

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 31, 2021**

MICT, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-35850

(Commission File Number)

27-0016420

(IRS Employer Identification No.)

**28 West Grand Avenue, Suite 3
Montvale, New Jersey 07645**

(Address of principal executive offices) (Zip Code)

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

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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

Title of each class	Trading symbol	Name of exchange on which registered
Common Stock, par value \$0.001 per share	MICT	The NASDAQ Capital Market

Item 2.02 Results of Operations and Financial Condition.

On March 31, 2021, MICT, Inc. (the "Company") issued a press release announcing the financial results and operational highlights for the fourth quarter and full year ended December 31, 2020. Copies of the press release and, the presentation and the transcript of the investor conference call are furnished with this report as Exhibits 99.1, 99.2 and 99.3, respectively.

The information in this Current Report on Form 8-K (including Exhibits 99.1, 99.2 and 99.3) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release, dated March 31, 2021
99.2	Presentation dated March 31, 2021
99.3	Transcript of investor call held on March 31, 2021

SIGNATURE

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

MICT, Inc.

Date: March 31, 2021

By: /s/ Darren Mercer

Name: Darren Mercer

Title: Chief Executive Officer

MICT, Inc. Reports Fourth Quarter 2020 and Full Year Results

MONTVALE, N.J., March 31, 2021 -- MICT, Inc. (Nasdaq: MICT), (the “Company”), today announced its financial results for the fourth quarter and full year ended December 31, 2020.

2020 Highlights and Recent Developments

- Generated revenues of \$1.2 million in 2020, an increase of 146% over 2019, of which \$824,000 was generated in the fourth quarter
- During July 2020 completed the acquisition of GFH Intermediate Holdings Ltd. (“GFHI”).
- In October 2020, entered an agreement to acquire Huapei, a Hong Kong Securities and investment firm. The Company recently completed the 100% acquisition, which facilitated the development of the company’s proprietary stock trading platform by providing the license to trade securities across a number of international stock exchanges, including Hong Kong and the U.S.
- During December 2020, launched insurance platform ahead of schedule, providing revenue late into the fourth quarter and strong momentum into 2021
- In February 2021, acquired a nationwide license to distribute insurance products throughout China, significantly expanding capabilities to develop and sell insurance products b2b, b2b2c and b2c
- During February 2021 entered into a strategic partnership with Shanghai Petroleum and Natural Gas Trading Center, under which MICT will act as a third-party partner to the exchange’s clients to provide trade execution, margin financing and trade clearing capabilities for clients trading futures and commodities contracts.
- Cash balance as of December 31, 2020 of \$29 million
- Two fundraises totaling \$114 million thus far during 2021

“The year 2020 was pivotal for MICT as we made the transition from telematics to fintech in the China and Southeast Asia market, and established a significant cash balance to execute and support that strategy. Whilst the year presented an overall loss, this can be balanced by the very significant one-off costs necessary to achieve the acquisitions that formed the basis of our go-forward strategy, and we began to reap the benefit of those investments at the end of the year,” commented Darren Mercer, MICT’s CEO.

“Our insurance business started strongly following an encouraging launch in the fourth quarter of 2020, and we continue to see those revenues grow. Additionally, we are excited about the impending launch of both our proprietary stock trading platform, driven by an innovative and targeted marketing strategy and our commodities and futures trading platform, which is supported through our unique relationship with a major force in the Chinese oil and gas industry.

“Whilst the investment in Micronet has begun to show promise, we are especially excited about the potential of our three fintech verticals. The importance of our strong cash balance cannot be understated, given the support it offers to fuel the company’s growth. Both the insurance division and stock trading division have significant resources to support their current respective growth plans, and we are excited to share our upcoming successes with our shareholders as we execute on these carefully crafted plans,” concluded Mr. Mercer.

Q4 2020 Review

Three Months Ended December 31, 2020 Review

- Total revenue in the fourth quarter of 2020 was \$824,000 versus \$0 in the fourth quarter of 2019. The increase was due in large part to MICT’s insurance business, which was launched in China in December 2020, as well as the gaining controlling interest over Micronet
- Gross profit was (\$60,000) in the fourth quarter of 2020 versus \$0 in the fourth quarter of 2019.
- Research and development expenses were \$254,000 in the fourth quarter of 2020 versus (\$6,000) in the fourth quarter of 2019. The increase over the 2019 period was due to our gain of a controlling interest over Micronet on June 23, 2020 and the acquisition of GFHI on July 1, 2020.
- General and administrative expenses were \$7.9 million in the fourth quarter of 2020, up from \$866,000 in the year-ago period. The increase over the prior year period was due to (i) the acquisitions as noted above, and (ii) an increase in professional and advisory fees in connection with the consummation of the public offering closed on November 2020 and GFHI merger; and (iii) an increase associated with the issuance of options and shares to directors, employees and consultants
- Operating income in the fourth quarter of 2020 was a loss of \$9.1 million, up from a loss of \$866,000 in the prior-year period. The increase in the operating loss was due primarily to the increase in general and administrative expenses as noted above and an increase in amortization expenses.
- Total net loss in the fourth quarter of 2020 was \$7.6 million versus a loss of \$9.9 million in the prior-year period.
- As of December 31, 2020, MICT had total cash of \$29 million.

Twelve Months Ended December 31, 2020 Review

- Total revenue for the full year 2020 was \$1.2 million versus \$477,000 in the year-ago period. The increase was primarily due to MICT’s insurance business, which was launched in China in December 2020
- Gross profit was (\$58,000) in 2020 versus negative (\$369,000) during the same period of 2019

- Research and development expenses were \$484,000 in 2020 versus \$255,000 in 2019. The increase over the 2019 period was due to our gain of a controlling interest over Micronet on June 23, 2020 and the acquisition of GFHI on July 1, 2020.
- General and administrative expenses were \$14.2 million in 2020, up from \$3.0 in the year-ago period. The increase over the prior year period was due to i) the acquisitions as noted above, and (ii) an increase in professional and advisory fees in connection with the consummation of the public offering closed on November 2020 and GFH merger; and (iii) an increase associated with the issuance of options and shares to directors, employees and consultants.
- Operating income in 2020 was a loss of \$16.6 million versus a loss of \$3.9 in the prior-year period. The increase in the operating loss was due primarily to the higher general and administrative expenses noted above and the increase in amortization expenses in 2020.
- Total net loss in 2020 was negative \$23.6 million versus a loss of \$4.8 million in the prior year.

Twelve Months Ended December 31, 2020 Non-GAAP Review

- Non-GAAP net loss for the year ended December 31, 2020 was \$3.9 million or (\$0.14) per basic share, as compared to \$4.2 million, or (\$0.39) per basic share, for the year ended December 31, 2019. This represents a decrease of \$356,000, or 8%, for the year ended December 31, 2020 as compared to the same period last year. We believe 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. We also believe 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.

About MICT, Inc.

MICT, Inc. (NasdaqCM: MICT) operates through its subsidiaries, GFH Intermediate Holdings Ltd (“GFHI”) and its various fully owned subsidiaries or VIE structures. And Micronet Ltd. (“Micronet”). GFHI’s versatile proprietary trading technology platform is designed to serve a large number of high growth sectors in the global fintech space. Primary areas of focus include online brokerage for equities trading and sales of insurance products in several high-growth foreign markets including Asia where GFH owns a substantial propriety database of users. Micronet operates in the growing telematics and commercial Mobile Resource Management (MRM) market, mainly in the United States and Europe. Micronet designs, develops, manufactures and sells mobile computing solutions that provide fleet operators and field workforces with computing solutions in challenging work environments.

3

Forward-looking Statement

This press release contains express or implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. Federal securities laws. All statements other than statements of historical fact contained in this press release are forward-looking statements. The words “believe,” “may” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, business prospectus, growth strategy and liquidity. Such forward-looking statements and their implications involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. The forward-looking statements contained in this press release are subject to other risks and uncertainties, including those discussed in the “Risk Factors” section and elsewhere in the Company’s annual report on Form 10-K for the year ended December 31, 2020 and in subsequent filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Contact information:
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info@mict-inc.com

4

MICT, INC. CONSOLIDATED BALANCE SHEETS (In Thousands, except Share and Par Value data)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 29,049	\$ 3,154
Restricted cash	-	45
Trade accounts receivable, net	523	-
Short-term loan to Related party Micronet Ltd, net	-	281
Inventories	2,002	-
Other current assets	1,756	937
Total current assets	33,330	4,417
Property and equipment, net	552	29
Intangible assets, net and others	17,374	-
Goodwill	22,405	-
Investment and loan to Huapie	3,038	-
Right of use assets	291	-
Long-term deposit and prepaid expenses	266	-
Restricted cash escrow	477	477
Micronet Ltd. Equity method investment	-	994
Total long-term assets	44,403	1,500

Total assets	<u>\$ 77,733</u>	<u>\$ 5,917</u>
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5

MICT, INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, except Share and Par Value data)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
LIABILITIES AND EQUITY		
Current portion of long term bank loans	\$ 884	\$ -
Trade accounts payable	838	-
Related party	163	-
Other current liabilities	5,102	290
Total current liabilities	<u>6,987</u>	<u>290</u>
Long term loans from others	-	1,856
Long term escrow	477	477
Lease liability	164	-
Deferred tax liabilities	4,256	-
Accrued severance pay	153	50
Total long term liabilities	<u>5,050</u>	<u>2,383</u>
Stockholders' Equity:		
Convertible Preferred stock; \$0.001 par value 0 and 2,386,363 shares authorized, issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	0	2
Common stock; \$0.001 par value, 250,000,000 shares authorized, 68,757,447 and 11,089,532 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	68	11
Additional paid in capital	102,195	14,107
Additional paid in capital - preferred stock	138	6,028
Capital reserve related to transaction with the minority shareholder	(174)	-
Capital reserve from currency translation	(196)	70
Accumulated loss	(39,966)	(16,974)
MICT, Inc. stockholders' equity	<u>62,065</u>	<u>3,244</u>
Non-controlling interests	3,631	-
Total equity	<u>65,696</u>	<u>3,244</u>
Total liabilities and equity	<u>\$ 77,733</u>	<u>\$ 5,917</u>

6

MICT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and Loss Per Share data)

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenues	\$ 1,173	\$ 477
Cost of revenues	1,231	846
Gross loss	<u>(58)</u>	<u>(369)</u>
Operating expenses:		
Research and development	484	255
Selling and marketing	(38)	198
General and administrative	14,228	3,027
Amortization of intangible assets	1,847	20
Total operating expenses	<u>16,521</u>	<u>3,500</u>
Loss from operations	(16,579)	(3,869)
Share in investee losses	786	795
Gain on previously held equity in Micronet	(665)	-
Gain from loss of control of subsidiary	-	(299)
Other income	(200)	-
Finance expense, net	7,462	388
Loss before provision for income taxes	<u>(23,962)</u>	<u>(4,753)</u>
Taxes on income (benefit)	(326)	17
Total Net Loss	<u>(23,636)</u>	<u>(4,770)</u>
Net loss attributable to non-controlling interests	664	553
Net loss attributable to MICT	<u>\$ (22,992)</u>	<u>\$ (4,217)</u>

Loss per share attributable to MICT:		
Basic and diluted loss per share from continued operation	\$ (0.83)	\$ (0.39)
Weighted average common shares outstanding:		
Basic and diluted	<u>27,623,175</u>	<u>10,697,329</u>

7

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 beneficial conversion feature expense** - Those expenses are non-cash expenses and are related to the difference between the stock price at the closing of the Note Purchase Agreements and the conversion price of \$1.10 per share.
- **Stock-based compensation** is share based awards granted to certain individuals. They are non-cash and affected by our historical stock prices which are irrelevant to forward-looking analyses and are not necessarily linked to our operational performance.
- **Expenses related to the purchase of a business** - These expenses relate directly to the purchase of the GFH I transaction and consist mainly of legal and accounting fees, insurance fees and other consultants. We believe that these expenses do not reflect our operational performance. Therefore, we exclude them to provide investors with a consistent basis for comparing pre- and post-Vehicle Business purchase operating results.
- **Expenses related to settlement agreement** - These expenses relate directly to the settlement agreement with Maxim and Sunrise. More information can be found in the legal proceeding part.

8

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.:

	Year ended December 31,	
	(Dollars in Thousands, other than share and per share amounts)	
	2020	2019
GAAP net loss attributable to Mict, Inc.	\$ (22,992)	\$ (4,217)
Amortization of acquired intangible assets	1,572	-
Expenses related to beneficial conversion feature expense	8,482	-
Stock-based compensation	3,571	-
Expenses related to purchase of a business	3,364	-
One time expenses relates to settlement agreement	2,440	-
Income tax-effect of above non-GAAP adjustments	(398)	-
Total Non-GAAP net loss attributable to Mict, Inc.	<u>\$ (3,961)</u>	<u>\$ (4,217)</u>
Non-GAAP net loss per diluted share attributable to Mict, Inc.	\$ (0.14)	\$ (0.39)
Weighted average common shares outstanding used in per share calculations	27,623,175	10,697,329
GAAP net loss per diluted share attributable to Mict, Inc.	\$ (0.83)	\$ (0.39)
Weighted average common shares outstanding used in per share calculations	27,623,175	10,697,329

9

Q4-20 Earnings Presentation

MICT, Inc.

A NEW DIRECTION
FINTECH

MICT (Nasdaq Capital Markets)

www.mict-inc.com

Safe Harbor Statements

Safe harbor statement under the Private Securities Litigation Reform Act of 1995:

This presentation may contain forward-looking statements that involve risks, uncertainties, and assumptions. If any such uncertainties materialize or if any of the assumptions proves incorrect, the results of MICT, Inc. could differ materially from the results expressed or implied by the forward-looking statements we make. All statements other than statements of historical fact could be deemed forward-looking, including any projections of product or service availability, subscriber growth, earnings, revenues, or other financial items and any statement regarding strategies or plans of management for future operations, statements or belief, any statements concerning new, planned, or upgraded service or technology developments and consumer contracts or use of our services.

The risks and uncertainties referred to above include, but are not limited to, risks associated with developing and delivering new functionality for our service, new products and services, our new business model, our past operating losses, possible fluctuations in our operating results and rate of growth, the outcome of any litigation, risks associated with completed and any possible mergers and acquisitions, our relatively limited operating history, our ability to expand, retain, and motivate our employees and manage our growth, new releases of our service and successful customer deployment. Further information on potential factors that could affect the financial results of MICT, Inc. is included in our annual report on Form 10-K for the most recent fiscal year and in our quarterly report on Form 10-Q of the most recent fiscal quarter. These documents and others containing important disclosures are available on the SEC Filings section of the Investor information of our Website.

MICT, Inc. assumes no obligation and does not intend to update these forward-looking statements.

2020 Accomplishments

- Entered the fintech market through the acquisition of Global Fintech Holdings (GFH)
- The Group is now focused on fintech, with the emphasis on China and Southeast Asia
- GFH acquisition delivered a proprietary technology platform and a database of several million users, providing a valuable source of potential online customers for our stock-trading / wealth management and insurance businesses
- Acquired an initial 9% stake in Huapei Global Securities Ltd in October 2020, with the balance acquired in February 2021, providing a licensed platform for our stock trading app and facilitating our launch
- Launched our insurance platform in China in late December, ahead of schedule
- Signed several key brokerage insurance partnerships prior to launch in December
- Year-end cash position of \$29m

Fintech: China Insurance Market

- China insurance penetration rate is only 4.4% versus 10% in UK and 7.3% in US
- Total insurance premiums in China were \$530 billion in 2017 and expected to grow to \$2.36 trillion by 2032, overtaking the US
- Online sales accounted for 24% of insurance premiums in 2019
- China online insurance premiums projected 41% CAGR from 2019 to 2024

Fintech: Insurance Business

- Nationwide license in China give us the ability to sell a full range of insurance products throughout mainland China
- Recruited proven and experienced management team from some of China's largest insurance companies
- New agency deals and commercial partnership will assist to drive growth
- Ownership of customer data provides cross-selling opportunities
- Targeting existing and new commercial relationships to accelerate growth through higher-margin B2B2C and B2C channels

Fintech: Stock Trading Market

- China is one of the largest contributors to online securities trading, with China and Hong Kong based investors accounting for 45% of total trading volume in 2017
- China's online retail securities market has grown significantly in recent years, from \$1.8 trillion in 2012 to \$12.7 trillion in 2017, expecting to reach \$30.3 trillion by 2022
- Stock brokerage industry in China driven by growth in millennials (age 23-38) and Gen Z (age 7-22), which account for almost 900 million people

Fintech: Stock Trading Business

- Key license for stock trading obtained through Huapei acquisition, enabling clients to trade in US, Hong Kong and other global market listed companies
- Receipt of regulatory approval on Feb 25, 2021 enabled acquisition of 100% of Huapei, which has recently completed.
- With our proprietary platform now licensed, we have secured access to additional new data-feeds and commercial relationships, enabling us to incorporate enhanced functionality as we strive for product competitive advantage.
- Extensive marketing plan created to leverage new registered users through a number of channels, including our own sizeable database
- Strong balance sheet enables and provides a significant margin financing capability

Fintech: Oil and Gas Commodities

Market

- China's crude oil and natural gas commodities imports represented \$259b and \$44b respectively in 2019

MICT's entry into the Market

- Partnership agreed with Shanghai Petroleum and Natural Gas Trading Center (SPNG), who's clients account for approximately 20% of China's oil and gas trade
- SPNG is set to partner with China's commodity and futures exchanges
- Targeting brokerage services and finance solutions to a large number of SPNG's trading partners
- Targeting launch end of Q2 2021

Micronet: Developments

- Secured pilot-test order for SmartCam in October 2020 and entered negotiations for substantial commercial contract with one of the worlds largest telematics service providers
- In December 2020, pilot-test customer placed \$0.3m follow-on order
- In February 2021, secured a \$1.5m follow-on order with another of the world's largest telematics service providers
- In March 2021, secured a \$0.9m order from one of North America's largest telematic service providers

Liquidity

- As of December 31, 2020, MICT had total cash of \$29m
- February 16, 2021, raised gross proceeds of \$60m through direct offering
- March 4, 2021, raised gross proceeds of \$54m through direct offering

MICT Q4 2020 Results

- Total revenue in the fourth quarter of 2020 was \$824,000 versus \$0 in the year-ago period
- Q4-20 revenue includes \$299,000 from newly formed insurance division
- Gross profit was negative \$60,000 in the fourth quarter of 2020 versus \$0 in the fourth quarter of 2019
- Research and development was \$254,000 in the fourth quarter of 2020 versus negative \$6,000 in the year-ago period
- General and administrative expenses was \$7.9m in the fourth quarter of 2020, up from \$866,000 in the year-ago period
- Total net loss in the fourth quarter of 2020 was \$7.6m versus a loss of \$992,000 in the prior-year period

Income Statement Results

MICT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and Loss Per Share data)

	Year ended December 31,	
	2020	2019
Revenues	\$ 1,173	\$ 477
Cost of revenues	1,231	846
Gross loss	(58)	(369)
Operating expenses:		
Research and development	484	255
Selling and marketing	(38)	198
General and administrative	14,228	3,027
Amortization of intangible assets	1,847	20
Total operating expenses	16,521	3,500
Loss from operations	(16,579)	(3,869)
Share in investee losses	786	795
Gain on previously held equity in <u>Micronet</u>	(665)	(299)
Other income	(200)	
Finance expense, net	7,462	388
Loss before provision for income taxes	(23,962)	(4,753)
Taxes on income (benefit)	(326)	17
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Basic and diluted	27,623,175	10,697,329

2020 Non-GAAP Financial Measures

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	(Dollars in Thousands, other than share and per share amounts)	
	2020	2019
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Stock-based compensation	3,571	-
Expenses related to purchase of a business	3,364	-
One time expenses relates to settlement agreement	2,440	-
Income tax-effect of above non-GAAP adjustments	(398)	-
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Non-GAAP net loss per diluted share attributable to Mict, Inc.	\$ (0.14)	\$ (0.39)
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Weighted average common shares outstanding used in per share calculations	27,623,175	10,697,329

Balance Sheet

In 000's	As of	
	12/31/20	12/31/19
Cash, cash equivalents and restricted cash	\$ 29,014	\$ 3,199
Bank & other debts	\$ 884	\$ 1,856
Net working capital	\$ 26,343	\$ 4,127
Stockholders' Equity	\$ 65,696	\$ 3,244

MICT, Inc.
Always in Front

MICT (Nasdaq Capital Markets)

www.mict-inc.com

Operator

Thank you. Good morning and thank you for calling in to review MICT's Fourth Quarter 2020 results. Management will provide an overview of the results.

Importantly, there is a slide presentation which management will use during their overview. This presentation can be found on the Investor Relations section of the company's website, www.mict-inc.com, under Events and Presentations.

I will now take a brief moment to read the Safe Harbor statement. During the course of this call, management will express certain implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. federal securities laws. These forward-looking statements include but are not limited to those statements regarding our growth opportunities (whether organic growth or strategic acquisitions), future business and financial results relating to timing of and revenues and margins achieved in the Fintec business, the potential size and demands in the markets in which we operate and Micronet's future ability to generate its revenues based on current leads and pilots. Such forward-looking statements and their implications involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. The forward-looking statements contained in this presentation are subject to other risks and uncertainties including those discussed in the risk factor section and elsewhere in the company's annual report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission.

On the call this morning, we have Darren Mercer, Chief Executive Officer and board member of MICT, and Moran Amram of MICT. Again, a reminder that management will be referring to a slideshow presentation that can be accessed via the Investor Relations section of the company's site

We will start with an opening message from CEO Darren Mercer, who will provide an overview of business developments for the three months ended December 31, 2020. Then, we will move to review the numbers with Moran Amram. I will now turn the call over to Darren, who will begin the presentation on slide 3. Please go ahead, Darren.

Darren Mercer:

Slide #3 Thank you, good morning everyone.

We have made significant progress in 2020. Pivotal to that progress was the acquisition of Global Fintech Holdings Intermediate, or GFHI, in July of 2020. That acquisition facilitated our ability to transition our business focus from the telemetry business to the rapidly growing fintech market in both China and Southeast Asia. The acquisition provided us with a proprietary technology platform and, together with a database of several million users that are actively trading stocks and other financial securities in China, opened up a significant marketing opportunity for the Company. This has been the key driver to all of our activities since and created the opportunity to markedly strengthen our balance sheet.

Within the fintech space, we are currently focused on three key verticals, namely: insurance, online stock trading, and the commodities trading and futures markets, all with an emphasis in these activities in both China and Southeast Asia.

During October, we made another very important acquisition that ultimately provided us with a licensed platform in Hong Kong to accelerate our entry into the stock trading market.

Additionally, in late December, and ahead of schedule, we successfully launched our insurance platform in China, which has experienced a strong ramp since. This has been supported in part by a number of key brokerage insurance partnerships also signed in December.

Slide #4

The Chinese insurance market is still in its infancy with a penetration rate of less than 5%. Only 24% of insurance premiums in 2019 were from online sales. In 2017, total insurance premiums in China were \$530 billion with non-life accounting for \$147 billion and life premiums accounting for \$383 billion. By 2032, total insurance premiums in China are projected to reach \$2.36 trillion. Online insurance premiums are expected to experience strong growth, with a CAGR of 41% from 2019 to 2024.

Slide #5

During the fourth quarter, we launched our insurance business in an effort to capitalize on this rapidly growing market in China and did so ahead of schedule, allowing us to reap the benefit of the revenue it generated at the end of December, which was \$299,000, to enhance our financial position to close out 2020.

As previously mentioned, the GFHI acquisition was an important milestone for the company based on its many key commercial relationships in the insurance sector in China, which we have and will continue to leverage for our insurance business. Our strategy is to establish nationwide partnerships across all product lines and reach the widest possible customer base.

To facilitate those partnerships, our acquisition of Beijing Fucheng Insurance Brokerage Co, or Fucheng, in Feb 2021 provides us with a valuable nationwide license that allows us to offer insurance brokerage services for a broader range of insurance products as well as the flexibility to create tailor-made insurance products that can be promoted to some of China and Southeast Asia's biggest online portals, consisting of both b2b2c and direct b2c channels, with each channel providing the opportunity for higher margins than a b2b model. Through these partnerships, we will also acquire valuable customer data that will ultimately be utilized to cross-sell other higher margin products directly and to utilize their data to identify opportunities in our other business lines.

We recruited a first-class management team from some of China's largest insurance companies that are heavily incentivized to succeed. This includes more than 25 high performing professionals from China's largest insurance companies, each with a vast knowledge of the market. Included in the management team for the insurance division is a CEO, COO and CTO, each of whom has a 10 to 20 years track record of leading sales, operations, and technology development.

We delighted with the considerable progress our insurance business has achieved and expect that momentum and growth to continue in the second quarter and beyond.

Slide #6

The online stock trading market in China is large and growing rapidly. Online stock trading volumes quadrupled in 2019, growing to \$1.8 trillion, up over 300% from the prior

year. China is currently the largest online securities market accounting for over 40% of global online trading volume. The growth in China is being driven by regulatory changes as well as the country's economic growth and development. Our target market for the stock trading business is primarily the millennials and Gen Z, which represent the fastest growing segment of the market.

Slide #7

In October of last year, we entered into an agreement to buy a Hong Kong securities and investment firm, Huapei, which provided a license to enable our registered users to trade securities across many global stock exchanges. Our initial focus will be the United States and Hong Kong.

Post HKSFC approval to acquire all 100% of Huapei, we moved quickly to sign contracts with key data feeds and other commercial relationships that will improve the functionality of our app and will ultimately provide our end users with what we believe will be a platform with a competitive advantage.

Our decision to invest in and continue to develop our own proprietary technology rather than adopting a white label solution from another platform allows us to (I) achieve greater margins, (II) maintain 100% ownership of the vitally important registered user data, and (III) provide us flexibility to adapt, modify and update the platform as we see necessary in response to market changes. It is our opinion that this approach will provide much greater underlying shareholder value.

A multi-layered marketing initiative will be deployed to attract registered users to our platform. This will clearly include accessing our already considerable database, a social networking strategy and accessing the considerable number of registered users on the platforms of some of our key corporate partners.

Slide #8

We also recently entered the China oil and gas commodities market, in which crude oil and natural gas commodity imports represent \$259 billion and \$44 billion, respectively.

In February, we entered into a strategic partnership with Shanghai Petroleum and Natural Gas Trading Center, whose customers account for approximately 20% of China's oil and gas trading. Under this agreement, MICT will act as a third-party partner to the exchange's clients to provide trade execution, margin financing and trade clearing capabilities. The initial focus is on services for clients trading futures and commodities contracts. We expect this product to launch at the very end of Q2.

3

Slide #9

As I've already stated, our focus is now in and around the fintech arena in Southeast Asia. Whilst the Micronet business is no longer core to that strategy, I do believe that our investment in Micronet has been worthwhile and is now beginning to show promise in the telemetric industry.

Micronet generated continued activity in Q4 with a \$300,000 order. We have seen some traction with a significant follow-on order from one of the world's largest telematics service providers for 5,000 SmartCam units valued at \$1.5 million with a recent additional order for \$900,000. Micronet's highly innovative video telematics SmartCam products integrate advanced software and artificial-intelligence functionality to serve one of the fastest growing segments of the global telematics market. The recent momentum in the Micronet business provides promising signs that its SmartCam technology may lead to additional significant revenue growth in 2021 and beyond.

Slide #10

MICT has a strong liquidity position with a cash balance at the end of Q4 2020 of \$29 million. In addition, the Company raised gross proceeds of \$60 million in February and an additional \$54 million in March of 2021. The two fundraises of 2021 totaling \$114M provide the company with a strong financial platform to enable us to pursue our growth strategies in both the insurance business -- which I've already mentioned has traded well during the first quarter and is continuing to grow strongly -- as well as providing us with the opportunity to offer our new registered users on the stock trading app margin finance capability, without which we would be at a significant competitive disadvantage.

At this time, I'm pleased to turn the call over to Moran to review our quarterly numbers.

MORAN:

Thank you, Darren. Revenues in the fourth quarter benefited significantly by the insurance division, which launched in late December and contributed in excess of \$299,000.

Gross profit was negative \$60,000 driven by a decrease in Cost of revenues

In the fourth quarter, our investment in R&D was \$254,000, an increase from \$6,000 in the year-ago period. This increase was due to investments made as we entered the China fintech market.

General and administrative expenses increased to \$7.9 million, up from \$866,000 in the prior-year period as we increased spending to acquire and support our new fintech business.

Total net loss in the fourth quarter was \$7.6 million as compare to a loss of \$966,000 in the fourth quarter of last year.

Back to you, Darren.

4

DARREN:

Thank you, Moran.

In conclusion, 2020 was a pivotal year for MICT where we made the transition from telemetry to fintech in the Southeast Asia market, and established a significant cash balance to execute and support that strategy. Our insurance business started strong following an encouraging launch in the fourth quarter of 2020, and we continue to see those revenues grow. Additionally, we are excited about the impending launch of both our proprietary stock trading platform, driven by an innovative and targeted marketing strategy and our commodities and futures trading platform, which is supported through our unique relationship with a major force in the Chinese oil and gas industry.

It cannot be understated how strong our cash position currently is and the considerable assistance it provides to fuel the company's growth. Both the insurance division and stock trading division have significant resources to support their current respective growth plans.

We are confidently looking to the future and believe that 2021 will be the launchpad for the success of each of our business lines, which will provide significant shareholder value. We look forward to sharing these successes with you as they emerge, and we thank you very much for your attention.