UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended: March 31, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

COMMISSION FILE NUMBER 001-35850

MICT, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	27-0016420
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
28 West Grand Avenue, Suite 3, Montvale, NJ	07645
(Address of principal executive offices)	(Zip Code)

(201) 225-0190
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	MICT	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 24, 2021, there were 113,908,845 issued and outstanding shares of the registrant's Common Stock, $0.001 par value per share.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(USD In Thousands, Except Share and Par Value Data)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 123,403	$ 29,049
Trade accounts receivable, net	9,282	523
Inventories	1,935	2,002
Other current assets	2,918	1,756
Related party	174	-
Held for sales assets	449	*350
Total current assets	138,161	33,680
Property and equipment, net	466	*417
Intangible assets, net	17,135	*17,159
Goodwill	27,219	22,405
Investment and loan to Huapie	-	3,038
Right of use assets	564	291
Long-term deposit and prepaid expenses	283	266
Restricted cash escrow	477	477
Total long-term assets	46,144	44,053
Total assets	$ 184,305	$ 77,733

* Reclassified – see note 2.

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(USD In Thousands, Except Share and Par Value Data)

	March 31, 2021	December 31, 2020
LIABILITIES AND EQUITY		
Current maturity of long term bank loans	$ 660	$ 884
Trade accounts payable	5,909	838
Related party	-	163
Other current liabilities	5,249	5,102
Total current liabilities	11,818	6,987
Long term escrow	477	477
Lease liability	332	164
Deferred tax liabilities	4,049	4,256
Accrued severance pay	148	153
Total long term liabilities	5,006	5,050
Stockholders' Equity:		
Common stock; $0.001 par value, 250,000,000 shares authorized, 114,177,951 and 68,757,447 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	114	68
Additional paid in capital	208,428	102,195
Additional paid in capital - preferred stock	138	138
Capital reserve related to transaction with the minority shareholder	(174)	(174)
Capital reserve from currency translation	410	(196)
Accumulated loss	(44,427)	(39,966)
MICT, Inc. stockholders' equity	164,489	62,065
Non-controlling interests	2,992	3,631
Total equity	167,481	65,696
Total liabilities and equity	$ 184,305	$ 77,733

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(USD In Thousands, Except Share and Earnings Per Share Data)
(Unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenues	$ 8,935	$ -
Cost of revenues	6,992	-
Gross profit	1,943	-
Operating expenses:		
Research and development	231	-
Selling and marketing	1,001	-
General and administrative	4,568	770
Amortization of intangible assets	926	-
Total operating expenses	6,726	770
Loss from operations	(4,783)	(770)
Share in investee losses	-	(640)
Other income	87	-
Financial expenses, net	(566)	(224)
Loss before provision for income taxes	(5,262)	(1,634)
Taxes on income (benefit)	(356)	1
Total net loss	(4,906)	(1,635)
Net loss attributable to non-controlling interests	(445)	-
Net loss attributable to MICT, Inc.	(4,461)	(1,635)
Basic and diluted loss per share from continued operation	(0.05)	(0.15)
Weighted average common shares outstanding:		
Basic and diluted	88,554,624	11,089,532

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(USD In Thousands)
(Unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020
Net loss	$ (4,906)	$ (1,635)
Other comprehensive loss, net of tax:		-
Currency translation adjustment	412	(70)
Total comprehensive loss	(4,494)	(1,705)
Comprehensive loss attributable to non-controlling interests	(639)	-
Comprehensive loss attributable to MICT, Inc.	$ (3,855)	$ (1,705)

MICT, INC.
STATEMENTS OF CHANGES IN EQUITY
(USD In Thousands, Except Numbers of Shares)
(Unaudited)

	Series B Convertible Preferred Stock		Series A Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Additional Paid-in Capital	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total Stockholders' Equity
	Amount	Shares	Amount	Shares	Amount	Shares							
Balance, December 31, 2019	-	-	2	2,386,363	11	11,089,532	-	6,028	14,107	(16,974)	70	0	3,244
Stock based compensation									62				62
Issuance of warrants													
Comprehensive loss										(1,635)	(70)		(1,705)

Issuance of shares, net- Series A Convertible Preferred Stock			1	795,455				409					410
Issuance of shares, net- Series B Convertible Preferred Stock	2	1,818,182					1,914						1,916
Balance, March 31, 2020	2	1,818,182	3	3,181,818	11	11,089,532	1,914	6,437	14,169	(18,609)	0	0	3,927

	Series B Convertible Preferred Stock		Series A Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Additional Paid-in Capital	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Capital reserve related to transaction with the minority	Non-controlling Interest	Total Stockholders' Equity
	Amount	Shares	Amount	Shares	Amount	Shares								
Balance, December 31, 2020	-	-	-	-	68	68,757,450	-	138	102,195	(39,966)	(196)	(174)	3,631	65,696
Shares issued to service providers and employees					0	69,107			(300)					(300)
Exercising options for employees and consultants					0	20,000			-					0
Comprehensive loss										(4,461)		-	(445)	(4,906)
											606		(194)	412
Issuance 25M,net					3	2,400,000			2,673				-	2,676
Public offering $60M					23	22,471,904			53,977					54,000
Public offering $54M					19	19,285,715			48,671					48,690
Exercising warrants					1	1,173,775			1,212					1,213
Balance, March 31, 2021	-	-	-	-	114	114,177,951	-	138	208,428	(44,427)	410	(174)	2,992	167,481

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(USD In Thousands)
(Unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss from continued operations	$ (4,906)	$ (1,635)
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of loan to Micronet Ltd.	-	272
Impairment of equity method investment in Micronet Ltd.	-	640
Depreciation and amortization	1,119	3
Change in deferred taxes, net	(207)	-
Other non-current assets	(15)	-
Due to related party	(145)	-
Accrued interest and exchange rate differences on loans from others	-	(62)
Settlement consideration in cash decreasing share capital	(300)	
Stock-based compensation for employees and consultants	-	62
Increase in trade accounts receivable, net	(8,829)	-
Increase in inventories	(5)	-
Decrease in accrued severance pay, net	(5)	-
Increase in other current assets	(1,031)	(195)
Increase in trade accounts payable	5,792	-
Decrease in other current liabilities	6	303
Net cash used in operating activities	$ (8,526)	$ (612)

MICT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(USD In Thousands)
(Unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(304)	-
Purchase of Huapie (B)	1,834	-
Purchase of Beijing Fucheng Lianbao (A)	(4,891)	-
Loan to related party (Micronet Ltd.)	-	(125)

Net cash used in investing activities	$	(3,361)	$	(125)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Current maturity of long term bank loans	$	(195)	$	-
Repayment on account of redemption		-		(15,900)
Payments on account of shares		-		15,900
Issuance of shares and warrants		105,365		-
exercise of warrants		1,213		-
Issuance of convertible preferred shares net		-		409
Net cash provided by (used in) financing activities	$	106,383	$	409
NET INCNREAS (DECREASE) IN CASH AND CASH EQUIVALENTS		94,496		(328)
Cash, Cash Equivalents and restricted cash at beginning of the period		29,049		3,154
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		(142)		-
Cash, Cash Equivalents and restricted cash at end of the period	$	123,403	$	2,826
Supplemental disclosure of cash flow information:				
Amount paid during the period for:				
Interest	$	26	$	15
Taxes	$	53	$	1

Appendix A: Beijing Fucheng Lianbao

	February 10, 2021
Net working capital	106
Property and equipment	26
Current liabilities	(55)
Goodwill	4,814
Cash	4,891

Appendix B: Huapei Global Securities Limited

	February 26, 2021
Net working capital	206
Investment and loan to Huapie	(2,947)
Property and equipment	24
Current liabilities	(19)
Intangible assets	902
Cash	(1,834)

Appendix C: Non-cash Transaction

On January 21, 2020, the Company entered into a Conversion Agreement, or the Conversion Agreement, with BNN Technology PLC, or BNN, pursuant to which BNN agreed to convert the outstanding Convertible Note in the amount of $2,000 into 1,818,181 shares of the Company’s newly-designated Series B Convertible Preferred Stock, par value $0.001 per share, with a stated value of $1.10 per share, or the Series B Preferred Stock.

On October 2, 2020 our indirect wholly-owned subsidiary BI Intermediate (Hong Kong) Limited (“BI Intermediate”) has entered a strategic agreement to acquire, the entire share capital of Huapei Global Securities Limited (“Huapei”), Hong Kong based securities and investments firm for a total purchase price of U.S.$3.0 million (“Purchase Price”). As part of the transaction, BI Intermediate has granted to Huapei's seller, a loan under a loan agreement in a sum equal to the outstanding consideration due and payable by BI Intermediate upon closing (the "Loan"). On February 26, 2021 we have completed the acquisition of Huapei upon the purchase of remaining outstanding share capital (91% of the share capital) of Huapei and accordingly upon closing, the Loan was converted against the remaining outstanding consideration. The acquisition was consummated following the receipt of the approval of the SFC for the change in the substantial shareholder of Huapei. In consideration for the entire share capital of Huapei and as of this date onward we start to consolidate this company on our financial reports.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(USD in thousands, except per share data)

NOTE 1 — DESCRIPTION OF BUSINESS

Overview

We were formed as a Delaware corporation on January 31, 2002. On March 14, 2013, we changed our corporate name from Lapis Technologies, Inc. to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary Enertec Systems Ltd., we changed our name from Micronet Enertec Technologies, Inc. to MICT, Inc. Our shares have been listed for trading on The Nasdaq Capital Market under the symbol “MICT” since April 29, 2013.

Prior to July 1, 2020, MICT operated primarily through its Israel-based majority-owned subsidiary, Micronet. Since July 1, 2020, after MICT completed its acquisition (the "Acquisition") of GFH Intermediate Holdings Ltd. ("GFHI" or "Intermediate"), pursuant to that certain Agreement and Plan of Merger entered into on November 7, 2019 by and between MICT, GFHI, Global Fintech Holding Ltd. ("GFH"), a British Virgin Islands company and the sole shareholder of GFHI, and MICT Merger Subsidiary Inc., a British Virgin Islands company and a wholly owned subsidiary of MICT ("Merger Sub"), as amended and restated on April 15, 2020 (the "Restated Merger Agreement" and "**Merger**"), we have been operating in the financial technology sector. Intermediate is a financial technology company with a marketplace in China and in other areas of the world and is currently in the process of building various platforms for business opportunities in various verticals and technology segments in order to capitalize on such technology and business. Intermediate plans to continue and advance its capabilities and its technological platforms through acquisition or license of technologies to support in growth efforts in the different market segments as more fully described below. Accordingly, after the Merger, MICT's includes the business of Intermediate, its wholly-owned subsidiary, operating through its operating subsidiaries, as described herein.

Our current business, following the completion of the Acquisition, is primarily comprised and focused on the growth and development of the Intermediate financial technology offering and the marketplace in China. We aim and are in the process of building various platforms for business opportunities in various verticals and technology segments in order to capitalize on such technology and business.

As a result of our Acquisition of Intermediate and the subsequent work we have undertaken with the management of Intermediate, we are positioned to establish ourselves, through our operating subsidiaries, to serve the markets as a financial technology company with a significant China marketplace and in other areas of the world. Intermediate has built various platforms to capitalize on business opportunities in a range of verticals and technology segments, which currently includes stock trading and wealth management; commodities in segments of oil and gas trading; and insurance brokerage. We are seeking to secure material contracts in these valuable market segments in China while developing opportunities, in order to allow Intermediate to access to such markets. We will continue to add to the capabilities of such platforms such as through acquisition and/or the license of technologies to support these efforts in the different market segments as more fully described below. By building secure, reliable and scalable platforms with high volume processing capability, we intend to provide customized solutions that address the needs of a highly diverse and broad client base.

We are planning to implement our plans taking advantage of Intermediate experience and experience in local markets in China, and through the Company's operating subsidiaries which have begun to secure material contracts in fast growing market segments in China.

Our current valuable opportunities have given us access the following market segments:

- Stock trading and wealth management segment
- Commodities in the field of Oil and gas trading segment
- Insurance brokerage segment

As set hereunder, these opportunities are supported and shall further planned to be executed and realized through our business development efforts which as set forth herein include the acquisition of potential targets entities, business and assets (such as applicable required licenses) in the relevant business space and segments in which we plan to operate, which allow the Company to enter the market quickly and leverage on such existing assets in order to promote its growth strategy.

Significant transactions during the period:

On January 1, 2021 we have entered via Tianjin Bokefa technology co., ltd., our fully owned subsidiary, into a transaction with the shareholders of Guang Xi Zhong Tong, a local Chinese entity with business and operations in the field of broker insurance. Pursuant to the transaction, we have granted to the Guang Xi Zhong Tong shareholders (the "Shareholders") with a frame work loan ("Frame Work Loan") in the total amount of up to RMB 40 million (approximately $6,125,000) ("Frame work Loan Amount") which is designated, if exercised, to be used as working capital for Guang Xi Zhong Tong. As of March 31, 2021, only a sum of RMB 1,800,000 (approximately $275,000) drawn down our of the Frame work Loan Amount. In consideration for the Frame Work Loan, the parties have entered into various additional agreements which include among other: (i) a pledge agreement pursuant to which the Shareholders have pledged their shares for the benefit of Tianjin Bokefa technology co., ltd. in order to secure the amount drown from the Frame work Loan Amount (ii) exclusive option agreement pursuant to which Tianjin Bokefa technology co., ltd has an exclusive option to purchase the entire shares of Guang Xi Zhong Tong from the Shareholders ("Option Agreement") under such terms set forth in the Option Agreement which include an exercise price not less than the maximum Frame work Loan Amount and the right to convert the Frame work Loan Amount into the purchased shares (iii) Entrustment Agreement and Power of Attorney Agreement pursuant to which the Shareholders irrevocably entrusted and appointed Tianjin Bokefa as its proxy and trustee to exercise on their behalf any and all rights under applicable law and the articles of association of Guangxi Zhongtong in the Shareholder's equity interest in Guangxi Zhongtong (iv) business cooperation agreement and a master exclusive service agreement which grants Tianjin Bokefa with rights related to the Guang Xi Zhong Tong business and operations designed to secure repayment of the Loan Amount. The transaction above was structured pursuant to a Variable Interest Entity (VIE) Structure (pursuant to which we do not technically hold the shares) and as a result in view of our direct ownership in Tianjin Bokefa technology co., ltd. and its contractual arrangements with Guang Xi Zhong Tong, we are regarded as Guang Xi Zhong Tong controlling entity and primary beneficiary of the Guang Xi Zhong Tong business . We have therefore, consolidated the financial results of Guang Xi Zhong Tong in our consolidated financial statements in accordance with U.S. GAAP.

Beijing Fucheng Lianbao Technology Co., Ltd transaction

On February 10, 2021, the Company closed a transaction pursuant to which it acquired (via Beijing Fucheng Lianbao Technology Co., Ltd. in which it holds 24% and engaged in a VIE structure) all of the shares of Beijing Yibao Technology Co., Ltd., and indirectly its fully owned subsidiary Beijing Fucheng Insurance Brokerage Co., Ltd. (the "Fucheng Insurance Transaction"). Beijing Fucheng Insurance Brokerage Co., Ltd. is a Chinese insurance brokerage agency and is a nationwide licensed entity allowing it to offer insurance brokerage services for a broad range of insurance products. The nationwide license will allow us, via the Fucheng Insurance Transaction with flexibility to offer and create tailor-made insurance products, to leverage directly to customers or through distribution partners and to procure better deals with both our existing and new insurance company partners. The consummation of the Fucheng Insurance Transaction will enable us to accelerate the onboarding of new agents throughout China onto our platforms. It also creates the opportunity to promote our business through some of China's biggest online portals, which will provide business-to-business-to-consumer (B2B2C) as well as business-to-consumer (B2C) channels. In addition, the Fucheng Insurance acquisition initiates the nationwide rollout of its mobile application, which will facilitate access to those portals' vast customer bases, offering MICT'S full complement of insurance products. The shares were acquired for approximately $5.7 million, and funded through MICT, out of which, $0.9 million were allocated as working capital and the remain $4.8 million were allocated to Goodwill.

Acquisition Agreement with Huapei Global Securities Limited

On October 2, 2020 our indirect wholly-owned subsidiary BI Intermediate (Hong Kong) Limited ("BI Intermediate") has entered a strategic agreement ("**Strategic Agreement**") to acquire, the entire share capital of Huapei Global Securities Limited ('**Huapei**"), Hong Kong based securities and investments firm for a total purchase price of

Approximately $3.0 million ("**Purchase Price**"). Huapei is licensed to trade securities on leading exchanges in Hong Kong, the U.S. and China including the valuable China A-Shares, all of which are the primary target markets for Company's global fintech business. The Strategic Agreement provided that the acquisition shall be consummated in two phases, an initial purchase of 9% of the share capital of Huapei and thereafter, the remaining 91% of Huapei would be purchased by BI Intermediate upon and subject to the approval of the Hong Kong Securities and Futures Commission (SFC), the principal regulator of Hong Kong's securities and futures markets. On November 11, 2020, BI Intermediate closed on its acquisition of the first 9% of its acquisition and paid 9% of the Purchase Price. Additionally, pursuant to the Strategic Agreement upon the initial closing, BI Intermediate made a loan to Huapei in an amount equivalent to the remaining 91% of the purchase price. Upon the closing of the remaining 91%, which remains subject to SFC approval, the loan will be cancelled, and BI Intermediate will acquire the remaining 91% of Huapei. The loan was secured against the pledge of the 91% of the share capital of Huapei yet purchased at such time by BI Intermediate. The obligations of Huapei, the seller of the interests of Huapei, under the loan agreement have been guaranteed by the ultimate controller of Huapei. On February 26, 2021 we have completed the acquisition of Huapei upon the purchase of remaining outstanding share capital (91% of the share capital) of Huapei. The acquisition was consummated following the receipt of the approval of the SFC for the change in the substantial shareholder of Huapei. In consideration for the entire share capital of Huapei , we paid a total Purchase Price of $2.947 million (reflecting the net asset value of Huapei Global estimated at $2.034 million recorded as a working capital, and a premium $902 Thousands that were recorded as a license in the Intangible assets. The Company is in the process of integrating its mobile app supporting platform with Huapei's licensed trading assets.

As a result of our acquisition of Huapei we have now obtained the licenses and permits for operating the online platform and expect to launch the online stock trading platform initially in Hong Kong once we have completed rigorous testing to ensure scale and reliablility of the systems. Thereafter. we will be in a position to notify the Hong Kong regulator of our intended launch date of the new online trading APP.

Significant transactions in Micronet shares:

On June 10, 2020, MICT Telematics Ltd, our fully owned subsidiary, purchased 5,999,996 of Micronet's ordinary shares for aggregate proceeds of NIS 1.8 Million (or $515 thousand) through tender offer issued by MICT Telematics. As a result, we have increased the ownership interest in Micronet to 45.53% of Micronet's issued and outstanding ordinary shares.

Subsequently, on June 23, 2020 we have purchased through public offering consummated by Micronet on the Tel Aviv Stock Exchange (the "TASE"), 10,334,000 of Micronet's ordinary shares for total consideration of NIS 3,100,200 (or $887 Thousand), and as a result increased our ownership interest in Micronet to 53.39% of Micronet's outstanding ordinary shares. as a result, MICT applied purchase accounting and began to consolidate Micronet beginning on such date. MICT recognized a $665 Thousand gain on previously held equity in Micronet.

On October 11, 2020, Micronet has consummated a public equity offering on TASE , in which the Company purchased 520,600 of Micronet's ordinary shares and 416,480 of Micronet's stock options convertible into 416,480 Micronet ordinary shares (at a conversion price of NIS 3.5 per share), for total consideration of NIS 4,961,202 (or $1,417,486). Following the Micronet's offering and as a result thereof including the purchase of Micronet shares, the exercise of our stock options and additional purchase of 115,851 Micronet shares from an individual seller our ownership interest in Micronet was diluted from 53.39% to 50.31% of the Micronet outstanding share capital.

Offering of Secured shares

For share issuance see Note 3.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed unaudited consolidated financial statements and condensed footnotes have been prepared in accordance with the applicable rules and regulations of the SEC, regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by the accounting principles generally accepted in the United States of America, or U.S. GAAP, for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary for fair statement of results for the interim periods presented have been included. The results of operations for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the full year 2021 or for other interim periods or for future years. The consolidated balance sheet as of March 31, 2021 is derived from unaudited financial statements as of that date; and, it does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

The Company's operations and business may still be subject to adverse effect due to the unprecedented conditions surrounding the spread of COVID-19 throughout North America, Israel, China and the world. Although currently the COVID-19 (due to the measures implemented to reduce the spread of the virus) have not had a material adverse effect on the Company financial reports; there can be no assurance that Company's financial reports will not be affected in the future from COVID-19 or resulting from restrictions and other government actions.

Principles of Consolidation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Revenue Recognition

With respect to Micronet applicable revenue recognition GAAP requirements, Micronet implements a revenue recognition policy pursuant to which it recognizes its revenues at the amount to which it expects to be entitled when control of the products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products are transferred to its customers. There is limited discretion needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, Micronet no longer has physical possession of the product and will be entitled at such time to receive payment while relieved from the significant risks and rewards of the goods delivered. For most of Micronet's products sales, control transfers when products are shipped.

With respect to the GFHI applicable revenue recognition GAAP requirements, the company implements a revenue recognition policy pursuant to which it recognizes its revenues at the amount to which it expects to be entitled when control of the products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products are transferred to its customers. There is limited discretion needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession of the product and will be entitled at such time to receive payment while relieved from the significant risks and rewards of the goods delivered.

The company's income includes a). to provide customers with marketing promotion and information drainage services, and to charge information service fees according to the customer traffic information provided to customers with business needs; b). to provide insurance brokerage services or insurance agency services on behalf of insurance carriers. In accordance with ASC 606-10-55, Revenue Recognition: Principal Agent Considerations, the Company considers several factors in determining whether it acts as the principal or as an agent in the arrangement of merchandise sales and provision of various related services and thus whether it is appropriate to record the revenues and the related cost of sales on a gross basis or record the net amount earned as service fees. For b). insurance agency services, we have identified our promise to sell insurance policies on behalf of an insurance carrier as the performance obligation in our contracts with the insurance carriers. Our performance obligation to the insurance carrier is satisfied and commission revenue is recognized at the point in time when an insurance policy becomes effective.

Held for sale:

As of March 31,2021 Micronet classified the building as held for sale, as Micronet is taking active steps to sell the building this year. According to the US-GAAP there company need to classify the building for the previous periods . therefore the December,31 2020 numbers classified in accordance to this treatment.

NOTE 3 — STOCKHOLDERS' EQUITY

On June 4, 2019, we entered into a Securities Purchase Agreement (the "Preferred Securities Purchase Agreement") with the purchasers named therein (the "Preferred Purchasers"), pursuant to which we agreed to sell 3,181,818 shares of newly designated Series A Convertible Preferred Stock with a stated value of $2.20 per share (the "Preferred Stock"). The Preferred Stock, are convertible into up to 6,363,636 shares of our common stock, par value $0.001 per share (the "Common Stock"), and were sold together with certain Common Stock purchase warrants (the "Preferred Warrants") to purchase up to 4,772,727 shares of Common Stock (representing 75% of the aggregate number of shares of Common Stock into which the Preferred Stock shall be convertible), for aggregate gross proceeds of $7 million to us (the "Preferred Offering").

On July 29, 2019, the Company completed the first closing in the Preferred Offering, pursuant to which it sold 2,386,363 shares of Series A Preferred Stock and 3,579,544 accompanying Series A Preferred Warrants for aggregate gross proceeds of $5,250,000. The Company paid an aggregate of $420,000 in fees with respect to this closing of the Preferred Offering. Additionally, in January 2020, the Company completed a second closing of the sale of Series A Convertible Preferred Stock, pursuant to which it sold 795,455 additional shares of Series A Preferred Stock and 1,193,183 accompanying Preferred Warrants to purchase up to 1,084,712 shares of the Company's common stock, for aggregate gross proceeds of $1,750,000. The Company paid an aggregate of $140,000 in fees with respect to this closing of the Preferred Offering.

The Series A Preferred Stock was convertible into common stock at the option of each holder of Series A Preferred Stock at any time and from time to time, and was also convertible automatically upon the occurrence of certain events. The Company also had the option to redeem some or all of the Series A Preferred Stock, at any time and from time to time, beginning on December 31, 2019 subject to the satisfaction of certain conditions. The holders of Series A Preferred Stock voted together with the holders of common stock as a single class on as-converted basis, and the holders of Series A Preferred Stock holding a majority-in-interest of the Series A Preferred Stock were entitled to appoint an independent director to the Company's board of directors. The Preferred Securities Purchase Agreement provided for customary registration rights.

The Series A Preferred Warrants have an exercise price of $1.01 (subject to customary adjustment in the event of future stock dividends, splits and the like) and are exercisable immediately, until the earlier of (i) two years from the date of issuance or (ii) the later of (a) 180 days after the closing by the Company of a change of control transaction, or (b) the Company's next debt or equity financing of at least $20,000,000.

Pursuant to the April 21, 2020, and the July 8, 2020 Agreements entered by MICT with various purchasers for the sale of certain convertible notes as described in the Description of Business above, MICT sold convertible notes with an aggregate total principal amount of approximately $15.0 million under such terms as described hereinabove. Based on the terms included in the convertible notes, following receipt of the Company's stockholders in September 2020, the Convertible Notes were converted into 13,636,363 shares of common stock of the Company at a conversion price of $1.10 per share as set above.

On July 1, 2020, MICT completed its acquisition (the "Acquisition") of GFH Intermediate Holdings Ltd. ("GFHI"), pursuant to the previously announced Agreement and Plan of Merger entered into on November 7, 2019 by and between MICT, GFHI, Global Fintech Holding Ltd. ("GFH"), a British Virgin Islands company and the sole shareholder of GFHI, and MICT Merger Subsidiary Inc., a British Virgin Islands company and a wholly owned subsidiary of MICT ("Merger Sub"), as amended and restated on April 15, 2020 (the "Restated Merger Agreement"). As of the date hereof pursuant to the Acquisition the Company issued to GFH 22,727,272 shares of common stock reflecting a price of $1.10 per each MICT share.

On September 8, 2020, the Company and all of the holders (the "Holders") of the Company's Series A Convertible Preferred Stock, par value $0.001 per share (the "Series A Preferred"), entered into a series of Series A Convertible Preferred Stock Exchange Agreements (each an Exchange Agreement and together, the "Exchange Agreements"), pursuant to which the Holders exchanged an aggregate of 3,181,818 shares of the Series A Preferred, on a 1-for-2 basis, for an aggregate of 6,363,636 shares of the Company's common stock, par value $0.001 per share (the "Common Stock").

On September 10, 2020, the Company and the holder (the "Holder") of the Company's Series B Convertible Preferred Stock, with a par value of $0.001 per share (the "Series B Preferred"), entered into that certain Series B Convertible Preferred Stock Exchange Agreement (the "Exchange Agreement") in the form attached hereto as Exhibit 10.1, pursuant to which the Holder exchanged an aggregate of 1,818,181 shares of the Series B Preferred, on a 1-for-1 basis, for an aggregate of 1,818,181 shares of the Company's common stock, par value $0.001 per share (the "Common Stock").

On November 2, 2020 the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain investors (the "Investors") for the purpose of raising $25.0 million in gross proceeds for the Company (the "Offering"). Pursuant to the terms of the Purchase Agreement, the Company sold in a registered direct offering, an aggregate of 10,000,000 units (each, a "Unit"), with each Unit consisting of one share of the Company's common stock, par value $0.001 per share (the "Common Stock"), and one warrant to purchase 0.8 of one share of Common Stock (each, a "Warrant"). at a purchase price of $2.50 per Unit. The Warrants are exercisable six months after the date of issuance at an exercise price of $3.12 per share and will expire five years following the date the Warrants become exercisable. The closing of the sale of Units pursuant to the Securities. Purchase Agreement occurred on November 4, 2020. By December 31, 2020, the Company had received a total of $22.325 million in gross proceeds pursuant to Offering and issued in the aggregate, 7,600,000 Units. The remaining gross proceeds, in the additional aggregate amount of $2.675 million, were received by the Company on March 1, 2021 and in consideration for such proceeds, the Company issued the remaining 2,400,000 units.

On February 11, 2021, the Company announced that it has entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain institution investors for the sale of (i) 22,471,904 shares of common stock, (ii) 22,471,904 Series A Warrants to purchase 22,471,904 shares of common stock and (iii) 11,235,952 Series B Warrants to purchase 11,235,952 shares of common stock at a combined purchase price of $2.67 (the "Offering"). The gross proceeds to the Company from the Offering are expected to be approximately $60.0 million . The Series A Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire five and one-half years from the date of issuance. The Series B Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire three and one-half years from the date of issuance. The Company received net proceeds of $54.0 million on February 16, 2021 after deducting the Placement Agent's fees and other expenses.

On March 2, 2021, the Company entered into a Securities Purchase Agreement with certain investors for the purpose of raising approximately $54.0 million in gross proceeds for the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell, in a registered direct offering, an aggregate of 19,285,715 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), at a purchase price of $2.675 per Share and in a concurrent private placement, warrants to purchase an aggregate of 19,285,715 shares of Common Stock, at a purchase price of $0.125 per Warrant, for a combined purchase price per Share and Warrant of $2.80 (the "Purchase Price") which was priced at the market under Nasdaq rules. The Warrants are immediately exercisable at an exercise price of $2.80 per share, subject to adjustment, and expire five years after the issuance date. The closing date was on March 4, 2021. The Company received net proceeds of $48.69 million on March 4, 2021, after deducting the Placement Agent's fees and other expenses.

NOTE 4 — GAIN OF CONTROL OF SUBSIDIARY- MICRONET ACQUISITION

On June 10, 2020, MICT Telematics Ltd, our fully owned subsidiary, purchased 5,999,996 of Micronet's ordinary shares for aggregate proceeds of NIS 1.8 Million (or $515,000) through tender offer issued by MICT Telematics. As a result, we have increased the ownership interest in Micronet to 45.53% of Micronet's issued and outstanding ordinary shares.

Subsequently, on June 23, 2020 we have purchased through public offering consummated by Micronet on the Tel Aviv Stock Exchange (the "TASE"), 10,334,000 of Micronet's ordinary shares for total consideration of NIS 3,100,200 (or $887,000). as a result increased our ownership interest in Micronet to 53.39% of Micronet's outstanding ordinary shares, and, as a result, MICT applied purchase accounting and began to consolidate Micronet beginning on such date. MICT recognized a $665,000 , gain on previously held equity in Micronet.

On October 11, 2020, Micronet has consummated a public equity offering on TASE , in which the Company purchased 520,600 of Micronet's ordinary shares and 416,480 of Micronet's stock options convertible into 416,480 Micronet ordinary shares (at a conversion price of NIS 3.5 per share), for total consideration of NIS 4,961,202 (or $1,417,486). Following the Micronet's offering and as a result thereof including the purchase of Micronet shares, the exercise of our stock options and additional purchase of 115,851 Micronet shares from an individual seller our ownership interest in Micronet was diluted from 53.39% to 50.31% of the Micronet outstanding share capital.

Micronet's income and net loss as presented if the Company's acquisition date had occurred at the beginning of the annual reporting period

	Three months ended March 31, 2020
Revenues	$ 617
Net loss	(3,070)

Management engaged a third-party valuation firm to assist them with the valuation of the intangible assets that are detailed in the schedule below.

NOTE 5 — LOAN TO MICRONET LTD.

On November 13, 2019, the Company and Micronet executed a convertible loan agreement pursuant to which the Company agreed to loan to Micronet $500,000 in the aggregate (the "Convertible Loan"). The Convertible Loan bears interest at a rate of 3.95% calculated and is paid on a quarterly basis. In addition, the Convertible Loan, if not converted, shall be repaid in four equal installments, the first of such installment payable following the fifth quarter after the issuance of the Convertible Loan, with the remaining three installments due on each subsequent quarter thereafter, such that the Convertible Loan shall be repaid in full upon the lapse of 24 months from its grant. In addition, the outstanding principal balance of the Convertible Loan, and all accrued and unpaid interest, is convertible at the Company's option, at a conversion price equal to 0.38 NIS per Micronet share. Pursuant to the Convertible Loan agreement, Micronet also agreed to issue the Company an option to purchase up to one of Micronet's ordinary shares for each ordinary share that it issued as a result of a conversion of the Convertible Loan ("Convertible Loan Warrant"), at an exercise price of 0.60 NIS per share, exercisable for a period of 15 months. On July 5, 2020, the Company had a reverse split where the price of the Convertible Loan changed from 0.08 NIS per Micronet share into 5.7 NIS per Micronet share. The option's exercised price was changed from 0.6 NIS per share to 9 NIS per Micronet share.

On January 1, 2020, the Convertible Loan transaction was approved at a general meeting of the Micronet shareholders and as a result, the Convertible Loan and the transactions contemplated thereby entered into effect.

On August 13, 2020, MICT Telematics extended to Micronet an additional loan in the aggregate amount of $175,000 (the "Third Loan" and the "Loan Sum", respectively) which governing the existing outstanding intercompany debt. The Third Loan does not bear any interest and is provided for a period of twelve (12) months. The Loan Sum was granted for the purpose of supporting Micronet's working capital and general corporate needs.

NOTE 6 — GFH INTERMEDIATE HOLDINGS LTD ("GFHI") ACQUISITION

On July 1, 2020, MICT completed its acquisition of GFH Intermediate Holdings Ltd. pursuant to the previously announced Agreement and Plan of Merger entered into on November 7, 2019 by and between MICT, Micronet, GFHI, Global Fintech Holding Ltd, a British Virgin Islands company and the sole shareholder of GFHI, and MICT Merger Subsidiary Inc., a British Virgin Islands company and a wholly owned subsidiary of MICT, as amended and restated on April 15, 2020. As described in the Restated Merger Agreement, upon consummation of the Acquisition, the outstanding share of GFHI was cancelled in exchange for a convertible promissory note in the principal amount of $25,000,000 issued to GFH by MICT, which Consideration Note has been converted into 22,727,273 shares of common stock of MICT at a conversion price of $1.10 per share. As a result of the acquisition goodwill and intangible assets were created.

NOTE 6 — GFH INTERMEDIATE HOLDINGS LTD ("GFHI") ACQUISITION (Cont.)

GFHI's income and net loss as presented if the Company's acquisition date had occurred at the beginning of the annual reporting period

	Three months ended March 31, 2020
Revenues	$ -
Net loss	(542)

NOTE 7 — SEGMENTS

Operating segments are based upon our internal organization structure, the manner in which our operations are managed and the availability of separate financial information. We have two operating segments: verticals and technology segments operated by GFHI and a MRM segment operated by Micronet.

The following table summarizes the financial performance of our operating segments:

	Three months ended March 31, 2020		
	Verticals and technology	Mobile resource management	Consolidated
Revenues from external customers	$ -	$ -	$ -
Segment operating loss	-	-	-
Non allocated expenses			(770)
Finance expenses and other			(864)
Consolidated loss before provision for income taxes			$ (1,634)

	Three months ended March 31, 2021		
	Verticals and technology	Mobile resource management	Consolidated
Revenues from external customers	$ 8,209	$ 726	$ 8,935
Segment operating loss	(1,967)(1)	(827)(2)	(2,794)
Non allocated expenses			(1,989)
Finance expenses and other			(479)
Consolidated loss before provision for income taxes			$ (5,262)

(1) Includes $733 of intangible assets amortization, derived from GFHI. acquisitions.

(2) Includes $103 of intangible assets amortization, derived from Micronet consolidation.

The following table summarizes the financial statements of our balance sheet accounts of the segments:

	As of March 31, 2021		
	Verticals and technology	Mobile resource management	Consolidated
Assets related to segments	$ 58,777(3)	$ 10,595(4)	$ 69,372
Non allocated Assets			114,933
Liabilities related to segments	(10,630)(5)	(3,426)(6)	(14,056)
Non allocated liabilities			(2,768)
Total Equity			$ 167,481

(3) Includes $15,265 of intangible assets and $24,602 goodwill, derived from GFHI’s acquisition.

(4) Includes $1,870 of intangible assets and $2,617 goodwill, derived from Micronet’s consolidation.

(5) Includes $3,737 of deferred tax liability, derived from GFHI acquisition.

(6) Includes $312 of deferred tax liability, derived from Micronet consolidation.

NOTE 8 — LEGAL PROCEEDINGS

In March 2017, MICT entered into the Sunrise Agreement with Sunrise through Sunrise’s principal, Amnon Mandelbaum, pursuant to which Sunrise agreed to assist MICT in identifying, analyzing, structuring, and negotiating suitable business opportunities, such as a sale of stock or assets, merger, tender offer, joint venture, financing arrangement, private placement, or any similar transaction or combination thereof. The parties initially disagreed as to the amount of the fee that would be payable upon the closing of the transactions contemplated by the Merger Agreement. There are also questions about the applicability of the Sunrise Agreement to the Merger, and whether or not Sunrise is properly owed any transaction fee upon the closing of the Merger. In any event, in order to resolve this matter, as of the date hereof, the parties have executed a settlement and release agreement for the release and waiver of the above claims in consideration for the issuance of freely tradable shares of common stock of MICT worth no less than $1,500,000 (the “Shares”), which Shares shall be delivered as follows: (i) 67.5% of the Shares to Amnon Mandelbaum; (ii) 7.5% of the Shares to INTE Securities LLC; and (iii) 25% of the Shares to Amini LLC). In addition, by no later than February 16, 2021, MICT shall issue 200,000 warrants to purchase 200,000 freely tradable registered shares of Common Stock of MICT and deliver original copies of such warrants within five business days of the date of issuance of the warrants. The shares issuable upon exercise of the warrants shall be registered on a registration statement. 150,000 of these warrants shall be issued to Amnon Mandelbaum; 50,000 of these warrants shall be issued to Amini LLC, or its designee as named in writing. Each warrant shall be exercisable into one share of registered common stock of MICT until one year after the date of issuance the warrants at an exercise price of $1.01 per share, and in any other respects on the same material terms and conditions as are applicable to MICT’s current outstanding warrants including, but not limited to, cashless exercise at all times from the date of issuance of the warrants until to the expiration dates of the warrants, certain exercise price adjustments, and other terms as are no less favorable to MICT’s recently issued common stock purchase warrant agreements. MICT was not able to timely file a registration statement to register the shares, and shares underlying the warrants per the settlement agreement. The Sunrise parties notified MICT that it has breached the settlement agreement. Subsequently, on March 30, 2021, MICT and the Sunrise parties signed an amended settlement agreement whereby MICT has obligated to to make a $1,000,000 payment by March 31, 2021 and the share dollar amount set forth above was reduced from $1,500,000 to $500,000. Furthermore, if MICT is not able to file a registration statement with the SEC for the Shares by June 4, 2021, it will be required to make a $600,000 payment to settle the matter in full and Sunrise will not receive any MICT shares. As of the date hereof, we have timely made the $1,000,000 payment above.

On September 22, 2020, the Company entered into a settlement and release agreement with Craig Marshak, or Marshak, in connection with a claim filed by Marshak against the Company and additional defendants. Pursuant to settlement and in consideration for a customary release and waiver for the benefit of MICT, MICT agreed to pay Marshak a sum of $125,000 in cash. Mr. Marshak then dismissed such claim. On January 15, 2021 the parties have executed an amendment to the settlement and release agreement for the payment to Marshak of $315,000 in exchange for the tender back of 60,000 of the Company's share promised to Mr. Marshak as part of the settlement and release agreement.

On November 2, 2020, the Company entered into a settlement and release agreement with Maxim Group LLC, or Maxim, pursuant to which the Company and Maxim agreed to release one another from any and all claims arising out of that certain advisory agreement entered into by and between Maxim and BNN Technology PLC on February 22, 2018. In consideration therefor, the Company issued Maxim 269,107 shares of MICT common stock and agreed to file a resale registration statement with respect to such shares. The Company failed to timely file the resale registration statement and entered into an amendment to the settlement agreement on March 1, 2021 which required a payment of $300,000 in exchange for the return of 134,554 shares of MICT common stock. The $300,000 payment was made on March 3, 2021. In addition, pursuant to the amendment, the Company was required to take all steps necessary to ensure that the resale registration with respect to such shares was declared effective within two business days of the filing of its Annual Report on Form 10-K for the year ended December 31, 2020. The Form 10-K was filed on March 31, 2021 and the registration statement was not declared effective within two business days thereafter. Since the registration statement was not declared effective within two business days of the filing of the Company's annual report, the Company paid Maxim $335,000 in full settlement of this matter and the remaining 134,553 shares were returned to MICT.

NOTE 9 — INTENGABLE ASSETS

Composition:

	Useful life years		March 31, 2021		December 31, 2020
Original amount:					
Technology	5-6	$	13,070	$	13,070
Trade name/ trademarks	5-10		850		850
Customer related intangible assets	5-6		4,910		4,910
License			902		
		$	19,732	$	18,830
Accumulated amortization:					
Technology	5-6	$	(1,674)	$	(1,116)
trade name/ trademarks	5-10		(107)		(71)
Customer related intangible assets	5-6		(726)		(484)
others			(90)		
	5	$	(2,597)	$	(1,671)
Net Amount:		$	17,135	$	17,159

NOTE 10 — BEIJING FUCHENG LIANBAO TECHNOLOGY CO., LTD TRANSACTION

On February 10, 2021, the Company closed a transaction pursuant to which it acquired (via Beijing Fucheng Lianbao Technology Co., Ltd. in which it holds 24% and engaged in a VIE structure) all of the shares of Beijing Yibao Technology Co., Ltd., and indirectly its fully owned subsidiary Beijing Fucheng Insurance Brokerage Co., Ltd. (the "Fucheng Insurance Transaction").

The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting gain on bargain purchase. In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

<u>Beijing Fucheng Lianbao Technology Co., Ltd transaction, Purchase Price Allocation</u>

(USD In Thousands)

Total cash consideration (1)		5,711
Total Purchase Consideration	$	5,711
Less:		
Net working capital, (2)	$	926
Property and equipment (2)		26
Current liabilities (2)		(55)
Fair value of net assets acquired	$	897
Goodwill value	$	4,814

(1) Cash paid at the closing of the transaction.

(2) Book value used as a proxy for fair value.

NOTE 11 — SUBSEQUENT EVENTS

Resignation of Jeffry P. Bialos

On April 12, 2021, Jeffrey P. Bialos tendered his resignation as a member of the board of directors (the "Board") of MICT, Inc. (the "Company"), effective immediately. Mr. Bialos resigned to focus on other endeavors and not in connection with any disagreements with the Company.

Appointment of John Scott

Effective April 12, 2021, the Board appointed John Scott as the non-executive Deputy Chairman. Mr. Scott assumed his position as the non-executive Deputy Chairman the same day.

Appointment of Robert John Benton

Effective April 12, 2021, the Board appointed Robert Benton to fill the vacancy created by the resignation of Jeffrey P. Bialos. Mr. Benton assumed his position as a non-executive member of the Board on April 12, 2021.

On May 17, 2021, the MICT, Inc.'s (the "Company") the board of directors (the "Board") unanimously approved a grant of 6,000,000 shares of common stock (the "Shares") to Darren Mercer, the Company's Chief Executive Officer. The issuance of the Shares is pursuant to the Company's Long Term Incentive Plan as previously approved by the stockholders and negotiated in connection with the Company's acquisition of Global Fintech Holdings Limited. The Board unanimously agreed to issue the Shares in recognition of Mr Mercer's direct contribution to achieving numerous key deliverables including: (i) the completion of several acquisitions, including those of Beijing Fucheng Insurance Brokerage Co., Ltd and Huapei Global Securities Ltd; (ii) obtaining regulatory approval from the Hong Kong SFC regarding the acquisition of Huapei Global Securities Ltd; (iii) the signing of several major commercial contracts and partnerships, including with a number of major insurance agents and one of China's largest payment service providers; (iv) the signing of an exclusive partnership with the Shanghai Petroleum and Natural Gas Trading Center to allow MICT to provide financial services to its customers; (v) the successful launch of the insurance business in December 2020 and the delivery of significant revenues and revenue growth in Q1 2021; and (vi) the completion of capital raises totaling in excess of $140 million and broadening the Company's institutional investor base. The Board further unanimously approved a grant of 125,000 stock options (the "Stock Options") to Ms. Amram under the Company's 2020 Equity Incentive Plan (the "Plan"). The Stock Options have an exercise price of $1.41 per share of common stock and have an expiration date of May 17, 2031.

On May 23, 2021 the Board approved certain issuance of Company options pursuant to the Company's 2012 option plan ("Plan") to the following optionees (i) to Mr. Robert Benton 80,000 options (ii) to Mr. John McMillan Scott 160, 000 options (iii) to Mr. Chezy Yehezkel (Chezy) Ofir 30,000 options and (iv) to Mr. Richard Abrahams 100,000 options ; All options as aforementioned have an exercise price based on the Company's share market price as closed on the last trading day prior to the date hereof, equal to exercise price of US1.81 per shares; For each of the optionees, the options shall be vested as follows: 50% of the options shall be fully vested upon their issuance; 25% of the options shall be vested following 12 months as of the date of their issuance and 25% of the options shall be vested following 24 months as of the date of their issuance; All options shall be subject and governed by the terms of the Plan; Each optionee herein shall execute a customary option plan in the form to be provided by the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q (the "Quarterly Report"), contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws, and is subject to the safe-harbor created by such Act and laws. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms, or other variations thereon or comparable terminology. The statements herein and their implications are merely predictions and therefore inherently subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those contemplated by the forward-looking statements. Such factors include, but are not limited to changes in economic conditions, government regulations, contract requirements and abilities, competitive pressures and constantly changing technology and market acceptance of our products and services and other risks and uncertainties discussed in this annual Form 10-K report. Such forward-looking statements appear in this Item 2 – "Management's Discussion and Analysis of Financial Condition and Results of Operations," and may appear elsewhere in this Quarterly Report and include, but are not limited to, statements regarding the following:

- our ownership position in Micronet's share capital;
- the impact of COVID-19 on both our operations and financial outlook and those of Intermediate, Micronet and MICT;
- our financing needs and strategies, and our ability to continue to raise capital in the future;
- our corporate development objectives;
- our financial position and the value of and market for our common stock;
- use of proceeds from any future financing, if any; and
- the sufficiency of our capital resources.

Our business is subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained or implied in this report. Except as required by law, we assume no obligation to update these forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. Further information on potential factors that could affect our business is described in our SEC filing and the risk factors included in Part II, Item IA below. Readers are also urged to carefully review and consider the various disclosures we have made below and in that report. The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report.

Overview

We were formed as a Delaware corporation on January 31, 2002. On March 14, 2013, we changed our corporate name from Lapis Technologies, Inc. to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary Enertec Systems Ltd., we changed our name from Micronet Enertec Technologies, Inc. to MICT, Inc. Our shares have been listed for trading on The Nasdaq Capital Market under the symbol "MICT" since April 29, 2013.

Prior to July 1, 2020, MICT operated primarily through its Israel-based majority-owned subsidiary, Micronet. Since July 1, 2020, after MICT completed its acquisition (the "Acquisition") of GFH Intermediate Holdings Ltd. ("GFHI" or "Intermediate"), pursuant to that certain Agreement and Plan of Merger entered into on

November 7, 2019 by and between MICT, GFHI, Global Fintech Holding Ltd. ("GFH"), a British Virgin Islands company and the sole shareholder of GFHI, and MICT Merger Subsidiary Inc., a British Virgin Islands company and a wholly owned subsidiary of MICT ("Merger Sub"), as amended and restated on April 15, 2020 (the "Restated Merger Agreement" and "**Merger**"), we have been operating in the financial technology sector. Intermediate is a financial technology company with a marketplace in China and in other areas of the world and is currently in the process of building various platforms for business opportunities in various verticals and technology segments in order to capitalize on such technology and business. Intermediate plans to continue and advance its capabilities and its technological platforms through acquisition or license of technologies to support in growth efforts in the different market segments as more fully described below. Accordingly, after the Merger, MICT's includes the business of Intermediate, its wholly-owned subsidiary, operating through its operating subsidiaries, as described herein.

Our current business, following the completion of the Acquisition, is primarily comprised and focused on the growth and development of the Intermediate financial technology offering and the marketplace in China. We aim and are in the process of building various platforms for business opportunities in various verticals and technology segments in order to capitalize on such technology and business.

As a result of our Acquisition of Intermediate and the subsequent work we have undertaken with the management of Intermediate, we are positioned to establish ourselves, through our operating subsidiaries, to serve the markets as a financial technology company with a significant China marketplace and in other areas of the world. Intermediate has built various platforms to capitalize on business opportunities in a range of verticals and technology segments, which currently includes stock trading and wealth management; commodities in segments of oil and gas trading; and insurance brokerage. We are seeking to secure material contracts in these valuable market segments in China while developing opportunities, in order to allow Intermediate to access to such markets. We will continue to add to the capabilities of such platforms such as through acquisition and/or the license of technologies to support these efforts in the different market segments as more fully described below. By building secure, reliable and scalable platforms with high volume processing capability, we intend to provide customized solutions that address the needs of a highly diverse and broad client base.

We are planning to implement our plans taking advantage of Intermediate experience and experience in local markets in China, and through the Company's operating subsidiaries which have begun to secure material contracts in fast growing market segments in China.

Our current valuable opportunities have given us access the following market segments:

- Stock trading and wealth management segment
- Commodities in the field of Oil and gas trading segment
- Insurance brokerage segment

As set hereunder, these opportunities are supported and shall further planned to be executed and realized through our business development efforts which as set forth herein include the acquisition of potential targets entities, business and assets (such as applicable required licenses) in the relevant business space and segments in which we plan to operate, which allow the Company to enter the market quickly and leverage on such existing assets in order to promote its growth strategy.

Significant transactions during the period:

On January 1, 2021 we have entered via Tianjin Bokefa technology co., ltd., our fully owned subsidiary, into a transaction with the shareholders of Guang Xi Zhong Tong, a local Chinese entity with business and operations in the field of broker insurance. Pursuant to the transaction, we have granted to the Guang Xi Zhong Tong shareholders (the "Shareholders") with a frame work loan ("Frame Work Loan") in the total amount of up to RMB 40 million (approximately $6,125,000) ("Frame work Loan Amount") which is designated, if exercised, to be used as working capital for Guang Xi Zhong Tong. As of March 31, 2021, only a sum of RMB 1,800,000 (approximately $275,000) drawn down our of the Frame work Loan Amount. In consideration for the Frame Work Loan, the parties have entered into various additional agreements which include among other: (i) a pledge agreement pursuant to which the Shareholders have pledged their shares for the benefit of Tianjin Bokefa technology co., ltd. in order to secure the amount drown from the Frame work Loan Amount (ii) exclusive option agreement pursuant to which Tianjin Bokefa technology co., ltd has an exclusive option to purchase the entire shares of Guang Xi Zhong Tong from the Shareholders ("Option Agreement") under such terms set forth in the Option Agreement which include an exercise price not less than the maximum Frame work Loan Amount and the right to convert the Frame work Loan Amount into the purchased shares (iii) Entrustment Agreement and Power of Attorney Agreement pursuant to which the Shareholders irrevocably entrusted and appointed Tianjin Bokefa as its proxy and trustee to exercise on their behalf any and all rights under applicable law and the articles of association of Guangxi Zhongtong in the Shareholder's equity interest in Guangxi Zhongtong (iv) business cooperation agreement and a master exclusive service agreement which grants Tianjin Bokefa with rights related to the Guang Xi Zhong Tong business and operations designed to secure repayment of the Loan Amount. The transaction above was structured pursuant to a Variable Interest Entity (VIE) Structure (pursuant to which we do not technically hold the shares) and as a result in view of our direct ownership in Tianjin Bokefa technology co., ltd. and its contractual arrangements with Guang Xi Zhong Tong, we are regarded as Guang Xi Zhong Tong controlling entity and primary beneficiary of the Guang Xi Zhong Tong business . We have therefore, consolidated the financial results of Guang Xi Zhong Tong in our consolidated financial statements in accordance with U.S. GAAP.

Beijing Fucheng Lianbao Technology Co., Ltd transaction

On February 10, 2021, the Company closed a transaction pursuant to which it acquired (via Beijing Fucheng Lianbao Technology Co., Ltd. in which it holds 24% and engaged in a VIE structure) all of the shares of Beijing Yibao Technology Co., Ltd., and indirectly its fully owned subsidiary Beijing Fucheng Insurance Brokerage Co., Ltd. (the "Fucheng Insurance Transaction"). Beijing Fucheng Insurance Brokerage Co., Ltd. is a Chinese insurance brokerage agency and is a nationwide licensed entity allowing it to offer insurance brokerage services for a broad range of insurance products. The nationwide license will allow us, via the Fucheng Insurance Transaction with flexibility to offer and create tailor-made insurance products, to leverage directly to customers or through distribution partners and to procure better deals with both our existing and new insurance company partners. The consummation of the Fucheng Insurance Transaction will enable us to accelerate the onboarding of new agents throughout China onto our platforms. It also creates the opportunity to promote our business through some of China's biggest online portals, which will provide business-to-business-to-consumer (B2B2C) as well as business-to-consumer (B2C) channels. In addition, the Fucheng Insurance acquisition initiates the nationwide rollout of its mobile application, which will facilitate access to those portals' vast customer bases, offering MICT'S full complement of insurance products. The shares were acquired for approximately $5.7 million, and funded through MICT, out of which, $0.9 million were allocated as working capital and the remain $4.8 million were allocated to Goodwill.

Acquisition Agreement with Huapei Global Securities Limited

On October 2, 2020 our indirect wholly-owned subsidiary BI Intermediate (Hong Kong) Limited ("BI Intermediate") has entered a strategic agreement ("**Strategic Agreement**") to acquire, the entire share capital of Huapei Global Securities Limited ('**Huapei**"), Hong Kong based securities and investments firm for a total purchase price of Approximately $3.0 million ("**Purchase Price**"). Huapei is licensed to trade securities on leading exchanges in Hong Kong, the U.S. and China including the valuable China A-Shares, all of which are the primary target markets for Company's global fintech business. The Strategic Agreement provided that the acquisition shall be consummated in two phases, an initial purchase of 9% of the share capital of Huapei and thereafter, the remaining 91% of Huapei would be purchased by BI Intermediate upon and subject to the approval of the Hong Kong Securities and Futures Commission (SFC), the principal regulator of Hong Kong's securities and futures markets. On November 11, 2020, BI Intermediate closed on its acquisition of the first 9% of its acquisition and paid 9% of the Purchase Price. Additionally, pursuant to the Strategic Agreement upon the initial closing, BI Intermediate made a loan to Huapei in an amount equivalent to the remaining 91% of the purchase price. Upon the closing of the remaining 91%, which remains subject to SFC approval, the loan will be cancelled, and BI Intermediate will acquire the remaining 91% of Huapei. The loan was secured against the pledge of the 91% of the share capital of Huapei yet purchased at such time by BI Intermediate. The obligations of Huapei, the seller of the interests of Huapei, under the loan agreement have been guaranteed by the ultimate controller of Huapei. On February 26, 2021 we have completed the acquisition of Huapei upon the purchase of remaining outstanding share capital (91% of the share capital) of Huapei. The acquisition was consummated following the receipt of the approval of the SFC for the change in the substantial shareholder of Huapei. In consideration for the entire share capital of Huapei , we paid a total Purchase Price of $2.947 million (reflecting the net asset value of Huapei Global estimated at $2.034 million recorded as a working capital, and a premium $902 Thousands that were recorded as a license in the Intangible assets. The Company is in the process of integrating its mobile app supporting platform with Huapei's licensed trading assets.

As a result of our acquisition of Huapei we have now obtained the licenses and permits for operating the online platform and expect to launch the online stock trading platform initially in Hong Kong once we have completed rigorous testing to ensure scale and reliablility of the systems. Thereafter. we will be in a position to notify the Hong Kong regulator of our intended launch date of the new online trading APP.

Significant transactions in Micronet shares:

On June 10, 2020, MICT Telematics Ltd, our fully owned subsidiary, purchased 5,999,996 of Micronet's ordinary shares for aggregate proceeds of NIS 1.8 Million (or $515 thousand) through tender offer issued by MICT Telematics. As a result, we have increased the ownership interest in Micronet to 45.53% of Micronet's issued and outstanding ordinary shares.

Subsequently, on June 23, 2020 we have purchased through public offering consummated by Micronet on the Tel Aviv Stock Exchange (the "TASE"), 10,334,000 of Micronet's ordinary shares for total consideration of NIS 3,100,200 (or $887 Thousand), and as a result increased our ownership interest in Micronet to 53.39% of Micronet's outstanding ordinary shares. as a result, MICT applied purchase accounting and began to consolidate Micronet beginning on such date. MICT recognized a $665 Thousand gain on previously held equity in Micronet.

On October 11, 2020, Micronet has consummated a public equity offering on TASE , in which the Company purchased 520,600 of Micronet's ordinary shares and 416,480 of Micronet's stock options convertible into 416,480 Micronet ordinary shares (at a conversion price of NIS 3.5 per share), for total consideration of NIS 4,961,202 (or $1,417,486). Following the Micronet's offering and as a result thereof including the purchase of Micronet shares, the exercise of our stock options and additional purchase of 115,851 Micronet shares from an individual seller our ownership interest in Micronet was diluted from 53.39% to 50.31% of the Micronet outstanding share capital.

Convertible Notes

On April 21, 2020, MICT, Inc. entered into a series of note purchase agreements with certain investors identified therein pursuant to which, among other things, the Purchasers purchased on July 1, 2020 certain convertible notes with an aggregate principal amount of approximately $11.0 million. On July 8, 2020, the Company entered into an additional series of purchase agreements with certain other purchaser pursuant to which such purchasers purchased from the Company at such date convertible notes with an aggregate principal amount of approximately $4.0 million. Accordingly, at total, pursuant to the above, the Company has sold convertible notes with an aggregate principal amount of approximately $15.0 million.

The Convertible Notes included terms allowing for a conversion into shares of common stock of the Company at a conversion price of $1.10 per share. The Convertible Notes are generally due two years from the date of issuance, except that certain convertible notes will be due five years from the date of issuance. The Company is obligated to pay interest to the Purchasers on the outstanding principal amount at the rate of 1.0% per annum, payable on each conversion date, in cash or, at the Company's option, in shares of common stock. Subject to approval of the Company's stockholders, the Convertible Notes shall be convertible into shares of common stock. Upon the occurrence of certain events, the Purchasers are permitted to require the Company to redeem the Convertible Notes, including any interest that has accrued thereunder, for cash. As of the date hereof and based on the terms included in the convertible notes, following receipt of the Company's stockholders, the Convertible Notes were converted into shares of common stock of the Company at a conversion price of $1.10 per share as set above.

The convertible notes converted automatically to shares of the Company on July 01 ,2020 according to the restated merger agreement terms. because the effective conversion price was lower than the market price on the commitment date the company recorded finance expense sum up to 8.8$ Million , which related to beneficial conversion feature.

Offering of Series A Convertible Preferred Stock :

On June 4, 2019, we entered into a Securities Purchase Agreement (the "Preferred Securities Purchase Agreement") with the purchasers named therein (the "Preferred Purchasers") subject to approval by the Nasdaq Stock Market for as to the eligibility of the transaction, pursuant to which we agreed to sell 3,181,818 shares of newly designated Series A Convertible Preferred Stock with a stated value of $2.20 per share (the "Preferred Stock"). The Preferred Stock, which shall be convertible into up to 6,363,636 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), shall be sold together with certain Common Stock purchase warrants (the "Preferred Warrants") to purchase up to 4,772,727 shares of Common Stock (representing 75% of the aggregate number of shares of Common Stock into which the Preferred Stock shall be convertible), for aggregate gross proceeds of $7 million to us (the "Preferred Offering"). The terms of the Preferred Securities Purchase Agreement were approved by Nasdaq Stock Market on July 31, 2019 and as a result the Company issued the preferred stock along with the warrants.

The Preferred Stock shall be convertible into Common Stock at the option of each holder of Preferred Stock at any time and from time to time at a conversion price of $1.10 per share, and shall also convert automatically upon the occurrence of certain events, including the completion by us of a fundamental transaction. Commencing on March 31, 2020, cumulative cash dividends shall become payable on the Preferred Stock at the rate per share of 7% per annum, which rate shall increase to 14% per annum on June 30, 2020. We shall also have the option to redeem some or all of the Preferred Stock, at any time and from time to time, beginning on December 31, 2020. The holders of Preferred Stock shall vote together with the holders of Common Stock as a single class on as-converted basis, and the holders of Preferred Stock holding a majority-in-interest of the Preferred Stock shall be entitled to appoint an independent director to the Company's board of directors (the "Preferred Director"). The Preferred Securities Purchase Agreement provides for customary registration rights.

The Preferred Warrants shall have an exercise price of $1.01 (subject to customary adjustment in the event of future stock dividends, splits and the like), which is above the average price of the Common Stock during the preceding five trading days of entry into the Preferred Securities Purchase Agreement, and shall be exercisable immediately, until the earlier of (i) two years from the date of issuance or (ii) the later of (a) 180 days after the closing by the Company of a change of control transaction, or (b) the Company's next debt or equity financing of at least $20 million.

On September 8, 2020, the Company and all of the holders of the Company's Series A Convertible Preferred Stock, par value $0.001 per share, entered into a series A Convertible Preferred Stock Exchange Agreements (each an Exchange Agreement and together, the "Exchange Agreements"), pursuant to which the Holders exchanged an aggregate of 3,181,818 shares of the Series A Preferred, on a 1-for-2 basis, for an aggregate of 6,363,636 shares of the Company's common stock, par value $0.001 per share.

Offering of Convertible Note and Warrants

On June 4, 2019, we entered into a Securities Purchase Agreement (the “Note Purchase Agreement”) with BNN Technology Plc (“BNN”) subject to approval by the Nasdaq Stock Market for as to the eligibility of the transaction, pursuant to which BNN agreed to purchase from us $2 million of convertible notes, which subscription amount shall be subject to increase by up to an additional $1 million as determined by BNN and us (collectively, the “Convertible Notes”). The Convertible Notes, which shall be convertible into up to 2,727,272 shares of Common Stock (using the applicable conversion ratio of $1.10 per share), shall be sold together with certain Common Stock purchase warrants (the “Note Warrants”) to purchase up to 2,727,272 shares of Common Stock (representing 100% of the aggregate number of shares of Common Stock into which the Convertible Notes are convertible) (the “Convertible Note Offering”). The Convertible Notes shall have a duration of two (2) years.

The Convertible Notes shall be convertible into Common Stock at the option of the Note Purchaser at any time and from time to time, and upon the issuance of one or more Convertible Notes. Darren Mercer, the Chief Executive Officer of BNN, was appointed to the Company’s board of directors (the “Note Director”). The Note Purchase Agreement provides for customary registration rights. The terms of the note purchase agreement were approved by Nasdaq Stock Market on July 31, 2019 and as a result the Company issued the convertible notes along with the warrants.

The Note Warrants shall have an exercise price of $1.01 (subject to customary adjustment in the event of future stock dividends, splits and the like), and shall be exercisable immediately upon receipt of stockholder approval of the Convertible Note Offering, until the earlier of (i) two years from the date of issuance or (ii) the later of (a) 180 days after the closing by the Company of a change of control transaction, or (b) the Company’s next debt or equity financing of at least $20 million.

In accordance with ASC 470 “Debt”, the Company analyzed the Note Purchase Agreement and the Preferred Securities Purchase Agreement (as described above) as combined transaction, as both agreements were signed simultaneously with an overall objective and as a result allocated the total proceeds between convertible notes, the warrants and Series A Convertible Preferred Stock based on their relative fair value at the closing date. The Company analyzed the warrants issued, the convertible conversation feature and Series A Convertible Preferred Stock and concluded that they meet the definition of an equity instrument.

On January 21, 2020, we entered into a Conversion Agreement with BNN, pursuant to which BNN agreed to convert the outstanding convertible note, issued on July 31, 2019, into 1,818,181 shares of the Company’s newly-designated Series B Preferred Stock, par value $0.001 per share, with a stated value of $1.10 per share (the “Series B Preferred”) (collectively, the “Conversion”). In accordance with the Conversion, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred with the Secretary of State of the State of Delaware on January 21, 2020 to designate the rights and preferences of up to 1,818,181 shares of Series B Preferred.

On September 10, 2020, the Company and the holder of the Company’s Series B Convertible Preferred Stock, with a par value of $0.001 per share , entered into that certain Series B Convertible Preferred Stock Exchange Agreement, pursuant to which the Holder exchanged an aggregate of 1,818,181 shares of the Series B Preferred, on a 1-for-1 basis, for an aggregate of 1,818,181 shares of the Company’s common stock, par value $0.001 per share.

Offering of Secured Convertible Debentures

On November 2, 2020, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain investors (the “Investors”) for the purpose of raising $25.0 million in gross proceeds for the Company (the “Offering”). Pursuant to the terms of the Purchase Agreement, the Company sold in a registered direct offering, an aggregate of 10,000,000 units (each, a “Unit”), with each Unit consisting of one share of the Company’s common stock, par value $0.001 per share (the “Common Stock”), and one warrant to purchase 0.8 of one share of Common Stock (each, a “Warrant”). at a purchase price of $2.50 per Unit. The Warrants are exercisable six months after the date of issuance at an exercise price of $3.12 per share and will expire five years following the date the Warrants become exercisable. The closing of the sale of Units pursuant to the Securities Purchase Agreement occurred on November 4, 2020. By December 31, 2020, the Company had received a total of $22.325 million in gross proceeds pursuant to Offering and issued in the aggregate, 7,600,000 Units. The remaining gross proceeds, in the additional aggregate amount of $2.675 million, were received by the Company on March 1, 2021 and in consideration for such proceeds, the Company issued the remaining 2,400,000 units.

On February 11, 2021, the Company announced that it has entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain institution investors for the sale of (i) 22,471,904 shares of common stock, (ii) 22,471,904 Series A Warrants to purchase 22,471,904 shares of common stock and (iii) 11,235,952 Series B Warrants to purchase 11,235,952 shares of common stock at a combined purchase price of $2.67 (the “Offering”). The gross proceeds to the Company from the Offering are expected to be approximately $60.0 million . The Series A Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire five and one-half years from the date of issuance. The Series B Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire three and one-half years from the date of issuance. The Company received net proceeds of $54.0 million on February 16, 2021, after deducting the Placement Agent’s fees and other expenses

On March 2, 2021, the Company entered into a Securities Purchase Agreement with certain investors for the purpose of raising approximately $54.0 million in gross proceeds for the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell, in a registered direct offering, an aggregate of 19,285,715 shares of the Company’s common stock, par value $0.001 per share (the “Common Stock”), at a purchase price of $2.675 per Share and in a concurrent private placement, warrants to purchase an aggregate of 19,285,715 shares of Common Stock, at a purchase price of $0.125 per Warrant, for a combined purchase price per Share and Warrant of $2.80 (the “Purchase Price”) which was priced at the market under Nasdaq rules. The Warrants are immediately exercisable at an exercise price of $2.80 per share, subject to adjustment, and expire five years after the issuance date. The closing date was on March 4, 2021. The Company received net proceeds of $48.69 million on March 4, 2021, after deducting the Placement Agent’s fees and other expenses.

Beijing Fucheng Lianbao Technology Co., Ltd transaction

On February 10, 2021, the Company closed a transaction pursuant to which it acquired (via Beijing Fucheng Lianbao Technology Co., Ltd. in which it holds 24% and engaged in a VIE structure) all of the shares of Beijing Yibao Technology Co., Ltd., and indirectly its fully owned subsidiary Beijing Fucheng Insurance Brokerage Co., Ltd. (the “Fucheng Insurance Transaction”).

The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting gain on bargain purchase. In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

Beijing Fucheng Lianbao Technology Co., Ltd transaction, Purchase Price Allocation

(USD In Thousands)

Total cash consideration (1)	5,711

Total Purchase Consideration	$	5,711
Less:		
Debt-free net working capital, (2)	$	926
Property and equipment (2)		26
Current liabilities (2)		(55)
Fair value of net assets acquired	$	897
Goodwill value	$	4,814

(1) Cash paid at the closing of the transaction.

(2) Book value used as a proxy for fair value.

Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the U.S., or GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP, or non-GAAP financial measures. Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance.

Management believes that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in our business, as they exclude expenses and gains that are not reflective of our ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating our operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-GAAP financial measures do not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP.

The non-GAAP adjustments, and the basis for excluding them from non-GAAP financial measures, are outlined below:

- **Amortization of acquired intangible assets** - We are required to amortize the intangible assets, included in our GAAP financial statements, related to the Transaction and the Acquisition. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization are unique to these transactions. The amortization of acquired intangible assets are non-cash charges. We believe that such charges do not reflect our operational performance. Therefore, we exclude amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre- and post-transaction operating results.

- **Expenses related to the settlement agreements** - These expenses relate to a settlement agreement as described in part III -Item 1. Legal Proceedings of this reports. We believe that these expenses do not reflect our operational performance. Therefore, we exclude them to provide the investors with a consistent basis for comparing pre- and post-transaction operating results.

The following table reconciles, for the periods presented, GAAP net loss attributable to MICT to non-GAAP net income attributable to MICT. and GAAP loss per diluted share attributable to MICT to non-GAAP net loss per diluted share attributable to MICT.:

	Three months ended March 31, (Dollars in Thousands, other than share and per share amounts)	
	2021	2020
GAAP net loss attributable to Mict, Inc.	$ (4,461)	$ (1,635)
Amortization of acquired intangible assets	786	-
Expenses related to settlement agreements	465	-
Income tax-effect of above non-GAAP adjustments	(199)	-
Total Non-GAAP net loss attributable to Mict, Inc.	$ (3,409)	$ (1,635)
Non-GAAP net loss per diluted share attributable to Mict, Inc.	$ (0.04)	$ (0.15)
Weighted average common shares outstanding used in per share calculations	85,554,624	11,089,532
GAAP net loss per diluted share attributable to Mict, Inc.	$ (0.05)	$ (0.15)
Weighted average common shares outstanding used in per share calculations	85,554,624	11,089,532

Results of Operations

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

As of March 31, 2021, we have maintained control in Micronet and we are therefore consolidating Micronet's operations in our financial statements. In addition, on July 1, 2020, we have completed and consummated a merger transaction for the acquisition of GFH Intermediate Holdings Ltd. ("GFHI") As a result of such acquisition, we are consolidating the results of GFHI as of such closing date and for the period thereafter. Relating to our operations, beginning on the second half of December 2020, we have launched our insurance platform operated by GFHI for the Chinese market and from that day onward, we have been generating certain revenues in GFHI in this segment of operations. Also, as described above, during the first quarter of 2021, we have entered into certain transaction with Guang Xi Zhong Tong, Beijing Fucheng Lianbao

Technology Co., Ltd. and completed the acquisition of Huapei Global Securities Ltd. which operates in the field of securities trading platform. As a result of such transactions we have started to consolidate these financial results of these companies and business in the first quarter.

These business activities conducted by MICT in combination with the completion of the above acquisitions, contributed to the following P&L items:

Revenues

Revenues for the three-month ended March 31, 2021 were $8,935,000, compared to $0 revenues for the three-month ended March 31, 2020 and reflects an increase of $8,935,000, for the three-month ended March 31, 2021 as compared to the same period last year.

Total revenues related to the MRM segment for the three months ended March 31, 2021 were $726,000, as compared to no revenues for the three months ended March 31, 2020 and reflects an increase of $726,000 for the three months ended March 31, 2021. The increase is attributed to the consolidation of the MRM Segment (Micronet) results as of the second quarter of 2020.

Total revenues related to the Verticals and technology segment for the three months ended March 31, 2021 were $8,209,000, as compared to no revenues for the three months ended March 31, 2020 and reflects an increase of $8,209,000, for the three months ended March 31, 2021. The increase is attributed to the consolidation of the GFH results as of July 1, 2020 and revenues generated as a result of certain commercial and business combination transaction entered by the Company during the first quarter of 2021 (as further detailed above).

Cost of revenues

Cost of revenues for the three-month ended March 31, 2021 were $6,992,000, compared to $0 for the three-month ended March 31, 2020. This represents an increase of $6,992,000, for the three-month ended March 31, 2021 as compared to the same period last year.

Total Cost of revenues related to the MRM segment for the three months ended March 31, 2021 were $716,000, as compared to $0 for the three months ended March 31, 2020. This represents an increase of $716,000 for the three months ended March 31, 2021. The increase is attributed to the consolidation of the MRM Segment (Micronet) results as of the second quarter of 2020.

Total Cost of revenues related to the Verticals and technology segment for the three months ended March 31, 2021 were $6,276,000, as compared to $0 for the three months ended March 31, 2020 and reflects an increase of $6,276,000, for the three months ended March 31, 2021. The is attributed to the consolidation of the GFH results as of July 1, 2020 and revenues generated as a result of certain commercial and business combination transaction entered by the Company during the first quarter of 2021 (as further detailed above).

Gross profit

Gross profit for the three-month ended March 31, 2021 decreased by $1,943,000 to $1,943,000 and represents 22% of the revenues. This is in comparison to gross profit of 0 of the revenues for the three-month ended March 31, 2020.

Selling and Marketing

Selling and Marketing costs are part of operating expenses. Selling and marketing cost for the three-month ended March 31, 2021 were $1,001,000, as compared to cost of $0 for three-month ended March 31, 2020. This represents an increase of $1,001,000, for the three-month ended March 31, 2021 as compared to the same period last year.

General and Administrative

General and administrative costs are part of operating expenses. General and administrative costs for the three-month ended March 31, 2021 were $4,568,000, compared to $770,000 for the three-month ended March 31, 2020. This represents an increase of $3,798,000, or 493%, for the three month ended March 31, 2021 as compared to the same period last year. The increase is mainly a result of (i) the acquisitions as noted above, and (ii) an increase in retaining professional advice from various service providers, advisors and professionals in connection with the consummation of the public offering closed on February 2021 and March 2021; and (iii) an increase associated with the D&O insurance

Research and Development Costs

Research and development costs are part of operating expenses. Research and development costs, which mainly include wages, materials and sub-contractors, for the three-month ended March 31, 2021, were $231,000, compared to $0 for the three-month ended March 31, 2020. This represents an increase of $231,000, for the three month ended March 31, 2021 as compared to the same period last year.

Loss from Operations

Our loss from operations for the three-month ended March 31, 2021 was $4,783,000, compared to loss from operations of $770,000, for the three-month ended March 31, 2020. The increase in loss from operations is mainly a result of the acquisitions as mention above, as well as the increase in general and administrative costs as explained in the General and Administrative section above.

Financial Expenses, net

Financial expenses, net for the three-month ended March 31, 2021 were $566,000, compared to expenses of $224,000 for the three-month ended March 31, 2020. This represents an increase of $342,000, for the three-month ended March 31, 2021. The increase in financial expenses for the three month ended March 31, 2021 is primarily due to exchange rate differentials.

Net Profit/Loss Attributed to MICT, Inc.

Our net loss attributed to MICT, Inc. for the three-month ended March 31, 2021 was $4,461,000, compared to a net loss of $1,635,000 for the three-month ended March 31, 2020. This represents an increase in net loss of $2,826,000 for the three-month ended March 31, 2021 as compared to the same period last year. The increase is mainly a result of the acquisitions as noted above, as well as the increase in general and administrative costs and increase in Financial costs as explained above.

Liquidity and Capital Resources

As of March 31, 2021, our total cash and cash equivalents balance was $123,403,000, as compared to $29,049,000 as of December 31, 2020. This reflects an increase of $94,354,000 in cash and cash equivalents for the reasons described below.

Sales of our Securities

On November 2, 2020, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain investors (the “Investors”) for the purpose of raising $25.0 million in gross proceeds for the Company (the “Offering”). Pursuant to the terms of the Purchase Agreement, the Company sold in a registered direct offering, an aggregate of 10,000,000 units (each, a “Unit”), with each Unit consisting of one share of the Company’s common stock, par value $0.001 per share (the “Common Stock”), and one warrant to purchase 0.8 of one share of Common Stock (each, a “Warrant”). at a purchase price of $2.50 per Unit. The Warrants are exercisable six months after the date of issuance at an exercise price of $3.12 per share and will expire five years following the date the Warrants become exercisable. The closing of the sale of Units pursuant to the Securities Purchase Agreement occurred on November 4, 2020. By December 31, 2020, the Company had received a total of $22.325 million in gross proceeds pursuant to Offering and issued in the aggregate, 7,600,000 Units. The remaining gross proceeds, in the additional aggregate amount of $2.675 million, were received by the Company on March 1, 2021 and in consideration for such proceeds, the Company issued the remaining 2,400,000 units.

On February 11, 2021, the Company announced that it has entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain institution investors for the sale of (i) 22,471,904 shares of common stock, (ii) 22,471,904 Series A Warrants to purchase 22,471,904 shares of common stock and (iii) 11,235,952 Series B Warrants to purchase 11,235,952 shares of common stock at a combined purchase price of $2.67 (the “Offering”). The gross proceeds to the Company from the Offering are expected to be approximately $60.0 million . The Series A Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire five and one-half years from the date of issuance. The Series B Warrants will be exercisable six months after the date of issuance, have an exercise price of $2.80 per share and will expire three and one-half years from the date of issuance. The Company received net proceeds of $54.0 million on February 16, 2021 after deducting the Placement Agent’s fees and other expenses.

On March 2, 2021, the Company entered into a Securities Purchase Agreement with certain investors for the purpose of raising approximately $54.0 million in gross proceeds for the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell, in a registered direct offering, an aggregate of 19,285,715 shares of the Company’s common stock, par value $0.001 per share (the “Common Stock”), at a purchase price of $2.675 per Share and in a concurrent private placement, warrants to purchase an aggregate of 19,285,715 shares of Common Stock, at a purchase price of $0.125 per Warrant, for a combined purchase price per Share and Warrant of $2.80 (the “Purchase Price”) which was priced at the market under Nasdaq rules. The Warrants are immediately exercisable at an exercise price of $2.80 per share, subject to adjustment, and expire five years after the issuance date. The closing date was on March 4, 2021. The Company received net proceeds of $48.69 million on March 4, 2021, after deducting the Placement Agent’s fees and other expenses.

Loans Provided by MICT

On November 13, 2019, the Company and Micronet executed a convertible loan agreement pursuant to which the Company agreed to loan to Micronet $500,000 in the aggregate (the “Convertible Loan”). The Convertible Loan bears interest at a rate of 3.95% calculated and is paid on a quarterly basis. In addition, the Convertible Loan, if not converted, shall be repaid in four equal installments, the first of such installment payable following the fifth quarter after the issuance of the Convertible Loan, with the remaining three installments due on each subsequent quarter thereafter, such that the Convertible Loan shall be repaid in full upon the lapse of 24 months from its grant. In addition, the outstanding principal balance of the Convertible Loan, and all accrued and unpaid interest, is convertible at the Company’s option, at a conversion price equal to 0.38 NIS per Micronet share. Pursuant to the Convertible Loan agreement, Micronet also agreed to issue the Company an option to purchase up to one of Micronet’s ordinary shares for each ordinary share that it issued as a result of a conversion of the Convertible Loan (“Convertible Loan Warrant”), at an exercise price of 0.60 NIS per share, exercisable for a period of 15 months. On July 5, 2020, Micronet had a reverse split where the price of the Convertible Loan changed from 0.08 NIS per Micronet share into 5.7 NIS per Micronet share. The option’s exercised price was changed from 0.6 NIS per share to 9 NIS per Micronet share.

On January 1, 2020, the Convertible Loan transaction was approved at a general meeting of the Micronet shareholders and as a result, the Convertible Loan and the transactions contemplated thereby entered into effect.

On August 13, 2020, MICT Telematics extended to Micronet an additional loan in the aggregate amount of $175,000 (the ‘Third Loan” and the “Loan Sum”, respectively) which governing the existing outstanding intercompany debt. The Third Loan does not bear any interest and is provided for a period of twelve (12) months. The Loan Sum was granted for the purpose of supporting Micronet’s working capital and general corporate needs.

Debt Repayment

As of March 31, 2021, our total debt, was $660,000 as compared to $884,000 on December 31, 2020. The change in total debt is primarily due to Micronet’s repayment of a loan to the bank.

Total Current Assets, Trade Accounts Receivable and Working Capital

As of March 31, 2020, our total current assets were $138,161,000, as compared to $33,680,000 on December 31, 2020. The increase is mainly due to the increase in our cash and cash equivalents as described above.

Our trade accounts receivable at March 31, 2021, were $9,282,000 as compared to $523,000 at December 31, 2020. The increase is due to consolidation of GFH and Micronet financial reports.

As of March 31, 2021, our working capital was $126,343,000, as compared to $26,693,000 at December 31, 2020. The increase is mainly due to the increase in our cash and cash equivalents as described above.

Financing Needs

The Company will be required to support its own operational financial needs, which include, among others, our general and administrative costs (such as for our various consultants in regulatory, tax, legal, accounting and other areas of business) and our financing costs related to the loans and funding instruments assumed by us.

We expect the net proceeds from the sale of the securities will be used to fund the growth and development of our business, as well as for working capital and for other general corporate purposes. We may also use a portion of the net proceeds to acquire or invest in businesses, products and technologies that are complementary to our business, but we currently have no commitments or agreements relating to any of these types of transactions.

Based on our current business plan, and in view of our cash balance following the transactions described in this Item 2, we anticipate that our cash balances will be sufficient to permit us to conduct our operations and carry out our contemplated business plans for at least the next 12 months from the date of this Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risks.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Company carried out an evaluation with the participation of the Company's management, including Mr. Darren Mercer, the Company's Interim Chief Executive Officer, and Mrs. Moran Amran, the Company's Controller (our principal executive officer and principal financial officer, respectively), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) as of March 31, 2021. Based upon that evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

No change occurred in the Company's internal control over financial reporting during the quarterly period ended March 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, MICT, Intermediate and/or Micronet may become subject to litigation incidental to its business.

In March 2017, MICT entered into the Sunrise Agreement with Sunrise through Sunrise's principal, Amnon Mandelbaum, pursuant to which Sunrise agreed to assist MICT in identifying, analyzing, structuring, and negotiating suitable business opportunities, such as a sale of stock or assets, merger, tender offer, joint venture, financing arrangement, private placement, or any similar transaction or combination thereof. The parties initially disagreed as to the amount of the fee that would be payable upon the closing of the transactions contemplated by the Merger Agreement. There are also questions about the applicability of the Sunrise Agreement to the Merger, and whether or not Sunrise is properly owed any transaction fee upon the closing of the Merger. In any event, in order to resolve this matter, as of the date hereof, the parties have executed a settlement and release agreement for the release and waiver of the above claims in consideration for the issuance of freely tradable shares of common stock of MICT worth no less than $1,500,000 (the "Shares"), which Shares shall be delivered as follows: (i) 67.5% of the Shares to Amnon Mandelbaum; (ii) 7.5% of the Shares to INTE Securities LLC; and (iii) 25% of the Shares to Amini LLC). In addition, by no later than February 16, 2021, MICT shall issue 200,000 warrants to purchase 200,000 freely tradable registered shares of Common Stock of MICT and deliver original copies of such warrants within five business days of the date of issuance of the warrants. The shares issuable upon exercise of the warrants shall be registered on a registration statement. 150,000 of these warrants shall be issued to Amnon Mandelbaum; 50,000 of these warrants shall be issued to Amini LLC, or its designee as named in writing. Each warrant shall be exercisable into one share of registered common stock of MICT until one year after the date of issuance the warrants at an exercise price of $1.01 per share, and in any other respects on the same material terms and conditions as are applicable to MICT's current outstanding warrants including, but not limited to, cashless exercise at all times from the date of issuance of the warrants until to the expiration dates of the warrants, certain exercise price adjustments, and other terms as are no less favorable to MICT's recently issued common stock purchase warrant agreements. MICT was not able to timely file a registration statement to register the shares, and shares underlying the warrants per the settlement agreement. The Sunrise parties notified MICT that it has breached the settlement agreement. Subsequently, on March 30, 2021, MICT and the Sunrise parties signed an amended settlement agreement whereby MICT has obligated to to make a $1,000,000 payment by March 31, 2021 and the share dollar amount set forth above was reduced from $1,500,000 to $500,000. Furthermore, if MICT is not able to file a registration statement with the SEC for the Shares by June 4, 2021, it will be required to make a $600,000 payment to settle the matter in full and Sunrise will not receive any MICT shares. As of the date hereof, we have timely made the $1,000,000 payment above.

On September 22, 2020, the Company entered into a settlement and release agreement with Craig Marshak, or Marshak, in connection with a claim filed by Marshak against the Company and additional defendants. Pursuant to settlement and in consideration for a customary release and waiver for the benefit of MICT, MICT agreed to pay Marshak a sum of $125,000 in cash. Mr. Marshak then dismissed such claim. On January 15, 2021 the parties have executed an amendment to the settlement and release agreement for the payment to Marshak of $315,000 in exchange for the tender back of 60,000 of the Company's share promised to Mr. Marshak as part of the settlement and release agreement.

On November 2, 2020, the Company entered into a settlement and release agreement with Maxim Group LLC, or Maxim, pursuant to which the Company and Maxim agreed to release one another from any and all claims arising out of that certain advisory agreement entered into by and between Maxim and BNN Technology PLC on February 22, 2018. In consideration therefor, the Company issued Maxim 269,107 shares of MICT common stock and agreed to file a resale registration statement with respect to such shares. The Company failed to timely file the resale registration statement and entered into an amendment to the settlement agreement on March 1, 2021 which required a payment of $300,000 in exchange for the return of 134,554 shares of MICT common stock. The $300,000 payment was made on March 3, 2021. In addition, pursuant to the amendment, the Company was required to take all steps necessary to ensure that the resale registration with respect to such shares was declared effective within two business days of the filing of its Annual Report on Form 10-K for the year ended December 31, 2020. The Form 10-K was filed on March 31, 2021 and the registration statement was not declared effective within two business days thereafter. Since the registration statement was not declared effective within two business days of the filing of the Company's annual report, the Company paid Maxim $335,000 in full settlement of this matter and the remaining 134,553 shares were returned to MICT.

In March 2017, Micronet received notice from a client, relating to tests performed by the client which, as alleged by client, revealed a defect in the materials included in the battery integrated into a certain product of Micronet, and that client further reported the issue to the United States National Highway Traffic Safety Administration (the "Regulator") in the form of a complaint. The complaint refers to an old product of Micronet that was sold during the years prior to the claim above. Similar problems in the specific product were previously handled under the warranty provided to the same client and included problem fixing, battery changing and software updates. Independent tests to examine the client's complaint (including addressing the issue with the battery manufacturer) did not demonstrate any significant evidence supporting the claim made by such client. Micronet has engaged with the Regulator in discussions and to the date hereof Micronet has not receive any demand, or other formal response from the Regulator. As between the client and Micronet, the parties in commercial dispute in connection with the products supplied by Micronet to customer (while customer refused payment claiming damages and Micronet reserving its rights to be fully paid for ordered cancelled or not paid in full) and each party reserved its claims in this matter.

In February 2020, a former employee of Micronet filed a claim against Micronet in the Israeli labor court for a total amount of approximately USD $150,000 alleging that he is entitled to receive various salary payments and social benefits which were not previously paid to him. In response to the claim, Micronet has filed its defense. The claim is currently being litigated, and the parties are currently submitting their affidavits in connection with the claim.

In June 2020, the CEO of Micronet's subsidiary in the U.S. sent a demand letter addressed to Micronet pursuant to which the employee claimed compensation and severance for a breach of his employment agreement and demanded a sum of USD $230,000 as a severance payment. On February 17, 2021, the parties executed a settlement and release agreement in consideration for the payment of USD $90,000 and a mutual waiver and release of claims.

Sale of Enertec Systems 2001 Ltd.

On December 31, 2017, MICT, Enertec Systems 2001 Ltd., or Enertec, previously our wholly-owned subsidiary, and Enertec Management Ltd., entered into a Share Purchase Agreement, or the Share Purchase Agreement, with Coolisys Technologies Inc., or Coolisys, a subsidiary of DPW Holdings, Inc., or DPW, pursuant to which we agreed to sell the entire share capital of Enertec to Coolisys. As consideration for the sale of Enertec's entire share capital, Coolisys agreed to pay, at the closing of the transaction, a purchase price of $5,250,000 as well as assume up to $4,000,000 of Enertec debt. On May 22, 2018, MICT closed on the sale of all of the outstanding equity of Enertec pursuant to the Share Purchase Agreement.

At the closing, MICT received aggregate gross proceeds of approximately $4,700,000 of which 10% was to be held in escrow ("Escrow Amount') for up to 14 months after the closing to satisfy certain potential indemnification claims. The final consideration amount was adjusted, pursuant to the terms of the Share Purchase Agreement, as a result of adjustments relating to certain Enertec debts at the closing. In addition, Coolisys also assumed approximately $4,000,000 of Enertec's debt.

In conjunction with, and as a condition to, the closing, the Company, Enertec, Coolisys, DPW and Mr. David Lucatz, our former Chief Executive Officer and director, executed a consulting agreement, or the Consulting Agreement, whereby we, via Mr. Lucatz, will provide Enertec with certain consulting and transitional services over a 3 year period as necessary and requested by the Coolisys (but in no event to exceed 20% of Mr. Lucatz's time). Coolisys (via Enertec) will pay us an annual consulting fee of $150,000 as well as issue us 150,000 restricted shares of DPW Class A Common Stock, or the DPW Equity, for such services, to be vested and released from restriction in three equal installments, with the initial installment vesting the day after the closing and the remaining installments vesting on each of the first 2 anniversaries of the closing. The rights and obligations under the Consulting Agreement were assigned back to Mr. Lucatz along with the DPW Equity.

In connection with the Share Purchase Agreement, based on an indemnification claim issued by Coolisys to the escrow agent alleging for breach of the Share Purchase Agreement, the Escrow Amount remained in escrow. On July 21, 2020, MICT management and MICT (the "Seller Parties") received a statement of claim filed in the District Court of Tel Aviv by Coolisys against the Seller Parties and its Board members at the time of closing of the transaction, in the amount of approximately $2,500,000, (the "Claim"). Pursuant to the Claim, Coolisys is alleging that certain misrepresentations in the Share Purchase Agreement resulted in losses to Coolisys and requesting, among other things, that the Court instruct the release of the Escrow Amount held by the escrow agent to Coolisys.

The Company filed to the District court its defense to the Claim on December 15, 2020 which included a defense against the Claim as filed against Company and the defendant directors. In parallel, Coolisys has asked for an extension to file its answer to the defense and the parties are also negotiating a mediation process prior to litigating the Claim in court, which is planned to take place in the next few month. MICT and defendant directors have issued a notice of the Claim to its director and office insurance carrier seeking coverage. The insurance policies have been triggered, and the insurance companies are involved in the process. As of the date of hereof, the Escrow Amount remains in escrow, the annual consulting fee which the Company believes is due and payable by Coolisys (via Enertec) under the consulting agreement executed as schedule to the Share Purchase Agreement has not been paid and certain shares of DPW due pursuant to the consulting agreement were never issued to MICT.

Item 1A. Risk Factors.

Please refer to our note on forward-looking statements on page 16 of this Quarterly Report on Form 10-Q, which is incorporated into this item by reference.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in our 2020 Annual Report. The risks described in such 2020 Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition, operating results and stock price.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of Principal Financial Officer.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101*	The following materials from MICT, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.

* Filed herewith

** Furnished herewith

SIGNATURES

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

MICT, INC.

Date: May 24, 2021	By:	/s/ Darren Mercer
		Name: Darren Mercer
		Title: Interim Chief Executive Officer
Date: May 24, 2021	By:	/s/ Moran Amran
		Name: Moran Amran
		Title: Controller (Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE
ACT OF 1934, AS AMENDED

I, Darren Mercer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MICT, Inc. for the quarter ended March 31, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

May 24, 2021

/s/ Darren Mercer

Darren Mercer
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Moran Amran, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MICT, Inc. for the quarter ended March 31, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

May 24, 2021

/s/ Moran Amran
Moran Amran
Controller
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of MICT, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Darren Mercer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 24, 2021

/s/ Darren Mercer

Darren Mercer
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of MICT, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Moran Amran, Principal Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 24, 2021

/s/ Moran Amran
Moran Amran
Controller
(Principal Financial Officer)