall be given to ACO partners such as Michelin, Total, Rolex, and other partners as identified by ACO from time to time:,

iii. Requirement that video game and Esport sporting regulations resemble the real-life sporting regulations as closely as possible, notwithstanding that MSG may develop certain game modes that vary from such real-life sporting regulations as long as the game maintains the spirit and authenticity of the FIA World Endurance Championship and the 24 Hours of Le Mans; and

d. Mutual exclusivity with regard to video game products and esports events based on the 24 Hours of Le Mans.

e. The License will include a Right of First Refusal of MSG to block future licenses to use The Circuit des 24 Heures du Mans, also known as Circuit de la Sarthe, in or in connection with other video game products by matching any bona fide offer from a prospective third-party licensee. This right of first refusal would include but not be limited to those licenses up for renewal with current licensees. Should MSG refuse the right to match the prospective third-party licensee, ACO would of course be free to proceed with such bona fide offer and grant the licensee to the third-party licensee.

3. Governing Law and Right to Disclose

a. This binding letter of intent, for all purposes, shall be construed in accordance with the laws of England and Wales,

b. The Parties hereby agree that, notwithstanding anything to the contrary contained in the JV Agreement or otherwise, each Party and/or its affiliate may make the disclosures required on such Party or its affiliates as required by the applicable U.S. federal and/or state securities laws, rules and regulations.

IN WITNESS WHEREOF, the Parties have executed this binding Letter of Intent

AUTOMOBILE CLUB DE L'OUEST

/s/ Pierre Fillon

Pierre Fillon, President
Date: 24 November 2020

MOTORSPORT GAMING US LLC

/s/ Dmitry Kozko

Dmitry Kozko, CEO
Date: 11/24/2020

Exhibit 21.1

Subsidiaries of the Registrant

Entity Name	State or Other Jurisdiction of Incorporation or Organization
704Games Company	Delaware
MS Gaming Development LLC	Russia
Motorsport Games Limited	United Kingdom
Racing Pro League, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of Motorsport Gaming US LLC (the "Company") of our report dated September 4, 2020, except for Note 5, as to which the date is October 23, 2020, which includes an explanatory paragraph regarding the Company's change in its method of accounting for the testing of goodwill impairment effective January 1, 2019 due to the adoption of Accounting Standards Update No. 2017-04, *Intangibles – Goodwill and Other (Topic 350); Simplifying the Test of Goodwill Impairment*, with respect to our audits of the Company's consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in member's equity, and cash flows for the year ended December 31, 2019, the successor period from August 15, 2018 through December 31, 2018, and the predecessor period from January 1, 2018 through August 14, 2018, which appears in this Registration Statement. We also consent to the reference to our firm under the caption "Experts" in this Registration Statement.

/s/ Dixon Hughes Goodman LLP

Raleigh, North Carolina
December 18, 2020