

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

KIRT GUYER, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

MGT CAPITAL INVESTMENTS, INC., and
ROBERT B. LADD,

Defendants.

C.A. No. 1:18-cv-09228

Hon. Edgardo Ramos

CLASS ACTION

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION**

A Federal Court Authorized This Notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT (THE “ACTION”) IF, DURING THE PERIOD BETWEEN OCTOBER 9, 2015 AND SEPTEMBER 7, 2018, INCLUSIVE (THE “CLASS PERIOD”), YOU PURCHASED OR OTHERWISE ACQUIRED SECURITIES OF MGT CAPITAL INVESTMENTS, INC. (“MGT” OR THE “COMPANY”) (CUSIP NO. 55302P202). SHARES OF MGT’S COMMON STOCK ARE REFERRED TO IN THIS NOTICE AS “MGT SHARES”.¹

PLEASE ALSO BE ADVISED THAT THE COURT-APPOINTED LEAD PLAINTIFFS, THE MEMBERS OF THE SOUTHERN CALIFORNIA PLAINTIFFS GROUP, ON BEHALF OF THE CLASS (DEFINED BELOW) HAVE REACHED A PROPOSED SETTLEMENT OF THE ACTION FOR A TOTAL OF: (I) US \$750,000 IN CASH; AND (II) ANY EARNINGS ON ANY SUCH MONIES THAT WILL RESOLVE ALL CLAIMS IN THE LITIGATION (THE “SETTLEMENT”).

IF YOU DO NOT WISH TO BE INCLUDED IN THE CLASS AND YOU DO NOT WISH TO PARTICIPATE IN THE PROPOSED SETTLEMENT DESCRIBED IN THIS NOTICE, YOU MAY REQUEST TO BE EXCLUDED. TO DO SO, YOU MUST SUBMIT A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE RECEIVED ON OR BEFORE MAY 6, 2020.

SUMMARY OF THIS NOTICE

I. Description of the Litigation and the Class

This Notice relates to the proposed Settlement of a class action lawsuit pending against MGT and Robert B. Ladd (“Ladd”) (the “Defendants”). The proposed Settlement, if approved by the Court, will settle all claims against the Defendants of all persons and entities who purchased or otherwise acquired MGT (New York Stock Exchange NYSE MKT symbol: “MGTI”) between October 9, 2015 and September 7, 2018, inclusive (the “Class Period”), and were allegedly damaged thereby (the “Settlement Class” or “Class”).

¹ This Notice of Pendency and Proposed Class Action Settlement (“Notice”) incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated September 12, 2019 (the “Stipulation”). All capitalized terms used, but not defined herein, shall have the same meanings the terms defined as in the Stipulation. The Stipulation is posted on the Claims Administrator’s settlement website, www.strategicclaims.net.

II. Statement of Class' Recovery

Subject to Court approval, and as described more fully in Section III below, Lead Plaintiffs, on behalf of the Class, have agreed to settle all claims related to the purchase or sale of MGT shares during the Class Period that were or could have been asserted against the Defendants and the other Released Parties in this Action in exchange for a settlement payment of US \$750,000 in cash (the "Settlement Amount") and any earnings on any such monies, which has been deposited into an interest-bearing escrow account held by the Escrow Agent² (the "Settlement Fund").³ Based on Lead Plaintiffs' damages expert's estimate of the number of MGT shares that may have been damaged by the alleged fraud, and assuming that all of those shares participate in the Settlement, Lead Counsel's damages expert estimates that the average recovery would be approximately \$0.01 per allegedly damaged share⁴, before the deduction of Court-approved fees, expenses and costs as described herein. Class Members should note, however, that this is only an estimate based on the overall number of potentially damaged shares in the Class. Some Class Members may recover more or less than this estimated amount depending on, among other factors, how many Class Members file claims, and the timing and prices at which their MGT shares were acquired or sold. Historically, actual claim rates in class actions are less than 100%, which results in higher distributions per share. The Net Settlement Fund (the Settlement Fund less taxes, notice and administration costs, and attorneys' fees and litigation expenses awarded to Lead Counsel) will be distributed in accordance with a plan of allocation (the "Plan of Allocation") that will be approved by the Court and will determine how the Net Settlement Fund shall be allocated to the members of the Class who submit valid Proof of Claim Forms ("Proof of Claim" or "Claim Form"). Lead Plaintiffs' proposed Plan of Allocation is included in this Notice.

III. Reasons for Settlement

The Court has not reached any final decisions in connection with Lead Plaintiffs' claims against the Defendants. Instead, Lead Plaintiffs and the Defendants (collectively, the "Settling Parties") have agreed to this Settlement, which was reached with after extensive arm's-length negotiations.

For Lead Plaintiffs, the principal reason for the Settlement is the immediate benefit of a cash recovery for the Settlement Class. This benefit must be compared to the risk that no recovery or a smaller recovery might be achieved following the Court's decision on the Defendants' anticipated motion to dismiss, the completion of fact and expert discovery if the case was not dismissed, and the briefing of summary judgment motions. In addition, certain Defendants are being sued for violations of the federal securities laws by the United States Securities and Exchange Commission, and MGT has limited remaining financial resources from which a recovery could be collected. Even if the case advanced to trial, Plaintiffs would face the risk of losing at trial and the risk that a class might not be certified, as well as the risk of likely appeals which could last one or more additional years even if Plaintiffs prevailed at trial. For the Defendants (who deny all allegations of liability and deny that any Class Members were damaged) the principal reason for the Settlement is to eliminate the burden, expense, uncertainty and risk of further litigation.

IV. Statement of Potential Outcome of Case if the Action Continued to be Litigated

The parties do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiffs were to prevail. The issues on which the Settling Parties disagree include, but are not limited to: (1) whether the statements made or facts allegedly omitted were false, material, or otherwise actionable under the federal securities laws; (2) whether any of the allegedly false or misleading statements were made knowingly or recklessly; (3) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleadingly influenced (if at all) the trading price of MGT shares at various times during the Class Period; (4) the extent to which external factors, such as general market conditions, influenced the trading price of MGT shares at various times during the Class Period; (5) the appropriate economic model for determining the amount by which MGT shares was allegedly artificially inflated (if at all) during the Class Period; and (6) the extent to which Class Members were damaged (if at all).

² The "Escrow Agent" is Huntington National Bank.

³ The Court-appointed Lead Plaintiffs consist of Peter Oh, Kevin Joo Hoon Koo, Sam Koo, Dae C. Paek, and Monica Paek.

⁴ An allegedly damaged share might have been traded more than once during the Class Period, and this average recovery would be the total for all purchasers of that share.

The Defendants deny that they did anything wrong, deny any liability to Lead Plaintiffs, and deny that Lead Plaintiffs and the Class Members have suffered any damages attributable to the Defendants' actions. Contrary to the Defendants' assertion, Lead Plaintiffs believe that they and the Class suffered damages as a result of Defendants' actions.

V. Statement of Attorneys' Fees and Expenses Sought

Court-appointed Lead Counsel (as defined in Section VI) below) will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will also apply for the reimbursement of litigation expenses paid or incurred in connection with the prosecution and resolution of this action (exclusive of claims administration expenses), in an amount not to exceed \$50,000.00, plus interest. Lead Counsel's overall request for reimbursement of litigation expenses may include a request for an award to Lead Plaintiffs of up to \$2,000 each for time and expenses (including lost wages) they incurred in representing the Class and expenses directly related to their representation of the Settlement Class. If the Court approves the fee and expense application in full, the average amount of fees and expenses per allegedly damaged MGT share will be a fraction of a cent. Lead Counsel have not received any payment for their work investigating the facts, prosecuting this Action, and negotiating this Settlement on behalf of the Lead Plaintiffs and the Class. The Court will decide what constitutes a reasonable fee award and may award less than the amounts requested by Lead Counsel and Lead Plaintiffs. Class Members are not personally liable for any such fees or expenses. Rather, they will be paid from the Settlement Fund.

VI. Identification of Attorney's Representatives

Lead Plaintiffs and the Settlement Class are being represented by Shannon L. Hopkins, Sebastian Tornatore, Donald J. Enright, Elizabeth K. Tripodi, and John A. Carriel, of Levi & Korsinsky, LLP ("L&K"), the Court-appointed Lead Counsel. Any questions regarding the Settlement may be addressed to Ms. Hopkins or Mr. Tornatore at Levi & Korsinsky, LLP, 1111 Summer Street, Suite 403, Stamford, CT 06905, (203) 992-4523. Class Members may also obtain additional information on the Settlement Website (www.strategicclaims.net), or by contacting the Claims Administrator at:

Claims Administrator:
Guyer v. MGT Capital Investments, Inc. Securities Litigation Settlement
c/o Strategic Claims Services
600 N. Jackson St., Suite 205
P.O. Box 230
Media, PA 19063
Toll-Free: (866) 274-4004
info@strategicclaims.net

| IX. Your Legal Rights and Options in this Settlement, and Important Deadlines | |
|---|---|
| REMAIN A MEMBER OF THE SETTLEMENT CLASS AND SUBMIT A CLAIM FORM | This is the only way to get a payment. If you wish to be eligible to obtain a payment as a Class Member, you will need to file a Claim Form (which is included with this Notice) no later than May 20, 2020) |
| EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MAY 6, 2020 | Get no payment. This is the only option that allows you to ever participate in another lawsuit against any of the Defendants or other Released Parties relating to the legal claims that were, or could have been, asserted in this case. This is the only option for Class Members to remove themselves from the Settlement Class. |
| OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MAY 6, 2020 | You may write to the Court and object if you do not like the Settlement, the Plan of Allocation or the request for attorneys' fees and reimbursement of expenses. You cannot object unless you are a Class Member and do not exclude yourself |
| GO TO THE HEARING ON MAY 27, 2020 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN MAY 6, 2020 | You may ask to speak in Court about the fairness of the settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses. |
| DO NOTHING | Get no payment. Remain a Class Member. Give up your rights. |

These rights and options, and the deadlines to exercise them, are further explained in this Notice.

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family may have purchased or otherwise acquired MGT shares between October 9, 2015 and September 7, 2018, inclusive, and may be a Class Member in this Action. This package explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them and how to get them.

If approved, the Settlement will end all of the Settlement Class' claims against the Released Parties, as defined in the Stipulation. This Settlement has no effect on the Class' right to seek further remuneration from other potential defendants aside from the Released Parties, nor to seek remuneration from any funds recovered by the United States Securities and Exchange Commission from related litigation, which may result in additional recoveries. The Court will consider whether to approve the Settlement at a Settlement Hearing on May 27, 2020 at 11:00 a.m. If the Court approves the Settlement, and after any appeals are resolved and the Settlement administration is completed, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Guyer v. MGT Capital Investments, Inc.*, No. 1:18-cv-09228-ER. This case was assigned to United States District Judge Edgardo Ramos. The persons who are suing are called "plaintiffs" and the company and the persons being sued are called "defendants."

2. What is this lawsuit about and what has happened so far?

From 2013 until April 2016, Defendant MGT was a company primarily "engaged in the business of acquiring, developing and monetizing assets in the online and mobile gaming space." In May 2016, the Company announced it would be pivoting its business operations to become a cybersecurity company. Presently, MGT Capital engages in bitcoin mining.

On September 28, 2018, Nathanael Klingberg filed a Class Action Complaint for Violation of the Federal Securities Laws, captioned *Klingberg v. MGT Capital Investments, Inc.*, Case No. 2:18-cv-14380-WHW (the "Klingberg Action") in the United States District Court for the District of New Jersey (the "New Jersey Court") asserting claims under §§9(a) and (f), 10(b), 20(a) and (b) of the Securities Exchange Act of 1934 (the "Exchange

Act”) and U.S. Securities and Exchange Commission (“SEC”) Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5) against MGT, Ladd, John McAfee, Robert S. Lowrey, Barry C. Honig, John Stetson, Michael Brauser, John O’Rourke III, and Mark Groussman.

On October 9, 2018, Kirt Guyer filed a Class Action Complaint for Violation of the Federal Securities Laws, captioned *Guyer v. MGT Capital Investments, Inc., et al.*, Case No. 1:18-cv-9228-ER (the “Action”) in the United States District Court for the Southern District of New York (the “Court”) asserting claims under §§9(a) and (f), 10(b), 20(a) and (b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5) against MGT, Ladd, John McAfee, Robert S. Lowrey, Barry C. Honig, John Stetson, Michael Brauser, John O’Rourke III, and Mark Groussman.

On September 28, 2018, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”), counsel for Plaintiff Klingberg published notice on *Business Wire* informing other potential class members of their right to move for appointment as lead plaintiff for the putative Class.

On November 27, 2018, Lead Plaintiff moved to be appointed lead plaintiff and moved for their attorneys, Levi & Korsinsky, LLP (“Levi & Korsinsky”), to be appointed Lead Counsel.

On January 9, 2019, the Court appointed Lead Plaintiff as such, and appointed Levi & Korsinsky as Lead Counsel.

From January 9, 2019, through May 14, 2019, Lead Plaintiff, through counsel, diligently investigated the claims against the Defendants including analyzing publicly-filed documents and investigative reports and reviewing and corroborating the allegations and developments in the ongoing SEC enforcement action against Defendant Ladd and several non-parties in *SEC v. Honig, et al.*, No. 18- cv-08175 (Sept. 7, 2018 S.D.N.Y.) (the “SEC Action”).

On May 14, 2019, Lead Plaintiff filed an Amended Complaint for Violations of the Federal Securities Laws (“AC”), on behalf of themselves and all persons or entities who purchased or otherwise acquired the securities of MGT between October 9, 2015 and September 7, 2018, inclusive (the “Class Period”) pursuant to §§10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, against the Defendants.

On May 15, 2019, the *Klingberg* Action was voluntarily dismissed pursuant to Federal Rule of Civil Procedure 41(a)(1)(A).

The Settling Parties subsequently negotiated and entered into the formal Stipulation on September 12, 2019. On December 13, 2019, the Court preliminarily approved the Settlement, authorized the dissemination of this Notice to potential Class Members, and scheduled the upcoming Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case, the Court- appointed Lead Plaintiffs) sue on behalf of people or entities, known as “class members,” who have similar claims. A class action allows one court to resolve in a single case many similar claims that, if brought separately by individuals, might be economically so small that they would never be brought. One court resolves the issues for all class members, except for those who exclude themselves, or “opt out,” from the Class (discussed below). United States District Judge Edgardo Ramos is in charge of this case.

4. Why is there a settlement?

The Court did not decide in favor of the Lead Plaintiffs or Defendants. Instead, the lawyers for the Settling Parties in the lawsuit negotiated this settlement, which they believe is in the best interests of their respective clients. The Settlement allows the Settling Parties to avoid the risks and cost of lengthy and uncertain litigation, the uncertainty of a trial and appeals, and permits Class Members to be compensated without further delay, while maintaining their rights to seek further remuneration through the litigation being pursued by the United States Securities and Exchange Commission, and/or from other potential defendants other than the Released Parties. Lead Plaintiffs and their attorneys think the Settlement is best for all Class Members.

WHO GETS MONEY FROM THE SETTLEMENT?

To see if you will get money from the Settlement, you first have to determine if you are a Class Member.

5. How do I know if I am part of the settlement?

The Court determined, for the purposes of the proposed Settlement only, that everyone who fits the following description and is not excluded by definition from the class (*see* question 6 below) is a member of the Class, or a “Class Member,” unless they take steps to exclude themselves:

All persons or entities that purchased or otherwise acquired MGT shares between October 9, 2015 and September 7, 2018, inclusive (the “Class Period”), and that were allegedly damaged thereby.

Receipt of this Notice does not mean that you are a Class Member. Please check your records or contact your broker to see if you purchased or otherwise acquired MGT shares during the Class Period.

6. Are there exceptions to being included in the Class?

There are some people and entities that are excluded from the Class by definition. The excluded Persons are: Defendant Ladd, current and former officers and directors of MGT, Barry C. Honig (“Honig”), Michael Brauser (“Brauser”), John R. O’Rourke (“O’Rourke”), John Stetson (“Stetson”), Mark Groussman (“Groussman”), John H. Ford (“Ford,” and together with Honig, Brauser, O’Rourke, Stetson, and Groussman, the “Honig Co-Investors”) and members of the Honig Co-Investors’ immediate families and any corporation, trust, or other entity in which any of the Honig Co-Investors has or had a controlling interest. Also excluded from the Class are: the Defendants; all current or former officers or directors of MGT, its affiliates, parents or subsidiaries; any corporation, trust or other entity in which any Settling Defendant has or had a controlling interest; the members of the immediate families of the Defendants; the parents, subsidiaries and affiliates of MGT; and the legal representatives, heirs, successors, or assigns of any excluded Person. Also excluded from the Class will be any Person who timely and validly seeks exclusion from the Class in accordance with the requirements of the Notice.

If you do not want to be a Class Member – for example if you want to bring your own lawsuit against the Defendants at your own expense for the claims that are being released as part of the Settlement – you must exclude yourself by filing a request for exclusion in accordance with the requirements explained below.

If one of your mutual funds purchased or otherwise acquired MGT shares during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you (or your broker on your behalf) directly purchased or otherwise acquired MGT shares during the Class Period. If you are still not sure whether you are included, you can ask for free help by writing to or calling the Claims Administrator: *Guyer v. MGT Capital Investments, Inc. Securities Litigation Settlement*, c/o Strategic Claims Services, 600 N. Jackson St., Suite 205, P.O. Box 230, Media, PA 19063, Toll-Free (866) 274-4004, info@strategicclaims.net. Or you can fill out and return the Proof of Claim described in Question 9 below, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU MAY RECEIVE

7. What does the settlement provide?

In the Settlement, MGT has agreed to pay: i) US \$750,000 in cash; and (ii) any earnings on any such monies, which will be deposited in an interest-bearing escrow account for the benefit of the Class (the “Settlement Fund”). The Settlement Fund will be divided, after deduction of court-awarded attorneys’ fees and expenses, settlement administration costs and any applicable taxes, among all Class Members who timely submit valid proofs of claim that are accepted for payment by the Court (“Authorized Claimants”).

8. How much will my payment be?

The Plan of Allocation discussed on pages 11-14 below explains how claimants’ “Recognized Claims” will be calculated. Your share of the Net Settlement Fund will depend on several things, including: (a) how many MGT shares you bought; (b) how much you paid for the MGT shares; (c) when you bought them; (d) whether or when you sold them (and, if so, for how much you sold them); and (e) the amount of Recognized Claims of other Authorized Claimants.

It is unlikely that you will get a payment for your entire Recognized Claim, given the number of potential Class Members. After all Class Members have sent in their Proofs of Claim, the payment any Authorized Claimant will get will be their *pro rata* share of the Net Settlement Fund. An Authorized Claimant’s share will be his, her or its Recognized Claim divided by the total of all Authorized Claimants’ Recognized Claims and then multiplied by the total amount in the Net Settlement Fund. *See* the Plan of Allocation beginning on page 11 for more information.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

9. How can I get a payment?

To qualify for a payment, you must timely send in a valid Proof of Claim with supporting documents (**DO NOT SEND ORIGINALS** of your supporting documents). A Proof of Claim is enclosed with this Notice. You

may also get copies of the Proof of Claim on the Internet at the Claims Administrator's website: www.strategicclaims.net. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it to the Claims Administrator at: *Guyer v. MGT Capital Investments, Inc. Securities Litigation Settlement*, c/o Strategic Claims Services, 600 N. Jackson St., Suite 205, P.O. Box 230, Media, PA 19063, by First-Class Mail, submitted on or before May 20, 2020. The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine if you are eligible to receive a distribution from the Net Settlement Fund.

If the Court approves the Settlement, there may still be appeals which would delay payment, perhaps for more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

10. What am I giving up by staying in the Class?

Unless you exclude yourself, you will stay in the Class, which means that as of the date that the Settlement becomes effective under the terms of the Stipulation (the "Effective Date"), you will forever give up and release all "Settled Claims" (as defined below) against the Released Parties. You will not in the future be able to bring a case asserting any Released Claim against any Released Party.

"Settled Claims" means any and all claims, debts, demands, rights, liabilities, and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether known or "Unknown" (as defined in the Stipulation), whether based on federal, state, local, statutory, common or foreign law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, and whether matured or un-matured, that (i) have been asserted in this Action or in the Amended Complaint, or (ii) could have been asserted in the Action or any other forum by the Releasing Parties against any of the Released Parties, which arise out of, or are based upon or related in any way to, the allegations, transactions, facts, reports, communications, matters or occurrences, representations or omissions involved in the Action or set forth or referred to in the Amended Complaint, and that relate to the purchase or acquisition of MGT shares during the Class Period. Excluded from Settled Claims are claims based upon, relating to, or arising out of the interpretation or enforcement of the Settlement. Additionally, Lead Plaintiffs, and all of the Releasing Parties, shall retain the right to submit a claim and receive further remuneration from any funds recovered by the United States Securities and Exchange Commission in connection with its litigation against any of the Released Parties, through the mechanism of a Fair Fund or any similar disgorgement process.

"Released Parties" means the Defendants; their past, present or future directors and officers, employees, partners, insurers, co-insurers, reinsurers, attorneys, advisors, investment advisors, personal or legal representatives, agents, assigns, executors, estates, administrators, related or affiliated persons or entities, predecessors, successors, parents, subsidiaries, affiliated variable interest entities, divisions and joint ventures; any entity in which any Settling Defendant has a controlling interest; the Defendants' immediate family members, spouses and marital communities; and any trust of which any Settling Defendant is the settlor or which is for the benefit of any of their immediate family members. Settled Claims includes "Unknown Claims" as defined in the Stipulation.

The above description of the proposed Settlement is only a summary. The complete terms may be obtained at www.strategicclaims.net. The Court may not approve the settlement or it may be terminated as outlined in the Stipulation. If the Settlement is not approved, or is terminated, the certification of the Class for settlement purposes will be vacated, and the Action will proceed as if the Stipulation had not been entered into.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep any right you may have to sue or continue to sue the Released Parties on your own about the Settled Claims, then you must take steps to exclude yourself from the Class. Excluding yourself is also known as "opting out" of the Class. The Defendants may withdraw from and terminate the Settlement if potential Class Members who purchased in excess of a certain amount of MGT shares during the Class Period opt out of the Class.

11. How do I "opt out" (exclude myself) from the proposed Settlement?

To "opt out" (exclude yourself) from the Class, you must send a signed letter by First-Class Mail stating that you "request exclusion from the Class in *Guyer v. MGT Capital Investments, Inc., et al.*, Case No. 1:18-cv-09228-ER ." Your letter must state the date(s), price(s) and number of MGT shares you purchased, acquired and sold during the Class Period. You must also include documents evidencing such purchases,

acquisitions and sales, such as brokerage statements or confirmation slips. This information is needed to determine whether you are a Class Member. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion request by First-Class Mail, addressed to *Guyer v. MGT Capital Investments, Inc., et al.*, Case No. 1:18-cv-09228-ER – EXCLUSIONS, c/o Strategic Claims Services, 600 N. Jackson St., Suite 205, P.O. Box 230, Media, PA 19063. The exclusion request must be received no later than May 6, 2020. **You cannot exclude yourself or opt out by telephone or by e-mail.** Your exclusion request must comply with these requirements in order to be valid. If you are excluded, you will not be eligible to get any payment from the Settlement proceeds and you cannot object to the Settlement, the proposed Plan of Allocation or the application for attorneys' fees and reimbursement of expenses.

12. If I do not exclude myself, can I sue the Defendants and the other Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for all Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case **immediately**. You must exclude yourself from the Class in this case to continue your own lawsuit. Remember, the exclusion deadline is May 6, 2020.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed the law firm of Levi & Korsinsky, LLP to represent you and other Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Lead Counsel have not received any payment for their services in pursuing the claims against the Defendants on behalf of the Class, nor have they been reimbursed for their litigation expenses. At the Settlement Hearing described below, or at such other time as the Court may order, Lead Counsel will ask the Court for an award of attorneys' fees of no more than 25% of the Settlement Fund, and to reimburse them for their litigation expenses, such as the cost of experts, that they have incurred in pursuing the Action. The request for reimbursement of expenses will be for an amount not to exceed \$50,000.00, exclusive of claims administration expenses, plus interest on the expenses from the date of funding at the same rate as may be earned by the Settlement Fund. In addition, Lead Plaintiffs may seek reimbursement from the Settlement Fund of up to \$2,000 each for time and expenses (including lost wages) incurred in representing the Class.

Court approved attorneys' fees, costs and expenses will be paid from the Settlement Fund. Class Members are not personally liable for any such fees, costs or expenses. The requested attorneys' fees will compensate Lead Counsel for their work in achieving the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than the requested amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

15. How do I tell the Court that I do not like the proposed Settlement, the proposed Plan of Allocation, and/or the application by Lead Counsel for attorneys' fees and reimbursement of expenses?

If you are a Class Member (and you have not excluded yourself), you can object to the Settlement, the request for attorneys' fees, costs and expenses, or the Plan of Allocation if you do not like any part of them. You can give reasons why you think the Court should not approve the settlement, the request for attorneys' fees, costs and expenses, or the Plan of Allocation. The Court will consider your views.

To object, you must send to Lead Counsel and Defendants' Counsel, and file with the Court, a signed notice of objection saying that you object to the proposed settlement in *Guyer v. MGT Capital Investments, Inc., et al.*, Case No. 1:18-cv-09228-ER. Be sure to include your name, address, telephone number, your signature, the date(s), price(s) and number of all MGT shares purchased, acquired and sold by you during the Class Period,

documents evidencing your purchase(s), acquisition(s) and sale(s) of MGT shares, such as brokerage statements or confirmation slips, and the reasons you object to the Settlement, the requested attorneys' fees, costs and expenses, or the Plan of Allocation. This information is needed to demonstrate your membership in the Class. Your objection, and all supporting papers and briefs, must be mailed or delivered such that it is *received* by each of the following no later than May 6, 2020:

| | |
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| <p><i>Lead Counsel for Lead Plaintiff:</i> Shannon L. Hopkins, Esq. Sebastian Tornatore, Esq. LEVI & KORSINSKY, LLP 1111 Summer Street, Suite 403 Stamford, CT 06905</p> <p>Donald J. Enright Elizabeth K. Tripodi John A. Carriel LEVI & KORSINSKY, LLP 1101 30th Street, N.W., Suite 115 Washington, DC 20007</p> | <p><i>Defendants' Counsel:</i> Jeffrey W. Davis John P. Coffey Daniel M. Ketani Karen S. Kennedy KRAMER LEVIN NAFTALIS & FRANKEL LLP 1177 Avenue Of The Americas New York, NY 10036</p> <p>Randall R. Lee COOLEY LLP 1333 2nd Street, Ste. 400 Santa Monica, CA 90401</p> |
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Your objection, and all supporting papers and briefs, must also be filed with the Court at the address below no later than May 6, 2020:

Clerk of the Court
 U.S. District Court for the Southern District of N.Y.
 Thurgood Marshall United States Courthouse
 40 Foley Square
 New York, NY 10007

Attendance at the Settlement Fairness Hearing discussed below is not necessary; however, persons wishing to be heard orally at the hearing are required to indicate in their objection their intention to appear at the hearing and the identity of any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence. Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to make any objection to the Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and reimbursement of expenses in the future.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend, but you do not have to.

16. When and where will the Court decide whether to approve the settlement?

The Court will hold a Settlement Fairness Hearing on May 27, 2020, at 11:00 a.m. at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who have asked to speak at the hearing. The Court will also decide whether to: (a) award Lead Counsel attorneys' fees and expenses; (b) reimburse Lead Plaintiffs the costs and expenses (including lost wages) they incurred in prosecuting this Action on behalf of the Class; and (c) approve the Plan of Allocation as fair, reasonable and adequate. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later. The Court may adjourn or continue the hearing without further notice to Class Members. If you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

17. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. However, you are welcome to come at your own expense. If you validly submit an objection, it will be considered by the Court and you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but you are not required to do so.

18. May I speak at the hearing and submit additional evidence?

You may ask the Court for permission to speak at the hearing. To do so, you must include with your objection (*see* Question 15 above) a statement that it is your “intention to appear in the *Guyer v. MGT Capital Investments, Inc., et al.*, Case No. 1:18-cv-09228-ER.” Be sure to include your name, address, telephone number, your signature, the date(s), price(s) and number of all MGT shares purchased, acquired and sold by you during the Class Period, and documents evidencing your purchase(s), acquisition(s) and sale(s) of MGT shares, such as brokerage statements or confirmation slips. Your notice of intention to appear must be **received** by Lead Counsel and Defendants’ Counsel, and filed with the Clerk of Court, at the addresses listed in Question 15 no later than May 6, 2020.

Persons who object and want to present evidence at the Settlement Hearing must also include in their written objection the identity of any witness they may call to testify and exhibits they intend to introduce at the Settlement Fairness Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing according to the procedures described above and in the answer to Question 15.

IF YOU DO NOTHING

If you do nothing, you will be a Settlement Class Member. However, you will get no money from this Settlement and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case. To be eligible to share in the Net Settlement Fund you must submit a Proof of Claim (*see* Question 9). To start, continue or be a part of any other lawsuit against the Defendants and the other Released Defendant Parties about the Settled Claims in this case you must exclude yourself from the Settlement Class (*see* Question 11).

GETTING MORE INFORMATION

This Notice summarizes the proposed Settlement. More details are in the Stipulation, which can be obtained from the Claims Administrator (*see* Question 6) or from the Settlement Website, www.strategicclaims.net, where you can also download copies of this Notice, the Proof of Claim, and the Stipulation, and also locate other information to help you determine whether you are a Class Member and whether you may be eligible for a payment. ***Please do not call the Court or the Clerk of the Court for additional information about the Settlement.***

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired MGT shares (Nasdaq Capital Market exchange symbol: “MGT”) between October 9, 2015 and September 7, 2018, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, ***WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE***, you either: (a) provide to the Claims Administrator the name, last known address, and email address of each person or organization for whom or which you purchased or otherwise acquired MGT shares during such time period (preferably in an MS Excel data table, setting forth: (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word files; or; (b) request additional copies of the Postcard Notice, which will be provided to you free of charge, and within seven (7) calendar days of receipt of such copies, send them by First-Class directly to the beneficial purchasers/owners of those MGT shares or; (c) request a copy of the Postcard Notice to be sent by email to each beneficial owner.

If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners, at an amount not to exceed \$0.12 plus postage per Postcard Notice mailed; or \$0.05 per Postcard Notice transmitted by email; or \$0.05 per name, mailing address, and email address (to the extent available) provided to the Claims Administrator. Those expenses will be paid after request and submission of

appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at:

Guyer v. MGT Capital Investments, Inc. Securities Litigation Settlement,
c/o Strategic Claims Services
600 N. Jackson St., Suite 205
P.O. Box 230
Media, PA 19063
Tel.: (866) 274-4004
info@strategicclaims.net

INJUNCTION

The Court has issued an order enjoining Lead Plaintiff and all Class Members, either directly, representatively, or in any other capacity, from instituting, commencing, assisting (unless required by subpoena or other operation of law), maintaining or prosecuting any action in any court that asserts Settled Claims, pending final determination by the Court of whether the Settlement should be approved.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONGST CLASS MEMBERS

The Plan of Allocation (the “Plan of Allocation”) is the plan by which the Net Settlement Fund is distributed to Authorized Claimants. The Plan of Allocation set forth herein is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. All Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.strategicclaims.net.

I. General Provisions

The \$750,000 Settlement Amount plus any earnings on any such monies is referred to as the “Settlement Fund.” The “Net Settlement Fund” means the Settlement Fund less (i) all taxes on the income of the Settlement Fund and expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties and the expenses of tax attorneys and accountants); (ii) all fees, costs and expenses paid or incurred in connection with the notice and administration of the Settlement; (iii) any attorneys’ fees and expenses awarded by the Court to Lead Counsel; and (iv) any award by the Court to Lead Plaintiffs for reimbursement of their reasonable costs and expenses directly related to their representation of the Class.

The Net Settlement Fund shall be distributed to each Class Member who timely submits a valid Proof of Claim to the Claims Administrator that is accepted for payment by the Court (“Authorized Claimant”). The Net Settlement Fund will not be distributed to Authorized Claimants until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, of the order approving the plan of allocation has expired.

The Defendants are not entitled to get back any portion of the Settlement Fund once the Effective Date of the Settlement has occurred. The Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Only those persons and entities that purchased or otherwise acquired MGT shares during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Fund. Each person or entity wishing to participate in the distribution must timely submit a valid Proof of Claim establishing membership in the Class, including all required documentation, submitted no later than May 20, 2020, to the address set forth in the Proof of Claim that accompanies this Notice. Unless the Court otherwise orders, any Class Member who fails to submit a Proof of Claim no later than May 20, 2020, shall be forever barred from receiving payments pursuant to the Settlement set forth in the Stipulation but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any judgment entered and releases given. This means that each Class Member releases the Settled Claims (as defined above) against the Released Parties (as defined above) and is barred and enjoined from commencing, instituting, assisting, prosecuting or maintaining any of the

Settled Claims, regardless of whether or not such Class Member submits a Proof of Claim. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Class Member.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Lead Plaintiffs, Defendants, their respective counsel, Lead Plaintiffs' damages experts, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

A "Recognized Loss Amount" will be calculated for each purchase or other acquisition of MGT shares that is listed in the Proof of Claim form, and for which adequate documentation is provided. The calculation of the Recognized Loss Amount will depend upon several factors, including: (i) when the MGT shares were purchased or otherwise acquired; and (ii) whether they were held until the conclusion of the Class Period or sold during the Class Period and, if so, when they were sold.

The Recognized Loss Amount formula set forth below is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss Amount formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

II. Information Required on the Proof of Claim:

Each Proof of Claim must state and provide sufficient documentation for each Authorized Claimant's position in MGT shares as of the close of trading on October 8, 2015, the day before the first day of the Class Period, and the closing position in MGT shares as of the close of trading on September 7, 2018, the last day of the Class Period. Each Claim Form also must list and provide sufficient documentation for all transactions in MGT shares, including all purchases or other acquisitions and sales, made during the Class Period.

The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a result of the alleged fraud, as opposed to losses caused by market or industry factors or other non-fraud-related, Company-specific factors. The Plan of Allocation reflects Lead Plaintiffs' determination of potentially recoverable losses based on an analysis undertaken by Lead Plaintiffs' damages expert. Lead Plaintiffs' damages expert's analysis included a review of publicly available information regarding MGT and statistical analyses of the price movements of MGT shares during the Class Period.

Recognized Loss Amounts are based on the level of alleged artificial inflation in the price of MGT shares at the time of purchase or other acquisition. For market losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts from October 9, 2015 through and including September 7, 2018, which were allegedly corrected, in whole or in part, by subsequent disclosures. The various Recognized Loss Amounts described below are based on the timing of trades in MGT shares relative to these alleged "Corrective Disclosure" dates.

III. Specific Loss Amounts

The Recognized Loss Amount per share, which is based on the daily per share amount of alleged artificial inflation present in the price of MGT shares set forth below, shall be calculated as follows, and cannot be less than zero:

For each share purchased between 10/9/2015 and 9/18/2016, inclusive and

- i. Sold prior to the close on 9/18/2016, the recognized loss is zero.
- ii. Sold on or after 9/19/2016, but prior to 2/9/2017, the recognized loss is the lesser of (1) the investment loss (defined as price per share of the purchase minus the price per share of the sale) or (2) \$0.74 per share.

- iii. Sold on or after 2/9/2017, but prior to 9/7/2018, the recognized loss is the lesser of the (1) investment loss (defined as price per share of the purchase minus the price per share of the sale) or (2) \$0.79 per share.
- iv. Sold on or retained beyond 9/7/2018, the recognized loss shall be the lesser of: (i) \$0.94 the amount of artificial inflation loss per share; or (ii) the purchase price minus \$0.44 per share (the closing price of MGT shares on September 7, 2018, at which point the inflation in the price of MGT common stock due to the alleged fraud is assumed to have been completely dissipated).

For each share purchased between 9/19/2016 and 2/8/2017, inclusive and

- i. Sold prior to the close on 2/8/2017, the recognized loss is zero.
- ii. Sold on or after 2/9/2017, but prior to 9/7/2018, the recognized loss is the lesser of (1) investment loss (defined as price per share of the purchase minus the price per share of the sale) or (2) \$0.05 per share.
- iii. Sold on or retained beyond 9/7/2018, the recognized loss shall be the lesser of: (i) \$0.20 the amount of artificial inflation loss per share; or (ii) the purchase price minus \$0.44 per share (the closing price of MGT shares on September 7, 2018, at which point the inflation in the price of MGT common stock due to the alleged fraud is assumed to have been completely dissipated).

For each share purchased between 2/9/2017 and 9/6/2018, inclusive and

- i. Sold prior to the close on 9/6/2018, the recognized loss is zero.
- ii. Sold on or retained beyond 9/7/2018, the recognized loss shall be the lesser of: (i) \$0.15 the amount of artificial inflation loss per share; or (ii) the purchase price minus \$0.44 per share (the closing price of MGT shares on September 7, 2018, at which point the inflation in the price of MGT common stock due to the alleged fraud is assumed to have been completely dissipated).

For each share purchased on 9/7/2018, the recognized loss is zero.

The Recognized Loss Amount for each purchase will be calculated by multiplying the number of MGT shares purchased by the respective Recognized Loss Amount per share. Each Authorized Claimant's "Recognized Claim" shall be the total of his, her or its Recognized Loss Amounts. As indicated above, an Authorized Claimant who did not hold shares over an alleged "Corrective Disclosure" date will have no Recognized Loss Amount with respect to those shares.

IV. Additional Provisions

The Net Settlement Fund will be distributed to Authorized Claimants who have a Recognized Claim greater than \$10.00. Each Authorized Claimant shall recover his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of all Recognized Claims to be paid from the Net Settlement Fund, multiplied by the total amount in the Net Settlement Fund.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. All checks shall become stale one hundred and twenty (120) calendar days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited and such funds shall be made available to be redistributed if economically feasible. Subsequent to the passage of six (6) months from the distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a redistribution of any funds remaining in the Net Settlement Fund by reason of tax refunds, uncashed checks or otherwise, to Authorized Claimants who have cashed their initial distribution checks, after payment from the Net Settlement Fund of any unpaid costs or fees incurred in administering the funds, including for such redistribution. After any redistribution, or if a redistribution is not undertaken, any balance that still remains in the Settlement Fund shall be donated to a non-sectarian, §501(c)(3) non-profit organization.

If a Class Member has more than one purchase/acquisition or sale of MGT shares during the Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any MGT shares held at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. Class Period Sales matched to MGT shares held at the beginning of the Class Period shall be excluded from the calculation of Recognized Claims. Purchases or acquisitions and sales of MGT shares shall

be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of MGT shares during the Class Period shall not be deemed a purchase or acquisition of these MGT shares for the calculation of an Authorized Claimant’s Recognized Loss Amount for these shares, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such MGT shares unless: (i) the donor or decedent purchased or otherwise acquired such MGT shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such MGT shares; and (iii) the assignment is specifically provided for in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase or other acquisition of MGT shares. The date of a “short sale” is deemed to be the date of sale of MGT shares. The Recognized Loss Amount for “short sales” is zero. In the event that there is an opening short position in MGT shares, the earliest Class Period purchases shall be matched against such opening short position and not be matched against sales during the Class Period until that short position is fully covered. To the extent an Authorized Claimant had a market gain from his, her, or its overall transactions in MGT shares during the Class Period, the value of the Recognized Claim will be zero. Such Authorized Claimants will in any event be bound by the Settlement. To the extent that an Authorized Claimant suffered an overall market loss on his, her, or its overall transactions in MGT shares during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Authorized Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

For purposes of determining whether an Authorized Claimant had a market gain from his, her, or its overall transactions in MGT shares during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between: (i) the Total Purchase Amount⁵; and (ii) the sum of the Sales Proceeds⁶ and the Holding Value.⁷ This difference will be deemed an Authorized Claimant’s market gain or loss on his, her, or its overall transactions in MGT shares during the Class Period.

Option contracts are not securities eligible to participate in the Settlement. With respect to shares of MGT shares purchased or sold through the exercise of an option, the purchase/sale date is the date of the exercise of the option and the purchase/sale price of the share is the exercise price of the option.

THE COURT IN CHARGE OF THIS CASE MUST DECIDE WHETHER TO APPROVE THE SETTLEMENT. PAYMENTS WILL BE MADE IF THE COURT APPROVES THE SETTLEMENT AND, IF THERE ARE ANY APPEALS, AFTER APPEALS ARE RESOLVED. PLEASE BE PATIENT.

Each Authorized Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Claim Form.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK’S OFFICE REGARDING THIS NOTICE.

Dated: December 13, 2019

BY ORDER OF THE COURT
HON. EDGARDO RAMOS, U.S.D.J.
UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF NEW YORK

⁵ The “Total Purchase Amount” is the total the amount the Claimant paid for all of the MGT shares purchased or acquired during the Class Period.

⁶ The Claims Administrator shall match any sales of MGT shares during the Class Period, first against the Authorized Claimant’s opening position in MGT shares (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining MGT shares sold during the Class Period is the “Sales Proceeds.”

⁷ The Claims Administrator shall ascribe a \$0.44 per share holding value for the number of MGT shares purchased or acquired during the Class Period and still held as of the close of business on September 7, 2018 (“Holding Value”).

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

KIRT GUYER, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

MGT CAPITAL INVESTMENTS, INC., and
ROBERT B. LADD,

Defendants.

C.A. No. 1:18-cv-09228

Hon. Edgardo Ramos

CLASS ACTION

PROOF OF CLAIM FORM

THIS FORM MUST BE SUBMITTED BY MAY 20, 2020

IF YOU PURCHASED OR OTHERWISE ACQUIRED SECURITIES OF MGT CAPITAL INVESTMENTS, INC. (“MGT” OR THE “COMPANY”) BETWEEN OCTOBER 9, 2015 AND SEPTEMBER 7, 2018, INCLUSIVE, YOU MAY BE A MEMBER OF THE CLASS ENTITLED TO RECOVERY. YOU MUST COMPLETE THIS FORM TO RECEIVE PAYMENT AS PART OF THE CLASS ACTION SETTLEMENT.

I. GENERAL INSTRUCTIONS

A. To recover as a member of the Class based on your claims in the action entitled *Guyer v. MGT Capital Investments, Inc.*, No. 1:18-cv-09228-ER. (S.D.N.Y.) (the “Litigation”), you must complete and, on page 19 hereof, sign this Proof of Claim Form. If you fail to file a properly addressed Proof of Claim Form (as set forth in paragraph C below), your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Litigation.

B. Submission of this Proof of Claim Form, however, does not assure that you will share in the proceeds of Settlement in the Litigation.

C. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM FORM SUBMITTED ON OR BEFORE MAY 20, 2020**, ADDRESSED TO THE CLAIMS ADMINISTRATOR AS FOLLOWS: GUYER V. MGT CAPITAL INVESTMENTS, INC. SECURITIES LITIGATION SETTLEMENT, C/O STRATEGIC CLAIMS SERVICES, 600 N. JACKSON STREET, SUITE 205, P.O. BOX 230, MEDIA, PA 19063.

You will bear all risks of delay or non-delivery of your claim. If you are NOT a member of the Class, as defined in the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), DO NOT submit a Proof of Claim Form.

D. If you are a member of the Class, you are bound by the terms of any judgment entered in the litigation, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.**

II. CLAIMANT IDENTIFICATION INSTRUCTIONS

A. The “Class” is defined as all persons or entities that purchased or otherwise acquired MGT securities between October 9, 2015 and September 7, 2018, inclusive, and that were allegedly damaged thereby. Excluded from the Class are Defendant Ladd, current and former officers and directors of MGT, Barry C. Honig (“Honig”), Michael Brauser (“Brauser”), John R. O’Rourke (“O’Rourke”), John Stetson (“Stetson”), Mark Groussman (“Groussman”), John H. Ford (“Ford,” and together with Honig, Brauser, O’Rourke, Stetson, and Groussman, the “Honig Co-Investors”) and members of the Honig Co-Investors’ immediate families and any corporation, trust, or other entity in which any of the Honig Co-Investors has or had a controlling interest. Also excluded from the Class are: the Defendants; all current or former officers or directors of MGT, its affiliates, parents or subsidiaries; any

corporation, trust or other entity in which any Settling Defendant has or had a controlling interest; the members of the immediate families of the Defendants; the parents, subsidiaries and affiliates of MGT; and the legal representatives, heirs, successors, or assigns of any excluded Person. The Class shall be certified for purposes of this Settlement only. Also excluded from the Class will be any Person who timely and validly seeks exclusion from the Class in accordance with the requirements of the Notice.

B. If you purchased MGT securities and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner and the third party is the record owner.

C. Use Section IV of this form entitled "Claimant Identification" to identify each owner of record ("nominee"), if different from the beneficial owner of MGT securities which forms the basis of this claim.

D. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNERS, OR THE LEGAL REPRESENTATIVE OF SUCH OWNERS, OF THE MGT SECURITIES UPON WHICH THIS CLAIM IS BASED.**

E. A separate claim must be filed for each type of account or ownership (i.e., individual account, IRA account, joint account, custodial account, etc.). Joint tenants or UGMA custodians should file a single claim.

F. All joint owners must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them. Documentation establishing their authority must accompany this claim and their titles or capacities must be stated.

G. The Social Security or Taxpayer Identification number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. TRANSACTION SCHEDULE INSTRUCTIONS

A. Use Section V of this form entitled "Schedule of Transactions in MGT securities" to supply all required details of your transaction(s) in MGT securities. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name and Social Security or Taxpayer Identification number on each additional sheet.

B. List each transaction in the Class Period separately and in chronological order, by trade date (not the "settlement" date), beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

C. The price per share, paid or received, should be exclusive of all commissions, taxes, fees and other charges.

D. **Copies of broker confirmation slips or monthly statements of your transactions in MGT securities must be attached to your claim.** If such documents are not in your possession, please obtain equivalent contemporaneous documents from your broker or financial advisor. A complete list of acceptable supporting documentation can be found at the Claims Administrator's website: www.strategicclaims.net. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

E. Certain claimants with large numbers of transactions in MGT securities during the Class Period may request, or be requested by the Claims Administrator, to provide all purchase and sale information required in the Schedule of Transactions in an electronic file. For a copy of instructions and parameters concerning such a submission, contact the Claims Administrator by toll-free phone at (866) 274-4004, or via the website at www.strategicclaims.net.

IV. CLAIMANT IDENTIFICATION

Please Type or Print

| | | |
|---|--|--------------------------------|
| Beneficial Owner's Name <i>(as it appears on your brokerage statement)</i> | | |
| Joint Beneficial Owner's name <i>(as it appears on your brokerage statement)</i> | | |
| Record Owner's Name (if different from beneficial owner listed above) and Address | | |
| Street Address | | |
| City | State | Zip Code |
| Foreign Province | Foreign Country | |
| Area Code & Telephone Number (day) | Area Code & Telephone Number (evening) | |
| Email Address | | |
| Social Security Number | OR | Taxpayer Identification Number |

Specify one of the following:

- Individual/Sole Proprietor
 Joint Ownership
 Corporation
 UGMA Custodian
 Partnership
 Pension Plan
 Estate
 Trust
 IRA
 Other: _____

V. SCHEDULE OF TRANSACTIONS IN MGT SECURITIES

A. State the total number of shares of MGT securities owned at the close of trading on October 8, 2015 *(if none, enter "0"; if other than zero, must be documented)*:

B. Separately list each and **every purchase or acquisition** of MGT securities during the period from October 9, 2015 through September 7, 2018, inclusive, and provide the following information *(must be documented)*:

| Trade Date (list chronologically) Month/Day/Year | Number of Shares Purchased | Price per Share | Total Cost (excluding commissions, taxes and fees) |
|--|-------------------------------|-----------------|--|
| | | | |
| | | | |
| | | | |
| | | | |

C. Separately list each and **every sale** of MGT securities during the period from October 9, 2015 through September 7, 2018, inclusive, and provide the following information (*must be documented*):

| Trade Date (list chronologically) Month/Day/Year | Number of Shares Sold | Price per Share | Total Proceeds (excluding commissions, taxes and fees) |
|---|------------------------------|------------------------|---|
| | | | |
| | | | |
| | | | |
| | | | |

D. State the total number of shares of MGT securities owned at the close of trading on September 7, 2018, (*if none, enter "0"; if other than zero, must be documented*):

If you need additional space, attach the required information on separate, numbered sheets in the same format as above and print your name and Social Security or Taxpayer Identification number at the top of each additional sheet.

E. Please check applicable box:

- I certify that the submitting party is **not** an ERISA plan
- I/We certify that the submitting party is an ERISA plan and has complied with the applicable ERISA exemption

YOU MUST READ THE RELEASE AND SIGN ON PAGE 19

VI. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I/We submit this Proof of Claim Form under the terms of the Stipulation and Agreement of Settlement (“Stipulation”) described in the Notice. I/We hereby acknowledge that I/we submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my/our claim as a Class Member(s) (as defined in the Notice), for purposes of enforcing the release set forth in any judgments or orders which may be entered in the Litigation. I/We agree to furnish additional information to the Claims Administrator to support this claim if required to do so. I/We have not submitted any other claim covering the same purchases or sales of MGT securities during the Class Period and know of no other person having done so on my/our behalf.

VII. RELEASE

A. I/We hereby warrant and represent that I/we have read the Notice, Proof of Claim Form, and the Stipulation and understand that, pursuant to ¶ 2.a of the Stipulation and through operation of the final judgment to be entered by the Court, I/we shall have fully and finally relinquished all Settled Claims against the Released Parties as set forth in ¶ 2.a of the Stipulation and the defined terms set forth therein. I/We further acknowledge and agree that I am/we are bound by and subject to the terms of any judgment that may be entered in the Litigation, including without limitation, the release of claims against the Released Parties as set forth in ¶ 2.a of the Stipulation and the defined terms set forth therein.

- B. “Effective Date” has the meaning set forth in the Stipulation.
- C. “Released Parties” has the meaning set forth in the Stipulation.
- D. “Settled Claims” has the meaning set forth in the Stipulation.
- E. “Unknown Claims” has the meaning set forth in the Stipulation.

F. This release shall be of no force or effect unless and until the Court approves the Stipulation and the Stipulation becomes effective on the Effective Date (as defined in the Stipulation).

G. I/We hereby warrant and represent that I/we have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

H. I/We hereby warrant and represent that I/we have included information about all of my/our transactions in MGT securities which occurred during the Class Period.

VIII. CERTIFICATION

UNDER THE PENALTY OF PERJURY, I/WE CERTIFY THAT:

A. The number shown on this form is my/our correct Social Security or Taxpayer Identification number.

B. I/We certify that I am/we are NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out the word "NOT" in the sentence above.

C. I/We declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned and any supporting documents attached hereto are true, correct and complete to the best of my/our knowledge, information and belief, and that this Proof of Claim Form was executed this _____ day of _____, in _____, _____ .
(Month/Year) (City) (State/Country)

Signature of Claimant

Signature of person signing on behalf of Claimant

(Print your name here)

(Print your name here)

Signature of Joint Claimant, if any

Capacity of person signing on behalf of Claimant, if other than an individual, (e.g., Executor, President, Custodian, etc.)

(Print your name here)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Remember to sign the above release and certification.
2. Remember to attach only **copies** of acceptable supporting documentation, a complete list of which can be found on the Claims Administrator’s website.
3. Do not send originals of securities certificates.
4. Keep copies of the completed claim form and documentation for your own records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent. **You will bear all risks of delay or non-delivery of your claim.**
6. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us **written** notification of your new address.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at: www.strategicclaims.net.

Guyer v. MGT Capital Investments, Inc. Securities Litigation Settlement
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

IMPORTANT LEGAL NOTICE – PLEASE FORWARD