

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

POST-EFFECTIVE AMENDMENT NO. 1  
TO  
FORM S-3 ON Form S-1  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**Tingo Group, Inc.**  
*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**6411**

Primary Standard Industrial  
Classification Code Number)

**27-0016420**

(I.R.S. Employer  
Identification No.)

**28 West Grand Avenue, Suite 3  
Montvale, NJ 07645  
Telephone: (201) 225-0190**

*(Address, including zip code, and telephone number,  
Including area code, of principal executive offices)*

**Darren Mercer  
President and Chief Executive Officer  
Tingo Group Inc.**

**28 West Grand Avenue, Suite 3  
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Approximate date of proposed sale to public: From time to time after the effective date of this Registration Statement

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☐  
Non-accelerated filer ☒

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 pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

Pursuant to Rule 429 under the Securities Act, the prospectus contained in this Post-Effective Amendment No. 1 to Form S-3 on Form S-1 (the "Registration Statement") will be used as a combined prospectus in connection with this Registration Statement and Registration Statement No. 333-256209 (the "Selling Stockholder Registration Statement"). This Registration Statement constitutes both Post-Effective Amendment No. 1 to this Registration Statement and Post-Effective Amendment No. 2 to Form S-3 on Form S-1 to the Selling Stockholder Registration Statement. Such Post-Effective Amendment No. 2 to Form S-3 on Form S-1 to the Selling Stockholder Registration Statement will become effective concurrently with the effectiveness of this Registration Statement in accordance with Section 8(c) of the Securities Act.

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

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## EXPLANATORY NOTE

Pursuant to Rule 429 under the Securities Act of 1933, as amended (the “Securities Act”), the prospectus included in this Registration Statement is a combined prospectus relating to:

- (i) the issuance by the registrant of 33,707,856 shares of common stock, par value \$0.001 per share (the “Common Stock”) issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the 2021 February Offering of which: (a) 22,471,904 represents shares of Common Stock underlying Series A warrants issued in the 2021 February Offering and; (b) 11,235,952 represents shares of common stock underlying Series B warrants issued in the 2021 February Offering; and
- (ii) the issuance by the registrant of 8,000,000 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the November 2020 Offering; and
- (iii) the resale of 2,755,103 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to 12 accredited investors in the 2021 March Offering, the sale of such shares of Common Stock having been previously registered on the Selling Stockholder Registration Statement.

This Registration Statement is being filed on Form S-1 because the registrant is no longer eligible to utilize a registration statement on Form S-3 as of April 15, 2022.

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

**Subject to Completion, dated June 2, 2023**

### Prospectus

**Tingo Group, Inc.**

**44,462,959 Shares of Common Stock**

This prospectus relates to the issuance or resale of up to 44,462,959 shares of common stock, as follows:

- the issuance by the registrant of 33,707,856 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the 2021 February Offering of which: (a) 22,471,904 represents shares of Common Stock underlying Series A warrants issued in the connection with the 2021 February Offering and; (b) 11,235,952 represents shares of common stock underlying Series B warrants issued in connection with the 2021 February Offering;
- the issuance by the registrant of 8,000,000 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the 2020 November Offering; and
- the resale of 2,755,103 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to 23 accredited investors in the 2021 March Offering, the sale of such shares of Common Stock having been previously registered on the Selling Stockholder Registration Statement.

We will not receive any proceeds from the resale of any of the shares of common stock being registered hereby sold by the selling stockholders. However, we may receive proceeds from the exercise of warrants held by the selling stockholders exercised other than pursuant to any applicable cashless exercise provisions of the warrants. We will receive proceeds from our primary issuance upon exercise of the warrants in the 2021 March Offering.

**The number of shares available for re-sale under this prospectus on the date hereof may have changed since the Securities and Exchange Commission declared our Selling Stockholder Registration Statement effective on September 14, 2020. See “Selling Stockholders” beginning on page 59 for an updated list of the shares still available for sale under this prospectus to the extent that the Company is aware of any such changes.**

Our common stock is quoted on the Nasdaq Capital Market under the symbol “TIO.” On May 30, 2023, the last reported sale price of our common stock on the Nasdaq Capital Markets was \$3.42 per share.

The selling stockholders may offer all or part of the shares for resale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. With regard only to the shares it sells for its own behalf, Aspire Capital is an “underwriter” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”). The Company is paid all of the registration expenses incurred in connection with the registration of the shares. We will not pay any of the selling commissions, brokerage fees and related expenses.

**Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 11 to read about factors you should consider before investing in shares of our common stock.**

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

**The date of this prospectus is June 2, 2023.**

**You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with information different from or in addition to that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.**

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## TABLE OF CONTENTS

	Page
<a href="#">Cautionary Note Regarding Forward-Looking Statements</a>	ii
<a href="#">Prospectus Summary</a>	1
<a href="#">Risk Factors</a>	11
<a href="#">Use of Proceeds</a>	59
<a href="#">Dividend Policy</a>	59
<a href="#">Determination of Offering Price</a>	59
<a href="#">Selling Stockholders</a>	59
<a href="#">Plan of Distribution</a>	62
<a href="#">Description of Securities to be Registered</a>	64
<a href="#">Information with Respect to Registrant</a>	65
<a href="#">Market For Common Equity and Related Stockholder Matters</a>	96
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	96
<a href="#">Management</a>	106
<a href="#">Unaudited Pro Forma Condensed Combined Financial Information</a>	113
<a href="#">Transactions with Related Persons</a>	123
<a href="#">Compensation of Directors and Executive Officers</a>	126
<a href="#">Beneficial Ownership of Principal Stockholders, Officers and Directors</a>	129
<a href="#">Experts</a>	131
<a href="#">Legal Matters</a>	131
<a href="#">Indemnification For Securities Act Liabilities</a>	131
<a href="#">Where You Can Find Additional Information</a>	132
<a href="#">Index to Financial Statements</a>	F-1

In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data.

### CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus and any accompanying prospectus supplement and the documents incorporated by reference herein include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21B of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained or incorporated by reference in this prospectus 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. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions and our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in the section entitled “Risk Factors” below and in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” in our filings with the Securities and Exchange Commission.

The forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and we undertake no obligation to update any such statements. You should not place undue reliance on these forward-looking statements.

You should carefully read the factors described in the “Risk Factors” section of any prospectus supplement or other offering material, as well as any risks described in the documents incorporated by reference into this prospectus for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements. You should understand that it is not possible to predict or identify all such factors and that this list should not be considered a complete statement of all potential risks and uncertainties. You should also realize that if the assumptions we have made prove inaccurate or if unknown risks or uncertainties materialize, actual results could vary materially from the views and estimates included or incorporated by reference in this prospectus. Except as required by law, we are under no obligation, and we do not intend, to update any forward-looking statement, whether as result of new information, future events or otherwise.

### PROSPECTUS SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in the common stock. You should carefully read the entire prospectus. In particular, attention should be directed to our “Risk Factors,” “Information With Respect to the Company,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and related notes thereto contained herein before making an investment decision.*

Unless otherwise indicated, all references in this prospectus to “dollars” or “\$” refer to US dollars.

#### Business Overview

Tingo Group, Inc. (the “Company”) was formed as a Delaware corporation on January 31, 2002 under the name Lapis Technologies, Inc. On March 14, 2013, we changed our corporate name to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary, Enertec Systems Ltd., we changed our name to MICT, Inc. On February 27, 2023, following the merger transaction with Tingo, we changed our name to Tingo Group, Inc. Our shares have been listed for trading on The Nasdaq Capital Market since April 29, 2013 under the symbol “TIO”.

The Company is a holding company conducting financial technology business and agri-fintech business through its subsidiaries and entities, both wholly-owned and controlled through various VIE arrangements (“VIE entities”, together with the Company, the “Group”), which are located mainly in Africa, Southeast Asia and the

Middle East. The Group's business has changed materially since December 1, 2022, following the completion of two material acquisitions of Tingo Mobile and Tingo Foods, the details of which are described under *Acquisition of Tingo Mobile*, *Acquisition of Tingo Foods*, and *About Tingo Group Holdings* below.

We currently operate in 4 segments: (i) Verticals and Technology, comprised of our operations in China where we have 3 VIE entities through which we primarily operate our insurance brokerage business; (ii) Online Stock Trading, primarily comprised of the operation of Magpie Securities Limited (“Magpie”) through which we operate the online stock trading business, primarily out of Hong Kong and Singapore; (iii) Comprehensive Platform Service which includes the operations of Tingo Mobile described above; and (iv) Tingo Food Processing, where crops and raw foods are processed into finished products, through Tingo Foods, (purchased by the Company in February 2023) which commenced food processing operations in August 2022.

Since July 1, 2020, following the completion of the Company's acquisition of GFHI (the "GFHI Acquisition") the Group has been operating in the financial technology sector. GFHI is a financial technology company with a marketplace in China, as well as the wider Southeast Asia area and other parts of the world and is currently in the process of building various platforms for business opportunities in different verticals and technology segments to capitalize on such technology and business, including the completion of the Company's recent acquisitions of Tingo Mobile and Tingo Foods. The Company plans to increase its capabilities and its technological platforms through acquisition and licensing technologies to support its growth efforts, particularly in the agri-fintech, payment services, digital marketplace and financial services sectors.

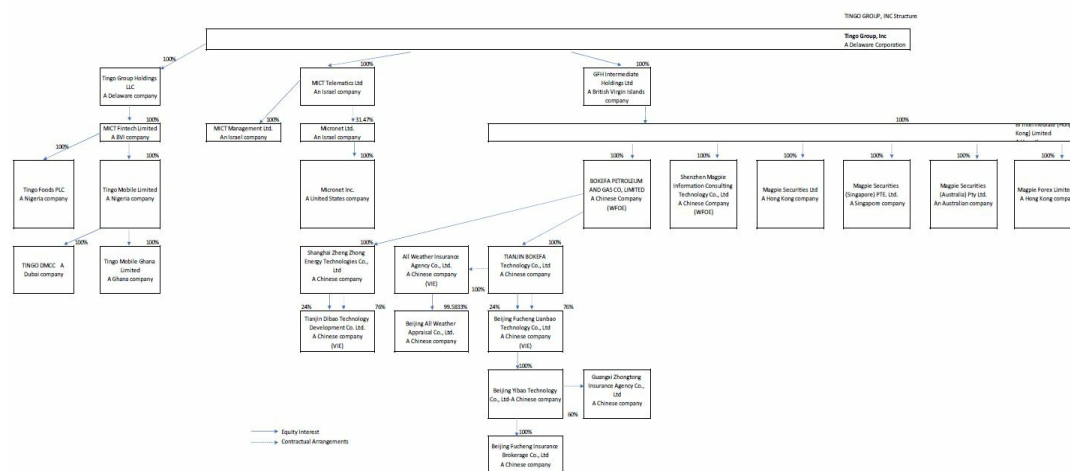
In China, the Company is principally focused on developing insurance broker business and products across approximately 130 insurance branches in China through its subsidiaries and VIE entities, with planned expansion into additional markets. The Company has developed highly scalable proprietary platforms for insurance products (B2B, B2B2C and B2C) and financial services/products (B2C), the technology for which is highly adaptable for other applications and markets.

Following GFH Intermediate Holdings Ltd (“Intermediate”) acquisition of Magpie, a Hong Kong securities and investment services firm, on February 26, 2021 and the subsequent regulatory approval from the Hong Kong Securities and Futures Commission (“HKSC”), Magpie is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong.

Magpie launched Magpie Invest, a global stock trading app, on September 15, 2021. It is a proprietary technology investment trading platform that is currently operational in Hong Kong. Magpie has memberships/registrations with the Hong Kong Stock Exchange (“HKSE”), the London Stock Exchange (“LSE”) and the requisite Hong Kong and China Direct clearing companies. The Company’s financial services business and first financial services product, the Magpie Invest app, is able to trade securities on National Association of Securities Dealers Automated Quotations (“NASDAQ”), New York Stock Exchange (“NYSE”), TMX, HKSE, China Stock Connect, LSE, the Frankfurt Stock Exchange and the Paris Stock Exchange.

The growth of Magpie will continue to be realized and executed through the Company's business development efforts, which include the pivot of Magpie's strategic focuses to B2B, white-label and payment services in response to the change in market conditions for the retail client sector that materialized in 2022. In order to strengthen Magpie's offering to potential B2B and white-label clients, and enable the broadening of its product offering, management made the decision to apply for a Capital Markets License ("CMS License") from the Monetary Authority of Singapore ("MAS"), which was granted in full on September 20, 2022. Magpie's CMS License enables it to offer several new products, including leveraged foreign exchange products and contracts for differences ("CFDs"), including CFDs on commodities prices and crypto-currency prices.

2023: The following diagram illustrates the Company's current corporate structure, including its subsidiaries, and variable interest entities ("VIEs"), as of March 31,



### Acquisition of Tingo Mobile

*Overview.* On December 1, 2022, the Company acquired Tingo Mobile Limited, an agri-fintech business based in Nigeria (“Tingo Mobile”), from Tingo Inc., a Nevada corporation (“TMNA”). The acquisition was accomplished via a multi-phase forward triangular subsidiary merger. Under the terms of the Merger Agreement we entered into with TMNA and representatives of the shareholders of each of TMNA and the company (“Merger Agreement”), TMNA contributed its ownership of Tingo Mobile to a newly organized holding company incorporated in the British Virgin Islands (“Tingo BVI Sub”). TMNA then merged Tingo BVI Sub with and into MICT Fintech Ltd., a wholly-owned subsidiary of the company organized in the British Virgin Islands (“MICT Fintech”), resulting in Tingo Mobile being wholly-owned by the Company (hereinafter, the “Merger”).

*Consideration Provided.* As consideration for Tingo Mobile, we issued to TMNA 25,783,675 shares of our common stock, equal to 19.9% of our outstanding shares, calculated as of the closing date of the Merger (the “Common Consideration Shares”) and two series of convertible preferred shares – Series A Convertible

Preferred Stock ("Series A Preferred Stock") and Series B Convertible Preferred Stock ("Series B Preferred Stock").

**Key Terms of Series A Preferred Stock.** Upon the approval of our stockholders, the Series A Preferred Stock will convert into 20.1% of the outstanding shares of our common stock, calculated as of the closing date of the Merger. If such shareholder approval is not obtained by June 30, 2023, all issued and outstanding shares of Series A Preferred Stock must be redeemed by us in exchange for TMNA receiving 27% of the total issued and outstanding shares of Tingo Group Holdings, LLC, a Delaware-incorporated subsidiary of the company ("TGH") that is the immediate parent company of MICT Fintech, which in turn would reduce the Company's interests in TGH and therefore Tingo Mobile by 27%. See *TGH Group Structure* below.

**Key Terms of Series B Preferred Stock** Upon approval by Nasdaq of the change of control of the company and upon the approval of our stockholders, the Series B Preferred Stock will convert into 35.0% of the outstanding shares of our common stock, calculated as of the closing date of the Merger, giving TMNA an aggregate ownership of 75.0% of our outstanding common stock, if both the Series A and series B preferred stock are converted in full. If such shareholder or Nasdaq approval is not obtained by June 30, 2023, TMNA will have the right to cause us to redeem all of the Series B Preferred Stock for (x) \$666,666,667 or, (y) an amount of common stock of TGH equivalent in value to \$666,666,667.

**Loan to TMNA.** In connection with the Merger Agreement, we also loaned \$23.7 million to TMNA. The loan bears interest at 5.0% per annum and matures on May 10, 2024.

#### **Acquisition of Tingo Foods**

**Overview.** On February 9, 2023, the company and MICT Fintech acquired from Dozy Mmobuosi, Tingo Mobile Founder and Chief Executive Officer all of the outstanding share capital of Tingo Foods PLC ("Tingo Foods"), a Nigerian public limited company that has operated in the food processing industry since its inception in September 2022. As part of its expansion strategy, Tingo Foods plans to fit out and operate a state-of-the-art food processing facility in the Delta State of Nigeria, which is expected to be the largest of its kind in Africa and scheduled for completion by the end of the first half of 2024. We agreed to fit out the Tingo Foods facility with the necessary processing equipment and further agreed to require Tingo Foods to enter into a long-term ground lease for the facility, with lease payments to commence when the facility becomes operational.

**Consideration Provided.** As consideration for Tingo Foods, we issued Mr. Mmobuosi a senior secured promissory note in the principal amount of \$204 million, bearing interest at 5.0% per annum and maturing in 24 months.

#### **Business of Tingo Foods**

Tingo Foods, PLC. ("Tingo Foods" or the "Company") was formed as a limited company at 95, Allianz Towers, Broad Street, Marina, Lagos State, Nigeria on August 11, 2022. Tingo Foods has no subsidiaries.

Tingo Foods operates a diversified food processing business which uses domestic inputs purchased from farmers across Nigeria and processes them into finished foods and beverage products. Tingo Foods is an integral component within Tingo Group agricultural value and supply chain ecosystem, and a key part of the seed-to-sale business model. With a relatively narrow current product range, Tingo Foods is focused on increasing its number of product lines, leveraging on its relationship and its provision of technology and data services to smallholder farmers to gain access to their produce, whilst also creating leaner supply chains, reducing post-harvest losses and increasing the level of sales they can generate. Tingo Foods is committed to delivering an enhanced value proposition for all stakeholders specifically the Nigerian Farming community.

In addition to its existing food processing activities, Tingo Foods has committed to a joint venture, where the parties will invest approximately \$1.6 billion to construct the largest food processing facility in Africa. The aim of Tingo Foods and its joint venture partner is to revolutionize Nigeria's food industry by producing high-quality, nutritious food products while prioritizing environmental governance and implementing sustainable practices throughout its operations, and in turn increasing food production in Africa and meaningfully improving food security. Tingo Foods represents a domestic processing solution for the tens of millions of Nigerian smallholder farmers, allowing their produce to be processed into finished food and beverage products, which can be sold domestically and also exported throughout the world, with minimal wastage and delivering a significant reduction in post-harvest loss.

**Tingo Foods' Processing Facility.** Tingo Foods' new processing facility located in Delta State, Nigeria, is planned to include, amongst other facilities, three lines of rice milling, five lines of tomato paste, three lines of cereals and two lines of pasta processing units. The facility would be constructed on a substantial land area: 396, 450.86 square miles, with approximately 99 thousand square meters of storage capacity, 57 thousand square meters of production areas, and 147,000 square meters of circulation space. In addition, the facility will also have approximately 95,000 square meters of space available for future development.

The processing facility is part of the Nigerian government's Special Agro-Industrial Processing Zones (SAPZ) initiative, which aims to create a network of agro-industrial hubs across the country. The plant has been designed to produce a wide range of food and beverage products, including packaged foods, snacks, and drinks. The project is managed by a team of experienced professionals with a proven track record in the food industry. Tingo Foods has also partnered with the All Farmers Association of Nigeria, together with domestic farmers and suppliers to source raw materials and create jobs for the local community and the wider country.

**Minimized Carbon Footprint.** On February 22, 2023, Tingo Foods entered into a partnership with Evtec Energy Plc ("Evtec"), under the terms of which Evtec has agreed to construct a 110 MW net zero carbon emission solar plant, utilizing the technology of TAE Power Solutions Limited, which will provide a sustainable low-cost renewable energy source to the Tingo Foods processing facility. The \$150 million cost of the solar plant is to be funded by Evtec and its financial partners, namely Credit Suisse, JP Morgan, and Roth.

#### **About Tingo Group Holdings**

TGH (and together with its subsidiaries, the "TGH Group") is a Delaware limited liability company and a wholly-owned subsidiary of the Company. TGH is the leading Agri-Fintech company operating in Africa, with a comprehensive portfolio of innovative products, including a 'device as a service' smartphone and pre-loaded platform product. As part of its globalization strategy, TGH and its wholly owned subsidiary, Tingo Mobile Limited ("Tingo Mobile"), have recently begun to expand internationally and entered into trade partnerships that are contracted to increase the number of subscribed farmers from 9.3 million in 2022 to more than 32 million, providing them with access to services including, among others, the Nwassa 'seed-to-sale' marketplace platform, insurance, micro-finance, and mobile phone and data top-up. Tingo Group's other Tingo business verticals include: TingoPay, a SuperApp in partnership with Visa that offers a wide range of B2C and B2B services including payment services, an e-wallet, foreign exchange and merchant services; Tingo Foods, a food processing business that processes raw foods into finished products such as rice, pasta and noodles; and Tingo DMCC, a commodity trading platform and agricultural commodities export business based out of the Dubai Multi Commodities Center.

Tingo Mobile's Nwassa platform is believed to be Africa's leading digital agriculture ecosystem that empowers rural farmers and agri-businesses by using proprietary technology that enables users to access markets in which they operate. Using Tingo Mobile's ecosystem, farmers can ship produce from farms throughout Nigeria, in both retail and wholesale quantities. Tingo Mobile's system provides real-time pricing, straight from the farms, which eliminates middlemen. The customers of Nwassa users pay for produce bought using available pricing on the platform.

Although TGH has a large retail subscriber base, its business model is essentially a business-to-business-to-consumer (“B2B2C”) model. Each of TGH’s current subscribers is a member of one of a small number of cooperatives with whom a subsidiary of TGH has a contractual relationship, which facilitates the distribution of Tingo-branded smartphones into the various rural communities of user farmers/agri-workers. Through TGH’s smartphones and proprietary applications imbedded in the phones, TGH is able to provide a wider array of agri-fintech services and generate diverse revenue streams as described in more detail herein.

Services offered to TGH’s retail subscribers include smart phone leasing, an agri-marketplace, airtime top ups, utility payment services, bill-pay and e-wallet, insurance products and access to finance and lending services. The TGH Group offers its services to the agricultural market through the Nwassa platform and has recently launched a general B2C and B2B fintech platform and super-app, in partnership with Visa, branded as TingoPay.

On October 19, 2022, Tingo Mobile, signed an agreement with the All Farmers Association of Nigeria (AFAN), the umbrella body of the 56 recognized commodities and agricultural associations in Nigeria. Under the terms of the agreement, AFAN committed to add a minimum of 20 million additional subscribers to Tingo Mobile’s customer base. These new subscribers are expected to be comprised principally of owners of small and medium-sized agricultural enterprises throughout the country.

On November 10, 2022, Tingo Mobile opened a new regional head office in Ghana and launched operations there. In conjunction with the launch, Tingo Mobile also announced an agreement with the Ashanti Investment Trust, the investment arm of the Ashanti Kingdom, to enroll a minimum of 2 million new members in Ghana with Tingo Mobile within 120 days of signing and has agreed on a target to increase such enrollments to at least 4 million members.

On December 14, 2022, Tingo Mobile launched in Malawi as a strategic base from which to expand into East Africa and target neighboring countries such as Tanzania, Zambia, and Mozambique.

In addition to its agri-fintech business, on December 12, 2022, TGH launched its global commodities trading platform and export business (“Tingo DMCC”) from the Dubai Multi Commodity Centre (the “DMCC”) to facilitate offtake and export of agricultural commodities from both its existing customer base and new customers. Through the strong relationships between Tingo Mobile and the cooperatives and other parties it deals with in Nigeria and Ghana, TGH has secured access to significant quantities of agricultural produce for export, including wheat, millet, cassava, ginger, cashew nuts, cocoa and cotton.

On February 9, 2023, TGH acquired the entire share capital of Tingo Foods, which commenced food processing operations in September 2022, generating more than \$400 million of revenue in its first four months of trading. Through Tingo Foods, the TGH Group expects to enhance its ability to integrate agricultural producers into the ‘seed to sale’ value chain and digital ecosystem.

A key element of the growth plans for Tingo Foods is the development of its own food processing facility. To this end, through a joint venture, Tingo Foods has committed to build and operate a state-of-the-art \$1.6 billion food processing facility in the Delta State of Nigeria, which is expected to be completed by the end of the first half of 2024. Tingo Foods estimates that its part of the build and fit-out costs will amount to approximately \$500 million, which it expects to fund out of a combination of retained earnings and debt finance. The new facility is expected to multiply the size of Tingo Food’s processing capacity and revenues, allowing it to expand its current product range of rice, pasta, noodles, and other staple foods into new product areas such as tea, coffee, cereals, chocolate, biscuits, cooking oils, non-dairy milks, carbonated drinks, and mineral water, while also materially expanding its capacity for the offtake of produce from its farmers and increasing its supply into TGH’s commodity trading platform and export business. In line with its Environmental, Social and Governance (“ESG”) commitments, Tingo Foods has entered into a partnership with a third party company in the UK, Evtec Energy Plc, who have committed to fund and build a \$150 million net zero carbon emission solar plant, to provide a sustainable and low-cost energy source to power its multi-billion dollar food processing facility. Through this first-of-its-kind facility in Nigeria, Tingo Foods aims to reduce Africa’s reliance on the import of finished food and beverage products and to increase exports of made-in-Africa produce, which in turn is expected to reduce the prices of finished products and significantly reduce shipping miles and carbon emissions.

As part of the TGH Group’s strategy to leverage its fintech platforms, infrastructure and the Tingo brand, it recently launched the TingoPay Super App in partnership with Visa. TingoPay broadens TGH’s reach outside of the agricultural sector, targeting retail customers of any age (18+) and demographic. TingoPay customers can apply for a Tingo Visa card and then access it via the TingoPay Super App, so as to make online transactions in their domestic or foreign currencies, as well as to manage their cards, set up repeat payments and access transaction statements. The Tingo Visa card’s interface with the TingoPay super app and e-wallet also allows customers to use their digital money easily and securely for both online and physical payments anywhere Visa is accepted. Additionally, TingoPay’s users can benefit from a broad selection of value-added services, including the ability to pay utilities and bills, top-up airtime and data, make funds and forex transfers, apply for loans, arrange pensions, purchase insurance products, make travel bookings and access the Nwassa agricultural produce marketplace. TingoPay and the Tingo Visa partnership are also expected to deliver significant benefits to businesses, in particular farmers and other Small and Medium Enterprises (SMEs) across all sectors. The integration of Visa’s range of merchant services with TingoPay’s commerce portal and the Nwassa marketplace, enables businesses to accept payments easily and securely in any currency from both retail and business customers, and use the TingoPay e-wallet to immediately fund purchases of inputs and make other payments.

TGH has an experienced management team, led by Dozy Mmobuosi, who founded Tingo Mobile in 2001 and serves as the TGH Group CEO. Mr. Mmobuosi is supported by an executive management team and has additional senior management personnel within each of its subsidiaries who are responsible for executing the TGH Group’s business strategy and day-to-day operations.

The TGH Group currently has trading operations in Nigeria, Ghana and Malawi in connection with Tingo Mobile, TingoPay and Tingo Foods, and Dubai in connection with the commodity trading platform and export business. In addition, TGH Group has administrative offices in the United States and the United Kingdom, which handle certain of the management and finance activities of the Company.

#### **Transactions with Selling Stockholders**

##### ***Registered Direct Offering – February 2021***

On February 11, 2021, the Company announced that it has entered into a securities purchase agreement (the “2021 February Purchase Agreement”) with certain institutional investors for the sale (the “2021 February Offering”) of units consisting of (i) 22,471,904 shares of common stock, (ii) 22,471,904 Series A warrants (the “Series A Warrants”) to purchase 22,471,904 shares of common stock and (iii) 11,235,952 Series B (the “Series B Warrants, together with the Series A Warrants, the “2021 February RD Warrants”) warrants to purchase 11,235,952 shares of common stock at a combined purchase price of \$2.67. The gross proceeds to the Company from the 2021 February Offering were expected to be approximately \$60.0 million. The Series A warrants are exercisable nine 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 are exercisable nine 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 after deducting the placement agent's fees and other expenses. The placement agent was entitled to a cash fee equal to 8.0% of the gross proceeds from the placement of the total number of units sold by the placement agent and 3.5% of the gross proceeds from the placement of the total number of units sold in the 2021 February Offering, plus a non-accountable expense allowance in an amount equal to 1% of the aggregate gross proceeds of the 2021 February Offering.

#### ***Registered Direct Offering – March 2021***

On March 2, 2021, the Company entered into a securities purchase agreement (the "March 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 March Purchase Agreement, the Company agreed to sell, in a registered direct offering (the "2021 March Offering"), an aggregate of 19,285,715 shares of the Company's common stock, par value \$0.001 per share, 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 which was priced at the market under Nasdaq rules. The warrants were 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 for the March Purchase Agreement 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.

#### ***Registered Direct Offering – November 2020***

On September 4, 2020, we filed with the Securities and Exchange Commission (the "SEC") the Registration Statement on Form S-3. The Registration Statement was declared effective by the SEC on September 14, 2020. On November 2, 2020 the Company entered into a securities purchase agreement (the "2020 November Purchase Agreement") with certain investors for the purpose of raising \$25.0 million in gross proceeds. Pursuant to the terms of the 2020 November Purchase Agreement, the Company sold, in a registered direct offering (the "2020 November Offering"), an aggregate of 10,000,000 units, with each unit consisting of one share of the Company's common stock and one warrant (a "2020 November RD Warrant") to purchase 0.8 of one share of common stock at a purchase price of \$2.50 per unit. The warrants are exercisable nine 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 2020 November 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 2020 November 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.

As of April 15, 2022, the Company is no longer eligible to utilize the Registration Statement. Accordingly, the Company is filing this Registration Statement on Form S-1.

For further information regarding the transactions with this selling stockholder, see "Selling Stockholders."

#### **Risk Factor Summary**

Our ability to execute our business strategy is subject to numerous risks, as more fully described in the section titled "Risk Factors" immediately following this Prospectus Summary. These risks include, among others:

##### *Risk Factors Related to Tingo Group, Inc.'s Business*

- The Company's ability to be successful will be dependent upon the efforts of the Company Board and key personnel and the loss of such persons could negatively impact the operations and profitability of Tingo Group's post-combination business.
- The COVID-19 pandemic, or any other pandemic, epidemic or outbreak of an infectious disease, may materially and adversely affect Tingo Group's business and operations.
- Because almost all of Tingo Group's officers and directors are located in non-U.S. jurisdictions, you may have no effective recourse against management for misconduct.

- Tingo Group anticipates that its operating costs and expenses will increase as the Company continue to grow our business.
- The Company may be unable to successfully execute its growth strategy including the integration of the merger with Tingo Mobile.

##### *Risks Related to Doing Business in China*

- Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.
- The complexities, uncertainties and rapid changes in PRC regulation of the Internet-related businesses and companies require significant resources for compliance and the uncertainties in the PRC legal system could limit the legal protections available to us.
- The 2006 M&A Rules established complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it difficult to pursue growth through acquisitions in China.
- Fluctuations in exchange rates of the RMB could materially affect financial results. Furthermore, Tingo Group's financial results may be negatively affected by foreign exchange rate fluctuations.
- Under the enterprise income tax ("EIT") Law, we may be classified as a "resident enterprise" of China. Such classification would likely result in unfavorable tax consequences.

##### *Risk Factors Related to Tingo Group's Securities*

- We have issued and may issue additional preferred stock in the future, and the terms of the preferred stock may reduce the value of our Common Stock.
- If Tingo Group fails to meet all applicable Nasdaq requirements, Nasdaq may delist its Common Stock, which could have an adverse impact on its liquidity and market price.
- We may need a significant amount of additional capital, which could substantially dilute shares owned by current shareholders of the Company.
- If the Company is unable to obtain stockholder approval for the conversion of the Series A Preferred Stock into Common Stock by June 30, 2023 (the “Trigger Date”), then all issued and outstanding shares of Series A Preferred Stock will be redeemed by the Company in consideration of the right to receive cash and the Company shall cause Tingo LLC, a wholly-owned subsidiary of the Company (“Delaware Sub”), to issue to Tingo, the amount of membership interests of Delaware Sub as needed to cause Tingo, to own 27% of the total issued and outstanding membership interests of Delaware Sub.
- In the event that (i) the Company does not receive by the Trigger Date the stockholder approval with respect to the conversion of Series B Preferred Stock and the amendment of the Company certificate of incorporation to increase the number of authorized shares of Common Stock, (ii) the Nasdaq change of control application is rejected, or (iii) Nasdaq requires Material Restrictions (as defined in the Series B Certificate of Designation) in order to approve the Nasdaq change of control application (each a “Trigger Event”), each holder of Series B Preferred Stock, at its sole option, shall have the right, but not the obligation, to reduce the Stated Value per share of Series B Preferred Stock in exchange for membership interests of Delaware Sub, up to a maximum of 33% of the outstanding membership interests of Delaware Sub.

#### *Risk Factors Relating to Intermediate’s Business*

- The Company’s trading platform has no operating history, which makes it difficult to evaluate the Company’s future prospects.
- The Company operates in a highly competitive and fragmented market and may not be able to maintain a competitive position in the future.
- The Company’s platform and internal systems rely on software and technological infrastructure that is highly technical, and if they contain undetected errors, its business could be adversely affected.

#### **Implications of Being a Smaller Reporting Company**

We are a smaller reporting company as defined in the Securities Exchange Act of 1934, as amended, or the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as (i) the market value of our voting and non-voting common stock held by non-affiliates is less than \$250 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our voting and non-voting common stock held by non-affiliates is less than \$700 million measured on the last business day of our second fiscal quarter. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Reports on Form 10-K and have reduced disclosure obligations regarding executive compensation, and, as long as we are a smaller reporting company with less than \$100 million in annual revenue, we are not required to obtain an attestation report on internal control over financial reporting from our independent registered public accounting firm.

#### **Recent Developments**

On February 2, 2023, Tingo Group, entered into settlement and repurchase agreements (the “Repurchase Agreements”) with certain holders of the outstanding warrants over its common stock (“Warrant Holders”). The warrants being repurchased were originally issued by Tingo Group in the November 2020 Registered Direct Offering, February 2021 Registered Direct Offering and the March 2021 Registered Direct Offering. The exercise prices of the warrants were \$3.12 in the November 2020 Registered Direct Offering and \$2.80 in the February 2021 Registered Direct Offering and March 2021 Registered Direct Offering, with various expiration dates falling between August 16, 2024 and August 16, 2026. The repurchase will result in the surrender and cancellation of the warrants held by each Warrant Holder.

#### **Where You Can Find Us**

Our principal executive offices are located at 28 West Grand Avenue, Suite 3, Montvale, New Jersey 07645, our telephone number is (201) 225-0190, and our Internet website address is <http://www.TINGOGROUP-inc.com>. The information on our website is not a part of, or incorporated in, this prospectus.

#### **The Offering**

<b>Common stock outstanding:</b>	164,037,382 shares as of May 23, 2023
<b>Common stock offered by selling stockholders:</b>	44,462,959 shares
<b>Common stock offered by the Company:</b>	0 shares
<b>Common stock outstanding after the offering:</b>	208,500,341 shares <sup>1</sup>

**Use of Proceeds:** We will not receive any proceeds from the sale of the common stock by the selling stockholders. However, we may receive gross proceeds upon the exercise of the warrants if exercised for cash. Any proceeds will be used for the working capital and for other general corporate purposes that the Board of Directors deems to be in the best interest of the Company. No assurances can be given that any of such warrant will be exercised. See “Use of Proceeds.”

**Quotation of common stock** Our common stock is listed for quotation on the Nasdaq Capital Market under the symbol “TIO.”



**Dividend policy:**

As of the date of this prospectus, we have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, the general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

**Risk Factors:**

An investment in our company is highly speculative and involves a significant degree of risk. See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

<sup>1</sup> Assumes (i) the exercise of warrants to purchase 33,707,856 shares of common stock issued in the 2021 February Offering; (ii) the exercise of warrants to purchase 8,000,000 shares of common stock issued in the 2020 November Offering.

**RISK FACTORS**

*An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision with regard to our securities. The statements contained in this prospectus that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.*

**Risk Factors Related to the Integration of Intermediate and Ownership of Tingo Group’s Securities*****Tingo Group may be unable to successfully execute its post merger growth strategy.***

One of the Company’s strategies is to pursue organic growth by increasing product offerings and expanding into new verticals and new markets such as China and Africa. Tingo Group may not be able to successfully execute all or any of these initiatives, and the results may vary from the expectations of the combined entity or others. Further, even if these initiatives are successful, Tingo Group may not be able to expand and upgrade its technology systems and infrastructure to accommodate increases in the business activity in a timely manner, which could lead to operational breakdowns and delays, loss of customers, a reduction in the growth of its customer base, increased operating expenses, financial losses, increased litigation or customer claims, regulatory sanctions or increased regulatory scrutiny. In addition, Intermediate will need to continue to attract, hire and retain highly skilled and motivated executives and employees to both execute the growth strategy and to manage the resulting growth effectively.

Cross-border merger and acquisition transactions may be subject to additional rules and regulations and requirements that could make merger and acquisition activities more time-consuming and complex. Our ability to expand our business through future mergers and acquisitions would as such be materially and adversely affected.

***Tingo Group may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition and its share price, which could cause you to lose some or all of your investment.***

Tingo Group cannot assure you that the due diligence it conducted on Intermediate has revealed all material issues that may be present with regard to such companies, or that it would be possible to uncover all material issues through a customary amount of due diligence or that risks outside of Tingo Group’s control will not later arise. Each of Tingo Group and Intermediate therefore has made its decision to complete the Merger on the basis of limited information, and the business combination may not be as profitable as expected, if at all. As a result of these factors, Tingo Group may be forced to later write-down or write-off assets, restructure operations, or incur impairment or other charges that could result in reporting losses. Even if Tingo Group’s due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with Tingo Group’s preliminary risk analysis. Even though these charges may be non-cash items and would not have an immediate impact on Tingo Group’s liquidity, the fact that Tingo Group reports charges of this nature could contribute to negative market perceptions about Tingo Group or Tingo Group’s securities. Accordingly, Tingo Group cannot predict the impact that the consummation of the Merger will have on Tingo Group’s securities.

***Tingo Group’s ability to be successful will be dependent upon the efforts of the Tingo Group Board and key personnel and the loss of such persons could negatively impact the operations and profitability of Tingo Group’s post-combination business.***

Tingo Group’s ability to be successful will be dependent upon the efforts of the Tingo Group Board and key personnel. Furthermore, the business of Tingo Group following the Merger is made up in part of Intermediate’s business, and is entirely different from Tingo Group’s historical business. Individuals associated with Intermediate may be unfamiliar with the requirements of operating a U.S. public company, which could cause Tingo Group’s management to have to expend time and resources helping them become familiar with such requirements.

***Tingo Group is dependent on the services of its executive officers, whose potential conflicts of interest may not permit Tingo Group to effectively execute its business strategy. Tingo Mobile depends on its executive officers and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm its business.***

Tingo Group is currently dependent on the continued services and performance of its executive officers, particularly Darren Mercer, Tingo Group’s Chief Executive Officer and a director of the Tingo Group Board. Darren Mercer, is also the Chief Executive Officer of GFH which may result in a potential conflict of interest in Mr. Mercer carrying out his duties as a member of the Tingo Group Board.

TGH’s success, and the success of Tingo Mobile and other operating subsidiaries of TGH, depends largely upon the continued services of its executive officers and other key employees, and in particular on Dozy Mmobuosi, the founder and CEO of Tingo Mobile, and senior management staff in Nigeria and elsewhere. TGH relies on its leadership team in the areas of research and development, operations, security, marketing, sales, customer experience, general, and administrative functions, and on individual contributors in its research and development and operations. From time to time, there may be changes in TGH’s executive management team resulting from the hiring or departure of executives, which could disrupt its business. While TGH has employment agreements with its executive officers or other key personnel that require them to continue to work for TGH, some of these agreements are not for any specified period and, therefore, they could terminate their employment with TGH at any time. The loss of one or more of TGH’s executive officers, especially its Chief Executive Officer, or key employees could harm its business. Changes in TGH’s executive management team may also cause disruptions in, and harm to, its business.

***Provisions in Tingo Group's certificate of incorporation and under Delaware law could make a future acquisition of Tingo Group, which may be beneficial to stockholders, more difficult and may prevent attempts by Tingo Group stockholders to replace or remove the current management.***

Provisions in Tingo Group's certificate of incorporation, as amended, and Tingo Group's amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for Tingo Group's common stock. These provisions could also limit the price that investors might be willing to pay in the future for Tingo Group securities, thereby depressing the market price of Tingo Group's securities. In addition, these provisions may frustrate, deter or prevent any attempts by Tingo Group stockholders to replace or remove current management by making it more difficult for stockholders to replace members of the Tingo Group Board. Because the Tingo Group Board is responsible for appointing the members of the Tingo Group management team, these provisions could in turn affect any attempt by stockholders to replace current members of the Tingo Group management team.

Moreover, because Tingo Group is incorporated in Delaware, it is governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, which prohibits a person who owns in excess of 15% of outstanding voting stock from merging or combining with Tingo Group for a period of three years after the date of the transaction in which the person acquired in excess of 15% of outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Tingo Group has not opted out of the restrictions under Section 203.

***We may need a significant amount of additional capital, which could substantially dilute your investment***

We may need significant additional capital in the future to continue our planned operations. No assurance can be given that we will be able to obtain such funds upon favorable terms and conditions, if at all. Failure to do so could have a material adverse effect on our business. To the extent we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell Common Stock, convertible securities, or other equity securities in one or more transactions that may include voting rights (including the right to vote as a series on particular matters), preferences as to dividends and liquidation, and conversion and redemption rights, subject to applicable law, and at prices and in a manner we determine from time to time.

Such issuances and the exercise of any convertible securities will dilute the percentage ownership of our stockholders and may affect the value of our capital stock and could adversely affect the rights of the holders of such stock, thereby reducing the value of such stock. Moreover, any exercise of convertible securities may adversely affect the terms upon which we will be able to obtain additional equity capital, since the holders of such convertible securities can be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital on terms more favorable to us than those provided in such convertible securities.

If we sell shares or other equity securities in one or more other transactions, or issue stock or stock options pursuant to any future employee equity incentive plan, investors may be materially diluted by such subsequent issuances.

Historically, Tingo Group has funded its operations and capital expenditures primarily through equity issuances and cash generated from its operations along with negotiating credit terms with suppliers that allows to effectively match revenues from customers with supplier payment terms. Although Tingo Group currently anticipates that its existing cash and cash equivalents and cash flow from operations will be sufficient to meet its cash needs for the foreseeable future, it may require additional financing, and it may not be able to obtain debt or equity financing on favorable terms, if at all and to manage any currency risk due to a mismatch in the currency of revenues, primarily Naira and those of expenses. If Tingo Group raises debt financing, it may be required to accept terms that restrict its ability to incur additional indebtedness, force Tingo Group to maintain specified liquidity or other ratios or restrict its ability to pay dividends or make acquisitions.

***If the price of our Common Stock is volatile, our securities could incur substantial losses.***

The price of Tingo Group's Common Stock has been and may continue to be volatile. The market price of Tingo Group's Common Stock may be influenced by many factors, including but not limited to the following:

- developments regarding the Merger and the transactions;
- announcements of developments related to Tingo Group's business (including those aspects of Tingo Group's business received in connection with the Merger);
- quarterly fluctuations in actual or anticipated operating results;
- announcements of technological innovations;
- new products or product enhancements introduced by Micronet or its competitors;
- developments in patents and other intellectual property rights and litigation;
- developments in relationships with third party manufacturers and/or strategic partners;
- developments in relationships with customers and/or suppliers;

- regulatory or legal developments in the United States, Israel, China and other countries;
- general conditions in the global economy; and
- the other factors described in this "Risk Factors" section.

***A sale by Tingo Group of a substantial number of shares of the Common Stock or securities convertible into or exercisable for Common Stock may cause the price of the Common Stock to decline and may impair the ability to raise capital in the future.***

Our Common Stock is traded on Nasdaq and despite certain increases of trading volume from time to time, there have been periods when it could be considered "thinly-traded," meaning that the number of persons interested in purchasing Common Stock at or near bid prices at any given time may have been relatively small or non-existent. Financing transactions resulting in a large amount of newly-issued securities, or other events that cause current stockholders to sell shares, could place downward pressure on the trading price of Common Stock. In addition, the lack of a robust resale market may require a stockholder who desires to sell a large number of shares of

Common Stock to sell those shares in increments over time to mitigate any adverse impact of the sales on the market price of Tingo Group stock. If Tingo Group stockholders sell, or the market perceives that its stockholders intend to sell for various reasons, including the ending of restriction on resale, substantial amounts of Common Stock in the public market, including shares issued upon the exercise of outstanding options or warrants, the market price of Common Stock could fall. Sales of a substantial number of shares of Common Stock may make it more difficult for Tingo Group to sell equity or equity-related securities in the future at a time and price that Tingo Group deems reasonable or appropriate. Moreover, Tingo Group may become involved in securities class action litigation arising out of volatility resulting from such sales that could divert management's attention and harm Tingo Group's business.

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

We may in the future seek to acquire or invest in other businesses, features or technologies that we believe could complement or expand our market, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions, may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, to the extent that we enter into any term sheets or otherwise announce any intention to acquire any additional businesses, features or technologies, any such acquisition would generally be subject to completion of due diligence and required approvals, and would require additional financing, and there can be no assurance that any such acquisition will occur or be completed in a timely manner, or at all.

If we acquire additional businesses, we may not be able to integrate the acquired personnel, operations, existing contracts and technologies successfully or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from any acquired business, due to a number of factors, including:

- failure to identify all of the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, regulatory compliance practices, product quality and safety, revenue recognition or other accounting practices, or employee or client issues;
- difficulty incorporating acquired technology and rights into our proprietary software and of maintaining quality and security standards consistent with our brands;
- inability to generate sufficient revenue to offset acquisition or investment costs;
- incurrence of acquisition-related costs or equity dilution associated with funding the acquisition;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;

- risks of entering new markets or new product categories in which we have limited or no experience;
- difficulty converting the customers of the acquired business into our customers;
- diversion of our management's attention from other business concerns;
- adverse effects to our existing business relationships as a result of the acquisition;
- potential loss of key employees, clients, vendors and suppliers from either our current business or an acquired company's business;
- use of resources that are needed in other parts of our business;
- possible write offs or impairment charges relating to acquired businesses;
- compliance with regulatory matters covering the products of the acquired business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. If an acquired business fails to meet our expectations, our business, operating results and financial condition may suffer.

***If securities or industry analysts do not publish research or reports or publish unfavorable research about Tingo Group's business, the price of its Common Stock could decline.***

Tingo Group does not currently have any significant research coverage by securities and industry analysts and may never obtain such research coverage. If securities or industry analysts do not commence or maintain coverage of Tingo Group, the trading price for its Common Stock might be negatively affected. In the event such securities or industry analyst coverage is obtained, if one or more of the analysts who covers Tingo Group or will cover Tingo Group downgrades its securities, the price of Common Stock would likely decline. If one or more of these analysts ceases to cover Tingo Group or fails to publish regular reports on it, interest in the purchase of Common Stock could decrease, which could cause the price of Common Stock and trading volume to decline.

***If we fail to continue to meet all applicable Nasdaq requirements, Nasdaq may delist our common stock, which could have an adverse impact on the liquidity and market price of our common stock.***

Tingo Group's common stock is currently listed on Nasdaq, which has qualitative and quantitative listing criteria. If Tingo Group continues to be unable to comply with Nasdaq listing requirements, including, for example, if the closing bid price for Tingo Group common stock continues to fall below \$1.00 per share, in breach of Nasdaq Listing Rule 5550(a)(2), Nasdaq could determine to delist the Tingo Group common stock which could adversely affect its market liquidity market price. In that regard, on January 27, 2022, Tingo Group received written notice from Nasdaq indicating that it was not in compliance with Nasdaq Listing Rule 5550(a)(2), as the closing bid price of its common stock had been below \$1.00 per share. Nasdaq's letter advised the Company that, based upon the closing bid price during the period from December 21, 2021 to January 26, 2022, the Company no longer meets this test. Tingo Group was able to regain compliance by maintaining a minimum closing bid price of at least \$1.00 for a minimum of 10 consecutive trading days; however there can be no assurance that Tingo Group will be able to maintain compliance with the Nasdaq listing requirements, or that the common stock will not be delisted from Nasdaq in the future. Such delisting could adversely affect the ability to obtain financing for the continuation of Tingo Group's operations or prevent us from completing the Acquisition or any other alternative transaction, and could result in the loss of confidence by investors, customers and employees and cause our shareholders to incur substantial losses.

If Nasdaq delists Tingo Group's securities from trading on its exchange and Tingo Group is not able to list its securities on another national securities exchange, Tingo Group expects its securities could be quoted on an over-the-counter market. If this were to occur, Tingo Group could face significant material adverse consequences, including:

- a limited availability of market quotations for its securities;
- reduced liquidity for its securities;
- a determination that the Tingo Group's common stock is a "penny stock" which will require brokers trading in the Tingo Group's common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for Tingo Group's securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

***Tingo Group's stockholders may not realize a benefit from the Company's merger with Tingo Mobile commensurate with the ownership dilution they will experience in connection with the mergers.***

If Tingo Group is unable to realize the full strategic and financial benefits anticipated as a result of the merger with Tingo Mobile, Tingo Group's stockholders will have experienced substantial dilution of their ownership interests in Tingo Group without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent Tingo Group is able to realize only part of the strategic and financial benefits anticipated from the mergers.

***Intermediate may be subject to new or different statutory and regulatory requirements in the British Virgin Islands ("BVI").***

As the global regulatory and tax environment evolves, Intermediate may be subject to new or different statutory and regulatory requirements (for example, on January 1, 2019 the Economic Substance (Companies and Limited Partnerships) Act, 2018 of the British Virgin Islands came into force). It is difficult to predict what impact the adoption of these laws or regulations, or changes in the interpretation of existing laws or regulations could have on Intermediate, however, compliance with various additional obligations may create significant additional costs that may be borne by Intermediate or otherwise affect the management and operation of Intermediate.

***The COVID-19 pandemic, or any other pandemic, epidemic or outbreak of an infectious disease, may materially and adversely affect Tingo Group's business and operations.***

Since being declared a pandemic by the World Health Organization in March 2020, COVID-19 has negatively impacted global economies, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets.

Tingo Group's operations and business have experienced disruptions due to the unprecedented conditions surrounding the spread of COVID-19 throughout China, North America, Israel and the world. The COVID-19 pandemic and both public and private measures taken to contain it have negatively affected Tingo Group's business, results of operations, financial condition, and liquidity, all of which may continue or worsen.

Even after COVID-19 has subsided, Tingo Group may continue to experience materially adverse impacts to its business as a result of its global economic impact, including any recession that has occurred or may occur in the future. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19, and, as a result, the ultimate impact of COVID-19, or a similar health epidemic or pandemic, is highly uncertain and subject to change. While Tingo Group continues to monitor the business metrics that it has historically used to predict its financial performance, it is uncertain as to whether these metrics will continue to function as they have in the past. In addition, COVID-19 cause lock downs of cities which may happen again and affect our ability to file our financial statements on time.

***We have issued and may issue additional preferred stock in the future, and the terms of the preferred stock may reduce the value of our Common Stock.***

We are authorized to issue up to 15,000,000 shares of preferred stock in one or more series. Our board of directors may determine the terms of future preferred stock offerings without further action by our stockholders. If we issue shares of preferred stock, it could affect stockholder rights or reduce the market value of our outstanding Common Stock. In particular, specific rights granted to future holders of preferred stock may include voting rights, preferences as to dividends and liquidation, conversion and redemption rights, sinking fund provisions, and restrictions on our ability to merge with or sell our assets to a third party.

***Tingo Group may be subject to litigation and regulatory investigations and proceedings, and may not always be successful in defending itself against such claims or proceedings. Negative outcomes of legal proceedings may adversely affect Tingo Group's business and financial condition.***

Tingo Group's business operations entail substantial litigation and regulatory risks, including the risk of lawsuits and other legal actions relating to, among other matters, breach of contract, information disclosure, client onboarding procedures, sales practices, product design, fraud and misconduct, and control procedures deficiencies, as well as the protection of personal and confidential information of Tingo Group's or Intermediate's or Micronet's clients. Tingo Group or its subsidiaries may be subject to arbitration claims and lawsuits in the ordinary course of its business. Tingo Group or its subsidiaries may also be subject to inquiries, inspections, investigations and proceedings by regulatory and other governmental agencies. Tingo Group and its subsidiaries will be subject to extensive and evolving regulatory requirements, non-compliance with which, may result in penalties, limitations and prohibitions on its future business activities or suspension or revocation of its licenses and trading rights, and consequently may materially and adversely affect its business, financial condition, operations and prospects.

Tingo Mobile is regularly involved in a number of legal proceedings before various courts. These proceedings may be complicated, costly, and disruptive to its business operations. Tingo Mobile may incur significant expenses in defending these matters and may be required to pay significant fines, awards, or settlements. In addition, litigation or other proceedings could result in restrictions on our current or future manner of doing business. Any of these potential outcomes, such as judgments, awards, settlements, or orders could have a material adverse effect on Tingo Mobile's business, financial condition, operating results, or ability to do business.

Additionally, the Merger and the transactions contemplated thereby, as well as certain private placements completed by the Company, may give rise to litigation and/or other legal disputes. As previously disclosed, in March 2017, Tingo Group entered into an Investment Banking Agreement (the "Sunrise Agreement") with Sunrise Securities LLC and Trump Securities LLC (collectively, "Sunrise") through Sunrise's principal, Amnon Mandelbaum, pursuant to which Sunrise agreed to assist Tingo Group 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 had disagreements about, among other things, the applicability of the Sunrise Agreement, and the Company received demand letters and other correspondences from Sunrise threatening litigation in connection therewith. As of the date hereof, the parties

have executed a settlement and release agreement for the release and waiver of the above claims however, Tingo Group 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 Tingo Group that it has breached the settlement agreement. Tingo Group has made a significant offer to the Sunrise parties to settle such matter and is negotiating with the Sunrise parties to resolve this issue immediately. For further details see “Legal Proceedings” below.

Actions brought against Tingo Group or its subsidiaries may result in settlements, injunctions, fines, penalties, suspension or revocation of licenses, reprimands or other results adverse to it that could harm its reputation. Even if Tingo Group is successful in defending itself against these actions, the costs of such defense may be significant. In market downturns, the number of legal claims and the amount of damages sought in legal proceedings may increase.

In addition, Tingo Group may face arbitration claims and lawsuits brought by its or its subsidiaries’ users and clients who use its services and find them unsatisfactory. Tingo Group may also encounter complaints alleging misrepresentation with regard to its platforms and/or services. Actions brought against Tingo Group may result in settlements, awards, injunctions, fines, penalties or other results adverse to it including harm to its reputation. Even if Tingo Group is successful in defending against these actions, the defense of such matters may result in its incurring significant expenses. Predicting the outcome of such matters is inherently difficult, particularly where claimants seek substantial or unspecified damages, or when arbitration or legal proceedings are at an early stage. A significant judgement or regulatory action against Tingo Group or a material disruption in Intermediate’s stock trading platform business arising from adverse adjudications in proceedings against the directors, officers or employees would have a material adverse effect on Tingo Group’s liquidity, business, financial condition, results of operations and prospects.

***Because almost all of Tingo Group’s officers and directors are located in non-U.S. jurisdictions, you may have no effective recourse against management for misconduct.***

Currently, a majority of Tingo Group’s directors and officers are or will be nationals and/or residents of countries other than the United States, and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against such officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any U.S. state. Additionally, it may be difficult to enforce civil liabilities under U.S. securities law in original actions instituted in Israel, Nigeria, the UK or PRC. UK, PRC, Nigeria or Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because such jurisdictions are not the most appropriate forum to bring such a claim. In addition, even if such courts agree to hear a claim, they may determine that Israeli, Nigeria, UK or PRC law, as applicable, and not U.S. law is applicable to hear the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure may also be governed by UK, PRC or Israeli law.

***Tingo Group’s financial results may be negatively affected by foreign exchange rate fluctuations.***

Tingo Group’s revenues are mainly denominated in U.S. dollars. Where possible, Tingo Group matches sales and purchases in these and other currencies to achieve a natural hedge. To the extent Tingo Group is unable to fully match sales and purchases in different currencies, its business will be exposed to fluctuations in foreign exchange rates. Following the Merger, The Company’s revenue and expenses have been and are expected to continue to be primarily denominated in RMB, HK Dollar, Nis and Naira and we are exposed to the risks associated with the fluctuation in the currency exchange rate of RMB, HK Dollar, Nis and Naira. Should RMB, HK Dollar, Nis and Naira appreciate against other currencies, the value of the proceeds from this offering and any future financings, which are to be converted from U.S. dollar or other currencies into RMB, HK Dollar, Nis and Naira, would be reduced and might accordingly hinder our business development due to the lessened amount of funds raised. Substantial fluctuation in the currency exchange rate of RMB, HK Dollar, Nis and Naira may have a material adverse effect on Intermediate’s business, operations and financial position and the value of your investment in the Units.

***We have identified a material weakness in our internal control over financial reporting as of December 31, 2022.***

We conducted an evaluation under the supervision of our Chief Executive Officer and Chief Financial Officer (our Principal Executive Officer and Principal Financial Officer, respectively), regarding the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022 and management concluded that they were not effective. The five material weaknesses related to information technology and one material weakness related to engaging enough qualified employees knowledgeable in U.S. GAAP were directly related to our rapid growth, inability to timely integrate various information technology systems from all of its acquired businesses, the ongoing effects of COVID-19 and PRC regulations related thereto. See Item 9A Controls and Procedures for a further description of the identified material weaknesses. If we are unable to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results;

***Risk Factors Relating to Intermediate’s and Tingo’s respective Businesses. Tingo Group anticipates that its operating costs and expenses will increase. Intermediate may not be able to manage its expansion effectively.***

Tingo Group anticipates that its operating costs and expenses will increase in the foreseeable future as it endeavors to launch and grow Intermediate’s business, attract users and clients, enhance and develop its service offerings, enhance its technology capabilities, and increase its brand recognition. These efforts may prove more costly than Tingo Group anticipates, and it may not succeed in generating revenues sufficiently to offset these higher expenses. There are other external and internal factors that could negatively affect Tingo Group’s financial condition. For example, the transaction volume achieved on Intermediate’s platforms may be lower than expected, which may lead to lower than expected revenues. Furthermore, Tingo Group has adopted a share incentive plan in the past and may adopt new share incentive plans in the future, which have caused, and will result in, significant share-based compensation expenses to us. As a result of the foregoing and other factors, Tingo Group may incur net losses in the future.

Additionally, Intermediate’s current and planned personnel, systems, resources and controls may not be adequate to support and effectively manage its future operations. Intermediate’s plans for continuous expansion may increase the complexity of its business and may place a strain on its management, operations, technical systems, financial resources and internal control functions. Intermediate intends to upgrade its systems from time to time to cater to the need of launching new services, and the process of upgrading its systems may disrupt its ability to timely and accurately process information, which could adversely affect its results of operations and cause harm to its business.

***If the Company is unable to attract and retain clients, or if it fails to offer services to address the needs of its clients as it evolves, Intermediate’s business and results of operations may be materially and adversely affected.***

If there is insufficient demand for Intermediate’s services, it might not be able to achieve and increase its transaction volume and revenues as it expects, and its and the Company’s business and results of operations may be adversely affected.

The Company's success will depend largely on its ability to attract and retain clients, in particular those that have highly frequent transactions. Failure to deliver services in a timely manner at competitive prices with satisfactory experience will cause clients to lose confidence in Intermediate and use its platforms less frequently or even stop using its platforms altogether, which in turn will materially and adversely affect Intermediate's business. Even if Intermediate is able to provide high-quality and satisfactory services on its platforms in a timely manner and at favorable price terms, the Company cannot assure you that Intermediate will be able to attract and retain clients, encourage repeat and increase trading transactions due to reasons out of its control, such as Intermediate's clients' personal financial reasons or the deterioration of the market conditions.

If Intermediate is unable to generate clients and increase its client retention rates in a cost-effective manner, Intermediate's business, financial condition and results of operations are likely to be adversely affected. Although the Company expects to spend significant financial resources on marketing expenses, these efforts may not be cost-effective to attract clients to Intermediate. The Company cannot assure its investors that Intermediate will be able to gain, maintain, or grow a client base in a cost-effective way, if at all.

***Tingo Group will depend on its maintenance of its intellectual property and its proprietary technology, and its future results may be impacted if it cannot maintain technological superiority in its industry. Tingo Mobile may not be able to respond quickly enough to changes in technology and technological risks, and to develop and maintain its intellectual property.***

Tingo Group's potential success depends on Tingo Mobile's ability to achieve technological advances and Intermediate's sophisticated proprietary technology to empower the efficient operations of its platforms. If Intermediate's technology becomes more widely available to its current or future competitors for any reason, its operating results may be adversely affected.

Changes in legislative, regulatory or industry requirements or in competitive technologies may render certain of Tingo Mobile's planned products obsolete or less attractive. Tingo Mobile's communications equipment may become obsolete, and our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in Tingo Mobile's ability to remain competitive. We cannot provide assurance that Tingo Mobile will be able to achieve the technological advances that may be necessary for it to remain competitive or that certain of Tingo Mobile's products will not become obsolete.

Additionally, to keep pace with changing technologies and client demands, Intermediate must correctly interpret and address market trends and enhance the features and functionality of its technology in response to these trends, which may lead to significant research and development costs. Intermediate may be unable to accurately determine the needs of its users and clients or the trends of the various industries it anticipates to enter or to design and implement the appropriate features and functionality of its technology in a timely and cost-effective manner, which could result in decreased demand for its services and a corresponding decrease in its revenue. Also, any adoption or development of similar or more advanced technologies by its competitors may require that Tingo Group devotes substantial resources to the development of more advanced technology at Intermediate to remain competitive. The markets in which Intermediate competes are characterized by rapidly changing technology, evolving industry standards and changing trading systems, practices and techniques. Intermediate may not be able to keep up with these rapid changes in the future, develop new technology, realize a return on amounts invested in developing new technologies or remain competitive in the future.

In addition, Intermediate must protect its systems against physical damage from fire, earthquakes, power loss, telecommunications failures, computer viruses, hacker attacks, physical break-ins and similar events. Any software or hardware damage or failure that causes interruption or an increase in response time of its proprietary technology could reduce client satisfaction and decrease usage of its services.

***Unexpected network interruptions, security breaches or computer virus attacks and failures in Tingo Group's information technology systems could have a material adverse effect on its business, financial condition and results of operations. Additionally, interruptions or delays in the services provided by cellular networks or Internet service providers could impair Tingo Mobile's operations and its business could suffer. Tingo Mobile's use of open-source software may pose particular risks to its proprietary software and systems.***

Tingo Group's information technology systems will support all phases of its operations and will be an essential part of its technology infrastructure. If Intermediate's systems fail to perform, it could experience disruptions in operations, slower response time or decreased customer satisfaction. Intermediate must be able to process, record and monitor a large number of transactions and its operations are highly dependent on the integrity of its technology systems and its ability to make timely enhancements and additions to its systems. System interruptions, errors or downtime can result from a variety of causes, including unexpected interruptions to the Internet infrastructure, technological failures, changes to Intermediate's systems, changes in customer usage patterns, linkages with third-party systems and power failures. Intermediate's systems will also be vulnerable to disruptions from human error, execution errors, errors in models such as those used for risk management and compliance, employee misconduct, unauthorized trading, external fraud, distributed denial of service attacks, computer viruses or cyberattacks, terrorist attacks, natural disaster, power outage, capacity constraints, software flaws, events impacting Intermediate's key business partners and vendors, and other similar events.

Intermediate's Internet-based businesses depend on the performance and reliability of the Internet infrastructure. Intermediate cannot assure its investors that the Internet infrastructure it depends on will remain sufficiently reliable for its needs. Any failure to maintain the performance, reliability, security or availability of Intermediate's network infrastructure may cause significant damage to its ability to attract and retain users and clients. Major risks involving Intermediate's network infrastructure include:

- breakdowns or system failures resulting in a prolonged shutdown of its servers;
- disruption or failure in the national backbone networks in the PRC, which would make it impossible for users and clients to access its platforms;
- damage from natural disasters or other catastrophic events such as typhoon, volcanic eruption, earthquake, flood, telecommunications failure, or other similar events; and
- any infection by or spread of computer viruses or other system failures.

Any network interruption or inadequacy that causes interruptions in the availability of Intermediate's platforms or deterioration in the quality of access to its platforms could reduce user and client satisfaction and result in a reduction in the activity level of its users and clients as well as the number of clients making trading transactions on its platforms. Furthermore, increases in the volume of traffic on Intermediate's platforms could strain the capacity of its computer systems and bandwidth, which could lead to slower response times or system failures. This could cause a disruption or suspension in Intermediate's service delivery, which could hurt its brand and reputation. Intermediate may need to incur additional costs to upgrade its technology infrastructure and computer systems in order to accommodate increased demand if it anticipates that its systems cannot handle higher volumes of traffic and transaction in the future. In addition, it could take an extended period of time to restore full functionality to its technology or other operating systems in the event of an unforeseen occurrence, which could affect its ability to process and settle client transactions. Despite Intermediate's efforts to identify areas of risk, oversee operational areas involving risks, and implement policies and procedures designed to manage these risks, there can be no assurance that it will not suffer unexpected losses, reputational damage or regulatory actions due to technology or other operational failures or errors, including those of its vendors or other third parties.

In addition, any damage to or failure of Tingo Mobile's systems generally would prevent it from operating its business. Tingo Mobile relies on the cellular networks and internet and, accordingly, depend upon the continuous, reliable, and secure operation of these networks and internet servers, related hardware and software, and network infrastructure that Tingo Mobile uses are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, floods, fires, severe storms, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, and similar events, many of which are beyond Tingo Mobile's control, any of which could disrupt its service, destroy user content, or prevent Tingo Mobile from being able to continuously back up or record changes in its users' content. In the event of significant physical damage to one of these data centers, it may take a significant period of time to achieve full resumption of our services, and Tingo Mobile's disaster recovery planning may not account for all eventualities. Moreover, negative publicity arising from these types of disruptions could damage Tingo Mobile's reputation and may adversely impact use of its products. Tingo Mobile may not carry sufficient business interruption insurance to compensate it for losses that may occur as a result of any events that cause interruptions in its service.

Additionally, Tingo Mobile uses open-source software in its proprietary software and systems and intends to continue using open-source software in the future. The licenses applicable to Tingo Mobile's use of open-source software may require that source code that is developed using open-source software be made available to the public and that any modifications or derivative works to certain open-source software continue to be licensed under open-source licenses. From time to time, Tingo Mobile may face claims from third parties claiming infringement of their intellectual property rights, or demanding the release or license of the open source software or derivative works that Tingo Mobile developed using such software (which could include Tingo Mobile's proprietary source code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require Tingo Mobile to purchase a costly license, publicly release the affected portions of its source code, be limited in or cease using the implicated software unless and until it can re-engineer such software to avoid infringement or change the use of, or remove, the implicated open-source software.

In addition to risks related to license requirements, use of certain open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties, indemnities or other contractual protections with respect to the software (for example, non-infringement or functionality). Tingo Mobile's use of open-source software may also present additional security risks because the source code for open source software is publicly available, which may make it easier for hackers and other third parties to determine how to breach its website and systems that rely on open source software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a material adverse effect on Tingo Mobile's business, financial condition, results of operations and prospects.

***If Tingo Group or Tingo Mobile fails to protect its platform or the confidential information of its users and clients, whether due to cyber-attacks, computer viruses, physical or electronic break-ins or other reasons, it may be subject to liabilities imposed by relevant laws and regulations, and its reputation and business may be materially and adversely affected.***

Tingo Group's and Intermediate's computer system, the networks it uses, the networks and online trading platforms of the exchanges and other third parties with whom it interacts, are potentially vulnerable to physical or electronic computer break-ins, viruses and similar disruptive problems or security breaches. A party that is able to circumvent Tingo Group's or Intermediate's security measures could misappropriate proprietary information or customer information, jeopardize the confidential nature of the information Tingo Group or Intermediate transmits over the Internet and mobile network or cause interruptions in its operations. Tingo Group, Intermediate or its respective service providers may be required to invest significant resources to protect against the threat of security breaches or to alleviate problems caused by any breaches.

In addition, Tingo Group and Intermediate will collect, store and process certain personal and other sensitive data from its users and clients, which makes Tingo Group and Intermediate potentially vulnerable targets to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. While Tingo Group and Intermediate will take steps to protect the confidential information that it expects to have access to, its security measures could be breached. Because the techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, Tingo Group and Intermediate may not be able to anticipate these techniques or implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to Tingo Group's or Intermediate's system could cause confidential user and client information to be stolen and used for criminal purposes. Security breaches or unauthorized access to confidential information could also expose Tingo Group and Intermediate to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in Tingo Group's or Intermediate's technology infrastructure are exposed and exploited, its relationships with users and clients could be severely damaged, it could incur significant liability and its stock trading platform business and operations could be adversely affected. Furthermore, Intermediate's corporate clients may utilize its technology to serve their own employees and customers. Any failure or perceived failure by Tingo Group or Intermediate to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause Intermediate's clients to lose trust in it and could expose Intermediate to legal claims.

In addition, Tingo Mobile collects personally identifiable information and other data from its consumers and prospective consumers. Tingo Mobile uses this information to provide services and relevant products to its consumers, to support, expand and improve its business, and to tailor our marketing and advertising efforts. Tingo Mobile may also share consumers' personal data with certain third parties as authorized by the consumer or as described in Tingo Mobile's privacy policy. As a result, Tingo Mobile is subject to governmental regulation and other legal obligations related to the protection of personal data, privacy and information security in certain countries where it does business, and there has been, and we expect there will be a continuing increase globally in laws that restrict or control the use of personal data. Consumer privacy and consumer protection laws may be interpreted or applied by regulatory authorities in a manner that could require Tingo Mobile to make changes to its contracts, or its operations, or incur fines, penalties, or settlement expenses, which may result in harm to its business, results of operations, financial condition, and brand.

There are uncertainties as to the interpretation and application of laws in one jurisdiction which may be interpreted and applied in a manner inconsistent to another jurisdiction and may conflict with Tingo Group's or Intermediate's policies and practices or require changes to the features of its system. Tingo Group and Intermediate cannot assure that its user information protection system and technical measures will be considered sufficient under applicable laws and regulations. If Tingo Group or Intermediate is unable to address any information protection concerns, any compromise of security that results unauthorized disclosure or transfer of personal data, or to comply with the then applicable laws and regulations, it may incur additional costs and liability and result in governmental enforcement actions, litigation, fines and penalties or adverse publicity and could cause its users and clients to lose trust in us, which could have a material adverse effect on its stock trading platform business, results of operations, financial condition and prospects. Tingo Group and Intermediate may also be subject to new laws, regulations or standards or new interpretations of existing laws, regulations or standards, including those in the areas of data security and data privacy, which could require Tingo Group or Intermediate to incur additional costs and restrict its stock trading platform business operations.

Additionally, the regulatory landscape surrounding data protection, data privacy and information security is rapidly changing across Africa. Among the African countries, only Ivory Coast, Ghana, Senegal, Morocco, Nigeria, South Africa and Tunisia have established comprehensive data protection and data privacy laws. These data protection laws and regulations were only recently enacted. For example, the National Information Technology Development Agency in Nigeria passed new data protection guidelines in 2017, and we have implemented new policies to comply with these regulations.

Compliance with the various data protection laws in Africa is challenging due to the complex and sometimes contradictory nature of the different regulatory regimes. Because data protection regulations are not uniform among the various African nations in which Tingo Group, including its subsidiary Tingo Mobile operates, its ability to transmit consumer information across borders is limited by its ability to comply with conditions and restrictions that vary from country to country. In countries with particularly strict data protection laws, Tingo Mobile might not be able to transmit data out of the country at all and may be required to host individual servers in each such country where it collects data. For example, Ivory Coast, Ghana, Senegal, Morocco, and Tunisia all restrict data transfer across borders. Ghana also requires that a company notify consumers in the event of a personal data breach. Egypt currently has no data protection and privacy laws. However, the Egyptian government announced in 2017 that it is committed to doubling the size of its e-commerce sector by 2020 and intends to update all legislation and regulation relevant to e-commerce. Moreover, many data protection regimes apply based on where a consumer is located, and as TGH expands and new laws are enacted or existing laws change, it may be subject to new laws, regulations or standards or new interpretations of existing laws, regulations or standards, including those in the areas of data security, data privacy and regulation of email providers and those that require localization of certain data, which could require TGH to incur additional costs and restrict its business operations.

TGH and its subsidiaries in Nigeria and other African jurisdictions are also subject to other Nigeria and international laws. Although TGH takes precautions to prevent violations of these laws, its exposure for violating these laws increases as TGH continues to expand its international presence and any failure to comply with such laws could harm its reputation and our business.

Any failure or perceived failure by TGH or any of its subsidiaries to comply with rapidly evolving privacy or security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized release or transfer of personally identifiable information or other consumer data may result in governmental enforcement actions, litigation (including consumer class actions), criminal prosecution, fines and penalties or adverse publicity and could cause our consumers to lose trust in the Tingo brand, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

***Tingo Group may not succeed in promoting and sustaining its brand, which could have an adverse effect on its future growth and business. If Tingo Group fails to compete effectively, it may lose existing users and fail to attract new users, which could have a material adverse effect on its business, financial condition, results of operations and prospects.***

A critical component of Tingo Group's launch and growth will be its ability to promote and sustain its brand. Promoting and positioning Tingo Group's brand and platforms will depend largely on the success of its marketing efforts, its ability to attract users and clients cost-efficiently and its ability to consistently provide high-quality services and a superior experience. Tingo Group expects to incur significant expenses related to advertising and other marketing efforts, which may not be effective and may adversely affect its net margins.

If Tingo Group fails to maintain its brand cost-effectively, its ability to expand the number of users of the Tingo Mobile network will be impaired, its reputation may be harmed, and its business, results of operations, and financial condition may suffer.

We believe that developing and maintaining awareness of the Tingo brand is critical to achieving widespread acceptance of the Tingo Mobile network and is an important element in attracting new users. Furthermore, we believe that the importance of Tingo brand recognition will increase as competition in its market increases. Successful promotion of the Tingo brand will depend largely on the effectiveness of its marketing efforts and on its ability to ensure that the Tingo Mobile network remains reliable, and useful at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses Tingo Mobile incurs in building its brand. If Tingo Mobile fails to successfully promote and maintain its brand or incur substantial expenses in an unsuccessful attempt to promote and maintain its brand, it may fail to attract new organizations to Tingo Mobile or to grow or maintain its telecommunications network.

In addition, to provide a high-quality user and client experience, Tingo Group expects to invest substantial amounts of resources in the development and functionality of Intermediate's platforms, websites, technology infrastructure and client service operations. Intermediate's ability to provide a high-quality user and client experience will also be highly dependent on external factors over which it may have little or no control, including, without limitation, the reliability and performance of software vendors and business partners. Failure to provide Intermediate's users and clients with high quality services and experience for any reason could substantially harm its reputation and adversely impact its efforts to develop a trusted brand, which could have a material adverse effect on its stock trading platform business, results of operations, financial condition and prospects.

***Any failure to protect either Intermediate's or Tingo Mobile's intellectual property could harm their respective businesses and competitive position. Additionally, the products and services utilized by Tingo Mobile and its suppliers and service providers may infringe on intellectual property rights owned by others.***

Intermediate expects to rely primarily on trade secret, contract, copyright, trademark and patent law to protect its proprietary technology. It is possible that third parties may copy or otherwise obtain and use Intermediate's proprietary technology without authorization or otherwise infringe on its rights. Intermediate may not be able to successfully pursue claims for infringement that interfere with its ability to use its technology, website or other relevant intellectual property or have adverse impact on its brand. Intermediate cannot assure Tingo Group's investors that any of its intellectual property rights would not be challenged, invalidated or circumvented, or such intellectual property will be sufficient to provide Intermediate with competitive advantages. In addition, other parties may misappropriate its intellectual property rights, which would cause it to suffer economic or reputational damages. Because of the rapid pace of technological change, Tingo Group cannot assure you that all of Intermediate's proprietary technologies and similar intellectual property will be patented in a timely or cost-effective manner, or at all. Furthermore, parts of Intermediate's business rely on technologies developed or licensed by other parties, or co-developed with other parties, and Intermediate may not be able to obtain or continue to obtain licenses and technologies from these other parties on reasonable terms, or at all.

Any claims or litigation could cause Intermediate and us to incur significant expenses and, if successfully asserted against Intermediate or us, could require that we pay substantial damages or ongoing royalty payments, restrict Intermediate or us from conducting our business or require that we or Intermediate comply with other unfavorable terms. We and Intermediate may also be obligated to indemnify parties or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. Even if we and Intermediate were to prevail in such a dispute, any litigation regarding Intermediate's intellectual property could be costly and time-consuming and divert the attention of our management from Intermediate and our business operations.

TGH and its subsidiaries, including Tingo Mobile, relies on various patent, service mark, trademark, and trade secret laws and contractual restrictions to establish and protect its proprietary rights. Despite these actions, they only offer limited protection and may not prevent the misappropriation of TGH's rights. Also, TGH may not be able to discover or determine the extent of or protect against any unauthorized use of its proprietary rights, which may increase the cost of protecting these rights or reduce TGH's revenues. Any of these factors could have a material adverse effect on TGH's business, financial condition, and operating results. TGH also purchases products from suppliers, including device suppliers, and outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. TGH and some of its suppliers and service providers have received, and may receive in the future, assertions and claims from third parties that the products or software utilized by TGH or its suppliers and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require



TGH or an infringing supplier or service provider to cease certain activities or to cease selling the relevant products and services. These claims can be time-consuming and costly to defend and divert management resources. If these claims are successful, TGH could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks, which could adversely affect its results of operations.

***Intermediate faces risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt its operations. Additionally, equipment failure, natural disasters or terrorist acts may affect Tingo Mobile's infrastructure and result in significant disruption to its business.***

Intermediate's stock trading platform business could be materially and adversely affected by natural disasters, health epidemics or other public safety concerns. Natural disasters may give rise to server interruptions, breakdowns, system failures, technology platform failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect its ability to operate its platform and provide services and solutions. Intermediate's stock trading platform business could also be adversely affected if its employees are affected by health epidemics. In addition, Intermediates' results of operations could be adversely affected to the extent that any health epidemic harms the economy in general. If any natural disasters, health epidemics or other public safety concerns were to affect the locations where Intermediate operates, its operation may experience material disruptions, which may materially and adversely affect its stock trading platform business, financial condition and results of operations.

In addition, equipment failures, natural disasters, including severe weather, terrorist acts or other disruptions that affect TGH's wireline and wireless networks, including transport facilities, communications switches, routers, microwave links, cell sites, or other equipment or third-party owned local and long-distance networks on which TGH relies, could disrupt its operations, require significant resources to remedy, result in a loss of subscribers or impair its ability to attract new subscribers, which in turn could have a material adverse effect on TGH's business, results of operations and financial condition.

***We could incur significant liability or our reputation could be damaged if our information systems are breached or we otherwise fail to protect customer or Company data or information systems.***

In operating our business and providing services and solutions to customers, we collect, use, store, transmit and otherwise process certain electronic information, including personal, confidential, proprietary and sensitive data such as information related to financial records, health care and personal data of our customers, colleagues and vendors. We rely on the efficient, uninterrupted and secure operation of complex information technology systems and networks to operate our business and securely process, transmit and store electronic information. In the normal course of business, we also share electronic information with our vendors and other third parties. This electronic information comprises sensitive and confidential data, including information related to financial records, health care and customers' personal data. Our information technology systems and safety control systems, and those of our numerous third-party providers, as well as the control systems of critical infrastructure they rely on are potentially vulnerable to unauthorized access, damage or interruption from a variety of external threats, including cyberattacks, computer viruses and other malware, ransomware and other types of data and systems-related modes of attack. Our systems are also subject to compromise from internal threats such as improper action by employees, vendors and other third parties with otherwise legitimate access to our systems. We could experience significant financial and reputational harm if our information systems are breached, sensitive customer or our data are compromised, surreptitiously modified, rendered inaccessible for any period of time or maliciously made public, or if we fail to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols.

Any disruption of our business operations due to a cyber attack, even for a limited amount of time, may adversely affect its business and financial condition. Our information technology and other systems — including those of its third-party service providers — that maintain and transmit our proprietary information, the confidential information of our business partners and its employees, and its subscribers' information, including credit card information, location data, or other personal information, may be compromised by a malicious third-party penetration of our network security, including by state-sponsored parties, or company employees or external actors, and impacted by advertent or inadvertent actions or inactions by our employees and agents. As a result, our proprietary or confidential information or the proprietary or confidential information of our business partners, employees and subscribers may be lost, disclosed, accessed, used, corrupted, destroyed, or taken without consent. Cyber attacks, such as the use of malware, computer viruses, dedicated denial of service attacks, or other means for disruption or unauthorized access, and data breaches have increased in frequency, scope, and potential harm in recent years. Cyber attacks may occur in conjunction with physical attacks on our network infrastructure. We also purchase equipment and software from third parties that could contain software defects, Trojan horses, malware, or other means by which third parties could access its network or the information stored or transmitted on such network or equipment.

While, to date, we are not aware of any cyber attacks or other cyber incidents that, individually or in the aggregate, have been material to Tingo Group's consolidated operations or financial condition, the preventive actions the Company takes to reduce the risk of cyber incidents and protect its information technology and networks may be insufficient to repel a cyber attack in the future. In addition, the costs of such preventative actions, including insurance coverage that the Company maintains relating to cybersecurity incidents, may be significant, which may adversely affect its results of operations. Any disruption of the information technology systems that are necessary to conducting normal business operations due to a cyber attack, even for a limited amount of time, may prevent TGH from conducting normal business operations and adversely affect its financial condition. Any major compromise of the Company's data or network security or that of its third-party service suppliers, failure to prevent or mitigate a loss of our services or network, its proprietary information, or its subscribers' information, and delays in detecting any such compromise or loss, even for a limited amount of time, could disrupt the Company's operations, impact its reputation and subscribers' willingness to purchase its service, and subject the Company to significant additional expenses. Such expenses could include incentives offered to existing subscribers and other business relationships in order to retain their business, increased expenditures on cyber security measures and the use of alternate resources, lost revenues from business interruption, significant penalties under privacy laws, and litigation, which could be material. Furthermore, the potential costs associated with any such cyber attacks could be greater than the insurance coverage the Company maintains.

***If Tingo Group is unable to obtain stockholder approval for the conversion of the Series A Preferred Stock into Common Stock by June 30, 2023 (the "Trigger Date"), then all issued and outstanding shares of Series A Preferred Stock will be redeemed by Tingo Group in consideration of the right to receive cash and Tingo Group shall cause Tingo LLC, a wholly-owned subsidiary of Tingo Group ("Delaware Sub"), to issue to Tingo, the amount of membership interests of Delaware Sub as needed to cause Tingo, to own 27% of the total issued and outstanding membership interests of Delaware Sub.***

If stockholders have not approved the conversion of the Series A Preferred Stock into Common Stock by June 30, 2023 (the "Trigger Date"), then, (i) all issued and outstanding shares of Series A Preferred Stock will be immediately and automatically redeemed by the Company, and all accrued and unpaid dividends thereon to the date of redemption extinguished, in consideration of the right to receive an aggregate amount, in respect of all shares of Series A Preferred Stock, of \$1.00 in cash, and (ii) the Company shall, within ten (10) Business Days following the Trigger Event, cause TGH to issue to TMNA, the amount of membership interests of TGH as needed to cause TMNA, to own 27% of the total issued and outstanding membership interests of TGH, subject to the terms of the Series A Preferred Stock Certificate of Designations. We cannot assure you we will receive stockholder approval for the conversion of the Series A Preferred Stock into Common Stock by the Trigger Date.

***In the event that (i) Tingo Group does not receive by the Trigger Date the stockholder approval with respect to the conversion of Series B Preferred Stock and the amendment of Tingo Group's certificate of incorporation to increase the number of authorized shares of Common Stock, (ii) the Nasdaq change of control application is***

*rejected, or (iii) Nasdaq requires Material Restrictions (as defined in the Series B Certificate of Designation) in order to approve the Nasdaq change of control application (each a “Trigger Event”), each holder of Series B Preferred Stock, at its sole option, shall have the right, but not the obligation, to reduce the Stated Value per share of Series B Preferred Stock in exchange for membership interests of Delaware Sub, up to a maximum of 33% of the outstanding membership interests of Delaware Sub.*

In the event that (i) we do not receive by June 30, 2023 the stockholder approval with respect to the conversion of Series B Preferred Stock and the amendment of Tingo Group’s certificate of incorporation to increase the number of authorized shares of Common Stock, (ii) the Nasdaq change of control application is rejected, or (iii) Nasdaq requires Material Restrictions (as defined in the Series B Certificate of Designation) in order to approve the Nasdaq change of control application (each a “Trigger Event”), each holder of Series B Preferred Stock, at its sole option, shall have the right, but not the obligation, to reduce the Stated Value per share of Series B Preferred Stock in exchange for membership interests of TGH, up to a maximum of 33% of the outstanding membership interests of TGH. If the holder of Series B Preferred Stock exercises its option to acquire the maximum number of membership interests of TGH, the Stated Value per share shall be reduced to \$14,292.71. For each 1% the holder of Series B Preferred Stock chooses to receive in membership interests of TGH up to the maximum of 33%, the Stated Value per share of Series B Preferred Stock shall decrease by \$216.56. Any amounts that equal less than 1% shall be proportionality reduced. On the date that is ninety (90) days following the date on which the earliest Trigger Event occurs, Tingo Group shall redeem all outstanding shares of Series B Preferred Stock for the Stated Value, as, and if, so reduced. We cannot assure you we will receive stockholder approval for the conversion of the Series A Preferred Stock into Common Stock by the Trigger Date or that Nasdaq will approve the change of control application in the present form.

***Failure or poor performance of third-party software, infrastructure or systems on which we rely could adversely affect our business.***

We will rely on third parties to provide and maintain certain infrastructure that will be critical to its business. For example, a strategic partner provides services to us in connection with various aspects of our operations and systems. If such services become limited, restricted, curtailed or less effective or more expensive in any way or become unavailable to us for any reason, its business may be materially and adversely affected. The infrastructure of our third-party service providers may malfunction or fail due to events out of its control, which could disrupt its operations and have a material adverse effect on its business, financial condition, results of operations and cash flows. Any failure to maintain and renew our relationships with these third parties on commercially favorable terms, or to enter into similar relationships in the future, could have a material adverse effect on its business, financial condition, results of operations and cash flows.

We also rely on certain third-party software, computer systems and service providers. Any interruption in these third-party services or software, deterioration in their performance, or other improper operation could interfere with its trading activities, cause losses due to erroneous or delayed responses, or otherwise be disruptive to its business. If our arrangements with any third party are terminated, it may not be able to find an alternative source of software or systems support on a timely basis or on commercially reasonable terms. This could also have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Employee misconduct could expose us to significant legal liability and reputational harm.***

Our platforms will operate in industries in which integrity and the confidence of its users and clients are of critical importance. During our daily operations, it will be subject to the risks of errors and misconduct by its employees, which include:

- engaging in misrepresentation or fraudulent activities when marketing or performing services to users and clients;
- improperly using or disclosing confidential information of its users and clients or other parties;
- concealing unauthorized or unsuccessful activities; or
- otherwise not complying with applicable laws and regulations or its internal policies or procedures.

If any of our employees engages in illegal or suspicious activities or other misconduct, it could suffer serious harm to its reputation, financial condition, client relationships and ability to attract new clients and even be subject to regulatory sanctions and significant legal liability. We may also be subject to negative publicity from the sanction that would adversely affect its brand, public image and reputation, as well as potential challenges, suspicions, investigations or alleged claims against us. It is not always possible to deter misconduct by its employees or senior management during the operations of its business or uncover any misconduct occurred in their past employment, and the precautions we take to detect and prevent any misconduct may not always be effective. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could result in a material adverse effect on its reputation and its business.

***TGH may be adversely affected by changes in the regulations applicable to the telecommunications sector. Internet-related issues may reduce or slow the growth in the use of our services in the future. In particular, our future growth depends on the further acceptance of the Internet in China and particularly the mobile Internet as an effective platform for assessing trading and other financial services and content.***

As the internet continues to revolutionize commercial relationships on a global scale and online penetration increases, new laws and regulations relating to the use of the internet in general and the e-commerce sector in particular may be adopted. These laws and regulations may govern the collection, use and protection of data, consumer protection, online payments, pricing, anti-bribery, tax, country specific prices and website contents and other aspects relevant to our business. The adoption or modification of laws or regulations relating to our operations could adversely affect our business by increasing compliance costs, including as a result of confidentiality or security breaches in case of non-compliance, and administrative burdens. In particular, privacy related regulation could interfere with TGH’s strategy to collect and use personal information as part of its data-driven approach along the value chain. We currently believe that TGH complies with these new guidelines, and its data protection and privacy policies address methods for continued compliance with such guidelines. TGH must comply with applicable regulations in all of the countries in which it operates, and any non-compliance could lead to fines and other sanctions.

Critical issues concerning the commercial use of the Internet, such as ease of access, security, privacy, reliability, cost, and quality of service, remain unresolved and may adversely impact the growth of Internet use. If Internet usage continues to increase rapidly, the Internet infrastructure may not be able to support the demands placed on it by this growth, and its performance and reliability may decline. Continuous rapid growth in Internet traffic may cause decreased performance, outages and delays. Our ability to increase the speed with which we provide services to users and clients and to increase the scope and quality of such services is limited by and dependent upon the speed and reliability of Intermediate’s users’ and clients’ access to the Internet, which is beyond our control. If periods of decreased performance, outages or delays on the Internet occur frequently or other critical issues concerning the Internet are not resolved, overall Internet usage or usage of our web-based services could increase more slowly or decline, which would cause Intermediate’s stock trading platform business, results of operations and financial condition to be materially and adversely affected.

***Fluctuations in exchange rates of the RMB could materially affect financial results. Tingo Mobile is also experiencing difficulties in obtaining foreign exchange for use***

*in its operations outside of Nigeria and is dependent for those operations on financing providers not situated in Nigeria.*

The exchange rates between the RMB and the U.S. dollars and other foreign currencies are affected by, among other things, changes in China's political and economic conditions. The People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates and achieve policy goals.

Tingo Mobile, Tingo Foods, and other businesses based in Nigeria generally are having difficulty sourcing foreign exchange through the Central Bank of Nigeria, which has restricted access to foreign exchange in an effort to support the local Naira currency. This has adversely affected Tingo Mobile's customers and the business community generally in Nigeria. As a result, it has been necessary for TGH, the parent company of Tingo Mobile and Tingo Foods, to arrange financing outside of Nigeria for compliance, operations, and other costs associated with its business in the United States and other locations outside of Nigeria. Nevertheless, if TGH is unsuccessful in raising capital or generated cash flow outside of Nigeria, its operations may be adversely affected.

***The costs to comply with, or our failure to comply with laws related to privacy, data security and data protection could adversely affect our financial condition, operating results and our reputation. TGH and its subsidiaries are subject to governmental regulation and other legal obligations related to privacy, data protection and information security. If TGH is unable to comply with these, it may be subject to governmental enforcement actions, litigation, fines and penalties or adverse publicity.***

Improper collection, use disclosure, cross border transfer, and retention of confidential, personal, or proprietary data could result in regulatory scrutiny, legal and financial liability, or harm to our reputation. In operating our business and providing services and solutions to clients, we store and transfer sensitive employee and client data, including personal data, in and across multiple jurisdictions. We collect data from client and individuals located all over the world and leverage systems and teams to process it. As a result, we are subject to a variety of laws and regulations regarding privacy, data protection, data security and cyber-security. These laws and regulations are continuously evolving and developing. Some of these laws and regulations are increasing the level of data handling restrictions, including rules on data localization, all of which could affect our operations and result in regulatory liability and high fines. In particular, high-profile security breaches at major companies continue to be disclosed regularly, which is leading to even greater regulatory scrutiny and fines at the highest levels they have ever been.

The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. Given the breadth and depth of changes in data protection obligations, including classifying data and committing to a range of administrative, technical and physical controls to protect data, our compliance with laws will continue to require time, resources and review of the technology and systems we use.

Through its operating subsidiaries, TGH collects personally identifiable information and other data from its consumers and prospective consumers. TGH uses this information to provide services and relevant products to its consumers, to support, expand and improve its business, and to tailor our marketing and advertising efforts. TGH may also share consumers' personal data with certain third parties as authorized by the consumer or as described in TGH's privacy policy. As a result, TGH is subject to governmental regulation and other legal obligations related to the protection of personal data, privacy and information security in certain countries where it does business, and there has been, and we expect there will be a continuing increase globally in laws that restrict or control the use of personal data.

Additionally, the regulatory landscape surrounding data protection, data privacy and information security is rapidly changing across Africa. Among the African countries, only Ivory Coast, Ghana, Senegal, Morocco, Nigeria, South Africa and Tunisia have established comprehensive data protection and data privacy laws. These data protection laws and regulations were only recently enacted. For example, the National Information Technology Development Agency in Nigeria passed new data protection guidelines in 2017, and we have implemented new policies to comply with these regulations.

Compliance with the various data protection laws in Africa is challenging due to the complex and sometimes contradictory nature of the different regulatory regimes. Because data protection regulations are not uniform among the various African nations in which TGH operates, its ability to transmit consumer information across borders is limited by its ability to comply with conditions and restrictions that vary from country to country. In countries with particularly strict data protection laws, TGH or its relevant subsidiary might not be able to transmit data out of the country at all and may be required to host individual servers in each such country where it collects data. For example, Ivory Coast, Ghana, Senegal, Morocco, and Tunisia all restrict data transfer across borders. Ghana also requires that a company notify consumers in the event of a personal data breach. Egypt currently has no data protection and privacy laws. However, the Egyptian government announced in 2017 that it is committed to doubling the size of its e-commerce sector by 2020 and intends to update all legislation and regulation relevant to e-commerce. Moreover, many data protection regimes apply based on where a consumer is located, and as TGH expands and new laws are enacted or existing laws change, it may be subject to new laws, regulations or standards or new interpretations of existing laws, regulations or standards, including those in the areas of data security, data privacy and regulation of email providers and those that require localization of certain data, which could require TGH to incur additional costs and restrict its business operations.

Any failure or perceived failure by TGH or its subsidiaries to comply with rapidly evolving privacy or security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized release or transfer of personally identifiable information or other consumer data may result in governmental enforcement actions, litigation (including consumer class actions), criminal prosecution, fines and penalties or adverse publicity and could cause our consumers to lose trust in TGH, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

#### **Risk Factors Relating to Intermediate's Business**

***Intermediate's trading platforms have no operating history, which makes it difficult to evaluate Intermediate's future prospects.***

Intermediate is focused on developing its various trading platforms and technology infrastructure, which have not launched. As Intermediate's platforms will be built on technology and a significant portion of Intermediate's staff come from Internet and technology companies, Intermediate has limited experience in most aspects of its trading platform business operation. Any aspect of Intermediate's business model that does not achieve expected results may have a material and adverse impact on Intermediate's financial condition and results of operations. It is therefore difficult to effectively assess Tingo Group's future prospects.

Intermediate's targeted markets may not develop as expected. Intermediate's users and clients of Intermediate's services may not be familiar with the development of these markets and may have difficulty distinguishing Intermediate's services from those of Intermediate's competitors. Convincing users and clients of the value of using Intermediate's services will be critical to increasing the number of transactions on Intermediate's platforms and to the success of Intermediate businesses.

You should consider Intermediate's businesses in light of the risks and challenges it encounters or may encounter given the rapidly evolving markets in which it operates and its lack of operating history. These risks and challenges include our ability to, among other things:

- manage the launch of its trading platforms and its future growth;
- navigate a complex and evolving regulatory environment;

- offer personalized and competitive services;
- increase the utilization of its services by users and clients;
- maintain and enhance its relationships with its business partners;
- enhance its technology infrastructure to support the growth of its business and maintain the security of its systems and the confidentiality of the information provided and utilized across its systems;
- improve its operational efficiency;
- attract, retain and motivate talented employees to support its business growth;
- navigate economic condition and fluctuation;
- defend itself against legal and regulatory actions, such as actions involving intellectual property or privacy claims; and
- obtain any and all licenses necessary for the operation of its business.

***Our business and reputation may be harmed by changes in business, economic or political conditions that impact global financial markets, or by a systemic market event.***

As the Company offers financial services, our business, results of operations and reputation are directly affected by elements beyond our control, such as economic and political conditions, changes in the volatility in financial markets (including volatility as a result of the COVID-19 pandemic), significant increases in the volatility or trading volume of particular securities, broad trends in business and finance, changes in volume of securities trading generally, changes in the markets in which such transactions occur and changes in how such transactions are processed. These elements can arise suddenly and the full impact of such conditions can remain uncertain. A prolonged weakness in equity markets, such as a slowdown causing reduction in trading volume in securities, derivatives or cryptocurrency markets, may result in reduced revenues and would have an adverse effect on our business, financial condition and results of operations. Significant downturns in the securities markets or in general economic and political conditions may also cause individuals to be reluctant to make their own investment decisions and thus decrease the demand for our products and services and could also result in our customers reducing their engagement with our platform. Conversely, significant upturns in the securities markets or in general economic and political conditions may cause individuals to be less proactive in seeking ways to improve the returns on their trading or investment decisions and, thus, decrease the demand for our products and services. Any of these changes could cause our future performance to be uncertain or unpredictable, and could have an adverse effect on our business, financial condition and results of operations.

In addition, some market participants could be overleveraged. In case of sudden, large price movements, such market participants may not be able to meet their obligations to their respective brokers who, in turn, may not be able to meet their obligations to their counterparties. As a result, the financial system or a portion thereof could suffer, and the impact of such an event could have an adverse effect on our business, financial condition and results of operations.

In addition, a prolonged weakness in the U.S. equity markets or a general economic downturn could cause our customers to incur losses, which in turn could cause our brand and reputation to suffer. If our reputation is harmed, the willingness of our existing customers, and potential new customers, to do business with us could be negatively impacted, which would adversely affect our business, financial condition and results of operations.

***We operate in highly competitive markets, and many of our competitors have greater resources than we do and may have products and services that may be more appealing than ours to our current or potential customers.***

The markets in which we compete are evolving and highly competitive, with multiple participants competing for the same customers. Our current and potential future competition principally comes from incumbent discount brokerages, established financial technology companies, venture-backed financial technology firms, banks, cryptocurrency exchanges, asset management firms and technology platforms. The majority of our competitors have longer operating histories and greater capital resources than we have and offer a wider range of products and services. The impact of competitors with superior name recognition, greater market acceptance, larger customer bases or stronger capital positions could adversely affect our results of operations and customer acquisition and retention. Our competitors may also be able to respond more quickly to new or changing opportunities and demands and withstand changing market conditions better than we can, especially larger competitors that may benefit from more diversified product and customer bases. For example, some of our competitors have quickly adopted, or are seeking to adopt, some of our key offerings and services, including commission-free trading, fractional share trading and no account minimums, since their introduction on our platform to compete with us. In addition, competitors may conduct extensive promotional activities, offer better terms or offer differentiating products and services that could attract our current and prospective customers and potentially result in intensified competition within our markets. We continue to experience aggressive price competition in our markets and we may not be able to match the marketing efforts or prices of our competitors. We may also be subject to increased competition as our competitors enter into business combinations or partnerships, or established companies in other market segments expand to become competitive with our business.

In addition, we compete in a technology-intensive market characterized by rapid innovation. Some of our competitors in this market, including new and emerging competitors, are not subject to the same regulatory requirements or scrutiny to which we are subject, which could place us at a competitive disadvantage, in particular in the development of new technology platforms or the ability to rapidly innovate. We may be unable to effectively use new technologies, adapt our products and services to emerging market standards or develop or introduce and market enhanced or new products and services. If we are not able to update or adapt our products and services to take advantage of the latest technologies and standards, or are otherwise unable to tailor the delivery of our services to the latest personal and mobile computing devices preferred by our customers or to provide products or services that are of a quality preferred by our customers, it could have an adverse effect on our business, financial position and results of operations.

Our ability to compete successfully in the financial services market depends on a number of factors, including, among other things:

- providing easy-to-use, innovative and attractive products and services, as well as effective customer support;
- maintaining and expanding our market position;

- attracting and retaining customers;
- our reputation and the market perception of our brand and overall value;
- maintaining our relationships with our counterparties;
- maintaining competitive pricing;
- competing in a competitive landscape, including in the provision of products and services that have until recently been available only from our bank competitors;
- the effectiveness, reliability and stability of our technology (including the success of our outage prevention efforts and our cybersecurity measures and defenses), products and services;
- innovating effectively in launching new or enhanced products and services;
- adjusting to a dynamic regulatory environment;
- the differences in regulatory oversight regimes to which we and our competitors are subject; and
- general economic and market trends, including customer demand for financial products and services.

Our competitive position within our markets could be adversely affected if we are unable to adequately address these factors, which could have an adverse effect on our business, financial condition and results of operations.

***If we fail to retain existing customers or attract new customers, or if our customers decrease their use of our products and services, our growth could be slower than we expect and our business may be harmed.***

Our continued business and revenue growth is dependent on our ability to attract new customers, retain existing customers, increase the amount that our customers use our products and services and sell our premium services, and we cannot be sure that we will be successful in these efforts. There are a number of factors that could lead to a decline in our number of customers or their usage of our products and services, or that could prevent us from increasing our number of customers, including:

- our failure to introduce new products or services, or our introduction of new products or services, or changes in our existing products or services, that are not favorably received;
- pricing for our products and services;
- harm to our brand and reputation, or decreases in the perceived quality, reliability or usefulness of our products and services;
- our customers engaging with competitive products and services;
- our customers having difficulty installing, updating or otherwise accessing the our app on mobile devices as a result of actions by us or third parties that we rely on to distribute our app;
- our customers experiencing security breaches, account intrusions or other unauthorized access as a result of actions by us or our business partners, including third parties that we rely on to distribute the application;
- our failure to provide adequate customer service to our customers;
- a cybersecurity attack, data breach or other security incident resulting in loss in customer confidence;
- our inability to manage network or service outages, interruptions and internet disruptions, including during times of high trading activity, or other performance or technical problems that prevent our customers from accessing and managing their accounts or assets in a rapid and reliable manner;
- changes in our customers' investment strategies or level of interest in investing;
- the enactment of proposed legislation that would impose taxes on certain financial transactions;
- changes mandated by legislation, regulatory authorities or litigation that adversely affect our products and services, or our ability to provide them to our customers;
- any restrictions on trading that we impose on our platform as a result of the capital requirements and cash deposit and collateral requirements to; and
- deteriorating general economic conditions, including as a result of the COVID-19 pandemic or a general downturn in the equity markets.

As we expand our business operations and enter new markets, new challenges in attracting and retaining customers will arise that we may not successfully address. Our success, and our ability to increase revenues and operate profitably, depends in part on our ability to cost-effectively acquire new customers, to retain existing customers and to keep existing customers engaged so that they continue to use our products and services. Our customers may choose to cease using our platform, products and services at any time, and may choose to transfer their accounts to another broker-dealer.

***Our introduction of new products and services, or changes to existing products and services, could fail to attract or retain customers or generate growth and revenue.***

Our ability to attract, engage and retain our customers and to increase our revenue depends heavily on our ability to continue to maintain and evolve our existing products and services and to create successful new products and services. We may introduce significant changes to our existing products and services or acquire or introduce new and unproven products and services, including using technologies with which we have little or no prior development or operating experience. We continue to incur substantial costs, and we may not be successful in continuing to generate profits, in connection with these efforts. In addition, the introduction of new products and services, or changes to existing products and services, may result in new or enhanced governmental or regulatory scrutiny or other complications that could adversely affect our business and results of operations. If our new or enhanced products and services fail to attract customers, or if our business plans are unsuccessful, we may fail to attract or retain customers or to generate sufficient revenue, operating margin or other value to justify our investments, and our business may be adversely affected.

***If we do not keep pace with industry and technological changes and continue to provide new and innovative products and services, our business may become less competitive and our business may be adversely impacted.***

Rapid and significant technological changes continue to confront the financial services industry, including developments in the methods in which securities are traded. If we fail to innovate and deliver products and services with market fit and differentiation, or fail to do so quickly enough as compared to our competitors, we may not be able to keep pace with industry and technological changes in our industry and we may face difficulty in competing within our market, which could harm our business.

We expect new technologies, products, services and industry norms to continue to emerge and evolve, and we cannot predict the effects of technological changes or industry practices on our business. Further, new technologies introduced in our markets may be superior to, or render obsolete, the technologies we currently use in our products and services. Incorporating new technologies into our products and services may require substantial expenditures and take considerable time, and we may not be successful in realizing a return on these development efforts in a timely manner or at all. Our ability to successfully adopt new products and services and to develop and incorporate new technologies may be inhibited by industry-wide standards, changes to laws and regulations, changing customer expectations, demands and preferences or third-party intellectual property rights. If we are unable to enhance our products and services or to innovate or to develop new products and services that achieve market acceptance or that keep pace with rapid technological developments and evolving industry standards or practices, our business could be adversely affected.

We will need to continuously modify, enhance and improve our products and services to keep pace with changes in internet-related hardware, mobile operating systems such as iOS and other software, communication, browser and database technologies. We may not be successful in either developing these modifications, enhancements and improvements or in bringing them to market quickly or cost-effectively in response to market demands. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our products and services to keep pace with technological changes or to innovate or to operate effectively with future network platforms and technologies, or to do so in a timely and cost-effective manner, could reduce the demand for our products and services, result in customer dissatisfaction and negative publicity, reduce our competitive advantage and harm our business and reputation.

***Our products and internal systems rely on software that is highly technical, and if these systems contain errors, bugs or vulnerabilities, or if we are unsuccessful in addressing or mitigating technical limitations or vulnerabilities in our systems, our business could be adversely affected.***

Our trading platform relies on software, including software developed or maintained internally and by third parties, that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software, which includes machine learning models, to collect, store, retrieve, transmit, manage and otherwise process immense amounts of data. The software on which we rely may contain errors, bugs or vulnerabilities, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs or vulnerabilities inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects or technical limitations within the software on which we rely may lead to negative customer experiences (including the communication of inaccurate information to customers), compromised ability of our products to perform in a manner consistent with customer expectations, delayed product introductions, compromised ability to protect the data (including personal data) of our customers and our intellectual property or an inability to provide some or all of our services. Such errors, bugs, vulnerabilities or defects could also be exploited by malicious actors and result in exposure of data of customers on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, bugs, vulnerabilities or defects in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of customers, loss of revenue, regulatory or governmental inquiries, civil litigation, or liability for damages, any of which could have an adverse effect on our business, financial condition and results of operations.

***Our success depends in part upon effective operation with mobile operating systems, networks, technologies, products, hardware and standards that we do not control.***

A substantial majority of our customers' activity on our platform occurs on mobile devices. There is no guarantee that popular mobile devices will continue to feature our app, or that mobile device customers will continue to use our products and services rather than those of our competitors. We are dependent on the interoperability of our app with popular mobile operating systems, networks, technologies, products, hardware and standards that we do not control, such as mobile device operating systems. Any changes, bugs or technical issues in such systems or changes in our relationships with mobile operating system partners, device manufacturers or mobile carriers, or in their terms of service or policies that degrade the functionality of our app, reduce or eliminate our ability to distribute applications, give preferential treatment to competitive products, limit our ability to target or measure the effectiveness of applications, or impose fees or other charges related to our delivery of our application could adversely affect customer usage of our app. Further, we are subject to the standard policies and terms of service of these operating systems, as well as policies and terms of service of the various application stores that make our application and experiences available to our developers, creators and customers. These policies and terms of service govern the availability, promotion, distribution, content and operation generally of applications and experiences on such operating systems and stores. Each provider of these operating systems and stores has broad discretion to change and interpret its terms of service and policies with respect to our platform and those changes may be unfavorable to us and our developers', creators' and customers' use of our platform. If we were to violate, or an operating system provider or application store believes that we have violated, its terms of service or policies, that operating system provider or application store could limit or discontinue our access to its operating system or store. In some cases, these requirements may not be clear or our interpretation of the requirements may not align with the interpretation of the operating system provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against us, and could also result in the operating system provider or application store limiting or discontinuing access to its operating system or store. Any limitation or discontinuation of our access to any third-party platform or application store could adversely affect our business, financial condition or results of operations.

Additionally, in order to deliver a high-quality mobile experience for our customers, it is important that our products and services work well with a range of mobile technologies, products, systems, networks, hardware and standards that we do not control, and that we have good relationships with mobile operating system partners, device manufacturers and mobile carriers. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, products, systems, networks or standards. In the event that it is more difficult for our customers to access and use our app, or if our customers choose not to access or use our app on their mobile devices or use mobile products that do not offer access to our app, our customer growth and

engagement could be harmed. In the event that our customers are adversely affected by these actions or if our relationships with such third parties deteriorate, our customer growth and engagement could be adversely affected and our business could be harmed.

***If there is any negative publicity with respect to Tingo Group, its industry peers or its industries in general, Tingo Group's business and results of operations may be materially and adversely affected.***

Tingo Group's reputation and brand recognition plays an important role in earning and maintaining the trust and confidence of its current and potential users and clients. Tingo Group's reputation and brand are vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by clients or other third parties, employee misconduct, perceptions of conflicts of interest and rumors, among other things, could substantially damage Tingo Group's reputation, even if they are baseless or satisfactorily addressed. In addition, any perception that the quality of its services may not be the same as or better than that of other companies can also damage its reputation. Moreover, any negative media publicity about the industries in general or product or service quality problems of other firms in these industries, including Tingo Group's competitors, may also negatively impact Tingo Group's reputation and brand. If Tingo Group is unable to maintain a good reputation or further enhance its brand recognition, its ability to attract and retain users, clients, third-party partners and key employees could be harmed and, as a result, its business and revenues would be materially and adversely affected.

***Intermediate's platform and internal systems rely on software and technological infrastructure that is highly technical, and if they contain undetected errors, its business could be adversely affected.***

Intermediate's platforms and internal systems rely on software that is highly technical and complex. In addition, Intermediate's platforms and internal systems depend on the ability of the software to store, retrieve, process and manage immense amounts of data. The software may now or in the future contain, undetected errors or bugs. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which Intermediate relies may result in a negative experience for users and clients, delay introductions of new features or enhancements, result in errors or compromise Intermediate's ability to protect data or its intellectual property. Any errors, bugs or defects discovered in the software on which it relies could result in harm to Intermediate's reputation, loss of users or financial service providers or liability for damages, any of which could adversely affect its business, results of operations and financial conditions.

***From time-to-time Tingo Group may evaluate and potentially consummate investments and acquisitions or enter into alliances, which may require significant management attention, disrupt Intermediate's stock trading platform business and adversely affect its financial results.***

Tingo Group may evaluate and consider strategic investments, combinations, acquisitions or alliances to further increase the value of Intermediate's platforms and better serve Intermediate's users and clients. These transactions could be material to its financial condition and results of operations if consummated. Tingo Group may not have the financial resources necessary to consummate any acquisitions in the future or the ability to obtain the necessary funds on satisfactory terms. Any future acquisitions may result in significant transaction expenses and risks associated with entering new markets in addition to integration and consolidation risks. Tingo Group may not have sufficient management, financial and other resources to integrate any such future acquisitions or to successfully operate new businesses, and it may be unable to profitably operate its expanded company.

## **Risks Related to Doing Business in China**

***Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.***

Intermediate division's principal executive office and operations, through its operating subsidiaries, are located in China. We also plan to launch various platforms which are being built initially in China. Accordingly, Tingo Group's business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic, social conditions and government policies in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, such growth has been uneven, both geographically and among various sectors of the economy, and the rate of growth has been slowing since 2012. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China, could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect Tingo Group's business and operating results, lead to reduction in demand for Tingo Group's services and adversely affect Tingo Group's competitive position. COVID-19 had a severe and negative impact on Chinese and global economy in the past few years. Whether this will lead to a prolonged downturn in the economy is still unknown. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our Intermediate division's financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the PRC government has implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our Intermediate division's business and operating results.

***The PRC legal system embodies uncertainties which could limit the legal protections available to us.***

PRC laws and the PRC legal system in general may have a significant impact on our business operations in China. Although China's legal system has developed over the last several decades, PRC laws, regulations and legal requirements remain underdeveloped relative to the United States of America. Moreover, PRC laws and regulations change frequently and their interpretation and enforcement involve uncertainties. For example, the interpretation or enforcement of PRC laws and regulations may be subject to government rules or policies, some of which are not published on a timely basis or at all. In addition, the relative inexperience of China's judiciary system in some cases may create uncertainty as to the outcome of litigation. These uncertainties could limit our ability to enforce certain legal or contractual rights or otherwise adversely affect our business and operations.

Furthermore, due to the existence of unpublished rules and policies, and since newly issued PRC laws and regulations may have expected and unexpected retrospective effects, we may not be aware of a violation of certain PRC laws, regulations, policies or rules until after the event.

The PRC government extensively regulates the Internet industries, including foreign ownership of, and the licensing and permit requirements pertaining to, companies doing business in the Internet industry. These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainty. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. Issues, risks and uncertainties relating to PRC regulation of these businesses include, but are not limited to, the following:

There are uncertainties relating to the regulation of the Internet-related businesses in China, including evolving licensing practices. This means that certain of our permits, licenses or operations may be subject to challenge, or we may fail to obtain permits or licenses that may be deemed necessary for operations.

New laws and regulations that regulate Internet activities, including operating online platforms for insurance intermediary may be promulgated. If these new laws and regulations are promulgated, additional licenses may be required for operations. If our operations do not comply with these new regulations after they become effective, or if we fail to obtain any licenses required under these new laws and regulations, Tingo Group or its subsidiaries could be subject to penalties.

The principal regulation governing the operation of Internet insurance business is the Measures for the Regulation of Internet Insurance Business, or Regulation of Internet Insurance Business, promulgated by the CBIRC on December 7, 2020 and effective on February 1, 2021. There is no assurance that Intermediate would be able to meet all the requirements set forth under the Regulation of Internet Insurance Business and effectively operate an online insurance brokerage business. Please refer to “Regulation of Internet Insurance Businesses”.

The interpretation and application of existing PRC laws, regulations and policies and any new laws, regulations or policies relating to the Internet-related industries have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of companies in these industries. We cannot assure you that Intermediate had obtained all the permits or licenses required for conducting its business in China or will be able to maintain existing licenses or obtain any new licenses required under any new laws or regulations. There are also risks associated with being found in violation of existing or future laws and regulations given the uncertainty and complexity of China’s regulation of these businesses.

In addition, new laws and regulations applicable to the Internet-related industries could be issued at the national or provincial level, or existing regulations could be interpreted more strictly. No assurance can be given that business on these industries in general or our services in particular will not be adversely impacted by further regulations. In particular, technical limitations on Internet use can also be developed or implemented. For example, restrictions can be implemented on personal Internet use in the workplace in general or access to Intermediate’s sites in particular. All such regulations, restrictions and limitations could lead to a reduction of user activities or a loss of users, and restrict the types of products and services we may be able to offer in China, which in turn could have a material adverse effect on our financial condition and results of operations in China.

***The 2006 M&A Rules established complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it difficult to pursue growth through acquisitions in China.***

On August 8, 2006, six PRC regulatory authorities promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “2006 M&A Rules”), which were later amended on June 22, 2009. The 2006 M&A Rules and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some instances that the Ministry of Commerce, People’s Republic of China (“MOFCOM”) be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law of China requires that the anti-monopoly law enforcement authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the State Council that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

***Governmental control of currency conversion may affect the value of business in China.***

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of foreign currency out of China. Certain revenues may be received in RMB. Shortages in the availability of foreign currency may restrict our or our partners’ ability in China to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy their foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments, expenditures from trade related transactions and services-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (“SAFE”) by complying with certain procedural requirements. However, approval from SAFE or its local branch is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future.

***Regulation and censorship of information disseminated over the Internet in China may adversely affect our business, and may cause liability for content that is displayed on any of its websites.***

China has enacted laws and regulations governing Internet access and the distribution of products, services, news, information, audio-video programs and other content through the Internet. In the past, the PRC government has prohibited the distribution of information through the Internet that it deems to be in violation of PRC laws and regulations. If any of Intermediate’s Internet information on its online platforms is deemed by the PRC government to violate any content restrictions, we or our partners may not be able to continue to display such content and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations. We or our partners may also be subjected to liability for any unlawful actions of their customers or users of their websites or for content distributed by such subsidiaries or partners that is deemed inappropriate. It may be difficult to determine the type of content that may result in liability.

***It may be difficult for overseas regulators to conduct investigation or collect evidence within China.***

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.



***Under the enterprise income tax (“EIT”) Law, we may be classified as a “resident enterprise” of China. Such classification would likely result in unfavorable tax consequences.***

Under the EIT Law, which has been revised effective as of December 29, 2018, and its implementation rules, (the “Implementation Rules”), which has been revised and effective as April 23, 2019, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered a resident enterprise and is subject to enterprise income tax, or EIT, at the rate of 25% on its global income. The Implementation Rules define the term “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” The State Administration of Taxation issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, on April 22, 2009. Circular 82 provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a “resident enterprise” with its “de facto management bodies” located within China if the following criteria are satisfied: (i) the place where the senior management and core management departments that are in charge of its daily operations perform their duties is mainly located in the PRC; (ii) its financial and human resources decisions are made by or are subject to approval by persons or bodies in the PRC; (iii) its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and (iv) more than half of the enterprise’s directors or senior management with voting rights frequently reside in the PRC.

Currently, we do not believe we meet all of the criteria above. If the PRC authorities consider that we meet all of the criteria above and treat us as a resident enterprise, a 25% EIT on global income could significantly increase our tax burden and materially and adversely affect its financial condition and results of operations.

In addition, even if we are not deemed as a resident enterprise by the PRC authorities, pursuant to the EIT Law, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign investors will be subject to a 10% withholding tax, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement and provided that relevant tax authorities approved the foreign investors as the beneficial owners of such dividends under applicable tax regulations.

***We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by non-PRC holding companies.***

On February 3, 2015, the China State Administration of Taxation (“SAT”) issued the Circular on issues of enterprise Income Tax on Indirect Transfer of Assets by Non-PRC Resident Enterprise, or the SAT Circular 7, pursuant to which if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than the purchase and sale of shares in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer might be treated as a direct transfer. As a result, the gain derived from such transfer, which means the equity transfer price minus the cost of equity, will be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. Under the SAT Circular 7, the transfer which meets all of the following circumstances shall be deemed as having no reasonable commercial purpose: (i) over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties; (ii) at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are investments within PRC territory, or in the year before the indirect transfer, over 90% of the offshore holding company’s total income is directly or indirectly derived from within PRC territory; (iii) the function performed and risks assumed by the offshore holding company are insufficient to substantiate its corporate existence; or (iv) the foreign income tax imposed on the indirect transfer is lower than the PRC tax imposed on the direct transfer of the PRC taxable properties. In October 2017, SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Circular 37, which came into effect on December 1, 2017 and was amended on June 15, 2018. The SAT Circular 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an indirect transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such indirect transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax.

We face uncertainties as to the reporting and other implications of certain past and future transactions that involve PRC taxable assets, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. We may be subject to filing obligations or taxed if we are transferors in such transactions, and may be subject to withholding obligations if we are transferees in such transactions, under SAT Circular 7 or SAT Circular 37, or both.

***The enforcement of the PRC Labor Contract Law and other labor-related regulations in the PRC may adversely affect Tingo Group’s business and results of operations.***

The Standing Committee of the National People’s Congress enacted the Labor Contract Law in 2008 and amended it on December 28, 2012. The Labor Contract Law introduced specific provisions related to fixed-term employment contracts, part-time employment, probationary periods, consultation with labor unions and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining to enhance previous PRC labor laws. Under the Labor Contract Law, an employer is obligated to sign an unlimited-term labor contract with any employee who has worked for the employer for ten consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract, with certain exceptions, must have an unlimited term, subject to certain exceptions. With certain exceptions, an employer must pay severance to an employee where a labor contract is terminated or expires. In the case of retrenching 20 or more employees or where the number of employees to be retrenched is less than 20 but comprises 10% or more of the total number of employees of such employer under certain circumstances, the employer shall explain the situation to the labor union or all staff 30 days in advance and seek the opinion of the labor union or the employees, the employer may carry out the retrenchment exercise upon reporting the retrenchment scheme to the labor administrative authorities. In addition, the PRC governmental authorities have continued to introduce various new labor-related regulations since the effectiveness of the Labor Contract Law.

Under the PRC Social Insurance Law and the Administrative Measures on Housing Fund, employees are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance, and housing funds and employers are required, together with their employees or separately, to pay the social insurance premiums and housing funds for their employees. If we fail to make adequate social insurance and housing fund contributions, or fail to withhold individual income tax adequately, we may be subject to fines and legal sanctions, and our business, financial conditions and results of operations may be adversely affected.

These laws designed to enhance labor protection tend to increase our labor costs. In addition, as the interpretation and implementation of these regulations are still evolving, our employment practices may not be at all times be deemed in compliance with the regulations. As a result, we could be subject to penalties or incur significant liabilities in connection with labor disputes or investigations.

***PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries’ ability to increase their registered capital or distribute profits.***

SAFE promulgated the SAFE Circular 37 on July 4, 2014, which replaced the former circular commonly known as “SAFE Circular 75” promulgated by SAFE on October 21, 2005. SAFE Circular 37 and its implementing rules require PRC residents to register with banks designated by local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with the PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle.”

We notified substantial beneficial owners of ordinary shares who we know are PRC residents of their filing obligation, and pursuant to the former SAFE Circular 75, we filed the above-mentioned foreign exchange registration on behalf of certain employee shareholders who we know are PRC residents. However, we may not be aware of the identities of all of our beneficial owners who are PRC residents. We do not have control over our beneficial owners, and there can be no assurance that all of our PRC-resident beneficial owners will comply with relevant SAFE regulations. The failure of our beneficial owners who are PRC residents to register or amend their SAFE registrations in a timely manner or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject the beneficial owners or our PRC subsidiaries to fines and legal sanctions.

Furthermore, since it is unclear how those SAFE regulations, and any future regulation concerning offshore or cross-border transactions, will be further interpreted, amended and implemented by the relevant PRC government authorities, we cannot predict how these regulations will affect our business operations or future strategy. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries’ ability to distribute dividends to our company. These risks may have a material adverse effect on our business, financial condition and results of operations.

***Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the PRC participants in the plans, us or our overseas and PRC subsidiaries to fines and other legal or administrative sanctions.***

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may, prior to the exercise of an option, submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In the meantime, our directors, executive officers and other employees who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and whom we or our overseas listed subsidiaries have granted restricted share units, or RSUs, options or restricted shares, may follow the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, to apply for the foreign exchange registration. According to those regulations, employees, directors and other management members participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which may be a PRC subsidiary of the overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit their ability to make payment under the relevant equity incentive plans or receive dividends or sales proceeds related thereto in foreign currencies, or our ability to contribute additional capital into our domestic subsidiaries in China and limit our domestic subsidiaries’ ability to distribute dividends to us. We also face regulatory uncertainties under PRC law that could restrict our ability or the ability of our overseas listed subsidiaries to adopt additional equity incentive plans for our directors and employees who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions.

In addition, the STA has issued circulars concerning employee RSUs, share options or restricted shares. Under these circulars, employees working in the PRC whose RSUs or restricted shares vest, or who exercise share options, will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee RSUs, share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees related to their RSUs, share options or restricted shares. Although we and our overseas listed subsidiaries currently withhold individual income tax from our PRC employees in connection with the vesting of their RSUs and restricted shares and their exercise of options, if the employees fail to pay, or the PRC subsidiaries fail to withhold, their individual income taxes according to relevant laws, rules and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities.

***If our auditor is sanctioned or otherwise penalized by the Public Company Accounting Oversight Board (“PCAOB”) or the SEC as a result of failure to comply with inspection or investigation requirements, our financial statements could be determined to be not in compliance with the requirements of the Exchange Act or other laws or rules in the United States, which could ultimately result in our Common Stock being delisted from The Nasdaq Capital Market.***

In recent years, U.S. regulators have continued to express their concerns about challenges in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. More recently, as part of increased regulatory focus in the U.S. on access to audit information, on May 20, 2020, the U.S. Senate passed the Holding Foreign Companies Accountable Act, or the HFCAA Act, which includes requirements for the SEC to identify issuers whose audit reports are prepared by auditors that the PCAOB is unable to inspect or investigate completely because of a restriction imposed by a non-U.S. authority in the auditor’s local jurisdiction. While we understand that there has been dialogue among the CSRC, the SEC and the PCAOB regarding the inspection of PCAOB-registered accounting firms in China, there can be no assurance that our auditor or us will be able to comply with requirements imposed by U.S. regulators.

Furthermore, on June 4, 2020, the U.S. President issued a memorandum ordering the President’s Working Group on Financial Markets to submit a report to the President within 60 days of the memorandum that includes recommendations for actions that can be taken by the executive branch, the SEC, the PCAOB or other federal agencies and departments with respect to Chinese companies listed on U.S. stock exchanges and their audit firms, in an effort to protect investors in the United States. The recommendations are to include actions that could be taken under current laws and rules as well as possible new rulemaking recommendations.

On May 20, 2020, the HFCAA passed the United States Senate by unanimous consent. On December 2, 2020, the US House of Representatives passed by voice vote the Holding Foreign Companies Accountable Act (HFCAA), which would require auditors of foreign public companies to allow the Public Company Accounting Oversight Board (PCAOB) to inspect their audit work papers for audits of non-US operations as required by the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley). If a company’s auditors fail to comply for three consecutive years, then the Company’s shares would be prohibited from trading in the United States. The legislation passed the Senate in May. The HFCAA was signed into law on December 18, 2020. Furthermore, on June 22, 2021, the U.S. Senate passed, and the US house of representative on February 4, 2022 passed the Accelerating Holding Foreign Companies Accountable Act (the “AHFCAA”), which, if signed into law, would amend the HFCAA and require the SEC to prohibit an issuer’s securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three consecutive years.

The HFCAA aims to address restrictions China has placed on the PCAOB’s ability to inspect or investigate PCAOB-registered public accounting firms in connection with their audits of Chinese companies. Sarbanes-Oxley created the PCAOB “to oversee the audit of public companies that are subject to the securities laws, and related matters, in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports for companies the securities of which are sold to, and held by and for, public investors.” Specifically, the PCAOB is responsible for registering public accounting firms, establishing standards applicable to the preparation of audit reports for companies, conducting inspections and investigations of public accounting firms to ensure they are complying with those standards, and bringing enforcement actions when they are not.

The HFCAA could adversely affect the listing and compliance status of China-based issuers listed in the United States, such as our company, and may have a material and adverse impact on the trading prices of the securities of such issuers, including our Common Stock, and substantially reduce or effectively terminate the trading of our Common Stock in the United States.

## **Risk Factors Related to our insurance business**

### ***Results in our insurance brokerage segment may be adversely affected by a general decline in economic activity.***

Demand for many types of insurance and reinsurance generally rises or falls as economic growth expands or slows. This is especially the case with our automobile insurance which is dependent upon the ability of persons to own and operate an automobile. This dynamic affects the level of commissions and fees generated by our VIEs. To the extent our customers become adversely affected by declining business conditions, they may choose to limit their purchases of insurance and reinsurance coverage, as applicable, which would inhibit our ability to generate commission revenue and other revenue based on premiums placed by us. Also, the insurance they seek to obtain through us may be impacted by changes in their assets, property values, sales or number of employees, which may reduce our commission revenue, and they may decide not to purchase our risk advisory or other services, which would inhibit our ability to generate fee revenue. Moreover, insolvencies and combinations associated with an economic downturn, especially insolvencies and combinations in the insurance industry, could adversely affect our brokerage business through the loss of customers or by limiting our ability to place insurance and reinsurance business, as well as our revenues from insurers. We are especially susceptible to this risk given the limited number of insurance company clients and reinsurers in the marketplace.

### ***Volatility or declines in premiums and other market trends may significantly impede our ability to grow revenues and profitability.***

A significant portion of our insurance brokerage revenue consists of commissions paid to us out of the premiums that insurers and reinsurers charge our clients for coverage. We do not determine the insurance premiums on which our commissions are generally based. Our revenues and profitability are subject to change to the extent that premium rates fluctuate or trend in a particular direction. The potential for changes in premium rates is significant, due to the normal cycles of pricing in the commercial insurance and reinsurance markets.

As traditional insurance companies continue to rely on non-affiliated brokers or agents to generate premium, those insurance companies may seek to reduce their expenses by lowering their commission rates. The reduction of these commission rates, along with general volatility or declines in premiums, may significantly affect our revenue and profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to accurately forecast our commission revenues, including whether they will significantly decline. As a result, we may have to adjust our plans for future acquisitions, capital expenditures, dividend payments, loan repayments and other expenditures to account for unexpected changes in revenues, and any decreases in premium rates may adversely affect the results of our operations.

In addition to movements in premium rates, our ability to generate premium-based commission revenue may be challenged by disintermediation and the growing availability of alternative methods for clients to meet their risk-protection needs. This trend includes a greater willingness on the part of corporations to self-insure, the use of captive insurers, and the presence of capital markets-based solutions for traditional insurance and reinsurance needs. Further, the profitability of our insurance brokerage segment depends in part on our ability to be compensated for the analytical services and other advice that we provide, including the consulting and analytics services that we provide to insurers. If we are unable to achieve and maintain adequate billing rates for all of our services, our margins and profitability could decline. Furthermore, the insurance business in China where we operate is maturing and developing and if we do not compete efficiently and keep current with the trends in the market, our business may decline.

### ***Our business may be harmed by any negative developments that may occur in the insurance industry or if we fail to maintain good relationships with insurance carriers.***

Our businesses are heavily dependent on the insurance industry. Any negative developments that occur in the insurance industry may have a material adverse effect on our business and our results of operations. In addition, if we fail to maintain good relationships with insurance carriers, it may have a material adverse effect on our business and results of operations. The termination, amendment or consolidation of our relationships with our insurance carriers could harm our business, results of operations and financial condition.

Cyberattacks are increasing in frequency and evolving in nature. We are at risk of attack by a variety of adversaries, including state-sponsored organizations, organized crime, hackers, through use of increasingly sophisticated methods of attack. In particular, we are at increased risk of a cyberattack when geopolitical tensions are high, as diplomatic events and economic policies may trigger espionage or retaliatory cyber incidents. In addition, remote work arrangements in response to COVID-19 have increased the risk of phishing and other cybersecurity attacks or unauthorized dissemination of personal, confidential, proprietary or sensitive data.

Our information systems must be continually updated, patched, and upgraded to protect against known vulnerabilities. The volume of new software vulnerabilities has increased markedly, as has the criticality of patches and other remedial measures. In addition to remediating newly identified vulnerabilities, previously identified vulnerabilities must also be continuously addressed. Accordingly, we are at risk that cyberattacks exploit these known vulnerabilities before they have been communicated by vendors or addressed. Any failure related to these activities could have a material adverse effect on our business.

We have numerous vendors and other third parties who receive personal information from us in connection with the services we offer our customers. We also use tens of IT vendors and software providers to maintain and secure our global information systems infrastructure. In addition, we have migrated certain data, and may increasingly migrate data, to the cloud hosted by third-party providers. Some of these vendors and third parties also have direct access to our systems. We are at risk of a cyberattack involving a vendor or other third party, which could result in a breakdown of such third party's data protection processes or the cyberattacks gaining access to our infrastructure through a supply chain attack.

We have a history of making acquisitions and investments within the insurance market. The process of integrating the information systems of any businesses we acquire is complex and exposes us to additional risk. For instance, we may not adequately identify weaknesses and vulnerabilities in an acquired entity's information systems, either before or after the acquisition, which could affect the value we are able to derive from the acquisition, expose us to unexpected liabilities or make our own systems more vulnerable to a cyberattack. In addition, if we discover a historical compromise, security breach or other cyber incident related to the target's information systems following the close of the acquisition, we may be liable and exposed to significant costs and other unforeseen liabilities. We may also be unable to integrate the systems of the businesses we acquire into our environment in a timely manner, which could further increase these risks until such integration takes place.

### ***We expect competition in the Chinese insurance industry to increase, which may materially and adversely affect the growth of our business.***

We face competitive pressures from both domestic and foreign-invested insurance brokerage companies operating in China, which may compete with our insurance businesses, and other financial institutions that sell other financial investment products in competition with ours. If we are not able to adapt to these increasingly competitive

pressures in the future, our growth rate may decline, which could materially and adversely affect our earnings.

***Further development of regulations in China may impose additional costs or restrictions on our activities.***

We operate in a highly regulated industry. The CBIRC supervises and administers the insurance industry in China. In exercising its authority, it is given certain discretion to administer the law. China's insurance regulatory regime is undergoing significant changes toward a more transparent regulatory process and a convergent movement toward international standards. Some of these changes may result in additional costs or restrictions on our activities. For example, in November 2020, the Insurance Association of China issued a notice on revising the definition of critical illnesses, including revisions to the applicable scope and principles of critical illnesses as well as relevant provisions on insurance clauses for critical illnesses. From February 1, 2021, insurers may not continue to sell critical illness insurance products which were developed based on previous rules. The CBIRC in the same month also issued a notice stipulating that Critical Illness Morbidity Table in the Chinese Personal Insurance Industry (2020) promulgated by the China Association of Actuaries will serve as the evaluation table and pricing reference table for statutory liability reserve of life insurance products that include critical illness insurance liability. The notice also imposed restrictions on the applicable scope, evaluation of statutory reserves and pricing of the products. These new requirements apply to a number of key products sold by us. Although these new requirements are consistent with our long-term development strategy, making adjustments to relevant products during a short period of time may increase our operating costs and may adversely affect our business, results of operations and financial condition.

In addition, because the terms of our products are subject to regulations, changes in regulations may affect our profitability on the policies and contracts we issue.

***Any actions by the Chinese government, including any decision to influence our operations or to exert more oversight and control over any offering of securities conducted overseas and/or foreign investment in China-based issuers, may cause us to make material changes to our operations and could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.***

The Chinese government has exercised and continues to exercise significant oversight and regulation over almost every sector of the Chinese economy, including the insurance industry, and has discretion over many aspects in which it exercises such authority. Our operations are subject to various regulatory requirements. The Chinese government may also impose new and stricter regulations or impose new interpretations of existing regulations and take other actions that may influence our operations. These government actions, including changes in laws and regulations, particularly those relating to insurance, overseas listing, taxation, land use rights, foreign investment limitations, may result in a material change in our operations and the value of our securities.

On December 24, 2021, CSRC published proposed tightening rules governing Chinese companies listing abroad, which require an offshore IPO application to be filed with the CSRC. The proposed rules reflect the continued efforts and plan of the Chinese government to scrutinize and exert more oversight and control over capital market activities including offshore listings. We believe that we are currently not required to file with or obtain permissions from the CSRC to maintain our listing in U.S., but the CSRC or any other PRC regulatory authorities may issue any laws or rules that would require us to file with or obtain approvals from the CSRC or other governmental agencies, and may also take actions imposing restrictions on our continued listing in the U.S. Any such actions could significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

***Our insurance business is exposed to various catastrophic events in which multiple losses can occur and affect multiple lines of business in any calendar year.***

Natural disasters, such as hurricanes, earthquakes and other catastrophes, have the potential to adversely affect our operating results. Other risks, such as man-made catastrophes or pandemic disease, could also adversely affect our business and operating results to the extent they are covered by our insurance products. Concentration of exposure in certain industries or geographies may cause us to suffer disproportionate losses.

Catastrophic events, and any relevant regulations, could result in losses in any business in which we operate, and could expose us to:

- widespread claim costs associated with property, workers' compensation, accident and health, travel, business interruption and mortality and morbidity claims;
- loss resulting from a decline in the value of our invested assets;
- limitations on our ability to recover deferred tax assets;
- loss resulting from actual policy experience that is adverse compared to the assumptions made in product pricing;
- revenue loss due to decline in customer base;
- declines in value and/or losses with respect to companies and other entities whose securities we hold and counterparties we transact business with and have credit exposure to, including insurers and reinsurers; and
- significant disruptions to our physical infrastructure, systems and operations.

Catastrophes will require us to pay out on many insurance claims including weather related natural disasters. The possibilities that the insurance companies that we write policies for cannot pay for the insurance claim could have a material adverse effect on our results of operations, cash flows and liquidity and we may be held liable for the unpaid insurance claims.

## **Risks Related to Our Corporate Structure**

***If the PRC government deems that the VIE Agreements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries or other laws or regulations of the PRC, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations, which may therefore materially reduce the value of our ordinary shares.***

We are a holding company. As a holding company, we conduct a portion of our operations through our VIEs in the PRC. We receive the economic benefits of our VIE's business operations through certain contractual arrangements; however, our rights under the VIEs Agreements do not provide us with an equity interest in our VIEs and is not the same as actual ownership.

Our PRC subsidiaries has entered into the VIE Agreements with our consolidated VIEs and their shareholders, which enable us to (i) exercise effective control over

the consolidated VIE, (ii) receive substantially all of the economic benefits of the consolidated VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in the consolidated VIEs when and to the extent permitted by PRC law. As a result of these contractual arrangements, we have control over and are the primary beneficiary of the consolidated VIE and hence consolidate its financial results as our consolidated VIE under U.S. GAAP.

We believe that our corporate structure and contractual arrangements comply with the current applicable PRC laws and regulations. Our PRC legal counsel, Global Law Office, based on its understanding of the relevant laws and regulations, is of the opinion that each of the contracts among our wholly-owned PRC subsidiary, our consolidated VIE and its shareholders is valid, binding and enforceable in accordance with its terms. However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Thus, the PRC governmental authorities may take a view contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structure will be adopted or if adopted, what they would provide. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have broad discretion in interpreting these laws and regulations.

If our corporate structure and contractual arrangements are deemed by the relevant regulators that have competent authority, to be illegal, either in whole or in part, we may lose control of our consolidated VIEs, which holds significant assets and accounts for significant revenue, and has to modify such structure to comply with regulatory requirements. However, there can be no assurance that we can achieve this without material disruption to our business. Further, if our corporate structure and contractual arrangements are found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking our business and operating licenses;
- levying fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- shutting down our services;
- discontinuing or restricting our operations in China;
- imposing conditions or requirements with which we may not be able to comply;
- requiring us to change our corporate structure and contractual arrangements;
- restricting or prohibiting our use of the proceeds from overseas offering to finance our consolidated VIE's business and operations; and
- taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. Occurrence of any of these events could materially and adversely affect our business, financial condition and results of operations and the market price of our ordinary shares. In addition, if the imposition of any of these penalties or requirement to restructure our corporate structure causes us to lose the rights to direct the activities of our consolidated VIE or our right to receive their economic benefits, we would no longer be able to consolidate the financial results of such VIE in our consolidated financial statements, which may cause the value of our securities to significantly decline or even become worthless. However, we do not believe that such actions would result in the liquidation or dissolution of our company, our wholly-owned subsidiaries in China or our consolidated VIEs.

***Our current corporate structure and business operations and the market price of our ordinary shares may be affected by the newly enacted Foreign Investment Law which does not explicitly classify whether VIE that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors.***

The VIE structure has been adopted by many Chinese-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. On March 15, 2019, the National People's Congress, China's national legislative body (the "NPC") approved the Foreign Investment Law, which took effect on January 1, 2020. On December 26, 2019, the PRC State Council approved the Implementation Rules of the Foreign Investment Law, which came into effect on January 1, 2020. Since they are relatively new, uncertainties exist in relation to their interpretation. The Foreign Investment Law does not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements being viewed as a form of foreign investment. Therefore, there can be no assurance that our control over our consolidated VIE through contractual arrangements will not be deemed as foreign investment in the future.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations and the market price of our ordinary shares.

***We conduct a portion of our operations through our VIEs, which is established in the PRC, and we rely on contractual arrangements with our consolidated VIEs and its shareholders to operate our business, which may not be as effective as direct ownership in providing operational control and otherwise have a material adverse effect as to our business.***

We rely on contractual arrangements with our consolidated VIEs and its shareholders. A substantial majority of our revenue from Intermediate is generated by and a significant percentage of Intermediate consolidated assets are owned by the VIEs, whose financial statements are consolidated with ours. These contractual arrangements do not give us an equity interest in the VIEs and may not be as effective as direct ownership in providing us with control over our consolidated VIEs. If our consolidated VIEs or its shareholders fail to perform their respective obligations under these contractual arrangements, our recourse to the assets held by our consolidated VIEs is indirect and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies under PRC law. These remedies may not always be effective, particularly in light of uncertainties in the PRC legal system. Furthermore, in connection with litigation, arbitration or other judicial or dispute resolution proceedings, assets under the name of any of record holder of equity interest in our consolidated VIEs, including such equity interest, may be put under court custody. As a consequence, we cannot be certain that the equity interest will be disposed pursuant to the contractual arrangement or ownership by the record holder of the equity interest.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal environment in the PRC is not as developed as in other jurisdictions, such as the U.S. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing

these contractual arrangements, it would be very difficult to exert effective control over our consolidated VIEs, and our ability to conduct our business and our financial condition and results of operations may be materially and adversely affected.

***Any failure by our consolidated VIEs or its shareholders to perform their contractual obligations would have a material adverse effect on our business and the market price of our ordinary shares.***

Our wholly foreign-owned enterprise in the PRC, has entered into the VIEs Agreements with our consolidated VIEs and its shareholders. If our consolidated VIEs or its shareholders fail to perform their respective obligations under these contractual arrangements, we may incur substantial costs and expend additional resources seeking to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of our consolidated VIEs were to refuse to transfer their equity interests in the consolidated VIEs to our WFOE or its designee when our WFOE exercises the purchase option pursuant to these contractual arrangements, or if the shareholders of the VIEs were otherwise to act in bad faith toward Tingo Group or our WFOE, then our WFOE may have to take legal actions to compel them to perform their contractual obligations.

All of the VIEs Agreements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures, but an arbitration proceeding is not as formal as a court proceeding and the arbitrator may apply PRC law in a manner different from a court. The legal system in the PRC is not as developed as in some other jurisdictions, such as the U.S., and the arbitrator may render a decision which is in conflict with our understanding of the laws of the PRC and we may have little if any recourse. As a result, uncertainties in the PRC legal system and the arbitration procedure could limit the ability of our WFOE to enforce these contractual arrangements. Meanwhile, there are very few precedents and formal guidelines as to how contractual arrangements in the context of a VIEs should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should it become necessary. In addition, under PRC laws, rulings by arbitrators are final and parties cannot appeal arbitration results in court unless such rulings are revoked or determined unenforceable by a competent court. If the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that our WFOE is unable to enforce these contractual arrangements, or if our WFOE suffers significant delay or other obstacles in the process of enforcing these contractual arrangements, Tingo Group may not be able to exert effective control over our consolidated VIEs, in which event we may lose the value of the VIEs Agreements and the relevant rights and licenses held by the VIEs which Tingo Group requires in order to operate its business, and its ability to conduct its business may be negatively affected. Any delay in effecting enforcement of our WFOE's rights under the VIEs Agreements could materially and adversely affect our consolidated financial condition, the results of our operations, our prospects, our ability to continue in business and the market for and market price of our ordinary shares. If our WFOE is not able to enforce its rights, we may not be able to include the VIE's financial statements with Tingo Group, which could cause our ordinary shares to lose most, if not all, of their value.

The arbitration provisions under the VIEs Agreements have no effect on the rights of our shareholders to pursue claims against us under the United States federal securities laws, although any such actions would have no effect on our WFOE's ability to enforce its rights under the VIEs Agreements.

***The shareholders of our consolidated VIEs may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition and the value of our ordinary shares.***

The interests of the shareholders of our consolidated VIEs in their capacities as such shareholders may differ from the interests of our company as a whole, as what is in the best interests of our consolidated VIEs, including matters such as whether to distribute dividends or to make other distributions to fund our offshore requirement to the extent that such funding is permitted under PRC laws, may not be in our best interests. There can be no assurance that when conflicts of interest arise, any or all of these shareholders will act in our best interests of or that any conflicts of interest will be resolved in our favor. In addition, these shareholders may breach or cause our consolidated VIEs and its subsidiaries to breach or refuse to renew the existing contractual arrangements with us.

Our WFOE, however, could, at all times, exercise its option under the exclusive option agreement to cause the VIEs shareholders to transfer all of their equity ownership in our consolidated VIEs to a PRC entity or individual designated by our WFOE as permitted by the then applicable PRC laws. In addition, if such conflicts of interest arise, our WFOE could also, in the capacity of attorney-in-fact of the shareholders of our consolidated VIEs as provided under the power of attorney, directly appoint new directors of our consolidated VIEs. We rely on the shareholders of our consolidated VIEs to comply with PRC laws and regulations, which protect contracts and provide that directors and executive officers owe a duty of loyalty to our company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gains, and the laws of the Cayman Islands, which provide that directors have a duty of care and a duty to act honestly in good faith with a view to our best interests. However, the legal frameworks of both China and the Cayman Islands do not provide guidelines on resolving conflicts with other corporate governance regimes. If our WFOE cannot resolve any conflicts of interest or disputes between our WFOE and the shareholders of our consolidated VIEs, Tingo Group would have to rely on the arbitration provisions of the VIEs Agreements, which, as discussed in the previous risk factor, could result in the disruption of our business and subject us to substantial uncertainty as to the outcome of any such. As a result, in the event that the shareholders of the VIEs do not comply with their obligations under the VIEs Agreements, our WFOE may not be able to enforce its rights, in which event we may not be able to include the VIEs financial statements with Tingo Group's which could cause our ordinary shares to lose most, if not all, of their value.

***Contractual arrangements in relation to our consolidated VIEs may be subject to scrutiny by the PRC tax authorities who may determine that our consolidated VIEs owes additional taxes, which could negatively affect our financial condition and the value of your investment.***

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The PRC Enterprise Income Tax Law, or the EIT Law, requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with the arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among our wholly-owned PRC subsidiary, our consolidated VIEs and its shareholders were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, regulations and rules, and adjust their income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by our wholly-owned PRC subsidiary or consolidated VIEs for PRC tax purposes, which could in turn increase their tax liabilities without reducing their tax expenses. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on our PRC subsidiary and consolidated VIEs for adjusted but unpaid taxes according to applicable regulations. Our financial position could be materially and adversely affected if the tax liabilities of our PRC subsidiary and consolidated VIEs increase, or if they are required to pay late payment fees and other penalties.

***We may lose the ability to use and enjoy assets held by our consolidated VIEs that are material to the operation of our business if the entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.***

Our consolidated VIEs hold substantially all of our assets. Under the contractual arrangements, our consolidated VIEs may not and its shareholders may not cause it

to, in any manner, sell, transfer, mortgage or dispose of its assets or its legal or beneficial interests in the business without our WFOE's prior consent. However, in the event that the shareholders of our consolidated VIEs breach these contractual arrangements and voluntarily liquidate our consolidated VIEs, or our consolidated VIEs declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our WFOE's consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If our consolidated VIEs undergoes a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

#### **Risk Factors Relating to Micronet's Business and Industry**

##### ***Potential political, economic and military instability in Israel could adversely affect operations.***

Certain of Tingo Group and Micronet's principal offices and operating facilities are located in Israel. Accordingly, with respect to such Israeli facilities, political, economic and military conditions in Israel directly affect the operations of Tingo Group and Micronet. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors. A state of hostility varying in degree and intensity has led to security and economic problems for Israel. Since October 2000, there has been an increase in hostilities between Israel and Palestinians, which has adversely affected the peace process and has negatively influenced Israel's relationship with its Arab citizens and several Arab countries, including the Gaza Strip, the West Bank, Lebanon and Syria. Such ongoing hostilities may hinder Israel's international trade relations and may limit the geographic markets where Micronet can sell its products and solutions. Hostilities involving or threatening Israel, or the interruption or curtailment of trade between Israel and its present trading partners, could materially and adversely affect operations.

In addition, Israel-based companies and companies doing business with Israel have been subject to an economic boycott by members of the Arab League and certain other predominantly Muslim countries since Israel's establishment, along with other private organizations around the world. Although Israel has entered into various agreements with certain Arab countries and the Palestinian Authority, and various declarations have been signed in connection with efforts to resolve some of the economic and political problems in the Middle East, whether or in what manner these problems will be resolved is unpredictable. Wars and acts of terrorism have resulted in significant damage to the Israeli economy, including reducing the level of foreign and local investment.

##### ***Substantial costs as a result of litigation or other proceedings relating to intellectual property rights may be incurred, which would have an adverse effect on the value of Tingo Group's equity interest in Micronet.***

Third parties may challenge the validity of Micronet's intellectual property rights or bring claims regarding Micronet's infringement of a third party's intellectual property rights. This may result in costly litigation or other time-consuming and expensive judicial or administrative proceedings, which could deprive Micronet of valuable rights, cause them to incur substantial expenses and cause a diversion for technical and management personnel. An adverse determination may subject Micronet to significant liabilities or require it to seek licenses that may not be available from third parties on commercially favorable terms, if at all. Further, if such claims are proven valid, through litigation or otherwise, Micronet may be required to pay substantial financial damages or be required to discontinue or significantly delay the development, marketing, sale or licensing of the affected products and intellectual property rights. The occurrence of any of the foregoing could have an adverse effect on the value of Tingo Group's equity interest in Micronet.

#### **Risks Relating to TGH**

##### **Risks Related to Doing Business in Africa**

##### ***Many African countries are, or have been, characterized by political instability or changes in regulatory or other government policies.***

Frequent and intense periods of political instability make it difficult to predict future trends in governmental policies. For example, the Arab Spring of 2010 and 2011 caused substantial political turmoil across the Middle East and North Africa, particularly in Egypt. During this period of instability in Egypt, the government temporarily dissolved the parliament, suspended the constitution and shut down the internet. In addition, if government or regulatory policies in a market in which Tingo Mobile operates were to change or become less business-friendly, the business of Tingo Mobile and its operating subsidiaries based in Africa could be adversely affected.

##### ***Governments in Africa frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations.***

Governmental actions have often involved, among other measures, nationalizations and expropriations, price controls, currency devaluations, mandatory increases on wages and employee benefits, capital controls and limits on imports. TGH's business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, including such factors as exchange rates and exchange control policies, inflation control policies, price control policies, consumer protection policies, import duties and restrictions, liquidity of domestic capital and lending markets, electricity rationing, tax policies, including tax increases and retroactive tax claims, and other political, diplomatic, social and economic developments in or affecting the countries where TGH or its subsidiaries operate. For example, the Central Bank of Nigeria requires domestic companies to obtain a certificate to obtain foreign exchange for operation in other countries. There can be no assurance that TGH will be successful in obtaining these certificates. Any failure to obtain the required certificates could impact TGH's ability to utilize corporate funds in Nigeria for business purposes outside of Nigeria, or adversely affect the exchange rate at which such foreign exchange could be obtained. In the future, the level of intervention by the Nigerian Central Bank may continue to increase. These or other measures could have a material adverse effect on TGH's business, financial condition, results of operations and prospects.

##### ***TGH's business may be materially and adversely affected by an economic slowdown in any region of Africa.***

While we believe that economic conditions in Africa will improve, poverty in Africa will decline and the purchasing power of African consumers will increase in the long term, there can be no assurance that these expected developments will actually materialize. The development of African economies, markets and levels of consumer spending are influenced by many factors beyond TGH's control, including consumer perception of current and future economic conditions, political uncertainty, employment levels, inflation or deflation, real disposable income, poverty rates, wealth distribution, interest rates, taxation, currency exchange rates and weather conditions. For example, a collapse in oil prices in early 2016 placed pressure on Nigeria's currency, causing a currency shortage and threatening substantial inflation. Consumer spending declined in the face of significant price increases. As Tingo Mobile's operations in Nigeria generate the substantial majority of TGH's revenues than its operations in any other country in which TGH currently operates, adverse economic developments in Nigeria could have a much more significant impact on TGH's results than a similar downturn in other countries. The occurrence of any of these risks could have a material adverse effect on TGH's business, financial condition, results of operations and prospects.

##### ***Uncertainties with respect to the legal system in certain African markets could adversely affect TGH.***

Legal systems in Africa vary significantly from jurisdiction to jurisdiction. Many countries in Africa have not yet developed a fully integrated legal system, and recently-enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since local administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to predict the outcome of administrative and court proceedings and our level of legal protection in many of the markets in which TGH or its subsidiaries operate. Moreover, local courts may have broad discretion to reject enforcement of foreign awards. These uncertainties may affect TGH's ability to enforce its contractual rights or other claims. Uncertainty regarding inconsistent regulatory and legal systems may also embolden plaintiffs to exploit such uncertainties through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from TGH.

*Many African legal systems are based in part on government policies and internal rules, some of which are not published on a timely basis, or at all, and may have retroactive effect.*

There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. In Nigeria, for example, there are Sharia law courts that operate in the predominantly Muslim north, to which only Muslims are subject. Decisions of these courts are subject to appeal and reversal by the secular courts. As a result, TGH or one or more of its subsidiaries may not be aware of its violation of certain policies and rules until after the violation. In addition, any administrative and court proceedings in Africa may be protracted, resulting in substantial costs and the diversion of resources and management attention.

*TGH's business may be materially and adversely affected by violent crime or terrorism in any region of Africa.*

Many of the markets in which TGH or its subsidiaries operate suffer from a high incidence in violent crime and terrorism, which may harm our business. Violent crime has the potential to interfere with our delivery and fulfillment operations. Further, the terrorist attacks of Boko Haram have created considerable economic instability in north-eastern Nigeria for nearly a decade. Although it is difficult to quantify the economic effect of Boko Haram's terrorist activities, countless markets, shops, and schools have been temporarily or permanently closed over the years out of fear of coordinated attacks. In some of the areas most devastated by terrorism, commercial banks have chosen to remain open for only three hours per day. Many Nigerians have also chosen to migrate from the north to the south, or out of the country altogether. If Boko Haram's terrorist activities were to spread throughout Nigeria, the increasing violence could have material adverse effects on the Nigerian economy. Recently there have been nationwide protests resulting in deaths of demonstrators in clashes with the armed forces in Nigeria calling for the ban of a police unit, the Special Anti-Robbery Squad, which demonstrations have continued after the squad was disbanded as broader protests against police brutality and corrupt government. A terrorist attack in Nairobi in January 2019 by Somalia-based militant group al-Shabab drew increased attention to the risks of destabilization in Kenya. An increase in violent crime or terrorism in any region of Africa may interfere with transportation activities and discourage economic activity, weaken consumer confidence, diminish consumer purchasing power or cause harm to TGH's sellers and consumers in other ways, any of which could have a material adverse effect on TGH's business, financial position, results of operations and prospects.

*The operations of TGH's agricultural customer base may be affected by climate change.*

The global climate is changing, and will continue to change, in ways that affect the planning and day to day operations of businesses, government agencies and other organizations. The manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought, and storms. Nigeria is still practicing rain fed agriculture which renders agricultural operations there vulnerable to the adverse effects of climate change. Extreme events such as flooding, extreme heat and drought has led to soil degradation which has resulted in decreased agricultural production. These effects can impact agricultural operations in Nigeria and other African countries directly, as well as the personnel, physical assets, supply chain and marketing and distribution involved in those operations, and in turn adversely affect TGH's customer base.

*Tingo Mobile's cash reserves are not diversified across a variety of financial institutions.*

Tingo Mobile generates considerable cash flow from operations which it manages in conjunction with its primary deposit institution. Tingo Mobile has not, thus far, diversified its deposits among other financial institutions in Nigeria, and the amount that Tingo Mobile has on hand vastly exceeds the maximum deposit insurance provided by the Nigeria Deposit Insurance Corporation. If Tingo Mobile's primary deposit institution were to experience a liquidity shortage or an interruption in banking activity, Tingo Mobile could be constrained from having access to its funds, and its operations, and that of TGH, could be materially adversely affected as a result.

## **Risks Related to TGH's Business and Industry Sectors in Which It Operates**

*Inflation may have an adverse effect on TGH's subscriber base.*

Throughout 2020, 2021, and continuing into 2022, growing demand and supply chain disruption had resulted in increased prices of agricultural inputs, such as seeds and fertilizer, which in turn constrained growers' ability to preserve margins on agricultural production, particularly for smaller farmers. Phosphate prices, for example, had increased approximately 139% from February 2020 to the end of 2021, while nitrogen had increased more than 80% during that period. The invasion of Ukraine by Russian armed forces in February 2022 has exacerbated inflationary pressure for these inputs, particularly inasmuch as Russia accounts for 13% of global production of potash, phosphate, and nitrogen and has been subjected to sweeping sanctions from western governments and the global financial system. Because of these input price pressures, TGH's subscribers may find it more cost effective to produce at lower rates than historical levels, or abandon the current growing season entirely. Any diminution of growing activity by TGH's subscriber base could also lead to lower activity on its Nwassa platform and lower revenue overall. We cannot guarantee you that TGH's subscriber base will not be adversely affected by inflationary pressures regarding agricultural inputs, or that TGH's financial condition or results of operations will not be adversely affected as a result.

*TGH and its subsidiaries face competition, which may intensify.*

In Nigeria, Tingo Mobile competes with a large number of mobile phone carriers. Current competitors, such as MTN, Airtel, Glo and 9 Mobile, being the four largest mobile networks, may seek to intensify their investments in those markets and also expand their businesses in new markets. Competitive pressure from current or future competitors or our failure to quickly and effectively adapt to a changing competitive landscape could adversely affect Tingo Mobile's growth. Current or future competitors may offer lower prices and enhanced features, and Tingo Mobile may be forced to lower its prices and upgrade its phones and network in order to maintain its market share. With respect to Tingo Mobile's payment services, it faces competition from financial institutions with payment processing offerings, debit and credit card service providers, other offline payment options and other electronic payment system operators, in each of the markets in which TGH or its subsidiaries operate. We expect competition to intensify in the future as existing and new competitors of TGH may introduce new services or enhance existing services. New entrants tied to established brands may engender greater user confidence in the safety and efficacy of their services. The expansion of mobile network operators and independent payment service providers may increase competition in the medium term.

*TGH, through its subsidiaries, has entered into, or may enter into, agreements with various parties for certain business operations. Any difficulties experienced by TGH in maintaining these arrangements could result in additional expense, loss of subscribers and revenue, interruption of TGH's services, or a failure or delay in the roll-out of new technology.*

TGH, through its subsidiaries such as Tingo Mobile, has entered into, and may in the future enter into, agreements with various third parties for the day-to-day execution of services, provisioning, maintenance, and upgrading of TGH's wireless and wireline networks, including the permitting, building, and installation of network



upgrades; leases and subleases for space on communications towers; the development and maintenance of certain systems necessary for the operation of its business; customer service, related support to its wireless subscribers, outsourcing aspects of its wireline network and back office functions; and to provide network equipment, handsets, devices, and other equipment. For example, Tingo Mobile depends heavily on local access facilities obtained from ILECs to serve its data and voice subscribers, and payments to ILECs for these facilities are a significant cost of service for Tingo Mobile's wireless customers. We also expect TGH's dependence on key suppliers to continue as more advanced technologies are developed, which may lead to additional significant costs. If TGH's key vendors fail to meet their contractual obligations or experience financial difficulty, or if TGH fails to adequately diversify its reliance among vendors, it may experience disruptions to its business operations or incur significant costs implementing alternative arrangements.

***TGH and its subsidiaries are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject any one of them to criminal penalties or significant fines and harm the group's business and reputation.***

TGH and its subsidiaries are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, Nigeria anti-corruption statutes and other anti-corruption, anti-bribery and anti-money laundering laws in countries in which TGH or its subsidiaries conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector. As TGH expands its networks in Africa and internationally, its risks under these laws may increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage, and other consequences. Any investigations, actions or sanctions could harm its business, results of operations, and financial condition.

***Required licenses, permits or approvals may be difficult to obtain in the countries in which TGH or its subsidiaries currently operate, and once obtained may be amended or revoked arbitrarily or may not be renewed.***

Given TGH's diversified offering of services, it requires approvals and licenses from national, regional, and local governmental or regulatory authorities in the countries in which we currently operate. For example, we may be required to obtain licenses to be able to continue offering or expand certain of our payment solutions, and there can be no assurance that we will obtain any such licenses in a timely manner or at all. Even if obtained, licenses are subject to review, interpretation, modification or termination by the relevant authorities. Any unfavorable interpretation or modification or any termination of a required license may significantly harm our operations in the relevant country or may require us to close down parts or all of our operations in the relevant country.

We can offer no assurance that the relevant authorities will not take any action that could materially and adversely affect these licenses, permits or approvals or of TGH's ability to provide its services. TGH may experience difficulties in obtaining or maintaining some of these licenses, approvals and permits, which may require it to undertake significant efforts and incur additional expenses. If TGH or a subsidiary operates without a license, it could be subject to fines, criminal prosecution or other legal action. Any difficulties in obtaining or maintaining licenses, approvals or permits or the amendment or revocation thereof could have a material adverse effect on TGH's business, financial condition, results of operations and prospects.

#### **Risk Factors Related to Tingo Foods Plc**

***Tingo Foods' industry is characterized by low margins, and periods of significant or prolonged inflation or deflation affect Tingo Foods' product costs and may negatively impact Tingo Foods' profitability.***

The foodservice distribution industry is characterized by relatively high inventory turnover with relatively low profit margins. Volatile food costs have a direct impact on Tingo Foods' industry. In periods of significant product cost inflation, if Tingo Foods is unable to pass on all or a portion of product cost increases to its customers in a timely manner, Tingo Foods' results of operations would be adversely affected. In addition, periods of rapidly increasing inflation may adversely affect Tingo Foods' business due to the impact of such inflation on discretionary spending by consumers and Tingo Foods' limited ability to increase prices in the current, highly competitive environment. Conversely, Tingo Foods' business may be adversely affected by periods of product cost deflation, because Tingo Foods makes a significant portion of its sales at prices that are based on the cost of products Tingo Foods sells plus a percentage margin, mark-up or fee per case. As a result, Tingo Foods' results of operations may be adversely affected during periods of product cost deflation, even though Tingo Foods' gross profit percentage may remain relatively constant.

***Adverse weather conditions, including as a result of climate change, may adversely affect the availability, quality and price of agricultural commodities and agricultural commodity products, as well as Tingo Foods' operations, supply chains, and operating results.***

Adverse weather conditions have historically caused volatility in the agricultural commodity industry and consequently in Tingo Foods' operating results by causing crop failures or significantly reduced harvests, which may affect the supply and pricing of the agricultural commodities that Tingo Foods sells and uses in its business, reduce demand for its fertilizer products, and negatively affect the creditworthiness of agricultural producers who do business with Tingo Foods.

Severe adverse weather conditions, such as hurricanes and severe storms, may also result in extensive property damage, extended business interruption, personal injuries, and other loss and damage to Tingo Foods. Tingo Foods' operations also rely on dependable and efficient transportation services, including transportation by ocean vessel, river barges, rail, and truck. A disruption in transportation services as a result of weather conditions, such as low river levels following periods of drought, may also have a significant adverse impact on Tingo Foods' operations and related supply chains.

Additionally, the potential physical impacts of climate change are uncertain and may vary by region. These potential effects could include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, shifts in agricultural production areas, changing temperature levels, and climatic volatility. The frequency and severity of the effects of climate change or weather patterns could increase and adversely impact Tingo Foods' business operations, the location, costs and competitiveness of global agricultural commodity production and related storage and processing facilities, as well as the supply and demand for agricultural commodities, and may result in incidents of stranded physical assets. These effects could be material to Tingo Foods' results of operations, liquidity or capital resources.

***Tingo Foods is subject to fluctuations in agricultural commodity and other raw material prices, energy prices, and other factors outside of Tingo Foods' control that could adversely affect Tingo Foods' operating results.***

Prices for agricultural commodities and their by-products, including, among others, soybeans, corn, wheat, sugar and ethanol, like those of other commodities, are often volatile and sensitive to local and international changes in supply and demand caused by factors outside of Tingo Foods' control, including farmer planting and selling decisions, currency fluctuations, inflation, government agriculture programs and policies, pandemics (such as the COVID-19 pandemic), governmental restrictions or mandates, global inventory levels, demand for biofuels, weather and crop conditions, and demand for and supply of competing commodities and substitutes. These factors may

cause volatility in Tingo Foods' operating results.

Additionally, Tingo Foods' operating costs and the selling prices of certain of Tingo Foods' products are sensitive to changes in energy prices. Tingo Foods' industrial operations utilize significant amounts of electricity, natural gas and coal, and Tingo Foods' transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items, including as a result of the Ukraine-Russia war, and currency fluctuations could adversely affect Tingo Foods' operating costs and results.

***Conditions beyond Tingo Foods' control can interrupt Tingo Foods' supplies, increase Tingo Foods' product costs and impair Tingo Foods' ability to deliver products and services to Tingo Foods' customers.***

Tingo Foods obtains substantially all of Tingo Foods' foodservice and related products from third-party suppliers. Although Tingo Foods' purchasing volume can provide benefits when dealing with suppliers, suppliers may not be able to provide the foodservice products and supplies that Tingo Foods need due to conditions outside of their control. Tingo Foods is also subject to delays caused by interruptions in production and increases in product costs based on conditions outside of Tingo Foods' control. These conditions include shortages of qualified labor for Tingo Foods' suppliers, work slowdowns, work interruptions, strikes or other job actions by employees of suppliers, short-term weather conditions or more prolonged climate change, crop and other agricultural conditions, water shortages, transportation interruptions (such as shortages of ocean cargo containers), unavailability of fuel or increases in fuel costs, product recalls, competitive demands, civil insurrection or social unrest, terrorist attacks or international hostilities (such as the invasion of Ukraine by Russia) and natural disasters, epidemics, pandemics (such as the COVID-19 pandemic) or other human or animal disease outbreaks or other catastrophic events (including, but not limited to, foodborne illnesses). Many of these conditions outside of Tingo Foods' control could also impair Tingo Foods' ability to provide Tingo Foods' products and services to Tingo Foods' customers or increase the cost of doing so. Tingo Foods' current operating environment continues to adjust in response to COVID-19, placing significant pressure on the food-away-from-home supply chain. Prolonged future supply shortages could have an adverse effect on the company's financial condition and results of operations.

Further, increased frequency or duration of extreme weather conditions, which may be from climate change, could also impair production capabilities, disrupt Tingo Foods' supply chain or adversely affect demand for Tingo Foods' products. At any time, input costs could increase for a prolonged period for a large portion of the products that Tingo Foods sell. Additionally, Tingo Foods is subject to the risks associated with political or financial instability, military conflict, trade restrictions, tariffs, currency exchange rates, transport capacity and costs and other factors relating to foreign trade, including health and safety restrictions related to epidemics and pandemics (such as the COVID-19 pandemic), any or all of which could delay Tingo Foods' receipt of products or increase Tingo Foods' input costs.

***Tingo Foods is vulnerable to the effects of supply and demand imbalances in Tingo Foods' industries.***

Historically, the market for some agricultural commodities and fertilizer products has been cyclical, with periods of high demand and capacity utilization stimulating new plant investment and the addition of incremental processing or production capacity by industry participants to meet the demand. The timing and extent of this expansion may then produce excess supply conditions in the market, which, until the supply/demand balance is again restored, negatively impacts product prices and operating results. During times of reduced market demand, Tingo Foods may suspend or reduce production at some of its facilities. The extent to which Tingo Foods efficiently manage available capacity at its facilities will affect its profitability.

***Government policies and regulations affecting the agricultural sector and related industries could adversely affect Tingo Foods' operations and profitability.***

Agricultural commodity production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions, price controls on agricultural commodities, and energy policies (including biofuels mandates), can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded, and the volume and types of imports and exports. Additionally, regulation of financial markets and instruments internationally may create uncertainty as these laws are adopted and implemented and may impose significant additional risks and costs that could impact Tingo Foods' risk management practices. Future governmental policies, regulations or actions impacting our industries may adversely affect the supply of, demand for, and prices of our products, restrict our ability to do business in existing and target markets, or engage in risk management activities and otherwise cause Tingo Foods' financial results to suffer.

Finally, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. This can in the future lead to significant volatility in commodity prices and disruptions in historical trade flows and shifts in planting patterns. Tingo Foods cannot predict the impacts that future trade policy or the terms of any negotiated trade agreements could have on its business and operations.

***The loss of, or a disruption in, our manufacturing and distribution operations or other operations and systems could adversely affect Tingo Foods' business.***

Tingo Foods is engaged in manufacturing and distribution activities on a global scale, and Tingo Foods' business depends on its ability to execute and monitor, on a daily basis, a significant number of transactions across numerous markets or geographies. As a result, Tingo Foods is subject to the risks inherent in such activities, including industrial accidents, environmental events, fires, explosions, strikes and other labor or industrial disputes, disruptions in logistics or information systems, as well as natural disasters, pandemics (including the COVID-19 pandemic), wars (including the Ukraine-Russia war), acts of terrorism, and other external factors over which Tingo Foods has no control. While Tingo Foods insures itself against many of these types of risks in accordance with industry standards, Tingo Foods' level of insurance may not cover all losses. The potential effects of these conditions could have a material adverse effect on its business, results of operations, and financial condition.

***Changes in consumer eating habits could materially and adversely affect Tingo Foods' business, financial condition, or results of operations.***

Changes in consumer eating habits could reduce demand for Tingo Foods' products. Consumer eating habits could be affected by a number of factors, including changes in attitudes regarding diet and health or new information regarding the health effects of consuming certain foods.

Changing consumer eating habits also occur due to generational shifts. If consumer eating habits change significantly, Tingo Foods may be required to modify or discontinue sales of certain items in Tingo Foods' product portfolio, and Tingo Foods may experience higher costs and/or supply shortages associated with Tingo Foods' efforts to accommodate those changes as Tingo Foods' suppliers adapt to new eating preferences. Changing consumer eating habits may reduce the frequency with which consumers purchase meals outside of the home. Additionally, changes in consumer eating habits may result in the enactment or amendment of laws and regulations that impact the ingredients and nutritional content of Tingo Foods' food products, or laws and regulations requiring us to disclose the nutritional content of Tingo Foods' food products. Compliance with these laws and regulations, as well as others regarding the ingredients and nutritional content of Tingo Foods' food products, may be costly and time-consuming. Tingo Foods may not be able to effectively respond to changes in consumer health perceptions or resulting new laws or regulations or to adapt Tingo Foods' menu offerings to trends in eating habits.

***If Tingo Foods' products are alleged to have caused injury or illness, or to have failed to comply with governmental regulations, Tingo Foods may need to recall Tingo Foods' products and may experience product liability claims.***

Tingo Foods, like any other foodservice distributor, may be subject to product recalls, including voluntary recalls or withdrawals, if the products Tingo Foods distributes are alleged to have caused injury or illness, to have been mislabeled, misbranded, or adulterated or to otherwise have violated applicable governmental regulations. Tingo Foods may also choose to voluntarily recall or withdraw products that it determines do not satisfy Tingo Foods' quality standards, in order to protect its brand and reputation. Any future product recall or withdrawal that results in substantial and unexpected expenditures, destruction of product inventory, damage to Tingo Foods' reputation and/or lost sales due to the unavailability of the product for a period of time could materially adversely affect Tingo Foods' results of operations and financial condition.

Tingo Foods also faces the risk of exposure to product liability claims if the use of products it sells is alleged to have caused injury or illness. Tingo Foods cannot be sure that consumption of its products will not cause a health-related illness in the future or that Tingo Foods will not be subject to claims or lawsuits relating to such matters. Further, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that Tingo Foods' products caused illness or injury could adversely affect Tingo Foods' reputation with existing and potential customers and Tingo Foods' corporate and brand image. Umbrella liability insurance that Tingo Foods maintain for product liability claims may not continue to be available at a reasonable cost or, if available, may not be adequate to cover all of Tingo Foods' liabilities. Tingo Foods generally seeks contractual indemnification and insurance coverage from parties supplying Tingo Foods' products, but this indemnification or insurance coverage is limited, as a practical matter, to the creditworthiness of the indemnifying party and the insured limits of any insurance provided by suppliers. If Tingo Foods does not have adequate insurance or contractual indemnification available, product liability relating to defective products could materially adversely affect Tingo Foods' results of operations and financial condition.

***If Tingo Foods fails to comply with requirements imposed by applicable law or other governmental regulations, Tingo Foods could become subject to lawsuits, investigations and other liabilities and restrictions on Tingo Foods' operations that could significantly and adversely affect Tingo Foods' business.***

Tingo Foods is subject to regulation by various federal, state, provincial, regional and local governments with respect to many aspects of Tingo Foods' business, such as food safety and sanitation, ethical business practices, transportation, minimum wage, overtime, wage payment, wage and hour and employment discrimination, immigration, human health and safety.

From time to time, both governmental agencies may conduct audits of various aspects of Tingo Foods' operations. Tingo Foods also may receive requests for information from governmental agencies in connection with these audits. While Tingo Foods attempts to comply with all applicable laws and regulations, Tingo Foods may not be in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times; moreover, Tingo Foods may not be able to comply with all future laws, regulations or interpretations of these laws and regulations.

If Tingo Foods fails to comply with applicable laws and regulations or encounter disagreements with respect to Tingo Foods' contracts subject to governmental regulations, including those referred to above, it may be subject to investigations, criminal sanctions or civil remedies, including fines, injunctions, prohibitions on exporting, or seizures or debarments from contracting with such government. The cost of compliance or the consequences of non-compliance, including debarments, could have an adverse effect on Tingo Foods' results of operations. In addition, governmental units may make changes in the regulatory frameworks within which Tingo Foods operates that may require us to incur substantial increases in costs in order to comply with such laws and regulations.

***Tingo Foods may incur significant costs to comply with environmental laws and regulations, and it may be subject to substantial fines, penalties or third-party claims for non-compliance.***

Tingo Foods' operations are subject to various federal, state, provincial, regional and local laws, rules and regulations relating to the protection of the environment, including those governing:

- the discharge of pollutants into the air, soil, and water;
- the management and disposal of solid and hazardous materials and wastes;
- employee exposure to hazards in the workplace; and
- the investigation and remediation of contamination resulting from releases of regulated materials.

In the course of Tingo Foods' operations, Tingo Foods operates refrigeration systems and uses and disposes of hazardous substances and food wastes. Tingo Foods could incur substantial costs, including fines or penalties and third-party claims for property damage or personal injury, as a result of any violations of environmental or workplace safety laws and regulations or releases of regulated materials into the environment. In addition, Tingo Foods could incur substantial investigation, remediation or other costs related to environmental conditions at its currently or formerly owned or operated properties.

***A shortage of qualified labor and increases in labor costs could negatively affect Tingo Foods' business and materially reduce earnings***

The future success of Tingo Foods' operations, including the achievement of Tingo Foods' strategic objectives, depends on Tingo Foods' ability, and the ability of certain third parties on which Tingo Foods rely, to identify, recruit, develop and retain qualified and talented individuals. As a result, any shortage of qualified labor could significantly adversely affect Tingo Foods' business. Any such shortage could decrease Tingo Foods' ability to effectively serve Tingo Foods' customers and achieve Tingo Foods' strategic objectives.

Any labor shortages would likely lead to higher wages for employees and higher costs to purchase the services of third parties. Increases in labor costs, such as increases in minimum wage requirements, wage inflation and/or increased overtime, reduce Tingo Foods' profitability and that of Tingo Foods' customers. Increases in such labor costs for a prolonged period of time could have a material adverse effect on the company's financial condition and results of operations.

## **USE OF PROCEEDS**

We will not receive any proceeds from the sale of shares by the selling stockholders. However, we may receive proceeds from the sale of securities upon the exercise of the warrants (to the extent, if applicable, the "cashless exercise" provision is not utilized by the holder).

This prospectus relates to the shares that may be offered and sold from time to time by the selling stockholders. We will not receive any proceeds upon the sale of the shares by the selling stockholders in this offering. However, we may receive gross proceeds upon the exercise of warrants, if the “cashless exercise” provision is not utilized by the holder, which we would use to fund our working capital, for general corporate purposes or for such other purposes as our Board of Directors may approve. However, no assurances can be given that all or any portion of the warrants will be exercised or exercised for cash.

#### **DIVIDEND POLICY**

As of the date of this prospectus, we have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, the general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

#### **DETERMINATION OF OFFERING PRICE**

The selling stockholders will offer common stock at the prevailing market prices or privately negotiated price.

The offering price of our common stock does not necessarily bear any relationship to our book value, assets, past operating results, financial condition or any other established criteria of value. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market.

In addition, there is no assurance that our common stock will trade at market prices in excess of the offering price as prices for common stock in any public market will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity.

#### **SELLING STOCKHOLDERS**

##### ***November 2020 Registered Direct Offering***

On November 2, 2020 the Company entered into a securities purchase agreement (the “2020 November Purchase Agreement”) with certain investors for the purpose of raising \$25.0 million in gross proceeds. Pursuant to the terms of the 2020 November Purchase Agreement, the Company sold, in a registered direct offering (the “2020 November Offering”), an aggregate of 10,000,000 units, with each unit consisting of one share of the Company’s common stock and one warrant (a “2020 November RD Warrant”) to purchase 0.8 of one share of common stock at a purchase price of \$2.50 per unit. The warrants are exercisable nine 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 2020 November 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 2020 November 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.

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59

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##### ***February 2021 Registered Direct Offering***

On February 11, 2021, the Company announced that it has entered into a securities purchase agreement (the “2021 February Purchase Agreement”) with certain institutional investors for the sale (the “2021 February Offering”) of units consisting of (i) 22,471,904 shares of common stock, (ii) 22,471,904 Series A warrants (the “Series A Warrants”) to purchase 22,471,904 shares of common stock and (iii) 11,235,952 Series B (the “Series B Warrants, together with the Series A Warrants, the “2021 February RD Warrants”) warrants to purchase 11,235,952 shares of common stock at a combined purchase price of \$2.67. The gross proceeds to the Company from the 2021 February Offering were expected to be approximately \$60.0 million. The Series A warrants are exercisable nine 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 are exercisable nine 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 after deducting the placement agent’s fees and other expenses. The placement agent was entitled to a cash fee equal to 8.0% of the gross proceeds from the placement of the total number of units sold by the placement agent and 3.5% of the gross proceeds from the placement of the total number of units sold in the 2021 February Offering, plus a non-accountable expense allowance in an amount equal to 1% of the aggregate gross proceeds of the 2021 February Offering.

##### ***March 2021 Registered Direct Offering***

On March 2, 2021, the Company entered into a securities purchase agreement (the “March 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 March Purchase Agreement, the Company agreed to sell, in a registered direct offering (the “2021 March Offering”), an aggregate of 19,285,715 shares of the Company’s common stock, par value \$0.001 per share, 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 which was priced at the market under Nasdaq rules. The warrants were 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 for the March Purchase Agreement 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.

As of April 15, 2022, the Company is no longer eligible to utilize the Registration Statement. Accordingly, the Company is filing this Registration Statement on Form S-1.

#### **Selling Stockholder Table**

The following table sets forth certain information as of May 23, 2023 regarding the selling stockholders and the shares offered by them in this prospectus. In computing the number of shares beneficially owned by a person and the percentage ownership of that person in the table below, securities that are currently convertible or exercisable into shares of our common stock that are being offered in this prospectus, or convertible or exercisable into shares of our common stock within 60 days of the date hereof that are being offered in this prospectus are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to the following table, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder’s name. The percentage of ownership of each selling stockholder in the following table is based upon 207,587,256 shares of common stock outstanding as of May 23, 2023 plus shares the selling stockholders will receive upon exercise of warrants or conversion of debt which are being offered in this offering.

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Except as set forth below, no selling stockholder has held a position as an officer or director of the Company, nor has any material relationship of any kind with us

or any of our affiliates. All information with respect to share ownership has been furnished by the selling stockholders. The common stock being offered is being registered to permit secondary trading of the shares and the selling stockholders may offer all or part of the common stock owned for resale from time to time. Except as set forth below, none of the selling stockholders have any family relationships with our officers, directors or controlling stockholders. Furthermore, none of the selling stockholders are a registered broker-dealer or an affiliate of a registered broker-dealer.

The term “selling stockholder” also includes any transferees, pledges, donees, or other successors in interest to the selling stockholder named in the table below. To our knowledge, subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the common stock set forth opposite such person’s name. We will file a supplement to this prospectus (or a post-effective amendment hereto, if necessary) to name successors to any named selling stockholder who is able to use this prospectus to resell the securities registered hereby.

<b>Name of Selling Stockholder</b>	<b>Number of Shares of Common Stock Owned Prior to Offering</b>	<b>Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus</b>	<b>Number of Shares of Common Stock Owned After Offering Assuming All Shares are Sold</b>	<b>Percentage of Common Stock Owned After Offering Assuming All Shares are Sold</b>
Heights Capital Management(1)	2,755,103	*	--	*

\* Less than 1%.

(1) Recipient shares underlying conversion Warrants.

## PLAN OF DISTRIBUTION

### Selling Stockholders

The common stock held by the selling stockholders may be sold or distributed from time to time by the selling stockholders directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The sale of the selling stockholders’ common stock offered by this prospectus may be effected in one or more of the following methods:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- in privately negotiated transactions;
- settlement of short sales;
- broker-dealers may agree with the selling stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- “at the market” into an existing market for the common stock;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

In order to comply with the securities laws of certain states, if applicable, the shares of each of the selling stockholders may be sold only through registered or licensed brokers or dealers. In addition, in certain states, such shares may not be sold unless they have been registered or qualified for sale in the state or an exemption from the registration or qualification requirement is available and complied with.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act, if available, rather than under this prospectus. In addition, Aspire Capital and the other selling stockholders may transfer the shares of common stock by other means not described in this prospectus.

The selling stockholders may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. The selling stockholders cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, such selling stockholder.

Brokers, dealers, underwriters, or agents participating in the distribution of the shares held by the selling stockholders as agents may receive compensation in the form of commissions, discounts, or concessions from the selling stockholders and/or purchasers of the common stock for whom the broker-dealers may act as agent. The

selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

Each of the selling stockholders acquired the securities offered hereby in the ordinary course of business and has advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares of common stock, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares of common stock by any selling stockholder. If we are notified by any selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares of common stock, if required, we will file a supplement to this prospectus.

We may suspend the sale of shares by the selling stockholders pursuant to this prospectus for certain periods of time for certain reasons, including if the prospectus is required to be supplemented or amended to include additional material information.

If any of the selling stockholders use this prospectus for any sale of the shares of common stock, such selling stockholder will be subject to the prospectus delivery requirements of the Securities Act.

#### **Primary Offering by the Company**

Upon receipt of proper notice by any of the holders of the warrants issued in the 2021 February Offering or 2020 November Offering that such holders desire to exercise the warrants, the Company will, within the time allotted by the warrant agreements, issue instructions to the Company's transfer agent to issue to the holder shares of common stock, free of a restrictive legend. Shares of common stock underlying the warrants that are held by affiliates will be issued free of legend but will be deemed control securities.

#### **Regulation M**

The anti-manipulation rules of Regulation M under the Exchange Act of 1934, as amended (the "Exchange Act") may apply to sales of our common stock and activities of the selling stockholder.

We have advised the selling stockholders that while it is engaged in a distribution of the shares included in this prospectus it is required to comply with Regulation M promulgated under the Exchange Act. With certain exceptions, Regulation M precludes the selling stockholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the shares offered hereby this prospectus.

### **DESCRIPTION OF SECURITIES TO BE REGISTERED**

#### **Capital Stock**

Pursuant to our certificate of incorporation, as amended, as of December 31, 2022, our authorized capital stock consisted of 250,000,000 shares of common stock and 10,000,000 shares of undesignated preferred stock, \$0.001 par value. On May 10, 2022, the certificate of incorporation was amended to increase the number of our authorized capital stock to 425,000,000 shares of common stock and 15,000,000 shares of undesignated preferred stock, \$0.001 par value.

The following description summarizes the material terms of our capital stock and does not purport to be complete. It is subject to, and qualified in its entirety by reference to, our certificate of incorporation, as amended and our amended and restated bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2022.

#### **Common Stock**

*Voting.* Each holder of common stock is entitled to one vote for each share on all matters to be voted upon by the holders of common stock.

*Dividends.* Subject to preferences that may be applicable to any then outstanding preferred stock, and further subject to any contractual limitations on the declaration, setting aside or payment of dividends, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

*Liquidation.* In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preferences that may be granted to the holders of any then outstanding shares of preferred stock.

*Rights and Preferences.* The common stock has no pre-emptive, conversion or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences, and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock, which we may designate and issue in the future.

#### **Transfer Agent and Registrar for Common Stock**

The current transfer agent and registrar for Tingo Group is Worldwide Stock Transfer, LLC, located at One University Plaza, Suite 505, Hackensack, NJ 07601.

#### **Listing**

Tingo Group Common Stock is listed on Nasdaq under the symbol "TIO".

### **INFORMATION WITH RESPECT TO THE REGISTRANT**

TINGO GROUP, Inc. (the "Company") was formed as a Delaware corporation on January 31, 2002 under the name Lapis Technologies, Inc. On March 14, 2013, we changed our corporate name to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary, Enertec Systems Ltd., we changed our name to MICT, Inc. On February 27, 2023, following the merger transaction with Tingo., we changed our name to TINGO GROUP, Inc. Our shares have been listed for

trading on The Nasdaq Capital Market since April 29, 2013 under the symbol “TIO”.

The Company is a holding company conducting financial technology business and agri-fintech business through its subsidiaries and entities, both wholly-owned and controlled through various VIE arrangements (“VIE entities”, together with the Company, the “Group”), which are located mainly in Africa, Southeast Asia and the Middle East. The Group’s business has changed materially since December 1, 2022, following the completion of two material acquisitions of Tingo Mobile and Tingo Foods, the details of which are described under *Acquisition of Tingo Mobile*, *Acquisition of Tingo Foods*, and *About Tingo Group Holdings* below.

We currently operate in 4 segments: (i) Verticals and Technology, comprised of our operations in China where we have 3 VIE entities through which we primarily operate our insurance brokerage business; (ii) Online Stock Trading, primarily comprised of the operation of Magpie Securities Limited (“Magpie”) through which we operate the online stock trading business, primarily out of Hong Kong and Singapore; (iii) Comprehensive Platform Service which includes the operations of Tingo Mobile described above; and (iv) Tingo Food Processing, where crops and raw foods are processed into finished products, through Tingo Foods, (purchased by the Company in February 2023) which commenced food processing operations in August 2022.

Since July 1, 2020, following the completion of the Company’s acquisition of GFHI (the “GFHI Acquisition”) the Group has been operating in the financial technology sector. GFHI is a financial technology company with a marketplace in China, as well as the wider Southeast Asia area and other parts of the world and is currently in the process of building various platforms for business opportunities in different verticals and technology segments to capitalize on such technology and business, including the completion of the Company’s recent acquisitions of Tingo Mobile and Tingo Foods. The Company plans to increase its capabilities and its technological platforms through acquisition and licensing technologies to support its growth efforts, particularly in the agri-fintech, payment services, digital marketplace and financial services sectors.

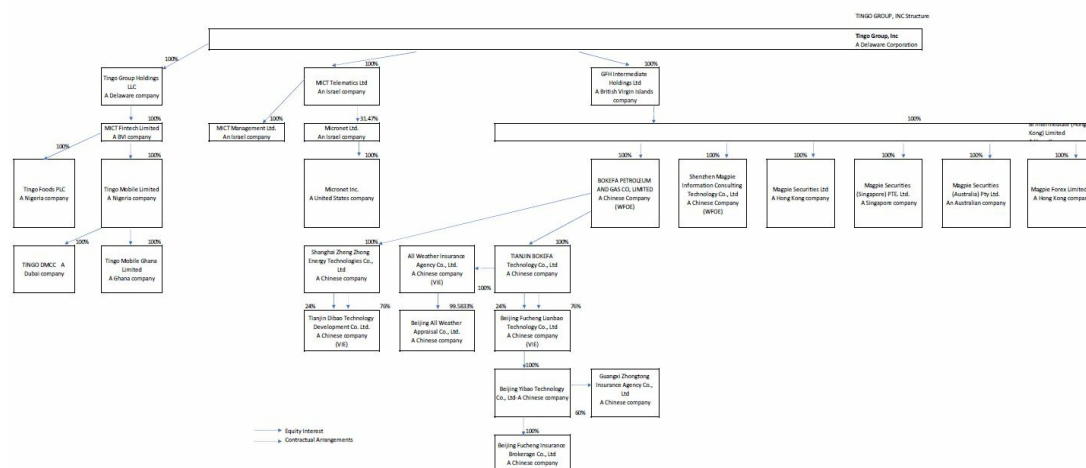
In China, the Company is principally focused on developing insurance broker business and products across approximately 130 insurance branches in China through its subsidiaries and VIE entities, with planned expansion into additional markets. The Company has developed highly scalable proprietary platforms for insurance products (B2B, B2B2C and B2C) and financial services/products (B2C), the technology for which is highly adaptable for other applications and markets.

Following GFH Intermediate Holdings Ltd (“Intermediate”) acquisition of Magpie, a Hong Kong securities and investment services firm, on February 26, 2021 and the subsequent regulatory approval from the Hong Kong Securities and Futures Commission (“HKSF”), Magpie is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong.

Magpie launched Magpie Invest, a global stock trading app, on September 15, 2021. It is a proprietary technology investment trading platform that is currently operational in Hong Kong. Magpie has memberships/registrations with the Hong Kong Stock Exchange (“HKSE”), the London Stock Exchange (“LSE”) and the requisite Hong Kong and China Direct clearing companies. The Company’s financial services business and first financial services product, the Magpie Invest app, is able to trade securities on National Association of Securities Dealers Automated Quotations (“NASDAQ”), New York Stock Exchange (“NYSE”), TMX, HKSE, China Stock Connect, LSE, the Frankfurt Stock Exchange and the Paris Stock Exchange.

The growth of Magpie will continue to be realized and executed through the Company’s business development efforts, which include the pivot of Magpie’s strategic focuses to B2B, white-label and payment services in response to the change in market conditions for the retail client sector that materialized in 2022. In order to strengthen Magpie’s offering to potential B2B and white-label clients, and enable the broadening of its product offering, management made the decision to apply for a Capital Markets License (“CMS License”) from the Monetary Authority of Singapore (“MAS”), which was granted in full on September 20, 2022. Magpie’s CMS License enables it to offer several new products, including leveraged foreign exchange products and contracts for differences (“CFDs”), including CFDs on commodities prices and crypto-currency prices.

The following diagram illustrates the Company’s current corporate structure, including its subsidiaries, and variable interest entities (“VIEs”), as of March 31, 2023:



## Acquisition of Tingo Mobile

**Overview.** On December 1, 2022, the Company acquired Tingo Mobile Limited, an agri-fintech business based in Nigeria (“Tingo Mobile”), from Tingo Inc., a Nevada corporation (“TMNA”). The acquisition was accomplished via a multi-phase forward triangular subsidiary merger. Under the terms of the Merger Agreement we entered into with TMNA and representatives of the shareholders of each of TMNA and the company (“Merger Agreement”), TMNA contributed its ownership of Tingo Mobile to a newly organized subsidiary of the company organized in the British Virgin Islands (“Tingo BVI Sub”). TMNA then merged Tingo BVI Sub with and into MICT Fintech Ltd., a wholly-owned subsidiary of the company organized in the British Virgin Islands (“MICT Fintech”), resulting in Tingo Mobile being wholly-owned by the Company (hereinafter, the “Merger”).

**Consideration Provided.** As consideration for Tingo Mobile, we issued to TMNA 25,783,675 shares of our common stock, equal to 19.9% of our outstanding shares, calculated as of the closing date of the Merger (the “Common Consideration Shares”) and two series of convertible preferred shares – Series A Convertible Preferred Stock (“Series A Preferred Stock”) and Series B Convertible Preferred Stock (“Series B Preferred Stock”).

**Key Terms of Series A Preferred Stock.** Upon the approval of our stockholders, the Series A Preferred Stock will convert into 20.1% of the outstanding shares of our common stock, calculated as of the closing date of the Merger. If such shareholder approval is not obtained by June 30, 2023, all issued and outstanding shares of Series A

Preferred Stock must be redeemed by us in exchange for TMNA receiving 27% of the total issued and outstanding shares of Tingo Group Holdings, LLC, a Delaware-incorporated subsidiary of the company ("TGH") that is the immediate parent company of MICT Fintech, which in turn would reduce the Company's interests in TGH and therefore Tingo Mobile by 27%. See *TGH Group Structure* below.

*Key Terms of Series B Preferred Stock.* Upon approval by Nasdaq of the change of control of the company and upon the approval of our stockholders, the Series B Preferred Stock will convert into 35.0% of the outstanding shares of our common stock, calculated as of the closing date of the Merger, giving TMNA an aggregate ownership of 75.0% of our outstanding common stock, if both the Series A and series B preferred stock are converted in full. If such shareholder or Nasdaq approval is not obtained by June 30, 2023, TMNA will have the right to cause us to redeem all of the Series B Preferred Stock for (x) \$666,666,667 or, (y) an amount of common stock of TGH equivalent in value to \$666,666,667.

*Loan to TMNA.* In connection with the Merger Agreement, we also loaned \$23.7 million to TMNA. The loan bears interest at 5.0% per annum and matures on May 10, 2024.

### *Acquisition of Tingo Foods*

*Overview.* On February 9, 2023, the company and MICT Fintech acquired from Dozy Mmobuosi, Tingo Mobile Founder and Chief Executive Officer all of the outstanding share capital of Tingo Foods PLC ("Tingo Foods"), a Nigerian public limited company that has operated in the food processing industry since its inception in August 2022. As part of its expansion strategy, Tingo Foods plans to fit out and operate a state-of-the-art food processing facility in the Delta State of Nigeria, which is expected to be the largest of its kind in Africa and scheduled for completion by the end of the first half of 2024. We agreed to fit out the Tingo Foods facility with the necessary processing equipment and further agreed to require Tingo Foods to enter into a long-term ground lease for the facility, with lease payments to commence when the facility becomes operational.

*Consideration Provided.* As consideration for Tingo Foods, we issued Mr. Mmobuosi a senior secured promissory note in the principal amount of \$204 million, bearing interest at 5.0% per annum and maturing in 24 months.

### *About Tingo Group Holdings*

TGH (and together with its subsidiaries, the "TGH Group") is a Delaware limited liability company and a wholly-owned subsidiary of the Company. TGH is the leading Agri-Fintech company operating in Africa, with a comprehensive portfolio of innovative products, including a 'device as a service' smartphone and pre-loaded platform product. As part of its globalization strategy, TGH and its wholly owned subsidiary, Tingo Mobile Limited ("Tingo Mobile"), have recently begun to expand internationally and entered into trade partnerships that are contracted to increase the number of subscribed farmers from 9.3 million in 2022 to more than 32 million, providing them with access to services including, among others, the Nwassa 'seed-to-sale' marketplace platform, insurance, micro-finance, and mobile phone and data top-up. Tingo Group's other Tingo business verticals include: TingoPay, a SuperApp in partnership with Visa that offers a wide range of B2C and B2B services including payment services, an e-wallet, foreign exchange and merchant services; Tingo Foods, a food processing business that processes raw foods into finished products such as rice, pasta and noodles; and Tingo DMCC, a commodity trading platform and agricultural commodities export business based out of the Dubai Multi Commodities Center.

Tingo Mobile's Nwassa platform is believed to be Africa's leading digital agriculture ecosystem that empowers rural farmers and agri-businesses by using proprietary technology that enables users to access markets in which they operate. Using Tingo Mobile's ecosystem, farmers can ship produce from farms throughout Nigeria, in both retail and wholesale quantities. Tingo Mobile's system provides real-time pricing, straight from the farms, which eliminates middlemen. The customers of Nwassa users pay for produce bought using available pricing on the platform.

Although TGH has a large retail subscriber base, its business model is essentially a business-to-business-to-consumer ("B2B2C") model. Each of TGH's current subscribers is a member of one of a small number of cooperatives with whom a subsidiary of TGH has a contractual relationship, which facilitates the distribution of Tingo-branded smartphones into the various rural communities of user farmers/agri-workers. Through TGH's smartphones and proprietary applications imbedded in the phones, TGH is able to provide a wider array of agri-fintech services and generate diverse revenue streams as described in more detail herein.

Services offered to TGH's retail subscribers include smart phone leasing, an agri-marketplace, airtime top ups, utility payment services, bill-pay and e-wallet, insurance products and access to finance and lending services. The TGH Group offers its services to the agricultural market through the Nwassa platform and has recently launched a general B2C and B2B fintech platform and super-app, in partnership with Visa, branded as TingoPay.

On October 19, 2022, Tingo Mobile, signed an agreement with the All Farmers Association of Nigeria (AFAN), the umbrella body of the 56 recognized commodities and agricultural associations in Nigeria. Under the terms of the agreement, AFAN committed to add a minimum of 20 million additional subscribers to Tingo Mobile's customer base. These new subscribers are expected to be comprised principally of owners of small and medium-sized agricultural enterprises throughout the country.

On November 10, 2022, Tingo Mobile opened a new regional head office in Ghana and launched operations there. In conjunction with the launch, Tingo Mobile also announced an agreement with the Ashanti Investment Trust, the investment arm of the Ashanti Kingdom, to enroll a minimum of 2 million new members in Ghana with Tingo Mobile within 120 days of signing and has agreed on a target to increase such enrollments to at least 4 million members.

On December 14, 2022, Tingo Mobile launched in Malawi as a strategic base from which to expand into East Africa and target neighboring countries such as Tanzania, Zambia, and Mozambique.

In addition to its agri-fintech business, on December 12, 2022, TGH launched its global commodities trading platform and export business ("Tingo DMCC") from the Dubai Multi Commodity Centre (the "DMCC") to facilitate offtake and export of agricultural commodities from both its existing customer base and new customers. Through the strong relationships between Tingo Mobile and the cooperatives and other parties it deals with in Nigeria and Ghana, TGH has secured access to significant quantities of agricultural produce for export, including wheat, millet, cassava, ginger, cashew nuts, cocoa and cotton.

On February 9, 2023, TGH acquired the entire share capital of Tingo Foods, which commenced food processing operations in September 2022, generating more than \$400 million of revenue in its first four months of trading. Through Tingo Foods, the TGH Group expects to enhance its ability to integrate agricultural producers into the 'seed to sale' value chain and digital ecosystem.

A key element of the growth plans for Tingo Foods is the development of its own food processing facility. To this end, through a joint venture, Tingo Foods has committed to build and operate a state-of-the-art \$1.6 billion food processing facility in the Delta State of Nigeria, which is expected to be completed by the end of the first half of 2024. Tingo Foods estimates that its part of the build and fit-out costs will amount to approximately \$500 million, which it expects to fund out of a combination of



retained earnings and debt finance. The new facility is expected to multiply the size of Tingo Food's processing capacity and revenues, allowing it to expand its current product range of rice, pasta, noodles, and other staple foods into new product areas such as tea, coffee, cereals, chocolate, biscuits, cooking oils, non-dairy milks, carbonated drinks, and mineral water, while also materially expanding its capacity for the offtake of produce from its farmers and increasing its supply into TGH's commodity trading platform and export business. In line with its Environmental, Social and Governance ("ESG") commitments, Tingo Foods has entered into a partnership with a third party company in the UK, Evtec Energy Plc, who have committed to fund and build a \$150 million net zero carbon emission solar plant, to provide a sustainable and low-cost energy source to power its multi-billion dollar food processing facility. Through this first-of-its-kind facility in Nigeria, Tingo Foods aims to reduce Africa's reliance on the import of finished food and beverage products and to increase exports of made-in-Africa produce, which in turn is expected to reduce the prices of finished products and significantly reduce shipping miles and carbon emissions.

As part of the TGH Group's strategy to leverage its fintech platforms, infrastructure and the Tingo brand, it recently launched the TingoPay Super App in partnership with Visa. TingoPay broadens TGH's reach outside of the agricultural sector, targeting retail customers of any age (18+) and demographic. TingoPay customers can apply for a Tingo Visa card and then access it via the TingoPay Super App, so as to make online transactions in their domestic or foreign currencies, as well as to manage their cards, set up repeat payments and access transaction statements. The Tingo Visa card's interface with the TingoPay super app and e-wallet also allows customers to use their digital money easily and securely for both online and physical payments anywhere Visa is accepted. Additionally, TingoPay's users can benefit from a broad selection of value-added services, including the ability to pay utilities and bills, top-up airtime and data, make funds and forex transfers, apply for loans, arrange pensions, purchase insurance products, make travel bookings and access the Nwassa agricultural produce marketplace. TingoPay and the Tingo Visa partnership are also expected to deliver significant benefits to businesses, in particular farmers and other Small and Medium Enterprises (SMEs) across all sectors. The integration of Visa's range of merchant services with TingoPay's commerce portal and the Nwassa marketplace, enables businesses to accept payments easily and securely in any currency from both retail and business customers, and use the TingoPay e-wallet to immediately fund purchases of inputs and make other payments.

TGH has an experienced management team, led by Dozy Mmobuosi, who founded Tingo Mobile in 2001 and serves as the TGH Group CEO. Mr. Mmobuosi is supported by an executive management team and has additional senior management personnel within each of its subsidiaries who are responsible for executing the TGH Group's business strategy and day-to-day operations.

The TGH Group currently has trading operations in Nigeria, Ghana and Malawi in connection with Tingo Mobile, TingoPay and Tingo Foods, and Dubai in connection with the commodity trading platform and export business. In addition, TGH Group has administrative offices in the United States and the United Kingdom, which handle certain of the management and finance activities of the Company.

## ***TGH Strategy***

The TGH Group aims to be the leading fintech and agri-fintech business in Africa, before expanding into Southeast Asia and certain other parts of the world, delivering financial inclusion and financial upliftment to its customers, including to rural farming communities through the Company's agri-fintech platform and products.

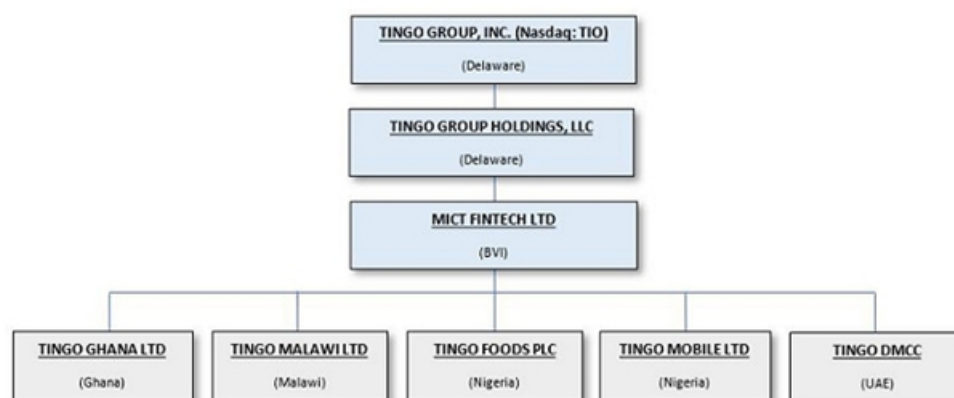
- **ESG Initiatives.** Global climate change provides a challenge to sustainable production and food security. A key area of global interest under the United Nations Sustainable Development Goals ("SDGs") and environmental, social and governance ("ESG") impact investing is social upliftment. TGH's strategy and market execution naturally includes ESG principles and provides an opportunity to address SDGs, including food security, in Africa and globally. TGH seeks to accomplish this through its full range of agri-fintech products, including its Nwassa platform, its global commodity platform and export business and its Tingo Food food processing business. As noted above, TGH aims to align with SDGs and related initiatives, such as gender equality through upliftment of female entrepreneurship, financial inclusion, poverty alleviation and zero hunger.
- **Strategic Initiatives.** TGH opportunistically reviews potential partnerships and mergers and acquisitions. TGH intends to identify key strategic partners and potential acquisitions that it believes can accelerate the TGH Group's expansion towards becoming the leading agri-fintech operator in Africa, Southeast Asia and other emerging markets. TGH believes that pursuing a select number of investments in the agri-tech, banking services and fintech sectors can provide a strong pathway to enhance its proven activities in Nigeria and replicate them elsewhere, and TGH will continuously evaluate such opportunities. As TGH continues to grow, it intends to develop further strategic relationships and projects related to enhancing and expanding its capabilities and the development of the services that the TGH Group offers.
- **Agri-Fintech and Value-Added Services.** TGH generates income from agri-fintech and value-added services, including, but not limited to:
  - Mobile device leasing 'Device-as-a-Service' (12-month contracts);
  - Airtime and data top-ups;
  - Nwassa (Agri-marketplace platform and value added transaction services);
  - Utilities and other bill pay services through its electronic wallet solution; and
  - Cross-sell fees from referrals for insurance and lending services offered by strategic partners.
- **Export Services.** In connection with the launch of Tingo DMCC, TGH intends to provide various services related to its export business, either directly or outsourced to third parties, including:
  - Procurement;
  - Invoicing, billing, and collections;
  - Warehousing and storage;
  - Logistics services, including loading, unloading, transport, and delivery; and
  - Customs clearance and certified inspection.
- **Food Processing Services.** In connection with the acquisition of Tingo Foods, TGH aims to become the preferred buyer of surplus agricultural produce in Africa and elsewhere, and a leading processor of finished food and beverage products.

Tingo Foods' goal in Africa is to reduce the continent's reliance on the import of finished food and beverage products and increase its exports of made-in-Africa produce between countries within the continent, as well as to the rest of the world. This is expected to reduce the prices of finished goods for Africa's consumers, while also creating a substantial environmental benefit by reducing the current need to export raw food materials outside of the continent for processing only to then import the finished and more expensive products back into Africa. To enable Tingo Foods to significantly accelerate its growth and increase capacity, it has entered into a joint venture to construct and operate a \$1.6 billion state-of-the-art food processing facility in Nigeria, which is expected to be the largest of its kind in Africa. Tingo Foods expects to construct and open more food processing facilities in Africa and other key markets as it grows and as it secures the supply of more agricultural produce through Nwassa platform using Tingo Mobile.

- **Key Strategies.** TGH intends to achieve growth and build competitive advantages through the following key strategies:
- Increasing the number of TGH users in Nigeria, including through new partnerships with additional agricultural cooperatives;
- Extending TGH's services to other African countries, in addition to Nigeria, Ghana, and Malawi, where the TGH Group currently operates — these may include Tanzania, Zambia, Mozambique, Uganda and Kenya. TGH is conducting a detailed review with its corporate advisors to determine how best it can optimize and develop market entry strategies based on its proven success in Nigeria and, most recently, Ghana and Malawi;
- In the medium term, expanding TGH's services to countries outside of Africa, including China, other countries in Southeast Asia and certain countries in South America;
- Expanding the Tingo DMCC commodity platform and export business across the globe;
- Increasing the food and beverage processing capacity of Tingo Foods, including in to other countries within Africa and into other parts of the world; and
- Further diversifying the TGH B2C and B2B customer base outside of the agricultural sector, with products such as TingoPay, Tingo Visa products, new app based products and a range of payment and foreign exchange services.

### ***TGH Group Structure***

The TGH Group structure has been organized to facilitate expansion within Africa, the integration of Tingo Foods into the company's agricultural value chain, as well as the creation of TGH's commodity export financing subsidiary in Dubai. The organizational structure of the TGH Group is represented in the following diagram (other non-agri-fintech subsidiaries of the company not shown):



### ***Operations and Business Model***

A key challenge in Africa's agricultural value chain is the weak link between rural small holder farmers and demand centers in urban areas. TGH has developed the Nwassa platform to connect farmers directly with wholesale and retail purchasers, as well as experienced experts and suppliers. Farmers and farm cooperatives connect with brokers, arrange for storage and transportation of their produce, and ultimately obtain improved economic outcomes through higher product prices and lower storage and transportation losses. Since the launch of Nwassa in 2020 adoption and usage of the platform has grown rapidly.

Approximately 98% of TGH's customers are active users of the Nwassa platform, and the platform processes approximately \$1 billion USD in gross transaction value (GTV) on a monthly basis. In addition, TGH has invested in a cell-on-wheels platform to boost network and wireless coverage in regions with low wireless coverage in an effort to ensure its customers have consistent access to TGH services and Nwassa whenever such is required.

We believe that, as the TGH Group's business continues to grow, it is positioned to benefit from operating leverage and economies of scale. In particular, TGH is able to provide incremental value-added services to its large customer base.

- **Customers.** TGH, principally through Tingo Mobile, its wholly-owned subsidiary, has consistently maintained over 9.3 million customers since 2014, with a focus on supporting customers who primarily work in the agricultural sector, which is now expected to grow through the recently signed trade partnerships with the All Farmers Association of Nigeria, who have contracted to enrol a minimum of 20 million new farmers, and the Kingdom of Ashanti in Ghana, who have contracted to enrol between 2 million and 4 million+ farmers, as well as the recent launch into Malawi, and other such geographical expansion and new trade partnerships in the future. Tingo Mobile has been able to do this through a unique and efficient B2B2C business model. A member of the TGH Group contracts with farming cooperatives and other associations who engage their large agricultural customers to utilize Tingo's products and services. TGH's customers are a mix of farmers (small holder and subsistence), and individuals who work in storage, transportation and logistics across the agricultural value chain. The number of customers stated above represents the number of mobile handset devices that have been distributed, with 1 year (12 month) contracts, to members of TGH's partner farmers' cooperatives and those making monthly (12) lease payments, via the cooperatives, to TGH. TGH then provides additional services to the members of the cooperatives as described herein, primarily through the Nwassa platform.

## 1. Low Attrition.

- Because TGH contracts with agricultural cooperatives and associations who facilitate access to branded mobile devices and services to their members, attrition or “churn” rates have been consistently less than 1% over the last nine years. The members of the farmers’ cooperatives have the option to sign up to TGH’s non-cancellable agreements for a 1-year leasing period. While these are non-cancelable agreements, there are instances whereby the farmers may cease making payments. However, as noted above, there has been a churn rate of less than 1% over each leasing cycle.
- Customer count and activity on TGH’s various platforms are key drivers of its revenue. TGH currently generates revenue from the following sources:
- *Outright Sales of Mobile Phones.* In 2020, Tingo Mobile sold 3.1 million handsets to a distributor based in Kenya, and in Q4 2021 Tingo Mobile sold an additional 2.9 million handsets to a non-agricultural cooperative in Nigeria. In Q3 2022, Tingo Mobile sold an additional 87,508 mobile devices in a bulk sale. TGH will likely seek to pursue similar sales opportunities in the future.
- *Mobile Voice and Data Service.* Through a Mobile Virtual Network agreement with Airtel, Tingo Mobile provides its customers in Nigeria with voice and data services. Each month its customers receive 2,500 airtime minutes, 10 free SMS text messages outside the Tingo network, 100 free SMS messages within the Tingo network and 500 MB data for a monthly access fee of circa \$3.00 USD (using 414 USD/NGN exchange rate) per month. This fee is shared with Airtel, of which TGH’s share (16%) equates to USD \$0.48 per user per month.
- *Nwassa Platform.* TGH’s proprietary platform, Nwassa, supports Nigeria’s agricultural value chain with market access and provides users with a variety of agri-tech and fintech services, including:
  - Access to agricultural markets for crops, packaging, warehousing, and cargo logistics;
  - Digital wallet services, including sending and receiving domestic payments, monitoring cash flow in real time and securely holding money;
  - Access to other third-party services such as utility bill payment, virtual airtime top-up, insurance services, and alternative lending solutions. For each third-party service or product purchased by its customers, TGH receives an introducer fee or commission:
  - Utility bill payment, airtime sales and commodity sales: 4% commission;
  - Insurance on the insureds mobile handsets of 100 NGN (or foreign equivalent) per subscriber, the USD equivalent is \$0.24 per subscriber using 414 NGN/USD exchange rate;
  - Lending: TGH receives a commission on each loan arranged with third party lenders via the platform;

*Tingo Pay.* The Tingo Pay app was launched in February 2023. Tingo Pay offers the following services:

- Tingo wallet top-up;
- Peer-to-peer payments (including merchant payments at stores);
- Utility and expense payments (e.g., airtime, broadband, cable, electricity, water, hotels, flights);
- Pension payments; and
- QR code payment services.

Separate to its Tingo Mobile, Nwassa and TingoPay businesses, TGH has diversified into the Tingo DMCC commodity trading platform and export business and the Tingo Foods food processing business, both of which aim to meet the globe’s increasing shortfall in food and beverage product supply and to tackle the world’s food security crisis. Tingo DMCC and Tingo Foods currently generate revenues from the following sources:

- *Tingo DMCC.* The commodity trading platform and export business of Tingo DMCC facilitates through its operations in Dubai the sales of agricultural produce from farming cooperatives in Africa, as well as from other suppliers, and brokers the sale of such produce to distribution companies, wholesalers, supermarket groups and other large-volume buyers wherever they are in the world.
- *Tingo Foods.* Having commenced trading in September 2022, Tingo Foods was acquired by TGH on February 9, 2023. To date, Tingo Foods has outsourced its processing activities to third-party food processing plants in Nigeria, for which Tingo Foods arranges the supply of raw crops, as well as the customers for the finished processed foods. Tingo Foods aims to open its own state-of-the-art food processing facility in Nigeria by the end of the first half of 2024, which will enable it to significantly expand its product range and also multiply the size of its processing capacity and revenues.

## Competition

In Nigeria and the other African countries in which TGH operates, it competes with a large number of mobile phone carriers. Current competitors may seek to intensify their investments in those markets and also expand their businesses into new markets. Competitive pressure from current or future competitors or TGH’s failure to quickly and effectively adapt to a changing competitive landscape could adversely affect its growth. Current or future competitors may offer lower prices and enhanced features, and, as a result, TGH may be forced to lower its prices and upgrade its phones and network in order to maintain its market share.

With respect to TGH’s payment services, TGH faces competition from financial institutions that offer payment processing services, debit and credit card service providers, other offline payment options and other electronic payment system operators, in each of the markets in which TGH operates. TGH expects competition to intensify in the future, as existing and new competitors may introduce new services or enhance existing services. New entrants tied to established brands may engender greater user confidence in the safety and efficacy of their services.

We believe that developing and maintaining awareness of the Tingo brand is critical to achieving widespread acceptance of the Tingo network and is an important element in attracting new users. Furthermore, we believe that the importance of brand recognition will increase as competition in TGH’s markets increases. Successful promotion of the Tingo brand will depend largely on the effectiveness of TGH’s marketing efforts and its ability to ensure that the Tingo network remains reliable, and useful at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses TGH incurs in

building its brand. If TGH fails to successfully promote and maintain its brand or incurs substantial expenses in an unsuccessful attempt to promote and maintain its brand, TGH may fail to attract new customers and cooperative partners or to grow or maintain its telecommunications network.

If TGH fails to compete effectively, it may lose existing users and fail to attract new users, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

### ***Market and Industry Trends***

Africa is the second-largest continent by land mass and population. The continent is also the youngest by far, with a median age of 19.7 years for its 1.3 billion people in 2020. Tingo believes the building blocks for growth in Africa's agriculture industry are in place and that it is well positioned to participate in the growth of this key demographic segment.

In a report by The Economist, Sub-Saharan Africa's population is growing at a pace of 2.7% per year, which is more than twice as fast as the populations of South Asia 1.2% and Latin America 0.9%. At the current growth rate, the continent's population will double by 2050. Africa's younger population represents a significant opportunity for growth in the demand for agricultural commodities. This younger generation is also being born into a "networked" world and is more comfortable using technology to achieve their goals. In addition, Africa's governments are increasingly focused on improving business conditions for entrepreneurs and small businesses on the continent. Sub-Saharan Africa's World Bank Doing Business rank has improved by approximately 20 points: from 45 in 2004 to 65 in 2020. This trend appears likely to continue and will encourage the establishment of new ventures across a variety of economic sectors, including agriculture.

Foreign direct investment (FDI) to African countries hit a record \$83 billion in 2021, according to UNCTAD's World Investment Report 2022 published on 9 June. This was more than double the amount reported in 2020, when the COVID-19 pandemic weighed heavily on investment flows to the continent. Despite the strong growth, investment flows to Africa accounted for only 5.2% of global FDI, up from 4.1% in 2020. Foreign direct investments into Africa will likely continue to help resolve significant infrastructure constraints and create value in the agricultural sector.

Nigeria is the largest economy and the most populous country in Africa and is therefore central to the continent's growth. According to an Oxford Business Group 2021 report, agriculture accounts for 14% of total GDP in sub-Saharan Africa, and a majority of the continent's population is employed in the sector. Agriculture is therefore central to African livelihoods as many of sub-Saharan Africans are small holder farmers and the FAO estimates that Africa holds 60% of the world's uncultivated arable land.

In Nigeria, the agricultural industry employs 36% of the labour force and represents 22% of the country's GDP according to a PWC report. Despite the scale of the agricultural industry in Nigeria, relative productivity remains disappointing. Nigeria's suboptimal agricultural productivity is driven by several factors, including broken linkages to demand centers, inefficient capital allocation for the purchase of inputs, and underdeveloped and fragmented access to services. Tingo aims to play a significant role in resolving these issues.

### ***Technology, Manufacturing and Distribution***

TGH continuously invests in its technology, data collection and analytics capabilities, operating primarily through TGH-employed developers in Nigeria. TGH's research and development activities focus on the production, maintenance and operation of new and existing products and services. We believe the development of TGH's technology serves as an investment in future growth that will enhance consumer experience and satisfaction. We may seek to increase investments into TGH's technology and data capabilities in the future.

In March 2020, Tingo Mobile entered into a mobile phone procurement contract with UGC Technologies Company Limited, with located in Shenze Town, China. In January 2022, Tingo Mobile entered into an agreement with Bullitt Mobile Limited, based in Reading, England, who are a supplier of branded cellular telephone products and accessories. We made the decision to diversify Tingo Mobile's supplier base given the many challenges experienced by companies with globally distributed supply chains through the Covid-19 pandemic.

UGC Technologies Company Limited and Bullitt Mobile Limited are the TGH Group's sole suppliers of mobile phones at present. The procurement contract with UGC Technologies Company Limited allows TGH to raise purchase orders in line with its customer demand and provides capacity to meet demand from wholesale customers. In addition, TGH is exploring opportunities to establish relationships with other production partners.

### ***Intellectual Property***

Intellectual property rights are important to TGH's business. We rely on copyright laws in the United States and other jurisdictions to establish and protect its intellectual property rights. However, these laws provide only limited protection. Although we takes steps to protect the TGH Group's intellectual property rights, we cannot be certain that the steps taken will be sufficient or effective to prevent unauthorized access, use or copying. Moreover, others may seek to infringe on, misappropriate, or otherwise violate TGH's intellectual property rights. Policing the unauthorized use of TGH's intellectual property rights can be difficult. The enforcement of TGH's intellectual property rights also depends on any legal actions we may bring against any such parties being successful, but these actions are costly, time-consuming, and may not be successful, even when TGH's rights have been infringed, misappropriated, or otherwise violated.

In addition, aspects of TGH's platform and services include software covered by open-source licenses. The terms of various open-source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on TGH's services.

Although TGH relies on intellectual property rights in its business, it also seeks to preserve the integrity and confidentiality of its intellectual property rights through appropriate technological restrictions, such as physical and electronic security measures.

### ***Employees, Contract Personnel and Human Capital Resources***

TGH employs approximately 30 executive, marketing, and administrative personnel, inclusive of its executive officers. The TGH Group has approximately 409 full-time employees, 38 part-time employees, and approximately 20,000 part-time, commission-only self-employed agents who work with TGH's farmer cooperatives and the All Farmers Association of Nigeria. The self-employed agents act representatives and liaisons between Tingo Mobile, the cooperatives / AFAN and the farmers enrolled with Tingo Mobile and the Nwassa platform, assisting the farmers to utilize the services of Tingo Mobile and Nwassa and generate more transaction throughput, and to deal with any customer services requirements.

TGH understands that its success depends on its ability to attract, train and retain its employees and contract personnel. TGH strives to attract, recruit, and retain employees through competitive compensation and benefit programs, learning and development opportunities that support career growth and advancement opportunities, and employee engagement initiatives that foster a strong company culture.

## **Facilities**

The TGH Group's largest office is in Lagos, Nigeria, where the bulk of its operations and support personnel are located. Tingo also has offices located in Accra in Ghana, Lilongwe in Malawi and in Dubai.

In the United States and the United Kingdom, TGH subleases office space on a month-to-month basis.

## **Government Regulation**

### **Telecommunications Regulation**

*NCC Act.* The primary statute and set of regulations governing the telecommunications sector in Nigeria is the Nigerian Communications Act (2003) (the "NCC Act") and regulations made under it. Also relevant are the Wireless Telegraphy Act (1966), as amended (the "WT Act"), Cybercrimes (Prohibition Prevention, Etc.) Act (2015), the National Information Technology Development Agency Act (2007) and, to the extent that telecommunications companies may wish to use spectra ordinarily reserved for broadcast, the National Broadcast Commission Act (1992) and the respective regulations made under these statutes. The NCC Act is the key regulatory framework for the Nigerian telecommunications industry. The NCC Act stipulates rules relating to the classes of licenses, licensing processes and offenses for failure to comply with the provisions of the Act. It established the Nigerian Communications Commission ("NCC") as a federal agency and regulator charged with the responsibility of facilitating investments in and entry into the Nigerian market for the provision and supply of communication services, equipment and facilities, granting and renewing communications spectrum and operating licenses and the promotion of fair competition in the communications.

*Nigerian Communications Commission (NCC).* The NCC is the independent national regulatory authority for the telecommunications industry in Nigeria. It is responsible for stimulating investments in the sector and creating an enabling environment for competition among operators in the industry. The NCC is mandated to monitor all significant matters relating to the performance of all licensed telecommunications service providers and publish annual reports. The powers of the NCC range from the issuance of various licenses relating to the provision of communications services, equipment, and products, to regulating competition, issuing spectrum and numbering resources for the industry.

*Licensing Framework for the Nigerian Telecommunications Sector.* License requirement Section 32 of the NCC Act empowers the NCC to issue communication licenses for the operation and provision of communication services or facilities by way of class or individual license on such terms and conditions as the NCC may from time to time determine. No person can operate a telecommunications system or facility, or provide a communications service in Nigeria, unless authorized to do so under a communications license or exempted under regulations made by the NCC. The NCC also issues an 'international sub-marine cable infrastructure landing station services license', which allows the licensee to land, install, operate and manage submarine cable infrastructure in Nigeria. The license is typically for a period of 20 years or such other period as may be imposed by the regulator.

*Technical Standards and Duties to End Customers.* The NCC Act and guidelines issued pursuant to it prescribe technical standards to which Tingo Mobile's partner Airtel Nigeria is required to adhere. Under Section 130 of the NCC Act, the NCC must publish technical codes and specifications for telecommunication equipment and facilities to be used in Nigeria. It is an offense to use any technical equipment or system which hinders network inter-operability, or which compromises public safety. The NCC must also conduct type approval tests and issue certificates in respect of communications equipment and facilities to be used in Nigeria. It is an offense punishable by fine or imprisonment to sell or install any communications equipment or facilities without first obtaining the NCC's type approval test certificate. The NCC regularly publishes technical standards applicable to all telecommunications equipment to be used in Nigeria on its website, as well as lists of approved handsets and telecommunications equipment that have been tested and approved by the NCC for use in Nigeria.

*Universal Service Obligations.* The NCC Act empowers the NCC to design, manage and implement a universal service system that will promote widespread availability and usage of network services and application services throughout Nigeria. The NCC furthers this objective by encouraging the installation of network facilities and the provision of network services and applications to institutions in underserved areas and communities.

*Federal Ministry of Communications.* The Federal Ministry of Communications for Nigeria is responsible for policy formulation as it pertains to the information and communications technology sector. Its policy direction drives activities and developments within the sector. The Federal Ministry of Communications is mandated to facilitate universal, ubiquitous and cost-effective access to communications infrastructure and to utilize information and communications for job creation, economic growth and transparency in governance.

*Anti-Money Laundering Act and Anti-Money Laundering Regulations.* Section 1 of the Nigeria Money Laundering (Prohibition) Act, 2011 (the "MLA") provides that no body corporate shall, except in a transaction concluded through a financial institution, make or accept cash payment of a sum exceeding ₦10 million (approximately \$27 thousand USD). Section 2 of the MLA places a reporting obligation on any body corporate transferring funds or securities exceeding \$10 thousand USD or its equivalent to or from a foreign country. The relevant body corporate is required to report in writing, within seven days of the transaction, to the Central Bank of Nigeria and the Nigerian SEC.

### **Data Protection Laws**

*The Consumer Code of Practice Regulations* The Consumer Code of Practice Regulations (2007) (the "CCP Regulations") issued by the NCC regulates data protection in the telecommunications sector. The CCP Regulations obligate NCC licensees to take all steps reasonable to prevent the "inappropriate" and "inadvertent" disclosure of customers' information. The CCP Regulations also prohibit the transfer of the information of customers to third parties except as consented to by the customers or as permitted or required by the NCC or other applicable legal or regulatory requirements. Licensees that collect customers' information are required to adopt and implement a policy regarding the proper collection, use and protection of that information and ensure that other licensees to whom they disclose such information have adopted the consumer information policy.

*The Nigeria Data Protection Regulations.* The Nigeria Data Protection Regulations (2019) (the "NDPR") safeguard the rights of natural persons to data privacy and prohibit the manipulation of personal data. The NDPR applies to all transactions intended for the processing of personal data and the actual processing of personal data, notwithstanding the means by which the data processing is conducted or intended to be conducted, and in respect of natural persons present in Nigeria and natural persons residing in Nigeria or residing outside Nigeria but of Nigerian descent (the "Data Subject"). The NDPR imposes a duty of care on anyone entrusted with or in possession ("Data Controller") of any information relating to a Data Subject (including but not limited to names, photographs, bank details, posts on social networking sites, and IP addresses) ("Personal Data"). A Data Controller will be held accountable for acts and omissions in respect of data processing and in accordance with the principles of handling Personal Data in the NDPR which are: (a) collection and procession of Personal Data in line with the specific, legitimate and lawful purpose consented to by the Data Subject; (b) adequacy, accuracy and non-prejudice of Personal Data; (c) storage during a reasonable period of need; and (d) security against all foreseeable hazards and breaches including but not limited to cyber-attack, manipulations and damage by exposure to natural elements.

The consent of the Data Subject must be obtained by the Data Controller before processing the Personal Data of the Data Subject. In obtaining consent, the specific purpose of collection must be made known to the Data Subject. The Data Controller has an obligation to ensure that consent is not obtained by fraud, coercion or undue influence. Consent should also not be sought, given or accepted in any circumstance that will engender the direct or indirect propagation of criminal acts or antisocial conduct.

### ***Legal Proceedings***

In November 2017, the Nigeria Economic and Financial Crimes Commission (“EEFC”) brought a criminal charge (Case No. 6491C/2017) in the High Court of Lagos State, Nigeria, against Mr. Mmobuosi in connection with Tingo Mobile’s issuance of checks, amounting to approximately \$72,000 in the aggregate, to three of Tingo Mobile’s suppliers. Payment on the checks was stopped due to a dispute with the suppliers over the delivery of services underlying the payments. These suppliers filed a petition with the EEFC who, in turn, filed the charge described above against Mr. Mmobuosi in his individual capacity as signatory for Tingo Mobile, as remitter of the checks.

The payment dispute between the suppliers, on the one hand, and Tingo Mobile, on the other hand, should have been resolved in a civil proceeding, particularly given that Tingo Mobile did have sufficient funds in its accounts to honor the checks, which would have been a prerequisite to defending a successful criminal charge. The suppliers, however, opted instead to file a petition with the EEFC against Tingo Mobile and Mr. Mmobuosi.

During the pendency of the charge, in April 2018, each of the suppliers entered into separate settlement agreements, dropping all charges against Tingo Mobile. Each of the suppliers also sent separate letters to the EEFC, informing the EEFC of their settlements and withdrawal of charges. Following the settlements and explanatory letters, the parties expected that the EEFC would, *sua sponte*, file a dismissal with the High Court.

As several years passed and the EEFC did not take action on its own to adjudicate or dismiss the charge, on June 28, 2022, counsel to Mr. Mmobuosi filed a Motion in the High Court of Lagos State in the Ikeja Judicial Division to dismiss the charges. The Motion has, thus far, been unopposed by the EEFC and any such opposition is not expected. We expect the matter to be dismissed later in 2023.

One or more members of the TGH Group is, from time to time, also involved in various *de minimus* legal proceedings before courts in the jurisdictions where we operate in the ordinary course of TGH’s business, and may also be subject to such proceedings in other countries. None of these proceedings is expected to have a material effect upon the TGH Group’s financial condition or results of operations.

On April 20, 2023, the Company received a motion for summary judgment in lieu of a complaint (the “Motion”) from certain investors in certain of the Company’s direct securities offerings, seeking \$13,425,727.30 in aggregate damages. The Motion against the Company in the Supreme Court of the State of New York alleges that the Tingo Merger constituted a “Fundamental Transaction” as defined in the warrants issued in such securities offerings and, as a result, plaintiffs could exercise certain rights pursuant to such warrants. More specifically, the plaintiffs demand that as a result of the Tingo Merger, they are entitled to cash payments of \$13,425,727.30 in respect of the warrants that they hold.

### **TINGO GROUP’s Insurance Business Platform**

The Company, through acquisitions from July 1, 2020 through July 2021, holds several insurance businesses, that operate via its VIEs entities and subsidiaries, including one insurance brokerage company, Beijing Fucheng, and two insurance agency companies, All Weather and Guangxi Zhongtong, the Company conducts insurance brokerage and agency businesses in China and operates an online platform for sales of a wide range of insurance products, including, but not limited to, automobile insurance, property and liability insurance, life insurance and health insurance, which products are underwritten by over forty insurance companies in China.

### **VIE agreements with Guangxi Zhongtong:**

On January 1, 2021, as amended on August 6, 2021, Bokefa, our wholly foreign-owned enterprise (“WFOE”), Guangxi Zhongtong, and nominee shareholders of Guangxi Zhongtong entered into six agreements, (together, the “Guangxi Zhongtong VIE Agreements”), described below, pursuant to which Bokefa is deemed to have controlling financial interest and be the primary beneficiary of Guangxi Zhongtong. Therefore, Guangxi Zhongtong is deemed a VIE of Bokefa.

#### ***Loan Agreement***

Pursuant to this agreement, Bokefa agreed to provide loans to the registered shareholders of Guangxi Zhongtong. The term of the loan shall start from the date when the loan is actually paid, until the date on which the loan is repaid in full. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely for Guangxi Zhongtong’s operating expenses and should be exclusively repaid by transferring shares of Guangxi Zhongtong to Bokefa when PRC Law permits.

#### ***Exclusive Option Agreement***

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all the equity interest of Guangxi Zhongtong to Bokefa in accordance with relevant laws and provisions as provided in the agreement, or upon written notice by Bokefa to shareholders. In consideration of Bokefa’s loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, are restricted without the approval of Bokefa. Upon request by Bokefa, Guangxi Zhongtong is obligated to distribute profits to the shareholders of Guangxi Zhongtong, who must remit such profits to Bokefa immediately. Guangxi Zhongtong and its shareholders are required to act in a manner that is in the best interest of Bokefa with regards to Guangxi Zhongtong’s business operation.

#### ***Equity Pledge Agreement***

The agreement will be terminated upon such date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholders pledged all their equity interest in Guangxi Zhongtong to Bokefa as security for the obligations in the other agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

#### ***Business Cooperation Agreement***

The agreement is effective until terminated by both parties. Guangxi Zhongtong and its shareholders agree that the legal person, directors, general manager and other senior officers of Guangxi Zhongtong should be appointed or elected by Bokefa. Guangxi Zhongtong and its shareholders agree that all the financial and operational decisions for Guangxi Zhongtong will be made by Bokefa.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive technical consulting and support services to Guangxi Zhongtong and Guangxi Zhongtong agrees to pay service fees to Bokefa.

#### *Entrustment and Power of Attorney Agreement*

The shareholders of Guangxi Zhongtong agreed to entrust all the rights to exercise their voting power and any other rights as shareholders of Guangxi Zhongtong to Bokefa. The shareholders of Guangxi Zhongtong have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until deregistration of Guangxi Zhongtong.

On August 23, 2021, Beijing Yibao Technology Co., Ltd (“Beijing Yibao”), Guangxi Zhongtong Insurance Agency Co., Ltd (“Guangxi Zhongtong”), and two shareholders of Guangxi Zhongtong entered into a capital increase agreement pursuant to which Beijing Yibao will invest approximately RMB30 million (USD 4.7 million) into Guangxi Zhongtong. On October 21, 2021, Beijing Yibao transferred the funds separately and the transaction closed. As a result of the transaction, Beijing Yibao now holds a sixty percent (60%) equity interest in Guangxi Zhongtong and is the controlling shareholder. As a condition of the closing, the previous agreements consummated on January 1, 2021 per the GZ Frame Work Loan became null and void, and the loan should be repaid by the shareholders before December 31, 2023.

#### VIE agreements with Beijing Fucheng:

On December 31, 2020, as amended on August 25, 2021, Bokefa, Beijing Fucheng Lianbao Technology Co., Ltd. (“Beijing Fucheng”), and the shareholders of Beijing Fucheng entered into six agreements, described below, pursuant to which Bokefa is deemed to have a controlling financial interest and be the primary beneficiary of Beijing Fucheng. Therefore, Beijing Fucheng is deemed a VIE of Bokefa. Beijing Fucheng was incorporated on December 29, 2020 and had no assets or liabilities as of December 31, 2020.

#### *Loan Agreement*

Pursuant to this agreement, Bokefa agreed to provide loans to the registered shareholders of Beijing Fucheng. The term of the loan under this agreement shall start from the date when the loan is actually paid and shall continue until the shareholders repay all the loan in accordance with this agreement. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely for Beijing Fucheng’s operating expenses, and should be exclusively repaid by transferring shares of Beijing Fucheng to Bokefa when PRC Law permits. As of December 31, 2022, the loans were not drawn.

#### *Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of Beijing Fucheng to Bokefa in accordance with relevant laws and provisions as provided in the agreement, or upon written notice by Bokefa to the shareholders. In consideration for Bokefa’s loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Bokefa. Upon request by Bokefa, Beijing Fucheng is obligated to distribute profits to the shareholders of Beijing Fucheng, who must remit those profits to Bokefa immediately. Beijing Fucheng and its shareholders are required to act in a manner that is in the best interest of Bokefa with regards to Beijing Fucheng’s business operations.

#### *Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the shareholders pledged all their equity interest in Beijing Fucheng to Bokefa as security for their obligations under the agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

#### *Business Cooperation Agreement*

The agreement is effective until terminated by both parties. Beijing Fucheng and its shareholders agree that the legal person, directors, general manager and other senior officers of Beijing Fucheng should be appointed or elected by Bokefa. Beijing Fucheng and its shareholders agree that all financial and operational decisions of Beijing Fucheng will be made by Bokefa.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive technical consulting and support services to Beijing Fucheng and Beijing Fucheng agrees to pay service fees to Bokefa.

#### *Entrustment and Power of Attorney Agreement*

The shareholders of Beijing Fucheng agreed to entrust all the rights to exercise their voting power and any other rights as shareholders of Beijing Fucheng to Bokefa. The shareholders of Beijing Fucheng have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until deregistration of Beijing Fucheng.

#### VIE agreements with All Weather:

On July 1, 2021, Bokefa, All Weather, and nominee shareholders of All Weather entered into six agreements, described below, pursuant to which Bokefa is deemed to have a controlling financial interest and be the primary beneficiary of All Weather. All Weather is deemed a VIE of Bokefa.

#### *Loan Agreement*

Pursuant to this agreement, Bokefa agreed to provide loans to the shareholders of All Weather. The term of the loan shall start from the date when the loan is actually paid until the date on which the loan is repaid in full. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely by All Weather for operating expenses, and should be exclusively repaid by transferring shares of All Weather to Bokefa when PRC Law permits.

#### *Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of All Weather to Bokefa in accordance with relevant laws and provisions in the agreement, or upon written notice by Bokefa to the shareholders. In consideration for Bokefa's loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Bokefa. Upon request by Bokefa, All Weather is obligated to distribute profits to the shareholders of All Weather, who must remit the profits to Bokefa immediately. All Weather and its shareholders are required to act in a manner that is in the best interest of Bokefa with regard to All Weather's business operations.

#### *Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholders pledged all their equity interest in All Weather to Bokefa as security for their obligations pursuant to the other agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

#### *Business Cooperation Agreement*

The agreement is effective until terminated by both parties. All Weather and its shareholders agree that the legal person, directors, general manager and other senior officers of All Weather should be appointed or elected by Bokefa. All Weather and its shareholders agree that all the financial and operational decisions of All Weather will be made by Bokefa.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive technical consulting and support services to All Weather and All Weather agrees to pay service fees to Bokefa.

#### *Entrustment and Power of Attorney Agreement*

The shareholders of All Weather agreed to entrust all their rights to exercise their voting power and any other rights as shareholders of All Weather to Bokefa. The shareholders of All Weather have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until the deregistration of All Weather.

#### **VIE agreements with Tianjin Dibao:**

On April 2, 2022, Shanghai Zheng Zhong Energy Technologies Co., Ltd, Tianjin Dibao, and nominee shareholder of Tianjin Dibao entered into six agreements, described below, pursuant to which Zheng Zhong Energy is deemed to have a controlling financial interest and be the primary beneficiary of Tianjin Dibao. Tianjin Dibao is deemed a VIE of Zheng Zhong Energy.

#### *Loan Agreement*

Pursuant to this agreement, Zheng Zhong Energy agreed to provide loans to the shareholder of Tianjin Dibao. The term of the loan shall start from the date when the loan is actually paid. The agreement shall terminate when the shareholder repay the loan. The loan should be used solely to purchase Tianjin Dibao's 76% equity, and should be exclusively repaid by transferring shares of Tianjin Dibao to Zheng Zhong Energy when PRC Law permits.

#### *Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of Tianjin Dibao to Zheng Zhong Energy in accordance with relevant laws and provisions in the agreement, or upon written notice by Zhengzhong Energy to the shareholder. In consideration for Zheng Zhong Energy's loan arrangement, the shareholder have agreed to grant Zheng Zhong Energy an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Zheng Zhong Energy. Upon request by Zheng Zhong Energy, Tianjin Dibao is obligated to distribute profits to the shareholder of Tianjin Dibao, who must remit the profits to Zheng Zhong Energy immediately. Tianjin Dibao and its shareholder are required to act in a manner that is in the best interest of Zheng Zhong Energy with regard to Tianjin Dibao's business operations.

#### *Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholder pledged all of their equity interest in Tianjin Dibao to Zheng Zhong Energy as security for their obligations pursuant to the other agreements. Zheng Zhong Energy has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Zheng Zhong Energy.

#### *Business Cooperation Agreement*

The agreement is effective until terminated by both parties. Tianjin Dibao and its shareholders agree that the legal person, directors, general manager and other senior officers of Tianjin Dibao should be appointed or elected by Zhengzhong Energy. Tianjin Dibao and its shareholder agree that all the financial and operational decisions of Tianjin Dibao will be made by Zheng Zhong Energy.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Zhengzhong Energy agrees to provide exclusive technical consulting and support services to Tianjin Dibao and Tianjin Dibao agrees to pay service fees to Zheng Zhong Energy.

#### *Entrustment and Power of Attorney Agreement*

The shareholder of Tianjin Dibao agreed to entrust all their rights to exercise their voting power and any other rights as shareholder of Tianjin Dibao to Zheng Zhong Energy. The shareholder of Tianjin Dibao have each executed an irrevocable power of attorney to appoint Zheng Zhong Energy as their attorney-in-fact to vote on their behalf



on all matters requiring shareholder approval. The agreement is effective until the deregistration of Tianjin Dibao.

### *Market Opportunity*

China's insurance brokerage market has experienced rapid growth due to increased demand for insurance products in the past few years. According to iResearch report, the total insurance premium in China is expected to grow at a CAGR of 12.9% from 2019 to 2024. China is the second biggest insurance market in the world. 497 insurance broker companies, which sell insurance policies underwritten by insurance companies and design and develop insurance products themselves according to customer needs, and 1764 insurance agent companies, which are only licensed to only sell insurance policies underwritten by insurance, sold insurance products with an aggregate premium amount of 3.98 trillion RMB (approximately \$0.62 trillion) in the year of 2020.

Although the size of China's insurance market in terms of insurance premium was the second largest in the world according to the iResearch report, insurance penetration (defined as insurance premium over GDP) and insurance density (defined as insurance premium per capita) in China were still substantially lower than those in developed countries, indicating significant growth potentials. According to the 14th Five Year Plan formulated by the Chinese government, China's insurance penetration and density are expected to reach 6.8% and RMB6,596 (approximately US\$971), respectively, by 2025.

Driven by the significant medical protection gap and rising awareness for protection, the Chinese insurance market is expected to reach RMB7.8 trillion by 2024, representing a CAGR of 12.9% from 2019. Thanks to regulatory tailwinds, growth in household disposable income and increasing awareness for health protection, Chinese insurance market is expected to continue to maintain the strong growth momentum in the long term.

Local insurance companies in China only offer a limited range of insurance products, which cannot meet the needs of a 1.4 billion Chinese population, as compared to the product offerings by U.S. or European insurers in those countries with a smaller population.

Through its regulatory actions, the Chinese government encourages participation of foreign investors in insurance companies and related businesses. Under the PRC law, foreign investors are permitted to have up to 100% ownership in insurance companies. Furthermore, foreign joint venture companies may transact insurance business online and offline.

### *Products and Services*

The Company started to set up its insurance business team in China in November 2020. The Company entered into VIE Agreements with one insurance brokerage company, Beijing Fucheng, and two insurance agency companies, All Weather and Tianjin Dibao, to conduct its insurance brokerage and agency businesses. As of the date of this Annual Report, the Company has 130 insurance business branches in China and a business operation team with approximately 324 employees. In addition, the Company has established collaboration relationships with leading insurance companies in China, such as The People's Insurance Company of China Limited, Ping An Insurance, Pacific Insurance, Sunshine Insurance and Dadi Insurance. For the year ended December 31, 2022, the Insurance Companies generated income from sales of insurance products through insurance agents, which is the traditional sales model, aka "B (business) to A (agent)" model, and recognized \$57.3 million of revenues in this verticals and technology segment.

The Company sells insurance products, mainly consisting of automobile insurance, property and liability insurance products, life insurance products and health insurance products, as insurance brokers agencies for insurance companies in China.

### *Automobile Insurance Products*

The Company's primary insurance products are automobile insurance. The standard automobile insurance policies the Company sells typically have a term of one year and cover damage caused to the insured vehicle from collision and other traffic accidents, falling or flying objects, fire, explosion and natural disasters. The Company also sell standard third-party liability insurance policies, which cover bodily injury and property damage caused in an accident involving an insured vehicle to a person not in the insured vehicle.

### *Property and Liability Insurance Products*

The Company also offers commercial property insurance and liability insurance products. The commercial property insurance policies the Company sells typically cover damages to the insured property caused by fire, explosion, thunder and lightning. Comprehensive commercial property insurance policies generally cover damage, to the insured property caused by fire, explosion and certain natural disasters.

The liability insurance products the Company sells are primarily product liability and employer's liability insurance products. These products generally cover losses to third parties due to the misconduct or negligence of the insured party but exclude losses due to fraud or the willful misconduct of the insured party.

### *Life Insurance Products*

The life insurance products the Company offers can be broadly classified into three categories, as set forth below. Due to constant product innovation by insurance companies, some of the insurance products the Company offers combine features of one or more of the following categories:

- **Individual Whole Life Insurance.** The individual whole life insurance products the Company sells provide insurance for the insured's entire life in exchange for the periodic payment of fixed premiums over a pre-determined period. The face amount of the policy or, for some policies, the face amount plus accumulated interests, is paid upon the death of the insured.
- **Individual Term Life Insurance.** The individual term life insurance products the Company sells provide insurance for the insured for a specified time period or until the attainment of a certain age, in return for the periodic payment of fixed premiums over a pre-determined period. Term life insurance policies generally expire without value if the insured survives the coverage period.
- **Group Life Insurance.** The Company sells several group life insurance products, including group health insurance. These group products generally have a policy period of one year and require a single premium payment.

### *Health Insurance Products*

The health insurance products the Company sells generally have a policy period of one year and require a single premium payment. These products generally cover medical expenses that arise due to an illness or casualty. The products we offer primarily include hospitalization subsidy insurance, group health insurance, group travel casualty insurance and group insurance for senior citizens.

### Other Innovative Insurance Products

The Company has also worked together with a number of insurance companies to develop proprietary insurance products, such as student safety insurance, migrant workers' wage guarantee insurance, golf sports insurance and loan credit guarantee insurance.

## Services

In order to enhance customer satisfaction, the Company also provides customers with insurance plan proposal and claim service. Based on risk characteristics of the customer, the Company conducts an in-depth analysis of the risks a customer may encounter, and then uses the analysis as the basis to develop a customized risk management and transfer plan for the customer.

Additionally, as competition among insurance companies in China intensifies, some insurance companies have started to outsource their claim settlement functions to insurance claims adjusting companies. The Company has been providing its customers with insurance adjustment service.

## *Insurance Platform*

Since the beginning of 2021, the Company has started to develop and build an online platform to help insurance brokers with client management and insurance policy sales. This platform supports insurance core data storage, policy management, insurance policy issuance, insurance agent management and service management, and auto insurance after-market (repair and maintenance for members) service management. This platform can be accessed as a mobile application from smart phones and as a built-in program on WeChat. Revenues streams for the insurance platform come from commissions earned on insurance sales, as well as from finance fees, insurer marketing fees and through the monetization of the Company's big data technology.

## *Customers*

Through the VIE entities and its subsidiaries, the Company sells insurance products and provides insurance proposal and claim services to both individual and institutional customers, including but not limited to automobile owners, small, medium and large companies, employers, employees, students and their parents, migrant workers, golf players and so on. By providing quality insurance products and premium services to customers, the Company strives to build a loyal customer base.

## *Licenses*

The VIE entities and our subsidiaries have obtained necessary approvals and licenses from the relevant PRC regulatory entities to operate insurance brokerage and agency business in China. The Company is the only company in China that has National Insurance Brokerage License, the National and Regional Insurance Agency License and the Insurance Adjuster License. The National Insurance Brokerage License enables us not only to sell policies to customers across the most developed China both online and offline, but also to design and develop insurance products and policies by ourselves as broker, which products and policies are underwritten by insurance companies, to better meet customers' needs. The Insurance Agency License allows us to process the business all over China and locally at designated provinces by connecting to numerous insurance companies and sell a variety of existing insurance products and policies. Insurance Adjuster License allows us to inspect property damage or personal injury claims and collect information from all parties involved and assess the amount of insurance claims. Lastly but not least, we are also licensed to operate insurance brokerage and agency business through internet, which enable us to promote our products and service online to establish a cost-efficient, scalable and sustainable customer acquisition model.

Currently, Beijing Fucheng owned through VIE's structure has valid National Insurance Brokerage License, and All Weather owned through VIE's structure and Guangxi Zhongtong hold valid National and Regional Insurance Agency Licenses and Insurance Adjuster License. The relevant entities have also obtained the ICP licenses to conduct insurance transactions online, which allows customer to evaluate and purchase insurance products and/or receive customer services online.

## *Competitive Strengths*

The Company believes the following strengths contribute to its success and differentiate the Company from its competitors:

- **Strong and Proven Execution Capabilities.** The Insurance Business Platform have 324 employees. Of these employees, 96 were employed in marketing positions, 69 were employed in Customer Services & Risk positions and the remainder were employed in finance, research and development, management and administrative positions. Most of them have over 10 years of experience in insurance industry. These employees are located in our 115 insurance business branches in China. Our management team have a long track record of operating through large retail stores in China. We could take this advantage to explore potential insurance sales channels.
- **Unique and Comprehensive Insurance Licenses.** We are the only company in China that has National Insurance Brokerage License, the National and Regional Insurance Agency License and the Insurance Adjuster License. Insurance agencies are entities that have obtained an insurance agency license from the regulator and engage in the sale of insurance products for, and within the authorization of, insurance companies. Insurance brokers are entities that have obtained an insurance broker license from the regulator and generally act on behalf the insurance applicants in seeking insurance coverage from insurance companies. Some insurance brokers also engage in reinsurance brokering and act on behalf of insurance companies in their dealings with reinsurance companies. Insurance adjuster firms are entities that have been approved by the regulator to engage in insurance adjusting activities such as the assessment, survey, authentication and loss estimation. With the licenses we are able to process the business throughout most of developed China, as well as rural areas across China, develop and provide comprehensive products and services by connecting to numerous insurance companies. With the broad business scope in which the licenses allow us to operate, we are able to serve 384 million car drivers on car insurance and repairing services, 280 million students in school and colleges and their parents on safe insurance and health insurance and 500 million farmers in rural areas on health insurance and life insurance.

- **Business Relationships.** we have established collaboration relationships with a number of other companies, including oil and gas sector, financial services sector, large internet portals and other insurance companies in the PRC, to promote our insurance products and after-market and after-sales services offerings to their customers.
- **National Network.** We have built up a nationwide service network including over 130 insurance business branches and 30 provinces in China. Any insurance agent, no matter where he or she lives, can register at our local branch and be qualified as an insurance agent. These branches have signed business cooperation agreements with hundreds of local insurance companies to sell their developed insurance products in the region and provide insurance after-sales services for policyholders.

- **Brand Awareness.** We have established ourselves as a trusted brand through our VIE entities and subsidiaries. We are able to provide standard services with the prestigious brand across China.

### *Business Challenges*

The Company is, and expects for the foreseeable future to be, subject to all the risks and uncertainties, inherent to a development-stage business and in a developing industry in China. These risks and challenges are, among other things:

- we operate in an industry that is heavily regulated by relevant governmental agencies in China;
- we rely on contractual arrangements with VIE entities and our subsidiaries, including Tianjin Dibao Technology Development Co. Ltd, Beijing Fucheng and All Weather, and their respective shareholders for our operations in China, which arrangement may not be as effective in providing operational control as direct ownership;
- our management may lack expertise, human and capital resources to implement important strategic initiatives in all branches across China;
- we may require additional capital to develop and expand our operations which may not be available to us when we require;
- our marketing and growth strategy may not be successful;
- our business may be subject to significant fluctuations in operating results; and
- we may not be able to attract, retain and motivate qualified professionals.

### *Business Strategy*

The Company's business strategy is to:

- **Upgrade the online insurance plan to attract more insurance agents users for insurance sales through the Company's platform.** The Company plans to devote significant efforts to upgrading online platform to attract individual and institutional insurance agents to register on the Company's platform and share commissions. The Company's platform will provide the application programming interface to insurance agents and allow them to register as the Company's insurance agents, sell insurance policies under the Company's licenses with the Company's platform. It will also enable the agents to have access to a vast selection of insurance products and receive higher commission on the Company's platform through competitive pricing. The platform will also provide registered insurance agents (individuals or stores) with one-stop services, such as online insurance business training, business development, product promotion, policy issuing, claims settlement and after-sales service.
- **Increase automobile insurance product offering.** The Company plans to build comprehensive online automobile insurance after-market service features on its insurance platform to (i) connect automobile insurance customers with thousands of auto repair shops and auto wash stores nationwide and (ii) provide customers auto membership services, including online gas card recharge, online shopping, insurance claim settlements, roadside assistance, car wash appointment and maintenance and promotion coupons, insurance loyalty points and other related supporting services for insurance members. Through this platform, the Company will provide competitive insurance products and build a one-stop customer service system, including mobile billing function, online payment, inspection, loss assessment, online claim settlement and car purchase loans.
- **Enhance business partner network and expand distribution network.** The Company is currently negotiating collaboration agreements with large organizations in postal industry and gas stations industry, lottery stores, tobacco stores, car wash and maintenance chain stores all of which have big traffic of customers. The Company aims to transform the salesperson from the retail stores into users of the Company's insurance platform and sell the insurance products online via the platform. Through the implementation of the B (business) to A (agent) to C (customer) and both online and offline promotion service model, the Company will lay out the sales scenarios of auto insurance and non-auto insurance products to reach insurance customers offline and provide customers with insurance product sales and after-sales claim services online. The Company also plans to expand its distribution network through opening more local branches in a number of selective major cities throughout China.

- **Recruit talents and build a stronger sales force.** The Company, through its VIE entities and our subsidiaries, has recruited a team of accomplished insurance industry and technology specialists, including senior executives from several of China's largest listed and unlisted insurance companies, as well as from a number of China's leading technology companies. The Company continues to recruit talents to join its professional team and sales force.
- **Build a comprehensive and loyal customer base.** In light of our expanded business and prospect, the increased recognition of our brand, and the latest market development, we have aim to focus on serving 384 million car drivers on car insurance and repairing services, 280 million students in school and colleges and their parents on safe insurance and health insurance and 500 million farmers in rural area on health insurance and life insurance.

### Stock Trading and Wealth Management Platform: Magpie Invest

The Company launched Magpie Invest, a global stock trading app, on September 15, 2021, through its wholly owned subsidiary, Magpie Securities Limited ("Magpie").

Magpie Invest is a proprietary technology investment trading platform. The Magpie Invest technology allows the platform to currently connect to seven major stock exchanges with the ability to connect to other major exchanges as the business need arises.

BI Intermediate (Hong Kong) Limited obtained an approval from the HKSCF on February 22, 2021 and successfully acquired Huapei Global Securities, Ltd. ("Huapei"), a licensed corporation in Hong Kong that is allowed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong, on February 26, 2021. Huapei subsequently changed its name to Magpie Securities Limited on May 27, 2021.

Magpie is a participant of the SEHK (Hong Kong Stock Exchange) & HKSCC (Hong Kong Securities Clearing Company) and the China Connect program, which allows for mutual market access between the Hong Kong Stock Exchange and the mainland Chinese stock exchanges. Magpie is also the member of London Stock Exchange.

Magpie has recently expanded into Singapore through its application for a Capital Markets Services License ("CMS License") from the Monetary Authority of Singapore ("MAS"), which was approved in full on September 20, 2022. Magpie's Singapore operations and trading are scheduled to commence by early second quarter of

2023. The CMS License allows Magpie to offer new products, including leveraged foreign exchange and contracts for difference (“CFDs”) on stocks, index futures and commodities.

Magpie currently employs more than 25 full-time employees and 10 contract staff and aims to expand into additional jurisdictions and geographical markets, both within Asia and other regions.

In response to significant changes in retail client behaviors in the trading of global equity markets, and driven by the rise in global interest rates and the end of COVID-19 restrictions in early 2022, Magpie pivoted its business strategy to a “B2B” Brokerage-as-a-Service model. Magpie is currently progressing this strategy with major banks and financial services companies in various jurisdictions. However, the continued uncertainty in the global markets has posed challenges to Magpie’s pursuit of this strategy and the execution of contracts with such banks and financial services companies.

#### *The Platform for Securities Trading*

Magpie believes it offers a unique user experience built upon a scalable and secure platform. The platform is currently designed to serve the emerging affluent Chinese and Southeast Asian population and diaspora, and targets generation Z and the millennial markets. Magpie is pursuing an opportunity to facilitate a shift in the wealth management industry and build a digital gateway into broader financial services. The platform is designed to provide a user experience that integrates clear and relevant market and company data, and easy to use trade execution.

Magpie aims to continue to enhance its proprietary technology and build a comprehensive, user-oriented and cloud-based platform that is fully licensed to conduct securities brokerage business on a global basis by expanding its license portfolio. Magpie Invest serves as one of the foundations from which the Company can execute its growth strategy of building a broader financial services platform.

Magpie provides investing services through a proprietary digital platform, which is accessible through any mobile device operating on iOS and Android, and more recently on other electronic devices via its web-based platform which was launched during the third quarter of 2022. The Magpie Invest platform and applications currently offer market data, news, research, analytical tools and provides customers with a data foundation to help simplify the investing decision-making process.

#### *Market Opportunity*

According to an iResearch Report published on January 15, 2020, the market size of the online brokerage industry focusing on global Chinese investors in terms of U.S. and Hong Kong stock trading volume experienced rapid growth over the preceding three years. This presents an attractive market opportunity for online brokerage service providers focused on the global Chinese investor market. Magpie believes that the technology, functionality and user experience of the Magpie Invest platform also creates the opportunity for it to target a larger investor market (not only the Chinese investor market) in other major territories throughout the world.

Revenues are currently generated primarily from stock trading commission income. Magpie also has the opportunity to generate income from other revenue streams such as interest from financing and foreign exchange. Magpie plans to add derivatives, leveraged foreign exchange, and CFDs on global indexes and commodities to the platform in 2023, following the approval of its CMS License from MAS in September 2022.

With the popularization of mobile technology and growing acceptance of online trading, the Company believes that the online securities market is subject to the following trends:

- traditional brokers are shifting online while purely offline brokers are increasingly at a disadvantage or, in some cases, exiting the market altogether;
- Internet giants continue to invest in online brokerage services, demonstrating the industry’s recognition of online brokerage services as an important component of a financial services business and potentially a gateway to broader opportunities;
- technological barriers to entry remain high particularly relating to building a secure infrastructure that can transcend geographies and asset classes;
- operational barriers to entry remain high particularly relating to regulatory and capital requirements;
- user experience remains a key competitive strength as digitally born investors become a larger component of the addressable market; and
- revenue models are evolving as competition intensifies, with ancillary and other value-added services underlying platform differentiation.

#### *Challenges*

Magpie’s ability to execute its business plan is subject to risks and uncertainties, including those relating to Magpie’s ability to:

- manage the continued rollout of Magpie’s trading platforms and Magpie’s future growth;
- navigate a complex and evolving regulatory environment;
- offer personalized and competitive services;
- increase the utilization of Magpie’s services by users and clients;
- maintain and enhance the Company’s relationships with its business partners;;
- enhance Magpie’s technology infrastructure to support the growth of Magpie’s business and maintain the security of Magpie’s systems and the confidentiality of the information provided and utilized across Magpie’s systems;
- improve Magpie’s operational efficiency;
- attract, retain and motivate talented employees to support Magpie’s business growth;
- navigate economic and market conditions and fluctuation;
- defend ourselves against legal and regulatory actions which could subject us to liability or damage our reputation, including, without limitation, actions involving intellectual property or privacy claims;

- obtain any and all licenses necessary for the operation and growth of Magpie's business, and to maintain the validity of such licenses as applicable to the operation and growth of Magpie's business.

### *Strategy*

Magpie intends to provide a high-quality and comprehensive investing experience by focusing on delivering convenience and stability to its own customers as well as to the customers of its white-label partners.

Magpie has designed every step of Magpie's platform's experience, from sourcing and researching ideas to trade execution, with a goal to create a simple and convenient experience. Magpie identifies certain hurdles that investors, particularly retail investors, face along their investing journey, and Magpie strives to mitigate inconvenience and information asymmetry through Magpie's platform with the use of data and technology.

Magpie recognizes that investing is a meaningful component of Magpie's customers' broader wealth management. With this in mind, the Magpie Invest platform features the following:

- an automated multi-level protection mechanism to ensure the services and functions delivered to users and clients are secure;
- strict security policies and measures, including encryption technology and a two-factor authentication function, to protect proprietary data such as customers' personal information and trading data;
- cloud technology which allows Magpie to process large amounts of data in-house, which should reduce the risks involved in data storage and transmission;
- backed up data across different servers at different locations; and
- electronic processing and execution of all orders and transactions, which is designed to minimize the risks associated with human error while maintaining the stability of the platform.

Magpie provides customers with a comprehensive set of services throughout their investing experience. Core services include trade execution and margin financing. The trade execution process is entirely online and automated. Orders are delivered directly to respective exchanges.

As a result of the operational efficiencies afforded by Magpie's technology, Magpie can offer very competitive brokerage commission rates for online trading as compared to many of the more traditional competitors. Magpie's revenues from securities brokerage services include brokerage commissions and platform service fees from customers, which are recognized on a trade-date basis when the relevant transactions are executed.

### *Margin Financing*

Magpie offers margin financing to customers who trade securities listed on the Hong Kong Stock Exchange, the major stock exchanges in the U.S., the United Kingdom and Europe in a manner compliant with the guidelines and requirements of the HKSF. This feature essentially allows customers to borrow against their own stock and cash holdings in order to buy additional securities on margin. All financing extended to its customers is secured by shares which has sufficient liquidity and low volatility as assessed by Magpie. The shares are automatically pledged in cross-market account assets so that the value in a customers' multiple market trading account, which may include cash in different currencies and acceptable securities listed on the aforementioned markets, will be aggregated when calculating the value of the customers' collateral. Magpie believes this will provide efficiencies as it will eliminate the costs and procedures involved in cross-market currency translation or exchange.

Magpie's customers are eligible for margin financing services when they hold securities that are acceptable as pledges to us in their accounts. Magpie maintains a list of acceptable marginable securities on Magpie's website ([www.magpiesecurities.com](http://www.magpiesecurities.com)). The credit line for each eligible customer is determined based on the securities across all of their trading accounts. The margin financing services for eligible margin financing customers are activated automatically when the funds in their accounts are not sufficient to purchase the desired securities and there is still sufficient balance in their credit lines.

Magpie has a list of securities acceptable as collateral to us and their respective margin ratios that is regularly updated and shared with customers. Magpie's risk management team's role is to determine the margin ratio for each of the acceptable securities based on the trading frequency, historical price fluctuations and general market volatility. Magpie will also reference the financing terms of major financial institutions in establishing margin ratios and intend for margin requirements to be equal or lower than the financial institutions. Magpie's margin ratios are monitored in real-time and the risk management team review and adjust the margin ratios for each acceptable security on a quarterly basis and more frequently in the case of a significant and rapid price decline.

### **Impact of COVID-19 and Our Resources and Opportunities**

The ongoing COVID-19 pandemic disrupted business operations of many companies in Hong Kong, China and elsewhere. We have taken a series of measures in response to the outbreak to protect our staff, including, among others, combined office and remote working arrangements for our employees and travel restrictions or suspension. Our operations, including our services to our clients and internal control over financial reporting, have not been materially affected by these measures as we timely implemented our business continuity plan without any meaningful resource constraints.

Further, in view of the increased market volatility witnessed in the global capital markets and increased COVID-19 restrictions in Hong Kong until the recent policy relaxation, although people are spending more time at home, it has not led to an increased in new account sign-ups, or increasing trading velocity and higher net asset inflow.

This has increased competition and raised the cost of acquisition of customers and also lengthened the cost recovery period which we believe is not currently economical.

### **PRC Regulations Relating to Insurance Agencies, Insurance Brokers and Other Intermediaries**

The insurance industry is heavily regulated in the PRC. The applicable laws and regulations governing insurance activities undertaken within the territories of the PRC consist principally of the PRC Insurance Law and rules and regulations promulgated under that law. China Banking and Insurance Regulatory Commission, or the CBIRC, is the authority authorized by the PRC State Council to regulate and supervise the insurance industry in the PRC.

The PRC Insurance Law, which provided the initial framework for regulating the PRC insurance industry, was enacted in 1995, and significantly amended on January 1, 2003, October 1, 2009, August 31, 2014 and April 24, 2015. Among other things, the major provisions of the PRC Insurance Law include: (1) licensing of insurance companies and insurance intermediaries, such as agents and brokers; (2) separation of property and casualty business and life insurance business; (3) regulation of market conduct by participants; (4) substantive regulation of insurance products; (5) regulation of the financial condition and performance of insurance companies; and (6) supervisory and enforcement powers of the CBIRC

## **Regulations of Insurance Agencies**

According to the Provisions on the Regulation of Insurance Agents, or the PRIA, which was promulgated by the China Banking and Insurance Regulatory Commission (CBIRC) on November 12, 2020 and was effective on January 1, 2021, the establishment of an insurance agency is subject to minimum registered capital requirement and other requirements and to the approval of the CBIRC. The term “insurance agency” refers to an institution or individual, including professional insurance agency, concurrent-business insurance agency and individual insurance agent, who, under the entrustment by an insurance company, collects corresponding commission therefrom, and, within the scope of authorization thereby, handles insurance business on behalf of the insurance company. A professional insurance agency company may take any of the following forms: (i) a limited liability company; or (ii) a joint stock limited company. The minimum registered capital of a professional insurance agency company whose business area is not limited to the province, autonomous region, municipality directly under the central government or city specifically designated in the state plan where its place of registration is located shall be RMB50 million. The minimum registered capital of a professional insurance agency company whose business area is the province, autonomous region, municipality directly under the central government or city specifically designated in the state plan where its place of registration is located shall be RMB20 million. The registered capital of a professional insurance agency company must be paid-in monetary capital. A professional insurance agency may engage in all or part of the following businesses:

- sales of insurance products as an agency;
- collection of insurance premiums as an agency;
- loss investigation and claims settlement of insurance-related services as an agency; and
- other relevant businesses as prescribed by the insurance regulator under the State Council.

The name of a professional insurance agency company must contain the words “insurance agency”. A professional insurance agency falling under any of the following circumstances shall, within five days from the date on which such circumstance arise, report the same via the regulatory information system prescribed by the insurance regulator under the State Council, and make public disclosure thereof as required: (i) change of name, domicile or business premises; (ii) change of any shareholder, registered capital or form of organization; (iii) change of the name of any shareholder or the amount of capital contribution; (iv) changing the company’s articles of association; (v) making equity investment, establishing any overseas insurance institution or non-business institution; (vi) undergoing division, merger or dissolution, or any of its branches terminating insurance agency business activities; (vii) change of the main principal of any branch other than a provincial-level branch office; (viii) being subjected to administrative punishment or a criminal penalty, or under investigation for being suspected of committing any illegal or criminal offense; or (ix) any other matter to be reported as prescribed by the insurance regulator under the State Council. The senior managers of an insurance agency or its branches must meet specific qualification requirements and each senior manager of a professional insurance agency shall obtain the post-holding qualification approved by the competent insurance regulator prior to holding the post.

Under the PRIA, a professional insurance agency or a concurrent-business insurance agency collecting insurance premiums by proxy shall open an independent account for the collection of insurance premiums by proxy for settlement. A professional insurance agency or a concurrent-business insurance agency shall open an independent account for the collection of commission. They may not engage in the following activities: engaging in insurance agency business that may exceed the business scope and business area of the relevant principal insurance company; modifying any publicity material provided by the relevant principal insurance company without authorization; damaging the commercial goodwill of any competitor by means of fabricating or disseminating misrepresented facts, etc., or disrupting the order of the insurance market through false advertising, false publicity or other acts of unfair competition; having any insurance agency business dealing with an institution or individual illegally engaging in insurance business or insurance intermediary business; deducting any insurance commission directly from insurance premiums collected by proxy.

## **Regulations of Insurance Brokerages**

The principal regulation governing insurance brokerages is the Provisions on the Supervision and Administration of Insurance Brokers, or the “POSAIB”, promulgated by the China Insurance Regulatory Commission, or the CIRC (the predecessor of the CBIRC) on February 1, 2018 and effective on May 1, 2018. The term of “insurance broker” refers to an entity which, representing the interests of insurance applicants, acts as an intermediary between insurance applicants and insurance companies for entering into insurance contracts, and collects commissions for the provision of such brokering services. To engage in insurance brokerage business within the territory of the PRC, an insurance brokerage shall satisfy the requirements prescribed by the CIRC and obtain an insurance brokerage business permit issued by the CIRC, after obtaining a business license. An insurance brokerage may take any of the following forms: (i) a limited liability company; or (ii) a joint stock limited company. The minimum registered capital of an insurance brokerage company whose business area is not limited to the province in which it is registered is RMB50 million while the minimum registered capital of an insurance brokerage company whose business area is limited to its place of registration is RMB10 million. The name of an insurance broker shall include the words “insurance brokerage.” An insurance brokerage may conduct the following insurance brokering businesses:

- making insurance proposals, selecting insurance companies and handling the insurance application procedures for the insurance applicants;
- assisting the insured or the beneficiary to claim compensation;
- reinsurance brokering business;
- providing consulting services to clients with respect to disaster and damage prevention, risk assessment and risk management; and
- other business activities approved by the CIRC.

According to the POSAIB, to operate insurance brokerage business, an insurance brokerage company shall satisfy the following conditions: (i) its shareholders meet the requirements thereof, and make capital contribution with their self-owned, true and lawful funds instead of bank loans or non-self-owned funds in various forms; (ii) its registered capital meets the requirements above and is under the custody in accordance with the relevant provisions of the CIRC; (iii) its business scope recorded in the business license is in compliance with the relevant provisions; (iv) its articles of association are in conformity with the relevant provisions; (v) its company name is in

conformity with the relevant provisions; (vi) its senior officers meet the qualification requirements thereof; (vii) it has established a governance structure and internal control system as stipulated by the CIRC, and a scientifically and reasonably feasible business mode; (viii) it has a fixed domicile in line with its scale of business; (ix) it has a business and financial information management system as stipulated by the CIRC; and (x) other conditions provided for in laws and administrative regulations and by the CIRC. In addition, any entities or individuals who are under any of the following circumstances may not be a shareholder of an insurance brokerage company: (i) have been punished or subject to major administrative penalties during the last five years; (ii) are being investigated by the relevant departments for suspected major offenses; (iii) have been identified as a subject of joint sanctions against discreditable conduct by relevant state authorities due to a serious discreditable conduct and shall be sanctioned accordingly in the insurance sector, or has had other bad records of serious discredits within the most recent five years; (iv) cannot invest in any enterprises in accordance with laws and administrative regulations; or (v) other circumstances where the CIRC deems the entity or individual inappropriate to be a shareholder of an insurance brokerage company in accordance with the principle of prudential supervision.

An insurance brokerage shall submit a written report to the CIRC and make public disclosure within five days from the date of occurrence of any of the following matters: (i) change of name, domicile or business premises; (ii) change of shareholders, registered capital or form of organization; (iii) change of names of shareholders or capital contributions; (iv) amendment to the articles of association; (v) equity investment, establishment of offshore insurance related entities or non-operational organizations; (vi) division, merger and dissolution or termination of insurance brokering business activities of its branches; (vii) change of the primary person in charge of its branches other than provincial branches; (viii) being a subject of administrative or criminal penalties, or under investigation for suspected involvement in any violation of law or a crime; and (ix) other reportable events prescribed by the CIRC.

Insurance brokerages are not allowed to sell non-insurance financial products, except for those products approved by relevant financial regulatory institutions and the insurance brokerage shall obtain relevant qualification in order to sell non-insurance related financial products that meets regulatory requirements.

Personnel of an insurance brokerage and its branches who engage in any of the insurance brokering businesses described above must comply with the qualification requirements prescribed by the CIRC. The senior managers of an insurance brokerage must meet specific qualification requirements set forth in the POSAIB.

### **Regulation of Internet Insurance Businesses**

The principal regulation governing the operation of Internet insurance business is the Measures for the Regulation of Internet Insurance Business, or Regulation of Internet Insurance Business, promulgated by the CBIRC on December 7, 2020 and effective on February 1, 2021. Under the Regulation of Internet Insurance Business, the term of “Internet insurance business” refers to insurance operating activities in which insurance institutions conclude insurance contracts and provide insurance services relying on the Internet. Insurance institutions include insurance companies (including mutual insurance organizations and internet insurance companies) and insurance intermediaries; insurance intermediaries include insurance agents (excluding individual insurance agents), insurance brokers and insurance loss adjusters; insurance agents (excluding individual insurance agents) include professional insurance agencies, banks as concurrent-business insurance agencies and internet enterprises that have legally obtained insurance agency business permits; and professional insurance intermediaries include professional insurance agencies, insurance brokers and insurance loss adjusters. Self-operated network platform refers to any network platform being independently operated while enjoying complete data permission, which is legally established by an insurance institution for the purpose of internet insurance business operation. No network platform established by any branch of an insurance institution or any non-insurance institution with a related-party relationship with an insurance institution in terms of equity, personnel, etc., belongs to the category of self-operated network platform. Internet insurance product refers to any insurance product sold by an insurance institution via the Internet.

An insurance institution which conducts internet insurance business along with its self-operated network platform shall meet the following conditions: (i) its service access place is located within the territory of the PRC; if its self-operated network platform is a website or mobile application, it shall legally go through the formalities for filing of internet information services with the relevant administrative department for the internet industry and obtain a filing number; or otherwise, it shall comply with relevant laws and regulations and meet the qualification requirements of the competent department for the relevant industry; (ii) it has an information management system and core business system that can support its internet insurance business operation, which can be effectively isolated from its other unrelated information systems; (iii) it has refined cybersecurity monitoring, information notification, emergency disposal working mechanisms as well as such cybersecurity protection means as refined perimeter protection, intrusion detection, data protection and disaster recovery; (iv) it implements the national classified cybersecurity protection system, carries out filing of cybersecurity classification, conducts classified protection evaluation on a regular basis, and implements security protection measures for the corresponding class; in terms of self-operated network platforms with insurance sales or insurance application function, as well as information management systems and core business systems that support their operation, relevant self-operated network platforms and information systems shall be under security protection of Class III or above; and in terms of self-operated network platforms without insurance sales or insurance application function, as well as information management systems and core business systems that support their operation, relevant self-operated network platforms and information systems shall be under security protection of Class II or above; (v) it has a legal and compliant marketing model, and has established an operation and service system that meets the needs for internet insurance operation and complies with the characteristics of internet insurance users while supporting its business coverage regions; (vi) it has established or defined its internet insurance business management department staffed by appropriate professionals, appointed a senior executive to act as the principal in charge of its internet insurance business, and specified the principal of each self-operated network platform; (vii) it has a sound internet insurance business management system and operating procedures; (viii) as an insurance company, it shall, when conducting internet insurance sales, comply with the relevant provisions of the CBIRC on regulatory evaluation of its solvency as well as protection of consumers’ rights and interests, etc.; (ix) as a professional insurance intermediary, it shall be a national institution with its operating area not limited to the province (autonomous region, municipality directly under the central government, or city specifically designated in the state plan) of the place where the business license of its head office is registered while complying with the relevant provisions of the CBIRC on classified regulation of professional insurance intermediaries; and (x) other conditions prescribed by the CBIRC. The Regulation of Internet Insurance Business also specifies requirements on disclosure of information regarding insurance products sold on the Internet and provides guidelines for the operations of the insurance institutions that engage in Internet insurance business.

### **Regulations of Foreign Investment in Insurance Intermediaries**

Historically, PRC laws and regulations have restricted foreign investment in ownership of insurance intermediary companies. In recent years, some rules and regulations governing the insurance intermediary sector in China have begun to encourage foreign investment. For instance, On March 1, 2015, the MOFCOM and the NDRC jointly promulgated the Catalogue for the Guidance of Foreign Investment Industries (Revision 2015), or the 2015 Guidance Catalog, pursuant to which insurance brokerage are removed from the list of industries subject to foreign investment restriction. On April 27, 2018, the CBIRC further promulgated the Circular on Lifting Limits on the Business Scope of Foreign-invested Insurance Broker, which further lifts the restrictions on the business scope of foreign-invested insurance broker, and provides that foreign-invested insurance broker that has obtained the permit of in insurance brokerage business may conduct the following insurance brokerage business: (1) design insurance policy plans, select insurers and handle insurance formalities for policy holders; (2) assist the insured or beneficiaries with insurance claims; (3) reinsurance brokerage business; (4) provide principals with assessment to prevent from disasters, damage or risks, or risk management consulting services; and (5) other business approved by the CBIRC. For insurance agency business, the CBIRC promulgated the Circular on Permitting Foreign Investors to Engage in Insurance Agency Business in China on June 19, 2018, which provides that: (1) a professional insurance agent invested and established in China by an overseas insurance agent that has carried out the insurance agency business for over three years may apply for carrying out the insurance agency business in China, and the scope of specific allowable business and the market access criteria shall be subject to relevant provisions on professional insurance agents; or (2) a professional insurance agent established and invested in China by a China-based foreign-invested insurance company which has commenced its business for over three years may apply for carrying out the insurance agency business in China, and the scope of specific allowable business and the market access criteria shall be subject to relevant provisions on professional insurance agents. In addition, the CBIRC further promulgated the Circular on Clarifying the Measures Relating to the Liberalization of the Insurance Intermediary Market on December 3, 2021, which provides that an insurance brokerage company funded and established in China by an overseas insurance brokerage company, which has the actual business experience and qualifies under the relevant regulations of the CBIRC, is allowed to operate the insurance brokerage business; in the Circular on Issuing the Content relating to the Insurance Sector in the Legal Documentation of China’s

Accession to the WTO (Bao Jian Ban Fa [2002] No. 14), the related requirements that the foreign investor to establish a foreign-funded insurance brokerage company in China should have a history of business operations of more than 30 years in any WTO member states, have maintained a representative office in China for a period of at least two consecutive years, and have a total asset of not less than US\$200 million in the year immediately prior to the application, shall not longer be applicable.

### **Regulations Related to Telecommunications Service and Online Trading**

The Measures on Telecommunications Business Operating Licenses (2017 Revision), or the Telecom License Measures, which was promulgated by the Ministry of Industry and Information Technology on March 1, 2009 and last amended on July 3, 2017, requires that any approved telecommunications services provider shall conduct its business in accordance with the specifications in its license for value-added telecommunications services, or VATS License. The Administrative Measures on Internet Information Services (2011 Revision), which was promulgated on September 25, 2000 and amended on January 8, 2011 by the State Council, requires that commercial Internet information services providers, which mean providers of information or services to Internet users with charge, shall obtain a VATS License with the business scope of Internet information services, namely the Internet Content Provider License or the ICP License, from competent government authorities before providing any commercial Internet content services within the PRC. However, according to the 2019 Negative List/ the 2020 Negative List, the value-added telecommunications services carried on in PRC falls in the restricted category, and foreign investors cannot hold over 50% of equity interests in entities providing such services.

The Guiding Opinions of the Ministry of Commerce on Online Transactions (Provisional), which was promulgated and implemented on March 6, 2007, aims to regulate online transactions, assist and encourage participants to carry out online transactions, alert and prevent transaction risks, and provide guiding requirements on the basic principles for online transactions, the entering into of contracts by participants of online transactions, and the use of electronic signatures, online payments and advertising.

The Administrative Measures for On-line Trading, which was promulgated on February 17, 2014 and implemented with effect from March 15, 2014, further specifies the relevant measures for protecting on-line consumers' rights, especially with regard to after-sale service, privacy protection and standard contract management, diversifies the types of unjust competitions conducted by an operator through network or certain media, and clarifies the regulatory and administrative responsibilities of the industry and commerce administration bureaus at different levels.

Pursuant to the E-Commerce Law of the PRC, which was promulgated by the SCNPC on August 31, 2018 and took effect on January 1, 2019, an e-commerce operator shall register itself as a market entity, fulfill its tax obligations pursuant to the relevant laws and obtain the administrative approvals necessary for its business operation, shall also display the information about its business license and the administrative approvals obtained for its business operation, or the links to the webpages with such information in the prominent position on its homepage, and shall expressly indicate the methods and procedures for querying, correcting and deleting its users' information or deregistering their accounts and shall not set irrational conditions for such purposes.

In the area of online trading, the Company and its operating subsidiaries are subject to the above-mentioned regulations because the Company's and its operating subsidiaries plan on acting as operators of various online platforms for online transactions in relation to all of its business sectors.

In addition, to the laws and regulations applicable to China which are summarized above, as a BVI incorporated company, to the extent that Intermediate itself (rather than through its operating subsidiaries) were to conduct certain of the activities referenced above, consideration would need to be given to certain regulatory requirements of the BVI and whether any licenses in the BVI are required.

### ***Employees***

As of December 31, 2022, TINGO GROUP had approximately 797 full-time employees, The Chinese companies had approximately 324 full-time employees. Of these employees, 96 were employed in marketing positions, 69 were employed in Customer Services & Risk positions and the remainder were employed in finance, research and development, management and administrative positions. The HK companies had approximately 34 full-time employees. Of these employees, 1 were employed in marketing positions, 4 were employed in Customer Services & Risk positions and the remainder were employed in finance, research and development, management and administrative positions. Tingo mobile had approximately 409 full-time employees. Of these employees, 138 were employed in marketing positions, 26 were employed in Customer Services & Risk positions and the remainder were employed in finance, research and development, management and administrative positions. The Israeli companies had approximately 3 full-time employees in the finance department.

We have never experienced a work stoppage. To the best of our knowledge, we have good and sustainable relations with our employees.

Israeli labor laws and regulations apply to all employees based in Israel. The laws principally address matters such as paid vacation, paid sick days, length of the workday, payment for overtime and severance payments upon the retirement or death of an employee or termination of employment under specified circumstances. The severance payments may be funded, in whole or in part, through a managers' insurance fund or a pension fund. The payments to the managers' insurance fund or pension fund toward severance amount to 8.3% of wages. Furthermore, Israeli employees and employers are required to pay predetermined sums to the National Insurance Institute of Israel. Since January 1, 1995, these amounts also include payments for health insurance.

### ***Description of Properties***

BI Intermediate (Hong Kong) Limited, a Hong Kong company ("BI Intermediate") currently maintains a single office space in unit 1602-1603 Hong Kong. The BI Intermediate lease is a month-to-month lease with a term of three years, expiring in February 29, 2024. The rent is \$12,206 (HKD 95,200) per month. The office facility in Hong Kong occupies approximately 1,680 square feet and is used for the headquarters and sales support.

Magpie Securities Limited, a Hong Kong company ("Magpie") currently maintains two offices space in unit 1601 Hong Kong and in unit 2502-2503 Hong Kong. The Magpie lease is a month-to-month lease with a term of two years nine months & two years four months, respectively expiring in February 29, 2024. The rent is \$6,462 (HKD 50,400) per month and \$12,744 (HKD 99,400) per month, respectively. The office facility in Hong Kong occupies approximately 840 square feet, the second office space occupies approximately 1680 square feet. They are used for the headquarters, sales support, marketing, finance and operating groups.

Shenzhen Magpie Information Consulting Technology CO., LTD, ("Shenzhen Magpie") a wholly owned subsidiary of BI Intermediate currently maintains office space in Rm 06-07, 20/F, Block C, Eastern New World Square, 1003 Shennan Boulevard, Futian District, Shenzhen, China. The Shenzhen Magpie lease is a month-to-month lease expiring in April 30, 2023. The rent is \$2,615 (RMB 50,000 per quarter) per month.

Bokefa Petroleum and Gas Co. Ltd, a wholly-owned subsidiary of BI Intermediate, currently has office space in Hangzhou, Zhejiang Province. The lease is payable on a monthly basis for two years at an annual rent of US\$18,405.25. The office facility in Zhejiang Province occupies and is used for sales support, marketing and finance.



Tianjin Bokefa Technology Ltd. (“Tianjin Bokefa”) is a wholly-owned subsidiary of Bokefa Petroleum and Gas Co. Ltd and currently has office space in Beijing and Tianjin. Lease are paid annually or quarterly, with an average lease term of 1.50 years and an annual rent of US\$231,164.83. The office facility in Beijing occupies and is used for the headquarters, sales support, marketing, finance and operating groups. The company expiring in insurance biasness.

Beijing Fucheng Insurance Brokerage Co. Ltd (“Fucheng”) is a wholly owned subsidiary of Beijing YibaoTech and currently has office space in Beijing and Guangxi. Leases are paid annually or quarterly, with an average lease term of 1.70 years and an annual rent of \$115,144.00. The office facility in Beijing and Guangxi occupies and is used for sales support, marketing, finance and operations. The company expiring in insurance biasness.

Guangxi Zhongtong Insurance Agency Co Ltd is a 60% owned subsidiary of Beijing Yibao Technology Co., Ltd. and currently has office space in various cities in Guangxi Province. Leases are paid semi-annually, quarterly or monthly, with an average lease term of 1.55 years and an annual rent of \$96,318.75. The office facility in Guangxi occupies and is used for headquarters, sales support, marketing, finance and operations. The company expiring in insurance biasness.

All Weather Insurance Agency, Inc. (“All Weather”) is a VIE controlled subsidiary and currently has office spaces in Beijing and other different cities in China. Leases are payable annually, semi-annually, quarterly or monthly, with an average lease term of 1.55 years and an annual rent of \$344,742.74. The office facility in Beijing and other cities occupies and is used for headquarters, sales support, marketing, finance and operations. The company expiring in insurance biasness.

TGH currently leases office space near Salt Lake City, Utah in the United States. The lease is for 3,692 square feet of executive office space and is paid at a monthly base rate of USD \$3,000. Other costs such as IT services, etc. are added monthly in addition to the base rate. The lease has no end date but is on a month-to-month basis.

TGH also currently leases office space in London in the United Kingdom. The lease is for 13 workstations and is paid at a monthly base rate of GBP 12,500. The lease has an end date of June 30, 2023.

Tingo Mobile currently maintains office space in (Allainz Towers, 95 Broad street Marina Lagos.) and building at (93 Dr Kenneth Ojo Crescent Lingo Estate Sahara 4, Lokogoma, FCT, Abuja). The Tingo lease is a month-to-month lease expiring on December 31, 2023. The rent is N6,450,000.00 (Approximately \$14,500) per month. The office facility in Nigeria occupies approximately 1128 square meters. They are used for the headquarters, sales support, marketing, finance and operating groups.

In Ghana, we lease a 600 square meter office space in Accra at the rate of \$8,000 per month, for a 2-year period commencing November 1, 2022. We also lease a 3-bedroom apartment in Ghana for the use of our executives and staff to use while traveling to Ghana. This lease is for a 1-year period commencing January 6, 2023 and is for \$1,600 per month.

In Dubai, we lease office space at the rate of 33,333 Arab Emirate Dirhams (AED) per month. Our lease covers approximately 300 square meters and is for a 1-year period commencing December 8, 2022.

## MARKET PRICE OF OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Our common stock began trading on the The Nasdaq Capital Market under the symbol “TIO” on February 27, 2023. Prior to February 27, 2023, our common stock had been trading on the Nasdaq Capital Market under the symbol “MCTT” since April 29, 2013. Prior to that date, there was no established public trading market for our common stock.

On May 30, 2023, the last reported sale price of our common stock on The Nasdaq Capital Market was \$3.42 per share.

As of May 30, 2023, we had approximately 134 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

### Results of Operations

#### *Overview*

We are a holding company conducting financial technology business and Agri-fintech business through our subsidiaries and entities, both wholly owned and controlled through various VIE arrangements (“VIE entities”), which are located mainly in Africa, Southeast Asia and the Middle East.

We currently operate in four segments and following the recent launches of Tingo DMCC and TingoPay we will be operating in six segments (i) Fintech Verticals and Technology, comprised of our operations in China where we have 3 VIE entities through which we primarily operate our insurance brokerage business; (ii) Online Stock Trading, primarily comprised of the operation of Magpie Securities Limited (“Magpie”) through which we operate the online stock trading business, primarily out of Hong Kong and Singapore; (iii) Comprehensive Platform Service which includes the operations of Tingo Mobile described below; (iv) Food Processing, where crops and raw foods are processed into finished products, through Tingo Foods, (purchased by the Company in February 2023) which commenced food processing operations in August 2022; and (v) Export and Commodity Trading, where both agricultural commodities and processed foods are exported and traded on a global basis through Tingo DMCC, which operates from the Dubai Multi Commodity Centre (the “DMCC”), which is regarded as the world’s No.1 Free Trade Zone; and (vi) Consumer Super App, Digital Payment Services and Merchant Services, which in partnership with Visa operates the TingoPay super app, which offers retail customers a range of services, including but not limited to online payments in their domestic or foreign currencies, as well as the ability to manage their Visa cards, pay bills, arrange insurance, arrange loans and purchase mobile telephone top-ups. TingoPay also offers businesses a range of Visa powered merchant services.

#### *Acquisition of Tingo Mobile*

Our business has changed significantly in recent years and more specifically since December 1, 2022, following the completion of the acquisition of Tingo Mobile. We also made the significant acquisition of Tingo Foods on February 9, 2023.

Tingo Mobile’s Nwassa platform is believed to be Africa’s leading digital agriculture ecosystem that empowers rural farmers and agri-businesses by using proprietary technology that enables users to access markets in which they operate. Using Tingo Mobile’s ecosystem, farmers can ship produce from farms throughout Nigeria. The ecosystem provides real-time pricing, straight from the farms, which eliminates middlemen.

Although Tingo Mobile has a large retail subscriber base, its business model is essentially a business-to-business-to-consumer (“B2B2C”) model. Each of our current subscribers is a member of one of a small number of cooperatives with whom we have a contractual relationship, which facilitates the distribution of Tingo Mobile-branded smartphones into the various rural communities of user farmers/agri-workers.

Our revenues from Tingo Mobile are derived from agri-tech business activities, inter-alia, smart phone leasing, an agri-marketplace, airtime top ups, utility payment services, bill-pay and e-wallet, insurance products and access to finance and lending services.

On November 10, 2022, Tingo Mobile opened a new regional head office in Ghana and launched operations there enrolling an additional 2 million new customers in Ghana and on December 14, 2022, Tingo Mobile launched in Malawi as a strategic base from which to expand into East Africa and target neighboring countries such as Tanzania, Zambia, and Mozambique.

In addition to its agri-fintech business, on December 12, 2022, we launched our global commodities trading platform and export business (“Tingo DMCC”) from the Dubai Multi Commodity Centre (the “DMCC”), which is regarded as the world’s No.1 Free Trade Zone and a major global commodity trading center, to facilitate purchases and export of agricultural commodities from both its existing customer base and new customers. Through the strong relationships between Tingo Mobile and the cooperatives and other parties it deals with in Nigeria and Ghana, we have secured access to significant quantities of agricultural produce for export, including wheat, millet, cassava, ginger, cashew nuts, cocoa and cotton. Since its launch, Tingo DMCC has been working with the farming co-operatives contracted to Tingo Mobile to aggregate large volumes of agricultural produce for export. The first export transactions are expected to complete imminently.

As a complementary step, on February 9, 2023, we acquired the entire share capital of Tingo Foods, which commenced food processing operations in September 2022, generating more than \$400 million of revenue (prior to our acquisition) in its first four months of trading. Through Tingo Foods, we expect to enhance our ability to integrate agricultural producers into the ‘seed to sale’ value chain and digital ecosystem. Tingo Foods has also agreed to enter into a partnership with Evtec Energy Plc to build and operate our own food processing facility, which is expected to be completed by mid-2024.

As part of our strategy to leverage our fintech platforms, infrastructure and the Tingo Mobile brand, we recently launched the TingoPay Super App in partnership with Visa. TingoPay broadens our reach outside of the agricultural sector, targeting retail customers of any age (18+) and demographic. Customers of the TingoPay Super App can make online payments in their domestic or foreign currencies, as well as manage their Visa cards, pay bills, arrange insurance, arrange loans and purchase mobile telephone top-ups.

We are aiming to be the leading fintech and agri-fintech business in Africa, before expanding into southeast Asia and certain other parts of the world, delivering financial inclusion and financial upliftment to our customers, including to rural farming communities through the Company’s agri-fintech platform and products.

#### ***Acquisition of Tingo Foods***

*Overview.* On February 9, 2023, the Company and MICT Fintech acquired from Dozy Mmobuosi, the Tingo Mobile Founder and Chief Executive Officer, all of the outstanding share capital of Tingo Foods, a Nigerian limited company that has operated in the food processing industry since its inception in September 2022. As part of its expansion strategy, Tingo Foods plans to fit out and operate a state-of-the-art food processing facility in the Delta State of Nigeria, which is expected to be the largest of its kind in Africa and scheduled for completion by mid-2024. We have agreed to fit out the Tingo Foods facility with the necessary processing equipment and also agreed that Tingo Foods will enter into a long-term ground lease on the facility, with lease payments to commence when the facility becomes operational.

*Consideration Provided.* As consideration for Tingo Foods, we issued Mr. Mmobuosi a senior secured promissory note in the principal amount of \$204,000,000, bearing interest at 5.0% per annum and maturing in 24 months, and certain undertakings and obligations of the Company. For further information, reference is made to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on February 15, 2023, as amended by Forms 8-K/A filed with the SEC on April 27, 2023 and May 10, 2023.

#### **Reportable Segments**

We report our financial performance based on the following segments: Verticals and Technology, Online Stock Trading, Comprehensive Platform Service and Food Processing. The segment amounts included in MD&A are presented on a basis consistent with our internal management reporting. Additional information on our reportable segments is contained in Note 7 – Segments Information of the Condensed unaudited Notes to Financial Statements. Following the acquisition of Tingo Mobile the Company restructured its segments and retroactively applied it to all years presented.

Fintech Verticals and Technology – this segment comprising of our operations in China where we have 3 VIEs through which we primarily operate, our insurance brokerage business.

Online Stock Trading – this segment comprises mainly the operation of Magpie through which we operate the business of online stock trading, located mainly in Hong Kong and Singapore.

Comprehensive Platform Service – This segment includes the operations of Tingo Mobile described above.

Food Processing - This segment includes the operations of Tingo Foods which commenced food processing operations in August 2022 and was acquired in February 2023.

#### **Results of Operations**

##### **Three Months Ended March 31, 2023, Compared to Three Months Ended March 31, 2022.**

We measure our performance on a consolidated basis as well as the performance of each segment.

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

## Revenues

Net revenues for the three months ended March 31, 2023, were \$851,245,000, compared to \$9,563,000 for the three months ended March 31, 2022. This represents an increase of \$841,682,000 for the three months ended March 31, 2023, as compared to the same period last year, which is primarily attributable to the Tingo Mobile and Tingo Foods acquisitions, which were completed on December 1, 2022 and February 9, 2023 respectively.

## Cost of revenues

Cost of revenues for the three months ended March 31, 2023, were \$464,391,000, compared to \$8,298,000 for the three months ended March 31, 2022. This represents an increase of \$456,093,000, for the three months ended March 31, 2023, as compared to the same period last year, which again is primarily attributable to the Tingo Mobile (and Tingo Foods acquisitions).

## Gross profit

Gross profit for the three months ended March 31, 2023, was \$386,854,000, and represents 45% of the revenues. This is in comparison to gross profit of \$1,265,000, representing 13% of the revenues, for the three months ended March 31, 2022, and reflects an increase of \$385,589,000, for the three months ended March 31, 2023 as compared to the same period last year, and is again attributable to the addition of the Tingo Mobile and Tingo Foods acquisitions.

## SEGMENT RESULTS OF OPERATIONS

	Three months ended March 31,		Percentage Change
	2023	2022	
<b>Revenue</b>			
<i>Fintech Verticals and Technology</i>	\$ 20,552,000	\$ 9,533,000	115%
<i>Online Stock Trading</i>	8,000	30,000	(73)%
<i>Comprehensive Platform Service</i>	253,466,000	-	-%
<i>Food Processing</i>	577,219,000	-	-%
Total	\$ 851,245,000	\$ 9,563,000	8,801%
<b>Profit (loss) from operations</b>			
Verticals and technology	\$ (3,224,000)	\$ (4,295,000)	
Corporate and others	(9,917,000)	(2,131,000)	
<i>Online Stock Trading</i>	(1,701,000)	(3,544,000)	
<i>Comprehensive Platform Service</i>	132,074,000	-	
<i>Food Processing</i>	143,445,000	-	
Total	\$ 260,677,000	\$ (9,870,000)	

### *Fintech Verticals and Technology*

- Net revenues related to the fintech business and insurance agency business for the three months ended March 31, 2023 were \$20,552,000, as compared to \$9,533,000 for the three months ended March 31, 2022, and reflects an increase of \$11,019,000, for the three months ended March 31, 2023, as compared to the same period last year. The increase is attributable to the following factors: (1) Chinese government has eased a three-year-long restriction for COVID at the beginning of 2023, which stimulated consumption, travel and rapid business growth and; (2) The Company opened several new branches, for example in the cities of Weifang and Chengdu and; (3) The Company increased its telemarketing activity, which stimulated business growth and; (4) The Company successfully improved customer satisfaction levels, creating customer “stickiness”, and recruited additional senior business development management, which assisted to increase top line revenue.
- Cost of revenues for the three months ended March 31, 2023, was \$18,015,000, as compared to \$8,293,000 for the three months ended March 31, 2022, reflecting an increase of \$9,722,000. The increase is attributable to: (1) an increase in sales activity due to the lifting of COVID-19 restrictions and; (2) the opening of several new branches; (3) the Company increasing its telemarketing activity, and; (4) an increase in top line revenues that arose through increasing customer satisfaction levels.
- Gross profit for the three months ended March 31, 2023 was \$2,537,000, as compared to \$1,240,000 gross profit for the three months ended March 31, 2022, reflecting an increase of \$1,297,000. The increase is attributable to the uplift in revenues as discussed above.
- The loss from operations related to the fintech business and insurance agency business for the three months ended March 31, 2023, was \$3,224,000, as compared to \$4,295,000 for the three months ended March 31, 2022, and reflects a decrease of \$1,071,000 or 25%, for the three months ended March 31, 2023, as compared to the same period last year. The decrease is attributable to the increase in gross profit as describe above.

- Net revenues related to the online stock trading platform segment for the three months ended March 31, 2023, were \$8,000, as compared to \$30,000 for the three months ended March 31, 2022, a decrease of \$22,000 as compared to the same period last year. The decrease is attributable to the general decrease in retail stock trading business as the Company reduced its marketing activity in this area and began to pivot away from this segment and adapt its technology towards the future launch of a payment service product.
- Cost of revenues related to the online stock trading platform segment for the three months ended March 31, 2023, were \$24,000 as compared to \$4,000 for the three months ended March 31, 2022. The increase is attributable to the broker applied minimum brokerage charge in year 2023.
- Gross losses for the three months ended March 31, 2023, were \$16,000, as compared to gross profit of \$26,000 for the three months ended March 31, 2022, and reflects a negative variance of \$42,000. The variance is attributed to the combination of the decreased in revenues and the increased in the broker minimum charges.
- The loss from operations related to the online stock trading platform segment for the three months ended March 31, 2023, was \$1,701,000, as compared to \$3,544,000 for the three months ended March 31, 2022, and reflects a decrease of \$1,843,000. The decrease is due to the cost savings that the Company made as it reduced staff numbers, cut back on marketing activity and commenced to pivot away from the B2C retail stock trading market and explore opportunities as a B2B, white-label operator and also adapt its technology with a view to launching payment service product in the future.

#### *Comprehensive Platform Service*

- Net revenues related to the Comprehensive Platform Service segment for the three months ended March 31, 2023, were \$253,466,000, as compared to nil for the three months ended March 31, 2022. The increase is attributable to the Tingo Mobile acquisition which was completed on December 1, 2022.
- Cost of revenues related to the Comprehensive Platform Service segment for the three months ended March 31, 2023, were \$97,456,000 as compared to nil for the three months ended March 31, 2022. The increase is again attributable to the Tingo Mobile acquisition.
- Gross profit related to the Comprehensive Platform Service segment for the three months ended March 31, 2023, was \$156,010,000 representing a gross margin of 24%. We believe that such margins will increase as a higher proportion of Tingo Mobile's revenues are expected to be generated from its Nwassa digital marketplace and services.
- The gain from operations related to the Comprehensive Platform Service segment for the three months ended March 31, 2023 were \$132,074,000 as compared to nil for the three months ended March 31, 2022. The increase is again attributable to the Tingo Mobile acquisition.

#### *Food Processing*

- Net revenues related to the Food Processing segment for the three months ended March 31, 2023 were \$577,219,000, as compared to nil for the three months ended March 31, 2022. The increase is attributable to the Tingo Foods acquisition which was completed on February 9, 2023, resulting in the inclusion of the revenues of Tingo Foods from the months of February and March.
- Cost of revenues related to the Foods Processing segment for the three months ended March 31, 2023, was \$348,896 as compared to nil for the three months ended March 31, 2022. The increase is again attributable to the Tingo Foods acquisition and the inclusion of its cost of sales from the months of February and March.
- Gross profit related to the Food Processing segment for the three months ended March 31, 2023 was \$228,323,000 representing 40% margin.
- The gain from operations related to the Food Processing segment for the three months ended March 31, 2023 was \$143,445,000. The increase is again attributable to the Tingo Foods acquisition.

### **Selling and Marketing Expenses**

Selling and marketing expenses are part of operating expenses. Selling and marketing costs for the three months ended March 31, 2023, were \$85,068,000, as compared to expenses of \$2,517,000 for the three months ended March 31, 2022. This represents an increase of \$82,551,000, for the three months ended March 31, 2023, as compared to the same period last year. The increase is mainly attributable to: (1) an increase in insurance sales commissions and services charges amounting to \$1,439,000 as the revenues from insurance sales increased; (2) the inclusion of the sales and marketing expenses of Tingo Foods following its acquisition, which amounted to \$79,197,000; (3) the inclusion of the sales and marketing expenses of Tingo Mobile, which amounted to \$2,693,000, and; (4) a decrease in the sales and marketing expenses for online stock trading business, which amounted to \$778,000, as cost savings were made in this segment.

### **General and Administrative Expenses**

General and administrative expenses are part of operating expenses. General and administrative expenses for the three months ended March 31, 2023, were \$29,627,000, compared to \$7,326,000 for the three months ended March 31, 2022. This represents an increase of \$22,301,000, for the three months ended March 31, 2022 as compared to the same period last year. The increase is mainly as a result of: (i) the inclusion of the expenses of Tingo Foods for the two months from its date of acquisition, which amounted to \$2,604,000 ; (ii) the inclusion of the expenses of Tingo Mobile for the three months, which amounted to \$13,995,000, and; (iii) an increase in in share-based expenses to directors and employees in the of amount of \$6,700,000, and; (iv) partially offset by a reduction in the cost base of the stock trading business as cut backs were made, including a reduction in staff numbers, in connection with the pivot of the business towards a B2B model and payment services business.

### **Research and Development Expenses**

Research and development expenses are part of operating expenses. Research and development costs, which mainly include wages, materials and sub-contractors, for the three months ended March 31, 2023, were \$363,000, compared to \$595,000 for the three months ended March 31, 2022. This represents a decrease of \$232,000, for the three months ended March 31, 2022, as compared to the same period last year. The decrease is attributed to a reduction in spend on research and development activity in connection with our online stock trading platform.

### **Profit from Operations**

Our profit from operations for the three months ended March 31, 2023, was \$260,677,000, compared to a loss from operations of \$9,970,000, for the three months ended March 31, 2022. The increase in profit from operations is mainly attributed to the acquisitions of Tingo Mobile and Tingo Foods, as explained above.

### **Financial Income (Expense), Net**

Financial income for the three months ended March 31, 2023 amounted to \$1,444,000 compared to \$78,000 for the three months ended March 31, 2022. This represents an increase of \$1,366,000, which is primarily due an increase in deposit interest income that comes from Tingo Mobile.

### **Net Loss Attributed to the Company.**

The net profit attributed to the Company for the three months ended March 31, 2023, amounted to \$176,740,000 compared to a net loss of \$8,686,000, for the three months ended March 31, 2022. This represents an increase of \$185,426,000, which is primarily as a result of the acquisitions of Tingo Mobile and Tingo Foods as mentioned above.

### **Liquidity and Capital Resources**

We have funded our operations with proceeds from the sales of shares of our common stock, which we undertook in November 2020 and February and March 2021. As of March 31, 2023, our total cash and cash equivalents balance was \$780,153,000, as compared to \$500,316,000 as of December 31, 2022. This reflects an increase of \$279,837,000 in cash and cash equivalents which relates to the cash generated from the operations of Tingo Mobile and the acquisition and consolidation of Tingo Foods on February 9, 2023. Notwithstanding the sizeable cash balance held by Tingo Mobile and Tingo foods, it should be noted that the majority of the cash is held at its bank in Nigeria, and there are certain foreign exchange restrictions in place that limit the conversion of such cash into US Dollars and other currencies. As stated in numerous recent Company announcements, we have adopted a strategy to dollarize the business of Tingo Mobile, with the goal of generating or converting a higher portion of income in US Dollars, including through the Tingo DMCC commodity trading platform and export business, where produce is paid for primarily in Naira and sales are made primarily in US Dollars or other freely tradeable currencies; as well as through expansion into other countries that have freely tradeable currency, such as Ghana, Malawi and Dubai; and through the launch of TingoPay in partnership with Visa.

The Company's operations are cash generative following the acquisition of Tingo Mobile Limited and Tingo Foods. There is however the possibility that the Company may seek to raise external financing in the future, if required to fund its growth plans and expansion strategy

Even taking into account the foreign exchange restrictions on the Naira cash balances held in Tingo Mobile, based on our current operating plan we believe that our cash, cash equivalents, as of March 31, 2023, will be sufficient to fund our currently projected operating expenses for at least the next 12 months.

### **Sales of our Securities**

On February 11, 2021, the Company announced that it has entered into a securities purchase agreement (the "February Purchase Agreement") with certain institutional 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 "February Offering"). The gross proceeds to the Company from the February Offering were expected to be approximately \$60.0 million. The Series A warrants are exercisable nine 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 are exercisable nine 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 (the "March 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 March 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, 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 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 for the March Purchase Agreement 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.

On February 2, 2023, the Company entered into settlement and repurchase agreements (the "Repurchase Agreements") with certain holders of the outstanding warrants over its common stock ("Warrant Holders"). The warrants being repurchased were originally issued by the Company between November 2020 and March 2021 pursuant to three offerings of common stock and warrants. The exercise prices of the warrants were \$3.12 in the first offering and \$2.80 in the subsequent two offerings, with various expiration dates falling between August 16, 2024 and August 16, 2026. The repurchase will result in the surrender and cancellation of the warrants held by each Warrant Holder.

Pursuant to the Repurchase Agreements, the Company paid \$0.15 per warrant in April 2023 and \$0.10 per warrant on May 1, 2023, with each warrant having the right to convert to one share, at an aggregate amount of \$6,548,115.99.

### **Loans Provided by the Company**

On May 13, 2022, the Company and TMNA executed a loan agreement pursuant to which the Company agreed to loan TMNA ("Maker") a sum of \$3,000,000 (the "Note" and "Loan" respectively). The Loan bears an annual interest of 5%. The principal balance of the Loan and any accrued and unpaid interest due under the Note shall be due and payable on May 10, 2024 ("Initial Maturity Date"). The principal balance may be prepaid at any time by Maker without penalty.

On July 28, 2022, the Company agreed to replace the Note with a new note ("New Note"), pursuant to which the amount of the Loan granted under the New Note is \$3,500,000, with all other terms remaining in effect without a change.

On September 28, 2022, the Company agreed to replace the New Note with a second new note ("Second New Note"), pursuant to which the amount of the Loan granted under the New Note is \$3,700,000, with all other terms remaining in effect without a change.

On October 6, 2022, the Company agreed to replace the Second New Note with a third new Note ("Third New Note") in the aggregate principal amount of \$23,700,000 with all other terms remaining in effect without a change.

On December 21, 2022, the Company and its subsidiary, MICT Fintech executed a loan agreement pursuant to which the Company agreed to loan MICT Fintech a sum of \$10,000,000, with interest charged at a rate of 10% per annum. The principal balance of the loan and any accrued and unpaid interest shall be due and payable on December 31, 2023. On the same date, MICT Fintech loaned \$10,000,000 to its subsidiary, Tingo Mobile, with interest charged at a rate of 25% per annum. The principal balance of this loan and any accrued and unpaid interest shall also be due and payable on December 31, 2023. The purpose of the loan is to fund dollar denominated time-

sensitive costs relating to the purchase of smartphone handsets to be provided under operating lease agreements to two key customers of Tingo Mobile and Tingo Ghana Limited, which in turn is expected to facilitate a number of business revenue streams for Tingo Mobile and Tingo Ghana Limited, including but not limited to operating lease revenues, platform transaction revenues, product sale commissions and commodity export revenues.

On January 24, 2023, the Company and its subsidiary, MICT Fintech executed a loan agreement pursuant to which the Company agreed to loan MICT Fintech a sum of \$1,480,000, with interest charged at a rate of 25% per annum. The principal balance of the loan and any accrued and unpaid interest shall be due and payable on December 31, 2023. On the same date, MICT Fintech loaned \$1,480,000 to its subsidiary, Tingo Mobile, with interest charged at a rate of 25% per annum. The principal balance of this loan and any accrued and unpaid interest shall also be due and payable on December 31, 2023. The purpose of the loan is to fund costs relating to the purchase of smartphone handsets to be provided under operating lease agreements to two key customers of Tingo Mobile and Tingo Ghana Limited, which in turn is expected to facilitate a number of business revenue streams for Tingo Mobile and Tingo Ghana Limited, including but not limited to operating lease revenues, platform transaction revenues, product sale commissions and commodity export revenues.

On February 3, 2023, the Company and its subsidiary, MICT Fintech executed a loan agreement pursuant to which the Company agreed to loan MICT Fintech a sum of \$5,000,000, with interest charged at a rate of 25% per annum. The principal balance of the loan and any accrued and unpaid interest shall be due and payable on December 31, 2023. On the same date, MICT Fintech loaned \$5,000,000 to its subsidiary, Tingo Mobile, with interest charged at a rate of 25% per annum. The principal balance of this loan and any accrued and unpaid interest shall also be due and payable on December 31, 2023. The purpose of the loan is to fund costs relating to the purchase of smartphone handsets to be provided under operating lease agreements to two key customers of Tingo Mobile and Tingo Ghana Limited, which in turn is expected to facilitate a number of business revenue streams for Tingo Mobile and Tingo Ghana Limited, including but not limited to operating lease revenues, platform transaction revenues, product sale commissions and commodity export revenues.

## Debt Repayment

As of March 31, 2023, the Company had short-term loans from others of \$312,000 comprised as follows: \$138,000 loans of All Weather Insurance Agency that bear interest of 0% and the \$174,000 loans of Zhongtong Insurance that bear interest of 10%.

As of December 31, 2022, the Company had short-term loans from others of \$460,000 comprised as follows: \$286,000 loans of All Weather Insurance Agency that bear interest of 0%, will be repaid before December 31, 2023. The \$174,000 loans of Zhongtong Insurance that bear interest of 10% will be repaid before December 31, 2023.

As of March 31, 2023, the Company had long-term loans from others of \$379,000 comprised as follows: \$379,000 loans of All Weather Insurance Agency that bear interest of 0%, will be repaid before December 31, 2025.

As of March 31, 2023, our working capital was \$594,713,000, compared to \$265,781,000 for the year ended December 31, 2022. The increase is mainly due to the increase in our cash and trade account receivable, in relation to our acquisition and consolidation of Tingo Foods on February 9, 2023, as described above. Based on our current business plan, and in view of our cash balance following the completion of the acquisition of Tingo Foods, 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.

	For the Three Months Ended March 31,	
	2023	2022
	USD in thousands (unaudited)	USD in thousands (unaudited)
Net Cash Provided by (Used in) Operating Activities	\$ 242,793	\$ (8,987)
Net Cash Provided by (Used in) Investing Activities	56,846	(49)
Net Cash Provided by (Used in) Financing Activities	(8,274)	14
Translation adjustment on cash and cash equivalents and restricted cash	(11,519)	(74)
Cash and cash equivalents and restricted cash at beginning of period	502,549	99,036
Cash and cash equivalents and restricted cash at end of period	<b>\$ 782,395</b>	<b>\$ 89,940</b>

## Cash Flow from Operating Activities

For the three months ended March 31, 2023, net cash provided by operating activities was \$242,793,000, which related to net profit adjusted for non-cash expenses, primarily depreciation and amortization and share based compensation in the amount of \$118,658,000, as well as (1) changes in deferred tax, net of \$(3,656,000) which relates in the main to the deferred tax arising on the purchase price allocation for the acquisition of Tingo Mobile and Tingo Foods; and (2) effects of changes in working capital in the amount of \$127,791,000, which in the main relate to the acquisition and consolidation of Tingo Foods, which completed on February 9, 2023.

For the three months ended March 31, 2022, net cash used in operating activities was \$(8,987,000), which primarily consists of net loss of \$(8,845,000) and various non-cash items of \$1,298,000, as well as (1) changes in deferred tax, net of \$(1,073,000), (2) changes in trade account receivable of \$3,346,000, (3) changes in trade accounts payable of \$(3,606,000), (4) changes in deposit held on behalf of clients of \$(198,000), (5) changes in other current assets of \$(1,265,000), (6) changes in other current liabilities of \$401,000, (7) changes in related party of \$737,000, (8) changes in long-term deposit and prepaid expenses of \$203,000, (9) changes in right of use assets of \$324,000, and (10) change in lease liabilities of \$(309,000).

## Cash Flow from Investing Activities

For the three months ended March 31, 2023, we had net cash provided by investing activities of \$56,846,000, which consisted of the net cash provided by additional investment of the Company of \$56,849,000, and purchase of property and equipment of \$3,000.

For the three months ended March 31, 2022, we had net cash used in investing activities of \$(49,000), which consisted of the net cash used in investing of purchase of property and equipment of \$49,000.

## Cash Flow from Financing Activities

For the three months ended March 31, 2023, we had net cash used in financing activities of \$(8,274,000), which primarily consisted of: (1) repayment of loan to related party and others of \$8,125,000 and (2) repayment of short term loan of \$149,000.

For the three months ended March 31, 2022, we had net cash provided by financing activities of \$14,000, which primarily consisted of: (1) repayment of loan from related party from Micronet Ltd of \$534,000; and (2) repayment of loan to others of \$520,000.

## 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 EBITDA reflects 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 EBITDA will be a key measures used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. The Company believes EBITDA is useful to investors for the purposes of comparing our results period-to-period and alongside peers and understanding and evaluating our operating results in the same manner as our management team and board of directors.

These supplemental measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented. In addition, since these non-GAAP measures are not determined in accordance with GAAP, they are susceptible to varying calculations and may not be comparable to other similarly titled non-GAAP measures of other companies.

The EBITDA does 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.

EBITDA is defined as net income from continuing operations calculated in accordance with GAAP, less net income attributable to non-controlling interests, plus the sum of income tax expense, interest expense, net, depreciation and amortization ("EBITDA").

The following is a reconciliation of net profit (loss), the most directly comparable GAAP financial measure, to EBITDA (a non-GAAP financial measure) for each of the periods indicated. For additional information on these non-GAAP financial measures, see "Non-GAAP Financial Measures" above.

	Three months ended March 31, (Dollars in Thousands,)	
	2023	2022
GAAP net profit (loss) attributable to TINGO GROUP, Inc.	\$ 176,740	\$ (8,686)
Adjusted for:		
Net loss attributable to non-controlling stockholders	(316)	(159)
Loss from equity investment	208	184
Income tax expenses (benefit)	85,914	(1,076)
Financial income, net	(1,444)	(78)
Depreciation and amortization	111,055	871
Total EBITDA net profit (loss) attributable to TINGO GROUP, Inc.	\$ 372,157	\$ (8,944)

## Financing Needs

The Company's operations are cash generative following the acquisition of Tingo Mobile and Tingo Foods. There is however the possibility that the Company may seek to raise external financing in the future, if required to fund its growth plans and expansion strategy, for example in relation to financing Tingo Foods' share of the build and fit out of its new food processing facility.

In the event that any external financing is required to cover Tingo Foods' share of the build and fit out of the new food processing facility, which is estimated at \$500 million, the Company will seek to do so by raising debt funding.

Based on our current business plan, and in view of our cash balance following the Merger 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.

## MANAGEMENT

The following table sets forth the name, age and position of each current director and executive officer of the Company.

Name	Age	Position
Darren Mercer	59	Chief Executive Officer and Director
Hao (Kevin) Chen	41	Chief Financial Officer
Moran Amran	42	Controller
Yehezkel (Chezy) Ofir <sup>(1)(2)(3)(4)</sup>	70	Director
Robert Benton <sup>(1)(2)(3)</sup>	66	Director
John McMillan Scott <sup>(1)(2)(3)</sup>	76	Director
Sir David Trippier, R.D., J.P., D.L. <sup>(1)(2)(3)</sup>	76	Director
John J. Brown	64	Director
Kenneth Denos	55	Director, Executive Vice President, General Counsel of Tingo Group Holdings LLC, a wholly-owned subsidiary of the Company

- (1) A member of the Audit Committee.
- (2) A member of the Compensation Committee.
- (3) A member of the Corporate Governance/Nominating Committee.
- (4) On February 7, 2023, Yehezkel (Chezy) Ofir resigned from the board of directors effective immediately. The reason for Mr. Ofir's resignation is to comply with the terms of the Amended Agreement and Plan of Merger with Tingo, Inc. and Tingo Mobile Limited and not in connection with any disagreements with the Company on any matter.

The following is a brief account of the business experience of each of our directors and executive officers during the past five years or more.

*Darren Mercer.* Mr. Mercer has served on our Board since November 2019 and was appointed as our Interim Chief Executive Officer in April 2020, and subsequently, our Chief Executive Officer. Mr. Mercer began his career as an investment banker in the 1980s, holding senior roles in institutional equity sales and corporate brokering at Henry Cooke Lumsden PLC and Albert E. Sharp LLC. In 2007, Mr. Mercer founded BNN and has served as its Chief Executive Officer since from its inception to October 2017. In February 2018, Mr. Mercer accepted an invitation to serve as an executive director from the newly appointed board of directors of BNN. During his tenure, Mr. Mercer restructured BNN by disposing of various subsidiaries and seeking strategic business partners. Mr. Mercer founded Global Fintech and Global Fintech Holdings Ltd. ("GFH") in October 2018 and November 2019, respectively and has served as director of both companies since their inception, and as a Director of Strategic Partnerships and Business Development and Executive Director since 2017. Since Mr. Mercer joined the TINGO GROUP Board, he helped TINGO GROUP achieve substantial fund raising and introduced significant new business opportunities to TINGO GROUP. Mr. Mercer holds an MSI (DIP) qualification a BA in Economics from the University of Manchester. We believe that Mr. Mercer is well-qualified to serve on the TINGO GROUP Board due to his extensive financial services, operational, management and investment experience.

*Yehezkel (Chezy) Ofir.* Professor Ofir has served on the Board of TINGO GROUP since April 2013. He was appointed as a director of Micronet in September 2012. Mr. Ofir has over 25 years of business consulting experience and served as a director at various companies, including as an external director of Adama Ltd (SZSE: 000553) from 2012 until 2015, a director at Shufersal Ltd. (TASE: SAE) from 2004 to 2010, Director at the Israeli Postal Bank Company as of 2014 and acting Chairman and director as of 2016 until 2017. A director at Soda Stream (NASDAQ: Soda) from 2016 to 2019. A director at Hadassah Medical Centers (Ein-Karem, Jerusalem) from 2015-Currently, and Micronet (TAS: MCRNT), from 2013-Currently. Mr. Ofir has served as a member of the board of directors at TINGO GROUP Inc. (NASDAQ: TINGO GROUP) since April 2013. Mr. Ofir is the Kmart Chair Emeritus Professor and faculty member at the School of Business Administration, The Hebrew University of Jerusalem. Mr. Ofir holds a B.Sc. and M.Sc. in Engineering from Ben-Gurion University, M.Phil. and Ph.D. in Business Administration from Columbia University. We believe that Professor Ofir extensive experience in governance and in corporate business consulting makes him very well qualified to serve as a director of the Company.

*Robert Benton.* Mr. Benton has served on the Board of TINGO GROUP since April 2021. He has been the Director and Founder of Anthology Media, Ltd. (formerly Bob & Co, Ltd) where he provides integrated strategies designed to bridge the gap between creativity and finance for TV and film production companies since August 2010. Prior to his employment at Anthology Media, Ltd, Mr. Benton was a Managing Director and Head of Media Investments at Canaccord Adams Ltd., from September 2008 to June 2010, where he focused on marketing, sales, and corporate finance. Mr. Benton was also a Managing Director at Ingenious Media, an investment company specializing in the media, infrastructure, real estate and education sectors from August 2006 to May 2008. Prior to his employment at Canaccord Adams Ltd and Ingenious Media, Mr. Benton was employed as the Chief Executive Officer at Bridgeway Securities Ltd, a United Kingdom investment banking firm, from January 2002 to June 2006. From 1997 to 2001, Mr. Benton served as a Chairman and Chief Executive Officer for Charterhouse Securities Limited. Mr. Benton also served as the Global Head of Sales for ABN-ABRO from June 1994 to June 1997. Prior to that, Mr. Benton was a Managing Director of HSBC James Capel Ltd, from November 1992 to June 1995. Mr. Benton currently serves as the Deputy Chair of Everbright Securities Financial Holding Limited, which engages in the provision of financial brokerage services. He also sits on the board of directors for International Literacy Properties, a company that works with authors, managers of literary estates and individual heirs to help realize the value from book-based intellectual property. Mr. Benton has served on the board of The Discerning Eye, a United Kingdom based educational charity that promotes a wider understanding and appreciation of the visual arts and further stimulates debate about the place and purpose of art in our society through its annual exhibition. Mr. Benton sits on the Advisory Committee for Nash & Co Capital, Ltd, which is an independent corporate finance and advisory company. Previously, Mr. Benton served as the Chairman of Clarkson Plc, the FTSE 250 shipping group, from May 2005 to January 2015. Mr. Benton holds a degree in Politics and Economics from Exeter University. We believe Mr. Benton is well qualified to serve as a director due to his extensive leadership experience.

*John M. Scott.* Mr. Scott has served on our Board since November 2019. Mr. Scott began his career as a stockbroker in October 1970 with Charlton Seal Dimmock & Co. He became a Partner at the same firm in 1982 and subsequently a Director of Wise Speke Limited following a merger in 1990. In August 1994, he joined Albert E. Sharp LLP as a Director, where he remained until June 2007. In 2007, he joined WH Ireland Group Plc, a financial services company offering private wealth management, wealth planning and corporate broking services, where he oversaw the firm's private client business in Manchester, U.K. until his retirement from his role as an Executive Director from WH Ireland's Board of Directors in 2013. We believe that Mr. Scott is qualified to serve on our Board because of his accounting expertise and his experience serving as an officer and director of public and private companies.

*Hao (Kevin) Chen.* Mr. Chen was promoted by the Board to serve as the Chief Financial Officer of the Company in November 2021. He has more than 13 years of experience providing financial services to a variety of public and private companies, including in the role as Chief Financial Officer. He has a demonstrated history of working within the technology industry and is skilled in US GAAP accounting, SOX internal controls, debt and equity financing and strategic management. Mr. Chen previously served as the Chief Financial Officer and board member of China Rapid Finance (NYSE:XRF), a holding company operating primarily in the emergency rescues services business, which utilizes cloud and other cutting-edge technologies to provide emergency rescue services, including an app based mobile platform, cloud call centers and large data centers. Prior to that, Mr. Chen served as a Senior Financial Reporting Manager to Qunar.com (China's online travel platform NASDAQ:QUNR) from 2013 to 2015 and served as an Audit Manager with Ernst & Young from 2008 to 2013. Mr. Chen holds a Master of Business Administration from Kellogg School of Management at Northwestern University, a Master of Economics from Shanghai University of Finance and Economics and a Bachelor of Mathematics from Shandong University. He is a Certified Public Accountant in the U.S.

*Moran Amran.* Mrs. Amran has been the Company's Controller since 2011. In January 2019 Ms. Amran was appointed to serve as the Company's principal financial officer until Mr. Chen was promoted to the role in November 2021. From 2010 until 2011, she served as Financial Controller of the Global Consortium on Security Transformation, a global homeland security organization. From 2006 until 2007, she served as an assistant accountant for Agan Chemicals Ltd. Mrs. Amran holds a B.A. in Accounting and Business Management from The College of Management Academic Studies in Rishon LeZion, Israel, obtained an MBA from The Ono Academic College in Kiryat Ono, Israel and is a certified public accountant in Israel.

*Sir David Trippier, R.D.,J.P.,D.L* Until April 2011 Sir David Trippier was the Chairman of Cambridge shire Horizons, the company delivering sustainable development in the Cambridge Sub-region, and he was the Chairman of W H Ireland Group plc, Stockbrokers until May 2008 when the company was taken over by a consortium. He was until recently a Non-Executive Director of ITV Granada Television and has been a director or Chairman of several quoted companies. Sir David was



knighted by the Queen in July 1992 when he was 46 years of age. In 1994 he was appointed by the Council of the Stock Exchange to sit on the committee, which formulated and launched the Alternative Investment Market (AIM) in June 1995. Since 1992, he has been Chairman or main Board Director of three companies, which have floated on the Stock Exchange and are now in the Main List, and one that has floated on the AIM Market. He was born in May 1946, educated at Bury Grammar School and later was commissioned as an officer in the Royal Marines Reserve in which he has served for 30 years. He passed the Commando Course at the Commando Training Centre in Devon in 1969 and the following year qualified as a parachutist at RAF Abingdon. He subsequently qualified as a Company Commander at the School of Infantry at Warminster and later passed the Staff College Course at the Royal Naval College at Greenwich. He has served with 40 Commando Royal Marines in Singapore and Malaysia, 41 Commando in Malta and the 3rd Commando Brigade in Norway. He was awarded the Royal Marines Reserve Decoration in 1983. In January 1996, he was appointed Honorary Colonel of the Royal Marines Reserve in the Northwest by the Commandant General Royal Marines. He retired from that role in January 2010. At the age of 22, he was admitted to the Stock Exchange. He was also a director of a financial planning company as well as being a Stockbroker. He was a senior partner in Pilling Trippier & Co before it was taken over by Capel-Cure Myers whilst he was a Minister. He was elected to the Rochdale Metropolitan Borough Council in 1969. In 1975, he became the leader of the Council when he was 28 years of age and in the same year was appointed a magistrate. In 1979, he was elected as MP for Rosendale at the age of 32 and became MP for the new constituency of Rosendale and Darwen from 1983 to 1992. In 1982, Sir David was appointed Parliamentary Private Secretary to the then Minister for Health (Rt Hon Kenneth Clarke QC, MP). From June 1983 to September 1985, Sir David was the Minister for Small Firms and Enterprise at the Department of Trade and Industry. From September 1985 to June 1987, he was the Minister for Tourism, Small Firms and Enterprise in the Department of Employment. In 1987 he became the Minister for Housing, Inner Cities and Construction in the Department of the Environment. Later in 1989, he was promoted to become the Minister of State for the Environment and Countryside. As the “Green” Minister he was instrumental in negotiating the international agreements on Climate Change and Global Warming on behalf of the United Kingdom. In February 1994, he became a Deputy Lieutenant of Lancashire. In April 1997, he became High Sheriff of Lancashire for the year 1997/98. In 1999, he published his autobiography entitled “Lend Me Your Ears”. He became the President of the Manchester Chamber of Commerce for the year 1999-2000. He was the National Chairman of the Tidy Britain Group from 1996 to 1998. He became the President of the Royal Lancashire Show for the year 1999. Sir David became the Chairman of the North West of England Reserve Forces and Cadets Association from 2000 to 2008. He was the National Vice Chairman of the Council of Reserve Forces from 1999 to 2008 representing the Royal Marines. He served as the County Chairman for the St. John Ambulance in Lancashire from 2003 to 2007. He was the County President of the Royal British Legion in Lancashire from 2005 to 2008. He was the founder of the Rosendale Enterprise Trust and the Rosendale Groundwork Trust. He is the President Elect of the Soldiers, Sailors, Airmen and Families Association - Forces Help for Greater Manchester. In November 2006, Sir David won a National Award for “Outstanding Leadership” sponsored by the Daily Telegraph. He was nominated as one of 100 of Britain’s most influential men and women in the Public and Private Sectors. He is married and has three sons. His wife, Lady Ruth Trippier, is a practicing barrister on the Northern Circuit.

*Kenneth Denos.* Kenneth Denos has served as Tingo, Inc.’s Executive Vice President, General Counsel, and Corporate Secretary since September 2021. Since June 2005, Mr. Denos has been an officer and director of Equus Total Return, Inc. (NYSE: EQS), a closed-end fund traded on the New York Stock Exchange, serving as its President and CEO from 2007-09. He is also a founder and principal of Outsize Capital Ltd., an international corporate finance advisory firm based in London, and is the founder and Chairman of Kenneth I. Denos, P.C., a U.S.-based corporate and consumer law firm. Previously, Mr. Denos was the CEO of MCC Global NV, a Frankfurt stock exchange listed investment advisory firm based in London, and also served as a director and executive officer of two London Stock Exchange listed firms, Healthcare Enterprise Group plc and Tersus Energy plc. Mr. Denos has worked in the private equity and advisory industry for virtually his entire career, having served as a principal and/or advisor to private and public companies and funds in the Middle East, Europe, Africa, and North America. He holds a Bachelor of Science degree in Business Finance and Political Science from the University of Utah. He also holds a Master of Business Administration and a Juris Doctor from the University of Utah. We believe that Mr. Denos is well-qualified to serve on the board due to his extensive international legal and corporate governance background, as well as his financial services and investment experience.

*John J. Brown.* John J. Brown has served on the board of directors of Tingo, Inc. since September 2021. Since 2016, Mr. Brown has also been the Managing Partner of Sands Point Consulting, an advisor to entrepreneurs, founders, and senior corporate leaders to develop new business strategies for a rapidly changing market. From 2009 – 2016, he was the Group Managing Director and a member of the WMA Executive Committee for UBS Wealth Management Americas. From 1995-2000, Mr. Brown was the Managing Director and Global Head of Convertible Securities Trading at UBS, and from 1980-1995 and again from 2000-2009 he was a Managing Director for Merrill Lynch & Co., holding senior executive leadership positions at Merrill Lynch, most notably COO, Operations, Technology & Corp. Services Group. At Merrill Lynch, Mr. Brown managed a \$1 billion annual operating budget. He also served as the Head of US Equity Financing & CEO, Merrill Lynch Professional Clearing Corp in its Prime Broker Division. We believe Mr. Brown is well qualified to sit on our board due to his extensive experience at various positions at UBS and Merrill Lynch, as well, as his experience in developing new business strategies.

#### **Family Relationships**

There are no arrangements between our directors and any other person pursuant to which our directors were nominated or elected for their positions. There are no family relationships between any of our directors or executive officers.

#### **Corporate Governance**

Our board of directors is currently comprised of six directors. Mr. Mercer, our Chief Executive Officer is not independent as that term is defined under the Nasdaq Listing Rules. Each of our directors, other than Mr. Mercer, qualify as “independent” under the Nasdaq Listing Rules, and SEC rules with respect to members of boards of directors and our Audit Committee, Compensation Committee and Corporate Governance/Nominating Committee, and otherwise meet the Nasdaq corporate governance requirements.

As of April 2, 2020, the Board does not have a chairman. Recognizing that the Board is composed almost entirely of outside directors, in addition to the Board’s strong committee system (as described more fully below), we believe this leadership structure is appropriate for the Company and allows the Board to maintain effective oversight of management. On May 23, 2021, Mr. Scott was elected to serve as vice Chairman of the Board.

Our board of directors has three standing committees: the Compensation Committee, the Audit Committee and the Corporate Governance/Nominating Committee.

#### **Audit Committee**

The members of our Audit Committee are Mr. Benton, Sir David Trippier, R.D., J.P., D.L. and Mr. Scott. Mr. Benton is the Chairman of the Audit Committee, and our board of directors has determined that Mr. Benton is an “Audit Committee financial expert” and that all members of the Audit Committee are “independent” as defined by the rules of the SEC and the Nasdaq rules and regulations. The Audit Committee operates under a written charter that is posted on our website at [www.TINGO-GROUP-inc.com](http://www.TINGO-GROUP-inc.com). The primary responsibilities of our Audit Committee include:

- appointing, compensating and retaining our registered independent public accounting firm;

- overseeing the work performed by any outside accounting firm;
- assisting the board of directors in fulfilling its responsibilities by reviewing: (1) the financial reports provided by us to the SEC, our stockholders or to the general public and (2) our internal financial and accounting controls; and
- recommending, establishing and monitoring procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations.

#### **Compensation Committee**

The members of our Compensation Committee are Mr. Benton, Sir David Trippier, R.D.,J.P.,D.L and Mr. Scott. Mr. Scott is the Chairman of the Compensation Committee and our board of directors has determined that all of the members of the Compensation Committee are “independent” as defined by the rules of the SEC and Nasdaq rules and regulations. The Compensation Committee operates under a written charter that is posted on our website at [www.TINGO GROUP-inc.com](http://www.TINGO GROUP-inc.com). The primary responsibilities of our Compensation Committee include:

- reviewing and recommending to our board of directors of the annual base compensation, the annual incentive bonus, equity compensation, employment agreements and any other benefits of our executive officers;
- administering our equity-based compensation plans and exercising all rights, authority and functions of the board of directors under all of the Company’s equity compensation plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; and
- annually reviewing and making recommendations to our board of directors with respect to the compensation policy for such other officers as directed by our board of directors.

The Compensation Committee meets, as often as it deems necessary, without the presence of any executive officer whose compensation it is then approving. The Compensation Committee and the Company engaged or received advice from compensation consultant in 2022.

#### **Corporate Governance/Nominating Committee**

The members of our Corporate Governance/Nominating Committee are Mr. Benton, Sir David Trippier, R.D.,J.P.,D.L and Mr. Scott. Mr. Scott is the Chairman of the Corporate Governance/Nominating Committee and our board of directors has determined that all of the members of the Corporate Governance/Nominating Committee are “independent” as defined by Nasdaq rules and regulations. The Corporate Governance/Nominating Committee operates under a written charter that is posted on our website at [www.TINGO GROUP-inc.com](http://www.TINGO GROUP-inc.com). The primary responsibilities of our Corporate governance and Nominating Committee include:

- assisting the board of directors in, among other things, effecting board organization, membership and function including identifying qualified board nominees; effecting the organization, membership and function of board of directors committees including composition and recommendation of qualified candidates; establishment of and subsequent periodic evaluation of successor planning for the Chief Executive Officer and other executive officers; development and evaluation of criteria for board membership such as overall qualifications, term limits, age limits and independence; and oversight of compliance with applicable corporate governance guidelines; and
- identifying and evaluating the qualifications of all candidates for nomination for election as directors.

Potential nominees will be identified by the board of directors based on the criteria, skills and qualifications that will be recognized by the Corporate Governance/Nominating Committee. In considering whether to recommend any particular candidate for inclusion in the board of directors’ slate of recommended director nominees, our Corporate Governance/Nominating Committee will apply criteria including the candidate’s integrity, business acumen, knowledge of our business and industry, age, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. No particular criteria will be a prerequisite or will be assigned a specific weight, nor do we have a diversity policy. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will result in a well-rounded board of directors and allow the board of directors to fulfill its responsibilities.

There have not been any changes in our process for nominating directors.

#### **Delinquent Section 16(a) Reports**

Section 16(a) of the Exchange Act, requires our directors and executive officers, and anyone who beneficially owns ten percent (10%) or more of our Common Stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of Common Stock. Anyone required to file such reports also need to provide us with copies of all Section 16(a) forms they file.

Based solely upon a review of (i) copies of the Section 16(a) filings received during or with respect to 2021 and (ii) certain written representations of our officers and directors, we believe that all filings required to be made pursuant to Section 16(a) of the Exchange Act during and with respect to 2021 Please update were filed in a timely manner.

#### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to our directors, executive officers and all of our employees. The Code of Business Conduct and Ethics is available on our website at [www.TINGO GROUP.com](http://www.TINGO GROUP.com).

## **UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

### **Introduction**

On October 6, 2022, TINGO GROUP, Inc., a Delaware corporation (“TINGO GROUP” and f/k/a MICT, Inc.) entered into the Second Amended and Restated Merger Agreement (the “Second Amended Agreement”) with Tingo, Inc., a Nevada corporation (“Tingo” or the “Seller”), which amends the Amended and Restated Merger Agreement between the parties dated June 15, 2022 (the “Amended Agreement”).

In accordance with the Second Amended Agreement, (i) Tingo formed a British Virgin Islands company and wholly-owned subsidiary (“Tingo Sub”) and transferred into Tingo Sub all of its rights, title, interest and liabilities in all of its other subsidiaries (the Tingo Mobile business or “Tingo Mobile”), and (ii) TINGO GROUP formed a Delaware corporation and wholly-owned subsidiary (“Delaware Sub”) and caused Delaware Sub to form a British Virgin Islands company and wholly-owned subsidiary of Delaware Sub (“BVI Sub”).

On December 1, 2022, the transactions contemplated in the Second Amended Agreement were consummated (the “Closing”) and Tingo Sub merged with and into BVI Sub (the “Business Combination” and, together with the other transactions contemplated by the Second Amended Agreement, the “Transactions”), with the BVI Sub continuing as the surviving company in the Business Combination and a wholly-owned subsidiary of Delaware Sub.

As consideration for the Merger, the Seller received from TINGO GROUP, in the aggregate, (a) 25,783,675 shares of TINGO GROUP common stock equal to approximately 19.9% of the total issued and outstanding TINGO GROUP common stock; (ii) 2,604.28 shares of Series A Preferred Stock convertible into 26,042,808 shares of TINGO GROUP common stock equal to approximately 20.1% of the total issued and outstanding TINGO GROUP common stock; and (iii) 33,687.21 shares of Series B Preferred Stock convertible into 336,872,138 shares of TINGO GROUP Common Stock equal to approximately 35% of the total issued and outstanding TINGO GROUP common stock (collectively the “Merger Consideration”). The Series A Preferred Stock only automatically converts upon the approval of TINGO GROUP’s stockholders. The Series B Preferred Stock only automatically converts upon the approval of TINGO GROUP’s stockholders and upon Nasdaq’s approval of the change of control of TINGO GROUP.

Of the aggregate Merger Consideration, 5% of such common stock and preferred stock shall be held in escrow for a period of up to two years after the closing of the Business Combination and will serve as the sole source of payments for any obligations incurred by Tingo in relation to any indemnification claims.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 combines the historical consolidated statement of operations of TINGO GROUP for the year ended December 31, 2022 with the historical consolidated statement of operations of Tingo, Inc. for the year ended December 31, 2022 to give effect to the Business Combination. The Business Combination is reflected as if it had occurred on January 1, 2022.

## Accounting for the Merger

The financial statements of TINGO GROUP and Tingo, Inc. were prepared in accordance with United States generally accepted accounting principles. The Business Combination has been accounted for under the acquisition method in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 805 “Business Combinations” (“ASC 805”).

In accordance with ASC 805, the Company has determined that (a) both TINGO GROUP and Tingo Mobile represent businesses; (b) TINGO GROUP is the accounting acquirer, meaning the transaction is a forward acquisition; (c) Tingo Mobile is subject to acquisition accounting, with a write-up of its net assets to fair value; and (d) the difference between the fair value of the purchase consideration and the fair value of Tingo Mobile’s net assets represents goodwill. See TINGO GROUP’s Form 10-K for the year ended December 31, 2022 that was filed with the Securities and Exchange Commission on March 31, 2023 which presents the post-Business Combination balance sheet and details the preliminary acquisition accounting impact on that balance sheet.

TINGO GROUP has been determined to be the accounting acquirer based on management’s evaluation of the following facts and circumstances:

- TINGO GROUP’s existing shareholders will have the greatest voting power, initially with an 80.1% interest in the combined entity.
- TINGO GROUP will have the majority of the initial Board of Director representation (66.6%) as well as significant influence to elect future Board members; and
- TINGO GROUP’s senior management team, consisting of Darren Mercer, CEO and Kevin Chen, CFO, will be the senior management of the combined entity following the consummation of the Business Combination.

The unaudited pro forma adjustments give effect to events that are directly attributable to the Business Combination and are based on available data and certain assumptions that management believes are factually supportable.

The unaudited pro forma condensed combined financial information is presented for informational purposes only, in order to aid you in your analysis of the financial aspects of the Business Combination. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 has been derived from the historical financial statements of TINGO GROUP and Tingo, Inc.. The unaudited pro forma condensed combined statement of operations is based on TINGO GROUP’s accounting policies. Further review may identify additional differences between the accounting policies of TINGO GROUP and Tingo, Inc.. In addition, the acquisition accounting is preliminary and is adjustable during the twelve months following the Business Combination. The unaudited pro forma adjustments and the pro forma condensed combined statement of operations do not reflect the impact of synergies or post-transaction management actions and are not necessarily indicative of the financial position or results of operations that may have occurred had the Business Combination taken place on January 1, 2022, or of TINGO GROUP’s future financial position or operating results.

**TINGO GROUP, Inc.**  
**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the Year Ended December 31, 2022**  
**(In Thousands, Except Share and Loss Per Share Data)**

	Tingo Inc.				Transaction Accounting Adjustments	Pro Forma Combined
	Tingo Group, Inc.	As Reported	Autonomous Entity Adjustments	As Reclassified		
	Note A	\-----	---Note B---	-----/	Note C	
<b>Net Revenues</b>	\$ 146,035	\$ 989,216	\$ —	\$ 989,216	\$ —	\$ 1,135,251
Cost of revenues	81,243	30,027	359,290	389,317	—	470,560
Gross profit	64,792	959,189	(359,290)	599,899	—	664,691

<b>Operating Expenses:</b>						
Payroll and related expenses	—	55,530	(55,530)	—	—	—
Distribution expenses	—	1,173	(1,173)	—	—	—
Research and development expenses	1,689	—	—	—	—	1,689
Selling and marketing expenses	11,140	—	5,056	5,056	—	16,196
Professional fees	—	70,407	(70,407)	—	—	—
Consulting fees	—	—	—	—	—	—
Bank fees and charges	—	1,539	(1,539)	—	—	—
Depreciation and amortization	—	378,652	(378,652)	—	—	—
Amortization of intangible assets	5,590	—	1,024	1,024	26,573(a)	33,187
General and administrative	58,165	13,294	140,545	153,839	(84,694)(b)	127,310
Bad debt expenses	—	153	(153)	—	—	—
Total operating expenses	76,584	520,748	(360,829)	159,919	(58,121)	178,382
Income (loss) from operations	(11,792)	438,441	1,539	439,980	58,121	486,309
<b>Other Income (Expense):</b>						
Other income, net	2,151	1,774	—	1,774	—	3,925
Finance income (expense), net	(750)	(236)	(1,539)	(1,775)	—	(2,525)
Total other income	1,401	1,538	(1,539)	(1)	—	1,400
Income (loss) before income tax expense (benefit)	(10,391)	439,979	—	439,979	58,121	487,709
Income tax expense (benefit)	37,474	179,638	—	179,638	17,436(c)	234,548
Net income (loss)	(47,865)	260,341	—	260,341	40,685	253,161
Loss from equity investment	(746)	—	—	—	—	(746)
Net loss attributable to non-controlling stockholders	(1,542)	—	—	—	—	(1,542)
Net income (loss) attributable to TINGO GROUP	<u>\$ (47,069)</u>	<u>\$ 260,341</u>	<u>\$ —</u>	<u>\$ 260,341</u>	<u>\$ 40,685</u>	<u>\$ 253,957</u>
Net Income (Loss) Per Share – Basic	<u>\$ (0.36)</u>					<u>\$ 1.67</u>
Net Income (Loss) Per Share – Diluted	<u>\$ (0.36)</u>					<u>\$ 0.49</u>
<b>Weighted Average Common Shares Outstanding:</b>						
– Basic	129,345,764				22,453,284(d)	151,799,048
– Diluted	<u>129,345,764</u>				<u>386,573,593(d)</u>	<u>515,919,357</u>

See notes to the unaudited pro forma condensed combined statement of operations

### Basis of Presentation

The unaudited pro forma condensed combined statement of operations set forth herein is based upon the historical financial statements of Tingo Group and TMNA. The unaudited pro forma condensed combined statement of operations is presented as if the Business Combination had been completed on January 1, 2022.

The unaudited pro forma condensed combined statement of operations is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the business combination occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the Business Combination.

Pro forma adjustments reflected in the pro forma condensed combined statement of operations are based on items that are factually supportable and directly attributable to the Business Combination. The unaudited pro forma condensed combined statement of operations does not reflect the cost of any integration activities or benefits from the Business Combination, including potential synergies that may be generated in future periods.

### Transaction Accounting Adjustments

#### Unaudited Pro Forma Condensed Combined Statement of Operations For Year Ended December 31, 2022

The following pro forma adjustments give effect to the Business Combination (amounts are in thousands, except share and loss per share data)

- |        |  |
|--------|--|
| Note A | Derived from the audited consolidated statement of operations of Tingo Group for the year ended December 31, 2022, which is included in this filing.   |
| Note B | Derived from the audited consolidated statement of operations of TMNA for the eleven months ended November 30, 2022, which is included in this filing. In addition, certain operating expense reclassifications were made in order to state the TMNA operating expenses consistent with the operating expense presentation of Tingo Group (the accounting acquirer). |

#### Adjustments:

- |        |   |
|--------|---|
| Note C | a) The increase of the identified Tingo Mobile intangible assets to fair value (based on the preliminary purchase price allocation) resulted in \$26,573 of incremental amortization of such intangible assets over their useful lives for the eleven months ended November 30, 2022. |
|--------|---|

- b) The historical TMNA statement of operations for the eleven months ended November 30, 2022, included aggregate stock-based compensation of \$111,575, of which \$84,694 didn't relate to the Tingo Mobile and was excluded from the pro forma combined statement of operations. The remaining \$26,881 of stock-based compensation is included in the pro forma combined income statement for the year ended December 31, 2022, pursuant to the rules of the Securities and Exchange Commission related to the preparation of pro forma financial statements. Tingo Group did not assume the Tingo Mobile stock-based compensation awards in the Business Combination. Post-Business Combination, the former Tingo Mobile employees and consultants may receive new stock-based compensation awards, but management doesn't currently expect the near-term stock-based compensation expense to approach the magnitude of the stock-based compensation recorded in TMNA's historical income statement for the eleven months ended November 30, 2022.
- c) The aforementioned adjustments were tax effected using Tingo, Inc.'s 30% statutory tax rate.

## Table of Contents

- d) Basic weighted average shares outstanding increased by the 22,453,284 share eleven-month effect of the immediate issuance of 24,494,491 shares of common stock to Tingo, Inc. (95% of the 25,783,675 shares of common stock transferable to Tingo, Inc. as Merger Consideration). The other 1,289,184 shares of common stock (the "Escrowed Shares", which represent 5% of the total transferable shares) have been escrowed for up to two years and are subject to indemnification claims. The Escrowed Shares are not includable in basic weighted average shares until the contingency is resolved.

Also, diluted weighted average shares outstanding increased by 386,573,593 shares, including the effect of 388,698,621 shares of common stock equivalents transferable to Tingo, Inc. as Merger Consideration), less the 2,125,028 share impact of the common stock transferred to Tingo, Inc. that is already included in basic weighted average shares outstanding.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

### Introduction

On February 9, 2023, Tingo Group, Inc., a Delaware corporation ("Tingo Group", the "Company" or the "Buyer") and MICT Fintech Ltd., an indirect wholly-owned subsidiary of the Company organized under the laws of the British Virgin Islands ("MCT Fintech") purchased from Dozy Mmobuosi (the "Seller") 100% of the ordinary shares of Tingo Foods PLC ("Tingo Foods") (the "Acquisition"). Mr. Mmobuosi is the majority shareholder, Chairman and Chief Executive Officer of Tingo, Inc., a Nevada corporation ("TMNA"). TMNA currently owns (i) 25,783,675 shares of Tingo Group common stock equal to approximately 19.9% of the total issued and outstanding Tingo Group common stock; (ii) 2,604.28 shares of Tingo Group Series A Preferred Stock convertible upon certain conditions into 26,042,808 shares of Tingo Group common stock equal to approximately 20.1% of the total issued and outstanding Tingo Group common stock; and (iii) 33,687.21 shares of Tingo Group Series B Preferred Stock convertible upon certain conditions into 336,872,138 shares of Tingo Group common stock equal to approximately 35% of the total issued and outstanding Tingo Group common stock.

As consideration for the Acquisition, Tingo Group agreed to pay Mr. Mmobuosi, a purchase price equal to the cost value of Tingo Foods' stock, which will be satisfied by the issuance of a secured promissory note (the "Promissory Note") in the amount of US\$204,000,000 and certain undertakings and obligations of the Tingo Group. The Promissory Note is for a term of two years with an interest rate of 5%. MICT Fintech agreed to certain covenants with respect to its ability to incur additional debt or create additional liens. The Acquisition will not result in any new issuance of Tingo Group common stock, nor of any instruments convertible into shares of Tingo Group.

Additionally, Tingo Foods has agreed to enter into a joint venture with Mr. Mmobuosi to construct a state-of-the-art \$1.6 billion food processing facility in the Delta State of Nigeria, which is expected to multiply the size of the processing capacity and revenues of Tingo Foods, following its expected completion by the end of the first half of 2024. Mr. Mmobuosi, as the owner of the land on which the food processing facility is to be located, has committed to finance the construction of the property shells, whereas Tingo Foods has agreed to undertake the fit out and the installation of the mechanized equipment for the specialized operations of the food processing facility. Mr. Mmobuosi has committed to provide Tingo Foods with a long-term lease with respect to the land and property and at the same time Tingo Foods has committed to operate the food processing facility.

The unaudited pro forma condensed combined balance sheet as of December 31, 2022 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022, combine the historical financial statements of Tingo Group with the historical financial statements of Tingo Foods to give effect to the Business Combination. The Business Combination is reflected as if it had occurred on January 1, 2022 with respect to the unaudited pro forma condensed combined statement of operations and on December 31, 2022 with respect to the unaudited pro forma condensed combined balance sheet.

### Accounting for the Merger

The financial statements of Tingo Group and Tingo Foods were prepared in accordance with United States generally accepted accounting principles. Notwithstanding the legal form of the Securities Purchase Agreement, the business combination will be accounted for under the acquisition method in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 805 "Business Combinations" ("ASC 805").

In accordance with ASC 805, the Company has determined that (a) both Tingo Group and Tingo Foods represent businesses; (b) Tingo Group is the accounting acquirer, meaning the transaction is a forward acquisition; (c) Tingo Foods is subject to acquisition accounting, with a write-up of its net assets to fair value; and (d) the difference between the fair value of the purchase consideration and the fair value of Tingo Foods' net assets represents goodwill.

Tingo Group has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Tingo Group's existing shareholders will retain their full equity interests in the combined entity, because the Seller will not receive any additional equity interests.
- Tingo Group will retain their full Board of Director representation; and
- Tingo Group's senior management team, consisting of Darren Mercer, CEO and Kevin Chen, CFO, will be the senior management of the combined entity following the consummation of the Business Combination.

The unaudited pro forma condensed combined financial information should be read in conjunction with the audited financial statements of both Tingo Group and Tingo Foods.

The unaudited pro forma adjustments give effect to events that are directly attributable to the proposed transaction and are based on available data and certain assumptions that management believes are factually supportable.

The unaudited pro forma condensed combined financial information is presented for informational purposes only, in order to aid you in your analysis of the financial aspects of the proposed transaction. The unaudited pro forma condensed combined financial information described above has been derived from the historical audited financial statements of Tingo Group and Tingo Foods. The unaudited pro forma condensed combined financial information is based on Tingo Group's accounting policies. Further review may identify additional differences between the accounting policies of Tingo Group and Tingo Foods. The unaudited pro forma adjustments and the pro forma condensed combined financial information do not reflect the impact of synergies or post-transaction management actions and are not necessarily indicative of the financial position or results of operations that may have occurred had the transactions taken place on the dates noted, or of Tingo Group's future financial position or operating results.

**TINGO GROUP, INC**  
**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of December 31, 2022**  
**(In Thousands)**

	<b>Tingo Group, Inc.</b>	<b>Tingo Foods, PLC</b>	<b>Transaction Accounting Adjustments</b>	<b>Pro Forma Combined</b>
	<b>Note A</b>	<b>Note B</b>	<b>Note C</b>	
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 500,316	\$ 54,733	\$ (100)(c)	\$ 554,949
Trade accounts receivable, net	11,541	—	—	11,541
Inventories	—	201,100	—	201,100
Related party receivables	13,491	—	—	13,491
Other current assets	5,828	264	—	6,092
<b>Total Current Assets</b>	<b>531,176</b>	<b>256,097</b>	<b>(100)</b>	<b>787,173</b>
Property and equipment, net	855,125	12,803	—	867,928
Intangible assets, net	185,407	—	147,767(a)	333,174
Goodwill	101,247	—	61,840(a)	163,087
Right-of-use assets under operating lease	2,260	—	—(d)	2,260
Long-term deposit and other non-current assets	514	—	—	514
Deferred tax assets	3,661	—	—	3,661
Restricted cash escrow	2,233	—	—	2,233
Micronet Ltd. equity method investment	735	—	—	735
<b>Total long-term assets</b>	<b>1,151,182</b>	<b>12,803</b>	<b>209,607</b>	<b>1,373,592</b>
<b>Total Assets</b>	<b>\$ 1,682,358</b>	<b>\$ 268,900</b>	<b>\$ 209,507</b>	<b>\$ 2,160,765</b>
<b>Liabilities, Temporary Equity and Stockholders' Equity</b>				
Current Liabilities:				
Short-term loan	\$ 460	\$ —	\$ —	\$ 460
Trade accounts payable	11,092	201,100	—	212,192
Deposit held on behalf of clients	2,528	—	—	2,528
Related party payables	57,506	—	—	57,506
Current operating lease liability	1,215	—	—(d)	1,215
Other current liabilities	192,594	29,077	—	221,671
<b>Total current liabilities</b>	<b>265,395</b>	<b>230,177</b>	<b>—</b>	<b>495,572</b>
Long term loan	377	—	204,000(a)	204,377
Long term operating lease liability	905	—	—(d)	905
Deferred tax liabilities	89,597	—	44,330(a)	133,927
Accrued severance pay	50	—	—	50
<b>Total long-term liabilities</b>	<b>90,929</b>	<b>—</b>	<b>248,330</b>	<b>339,259</b>
<b>Total liabilities</b>	<b>356,324</b>	<b>230,177</b>	<b>248,330</b>	<b>834,831</b>
Preferred stock Series B subject to redemption	553,035	—	—	553,035
Stockholders' Equity:				
Preferred stock Series A	3	—	—	3
Common stock	158	2,000	(2,000)(b)	158
Additional paid in capital	889,579	2,718	(2,718)(b)	889,579
Accumulated other comprehensive income (loss)	4,367	(1,068)	1,068(b)	4,367
Accumulated earnings (deficit)	(123,463)	35,073	(35,173)(b)(c)	(123,563)
<b>Sub-total</b>	<b>770,644</b>	<b>38,723</b>	<b>(38,823)</b>	<b>770,544</b>
<b>Non-controlling interests</b>	<b>2,355</b>	<b>—</b>	<b>—</b>	<b>2,355</b>

Total Stockholders' Equity	772,999	38,723	(38,823)	772,899
Total Liabilities, Temporary Equity and Stockholders' Equity	\$ 1,682,358	\$ 268,900	\$ 209,507	\$ 2,160,765

See notes to unaudited pro forma condensed combined financial information.

119

**TINGO GROUP, INC.**  
**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the Year Ended December 31, 2022**  
**(In Thousands, Except Share and Loss Per Share Data)**

	Tingo Group, Inc.	Tingo Foods, PLC	Transaction Accounting Adjustments	Pro Forma Combined
	Note A	Note B	Note C	
<b>Net Revenues</b>	\$ 146,035	\$ 466,171	\$ —	\$ 612,206
Cost of revenues	81,243	269,743	—	350,986
Gross profit	64,792	196,428	—	261,220
<b>Operating Expenses:</b>				
Research and development	1,689	—	—	1,689
Selling and marketing	11,140	140,298	—	151,438
General and administrative	58,165	5,472	—	63,637
Amortization of intangible assets	5,590	—	18,471(a)	24,061
Total operating expenses	76,584	145,770	18,471	240,825
Profit (loss) from operations	(11,792)	50,658	(18,471)	20,395
<b>Other Income (Expense):</b>				
Other income, net	2,151	—	—	2,151
Finance income (expense), net	(750)	(554)	(10,200)(c)	(11,504)
Total other income (expense)	1,401	(554)	(10,200)	(9,353)
Profit (loss) before income tax expense (benefit)	(10,391)	50,104	(28,671)	11,042
Income tax expense (benefit)	37,474	15,031	(5,541)(b)	46,964
Net profit (loss)	(47,865)	35,073	(23,130)	(35,922)
Loss from equity investment	(746)	—	—	(746)
Net loss attributable to non-controlling stockholders	(1,542)	—	—	(1,542)
Net profit (loss) attributable to TINGO GROUP	\$ (47,069)	\$ 35,073	\$ (23,130)	\$ (35,126)
Net Profit (Loss) Per Share – Basic and Diluted	\$ (0.36)			\$ (0.27)
Weighted Average Common Shares Outstanding: – Basic and Diluted	129,345,764			129,345,764

See notes to the unaudited pro forma condensed combined financial information

120

**Basis of Presentation**

The unaudited pro forma condensed combined financial information set forth herein is based upon the historical audited financial statements of Tingo Group and Tingo Foods. The unaudited pro forma condensed combined financial information is presented as if the Business Combination had been completed on January 1, 2022 with respect to the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 and on December 31, 2022 in respect of the unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the business combination occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the business combination.

Pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are based on items that are factually supportable and are directly attributable to the Business Combination. Pro forma adjustments reflected in the pro forma condensed combined statement of income are based on items that are factually supportable and directly attributable to the Business Combination. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the Business Combination, including potential synergies that may be generated in future periods.

**Transaction Accounting Adjustments (USD in thousands)**

**Unaudited Pro Forma Condensed Combined Balance Sheet — As of December 31, 2022**

The following pro forma adjustments give effect to the business combination.

Note A Derived from the audited consolidated balance sheet of Tingo Group as of December 31, 2022, which is included in this filing.

Note B Derived from the audited balance sheet of Tingo Foods as of December 31, 2022, which is included in this filing.

*Adjustments to balance sheet:*

Note C (a) It was determined that Tingo Group was the accounting acquirer and Tingo Foods was the accounting acquiree. The preliminary purchase price allocation is as follows:	
Merger consideration	\$ 204,000
Less: Acquired tangible net assets	38,723
Excess purchase price	165,277
Fair value adjustments:	
Intangible – customer relationships	\$ 125,670
Intangible – trade names and trade marks	22,097
Intangibles – total	147,767
Deferred tax liabilities	(44,330)
Total fair value adjustments	103,437
Goodwill	\$ 61,840

The merger consideration represents a secured two-year Promissory Note issued by the Buyer to the Seller whose \$204,000 principal amount was deemed to approximate their fair value, assuming for the purpose of the pro forma, its issuance with a market rate of interest.

The pro forma adjustments give effect to the forward acquisition accounting, and specifically (a) to recognize \$147,767 of Tingo Foods' identified intangible assets (including \$125,670 of customer relationships with an 8-year useful life and \$22,097 of trade names and trademarks with an 8-year useful life; (b) to recognize \$44,330 of Tingo Foods' deferred tax liabilities (associated with the identified intangible assets); (c) to recognize Tingo Foods' goodwill of \$61,840; and (d) to recognize the issuance of the \$204,000 Promissory Note to the accounting acquiree.

- (b) To derecognize Tingo Foods' historical equity.
- (c) To give effect to the approximately \$100 of Tingo Group post-December 31, 2022 merger expenses that were incurred, by (1) crediting cash; and (2) debiting accumulated earnings (deficit).
- (d) The Securities Purchase Agreement calls for Tingo Foods to execute a long-term lease with the Seller of the real property and improvements on approximately 400 hectares in the Delta State of Nigeria, including the facilities being constructed thereupon, utilized by Tingo Foods. However, the long-term lease agreement has yet to be drawn up and agreed. Upon execution, the long-term lease will be accounted for in accordance with ASC 842 and will result in the recording of a right-of-use asset and the corresponding operating lease liabilities.

**Unaudited Pro Forma Condensed Combined Statement of Operations For The Year Ended December 31, 2022**

Note A Derived from the audited consolidated statement of operations of Tingo Group for the year ended December 31, 2022, which is included in this filing.

Note B Derived from the audited statement of operations of Tingo Foods for the year ended December 31, 2022, which is included in this filing.

*Adjustments to Statement of Operations:*

Note C	
a)	The increase of the identified Tingo Foods intangible assets to fair value (based on the preliminary purchase price allocation) resulted in \$18,471 of amortization of such definite-lived intangible assets over their useful lives for the year ended December 31, 2022.
b)	The identified definite-lived intangible assets of Tingo Foods resulted in the recognition of deferred tax liabilities. Such deferred tax liabilities resulted in the recognition of \$5,541 of deferred tax benefits for the year ended December 31, 2022, which is directly associated with the recognition of the incremental amortization of Tingo Foods' intangible assets.
c)	To give effect to \$10,200 of pro forma annual interest expense that is payable in connection with the Promissory Note that was issued by the Buyer as merger consideration.

**TRANSACTIONS WITH RELATED PERSONS**

On January 1, 2021, we entered into a transaction through our wholly-owned subsidiary, Bokefa, with the shareholders of Guangxi Zhongtong Insurance Agency Co., Ltd ("Guangxi Zhongtong"), a local Chinese entity with business and operations in the insurance brokerage business. Pursuant to the transaction, we loaned the Guangxi Zhongtong shareholders through a frame work loan (the "GZ Frame Work Loan") the amount of up to RMB 40 million (approximately \$6,125,000) ("GZ Frame Work Loan Amount") which is designated, if exercised, to be used as a working capital loan for Guangxi Zhongtong. As of December 31, 2022, only RMB 8,010,000 (approximately \$1,243,000) was drawn down from the GZ Frame Work Loan for working capital and approximately \$522,000 was drawn down for loans to shareholders of Guangxi Zhongtong (as stipulated in the agreement). In consideration for the GZ Frame Work Loan, the parties entered into various additional agreements which include: (i) a pledge agreement pursuant to which the shareholders have pledged their shares for the benefit of Bokefa in order to secure the GZ Frame work Loan Amount (ii) an exclusive option agreement pursuant to which Bokefa has an exclusive option to purchase the entire issued and outstanding common shares of Guangxi Zhongtong from the shareholders ("Option Agreement") under such terms set forth therein (which include an exercise price not less than the maximum GZ Frame Work Loan Amount and the right to convert the GZ Frame Work Loan Amount into the purchased shares) (iii) an entrustment agreement and power of attorney agreement pursuant to which the shareholders irrevocably entrusted and appointed Tianjin Bokefa as their 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) a business cooperation agreement and a master exclusive service agreement which grants Bokefa rights related to Guangxi Zhongtong's business and operations in order to secure repayment of the GZ Frame Work Loan Amount.



On July 1, 2021, Bokefa entered into a transaction with the shareholders of All Weather Insurance Agency Co., Ltd (“All Weather”), Pursuant to the Transaction, Bokefa agreed to provide the All Weather shareholders with a frame work loan (the “AW Frame Work Loan”) for a total amount of up to RMB 30 million (approximately \$4.7 million) (the “AW Frame Work Loan Amount”) which, if utilized, will be used for working capital purposes of All Weather. In consideration for the AW Frame Work Loan, the parties entered into various additional agreements which include: (i) a pledge agreement pursuant to which the shareholders pledged their shares for the benefit of Bokefa in order to secure the amount for the AW Frame Work Loan Amount (ii) an exclusive option agreement pursuant to which Bokefa has an exclusive option to purchase the entire issued and outstanding common shares of All Weather from the Shareholders (“Option Agreement”) under such terms set forth in the Option Agreement (which include an exercise price not less than the maximum AW Frame Work Loan Amount and the right to convert the AW Frame Work Loan Amount into the purchased shares) (iii) an entrustment agreement and power of attorney agreement pursuant to which the shareholders irrevocably entrusted and appointed Bokefa as their proxy and trustee to exercise on their behalf any and all rights under applicable law and the articles of association of All Weather in the shareholder’s equity interest in All Weather and (iv) a business cooperation agreement and a master exclusive service agreement which grants Bokefa rights related to All Weather’s business and operations in order to secure repayment of the AW Frame Work Loan Amount. The Transaction was structured as a VIE structure (pursuant to which we do not technically hold the shares) and as a result of our direct ownership in Bokefa and its contractual arrangements with All Weather, we are regarded as All Weather’s controlling entity and the primary beneficiary of All Weather’s business. On October 27, 2021, the entire AW Frame Work Loan Amount of \$4.7 million was transferred to the shareholders and \$2.7 million was transferred back to All Weather for purposes of working capital. In addition, as of December 31, 2022, the Company has outstanding receivables from the shareholder of All Weather in the sum of approximately \$4,603,000. The fund was provided in 2021 in advance to a transaction between the parties pursuant to which the VIE structure described above shall be replaced by an equity structure for purchase by TINGO GROUP of such equity interests in All Weather on such commercial and other terms to be agreed by the parties.

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 was approved at a general meeting of the Micronet shareholders and as a result, the Convertible Loan and the transactions contemplated thereby became effective. The loan was repaid on January 4, 2022.

On May 13, 2022, the Company and TMNA executed a loan agreement pursuant to which the Company agreed to loan TMNA (“Maker”) a sum of \$3,000,000 (the “Note” and “Loan” respectively). The Loan bears an annual interest of 5%. The principal balance of the Loan and any accrued and unpaid interest due under the Note shall be due and payable on May 10, 2024 (“Initial Maturity Date”). The principal balance may be prepaid at any time by Maker without penalty.

On July 28, 2022, the Company agreed to replace the Note with a new note (“New Note”), pursuant to which the amount of the Loan granted under the New Note is \$3,500,000, with all other terms remaining in effect without a change.

On September 28, 2022, the Company agreed to replace the New Note with a second new note (“Second New Note”), pursuant to which the amount of the Loan granted under the New Note is \$3,700,000, with all other terms remaining in effect without a change.

On October 6, 2022, the Company agreed to replace the Second New Note with a third new Note (“Third New Note”) in the aggregate principal amount of \$23,700,000 with all other terms remaining in effect without a change.

On October 15, 2022, TMNA extended a loan to Tingo Mobile in the aggregate principal amount of \$15,866,000 (“Tingo Mobile Loan”). The Tingo Mobile loan bears interest at 5% per annum and matures on May 10, 2024.

On December 21, 2022, the Company and its subsidiary, MICT Fintech executed a loan agreement pursuant to which the Company agreed to loan MICT Fintech a sum of \$10,000,000, with interest charged at a rate of 10% per annum. The principal balance of the loan and any accrued and unpaid interest shall be due and payable on December 31, 2023. On the same date, MICT Fintech loaned \$10,000,000 to its subsidiary, Tingo Mobile, with interest charged at a rate of 25% per annum. The principal balance of this loan and any accrued and unpaid interest shall also be due and payable on December 31, 2023. The purpose of the loan is to fund costs relating to the purchase of smartphone handsets to be provided under operating lease agreements to two key customers of Tingo Mobile and Tingo Ghana Limited, which in turn is expected to facilitate a number of business revenue streams for Tingo Mobile and Tingo Ghana Limited, including but not limited to operating lease revenues, platform transaction revenues, product sale commissions and commodity export revenues.

*Overview.* On February 9, 2023, the Company and MICT Fintech acquired from Dozy Mmobuosi, Tingo Mobile Founder and Chief Executive Officer all of the outstanding share capital of Tingo Foods PLC (“Tingo Foods”), a Nigerian public limited company that has operated in the food processing industry since its inception in September 2022. As part of its expansion strategy, Tingo Foods plans to fit out operate a state-of-the-art food processing facility in the Delta State of Nigeria, which is expected to be the largest of its kind in Africa, and scheduled for completion by the end of the first half of 2024.

*Consideration Provided.* As consideration for Tingo Foods, we issued Mr. Mmobuosi a senior secured promissory note in the principal amount of \$204 million, bearing interest at 5.0% per annum and maturing in 24 months. In addition, we also agreed to fit out the Tingo Foods facility with the necessary processing equipment and further agreed to require Tingo Foods to enter into a long-term ground lease for the facility, with lease payments to commence when the facility becomes operational.

#### Current assets – related parties

	December 31, 2022	December 31, 2021
<b>(USD in thousands)</b>		
Shareholders of All Weather	\$ 4,603	\$ 3,680
Beijing Fucheng Prospect Technology Co., Ltd	267	
Loan to Tingo inc.	8,099	
Convertible loan to Micronet	-	535
Shareholders of Guangxi Zhongtong	522	919

\$	13,491	\$	5,134
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#### Current liabilities – related parties

	December 31, 2022	December 31, 2021
<b>(USD in thousands)</b>		
Shareholders of Bokefa Petroleum and Gas	\$ 308	\$ -
Shareholders of All Weather	659	4
Shareholders of Tingo Mobile Limited	56,539	-
	<u>\$ 57,506</u>	<u>\$ 4</u>

125

### COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

#### **Executive Compensation**

The following Summary of Compensation table sets forth the compensation paid by our Company during the two years ended December 31, 2022 and 2021, to all Executive Officers earning in excess of \$100,000 during any such year.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Option Awards <sup>(3)</sup>	Stock Based Awards <sup>(5)</sup>	All Other Compensation <sup>(4)</sup>	Total
Darren Mercer	2021	\$ 571,251	\$ 913,125	\$ -	\$ 8,580,000	\$ 196,074	\$ 10,260,450
Chief Executive Officer <sup>(7)</sup>	2022	\$ 800,000	\$ 999,875	\$ -	\$ 2,145,600	\$ 229,362	\$ 4,174,837
Hao (Kevin) Chen <sup>(6)</sup>	2021	\$ 141,000	\$ -	\$ -	\$ -	\$ -	\$ 141,000
Chief Financial Officer	2022	\$ 216,000	\$ -	\$ -	\$ 53,640	\$ -	\$ 269,640
Moran Amran	2021	\$ 232,013	\$ 116,795	\$ 153,744	\$ -	\$ 17,082	\$ 519,634
Controller	2022	\$ 244,310	\$ 90,000	\$ 201	\$ 21,456	\$ 21,488	\$ 377,455

(1) Salary paid partly in NIS and partly in U.S. dollars. The amounts are converted according to the average foreign exchange rate U.S. dollar/NIS for 2022 and 2021, respectively.

(2) Represents discretionary bonus in connection with the performance and achievements of TINGO GROUP.

(3) The fair value recognized for such option awards was determined as of the grant date in accordance with Accounting Standards Codification, or ASC, Topic 718. Assumptions used in the calculations for these amounts are included in Note 3 to the consolidated financial statements for the year ended December 31, 2020 included elsewhere in this Annual Report.

(4) Includes the following: pay-out of unused vacation days, personal use of company car (including tax gross-up), personal use of company cell phone, contributions to manager's insurance (retirement and severance components), contributions to advanced study fund, recreational allowance, premiums for disability insurance and contributions to pension plan.

(5) The Company accounts for stock-based compensation under the fair market value method under which compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period.

(6) On November 29, 2021, the board of directors of TINGO GROUP, promoted Hao (Kevin) Chen, its Financial controller of its China business to serve as the Chief Financial Officer of the Company.

(7) Effective on October 2021, the board of directors approved Darren Mercer's new employment terms inclusive of an annual base salary of \$800,000.

126

#### **Employment Agreements**

##### *Darren Mercer*

Effective October 2021, the board of directors approved Darren Mercer's new employment terms as follows: (i) an annual base salary fee will be \$800,000 and, (ii) a total annual bonus in accordance with the bonus program adopted by the Company from time-to-time. The target bonus amount for Mr. Mercer's work in the calendar year 2021 was \$713,000. The Target Bonus Amount for 2022, 2023, and 2024 shall be \$1,200,000. Which Executive works for the Company outside the United Kingdom for at least five days.

All other terms of Mr. Mercer's employment agreement, as amended, remain in full force and effect.

##### *Hao Chen*

On November 29, 2021, the board of directors of TINGO GROUP promoted Hao (Kevin) Chen, its Financial controller of its China business to serve as the Chief Financial Officer of the Company. The Company and Mr. Chen are finalizing the negotiation of Mr. Chen's employment agreement and will file such agreement when available.

None of our employees is subject to a collective bargaining agreement.

#### **Outstanding Equity Awards**

During 2022, no options and shares were issued to our directors, officers and employees under our 2012 Incentive Plan.

During 2022, TINGO GROUP issued 6,612,500 shares of common stock to our directors, officers and employees under our 2020 Incentive Plan out of which 4,000,000 shares of common stock were issued to Darren Mercer (which shall be released/vest subject to satisfaction of applicable performance conditions) under our 2020 Incentive Plan.

## Director Compensation

The following table summarizes the compensation paid to non-employee directors during the year ended December 31, 2022.

Name <sup>(1)</sup>	Fees Earned or paid in cash (\$) <sup>(6)</sup>	Option Awards (\$) <sup>(2)(3)(4)</sup>	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Yehezkel (Chezy) Ofir <sup>(2)</sup>	\$ 45,000	\$ 10,322	\$ 59,004	\$ -	\$ 114,326
Sir David Trippier <sup>(5)</sup>	\$ 28,750	\$ -	\$ 21,456	\$ -	\$ 50,206
Robert Benton <sup>(3)</sup>	\$ 45,000	\$ 27,525	\$ 21,456	\$ -	\$ 93,981
John McMillan Scott <sup>(4)</sup>	\$ 55,000	\$ 55,050	\$ 107,280	\$ 334	\$ 217,664

- (1) The fair value recognized for such option awards was determined as of the grant date in accordance with ASC Topic 718. Assumptions used in the calculations for these amounts are included in Note 3 to our consolidated financial statements for the year ended December 31, 2022 included elsewhere in this Annual Report.
- (2) As of December 31, 2022, Professor Yehezkel (Chezy) Ofir, held options to purchase 30,000 shares, the options to purchase 30,000 shares were granted to him on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 22,500 of the options have vested. As of December 31, 2022, Professor Yehezkel (Chezy) Ofir, held 235,000 shares, out of which 110,000 were granted to him on May 10, 2022.
- (3) As of December 31, 2022, Mr. Robert Benton, held options to purchase 80,000 shares, the options to purchase 80,000 shares were granted to him on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 60,000 of the options have vested. As of December 31, 2022, Mr. Robert Benton, held 40,000 shares, out of which 40,000 were granted to him on May 10, 2022.
- (4) As of December 31, 2022, Mr. John McMillan Scott held options to purchase 160,000 shares, the options to purchase 160,000 shares were granted to him on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 120,000 of the options have vested. As of December 31, 2022, Mr. John McMillan Scott, held 300,000 shares, out of which 200,000 were granted to him on May 10, 2022.
- (5) As of December 31, 2022, Sir David Trippier held no options to purchase shares. As of December 31, 2022, Sir David Trippier, held 40,000 shares, out of which 40,000 were granted to him on May 10, 2022.
- (6) For the year ended December 31, 2022, we paid an aggregate amount of \$173,750 to our directors as Compensation for serving on our board of directors. Independent directors received \$30,000 fixed annual fees plus \$ 5,000 fixed fee for membership in each committee, the vice chairman of the board received an additional fixed annual fee of \$ 10,000 in salary.

Other than as described above, we have no present formal plan for compensating our directors for their service in their capacity as directors. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. The board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director. Other than indicated above, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments during 2021.

## BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS, OFFICERS AND DIRECTORS

The following table sets forth information regarding the beneficial ownership of our common stock as of May 30, 2023 based on information obtained from the persons named below, with respect to the beneficial ownership of shares of our common stock, by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our executive officers and directors that beneficially owns shares of our common stock; and
- all our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or will become exercisable within 60 days. Except as described in the footnotes below and subject to applicable community property laws and similar laws, we believe that each person listed below has sole voting and investment power with respect to such shares.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned <sup>(1)</sup>
<b>5% Stockholders</b>		
Tingo, Inc. <sup>(1)</sup>	25,783,675	12.42%
Darren Mercer	18,820,939	9.07%
<b>Directors and Named Executive Officers</b>		

Moran Amran <sup>(2)</sup>	412,500	*
Yehezkel (Chezy) Ofir <sup>(3)</sup>	235,000	*
Darren Mercer	18,820,939	9.07%
John McMillan Scott <sup>(4)</sup>	570,000	*
Robert John Benton <sup>(5)</sup>	180,000	*
Hao (Kevin) Chen <sup>(6)</sup>	330,000	*
Sir David Trippier <sup>(7)</sup>	100,000	*
Kenneth Denos	45,000	—
John Brown	45,000	—
Directors and executive officers as a group (9 persons) <sup>(8)</sup>	20,738,439	9.07%

\* Less than one percent

(1) Applicable percentage ownership is based on 207,587,256 shares of common stock outstanding as of May 23, 2023, together with securities exercisable or convertible into shares of common stock within 60 days of May 23, 2023 for each stockholder. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock that are currently exercisable or exercisable within 60 days of May 23, 2023 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Does not include 26,042,808 shares of common stock underlying shares of Series A Preferred Stock and 336,872,138 shares of common stock underlying shares of Series B Preferred Stock held by Tingo, Inc.. The conversion of each of the Series A Preferred Stock and Series B Preferred Stock is subject to the approval of TINGO GROUP's stockholders and the conversion of the Series B Preferred Stock is further subject to the approval of Nasdaq of a Change of Control application with respect to the TINGO GROUP acquisition of Tingo Mobile.

(2) Consists of 287,500 shares of common stock and 125,000 shares of common stock issuable upon the exercise of stock options owned by Mrs. Amran.

(3) Consists of 235,000 shares of common stock owned by Mr. Ofir.

(4) Consists of 410,000 shares of common stock and 160,000 shares of common stock issuable upon the exercise of stock options owned by Mr. Scott.

(5) Consists of 100,000 shares of common stock and 80,000 shares of common stock issuable upon the exercise of stock options owned by Mr. Benton.

(6) Consists of 330,000 shares of common stock owned by Mr. Hao.

(7) Consists of 100,000 shares of common stock owned by Sir David Trippier.

(8) Consists of 45,000 shares of common stock owned by Kenneth Denos.

(9) Consists of 45,000 shares of common stock owned by John Brown.

(10) Consists of 365,000 shares of common stock issuable upon the exercise of stock options beneficially owned by the referenced persons.

129

## Securities Authorized For Issuance Under Equity Compensation Plans

2012 Plan: Our 2012 Stock Incentive Plan (the "2012 Incentive Plan") was initially adopted by the Board on November 26, 2012 and approved by our stockholders on January 7, 2013 and subsequently amended on September 30, 2014, October 26, 2015, November 15, 2017 and November 8, 2018. Under the 2012 Incentive Plan, as amended, up to 5,000,000 shares of our Common Stock, are currently authorized to be issued as shares or options. As of 31.12.2022, the total number of options and shares of common stock awarded under the 2012 Incentive Plan is 3,994,782 and includes options and shares of common stock which have been issued or have been allocated to be issued. The 2012 Incentive Plan is intended as an incentive to retain directors, officers, employees, consultants and advisors to the Company, persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company, by granting to such persons options to purchase shares of the Company's Common Stock ("2012 Options"), shares of the Company's stock, with or without restrictions, or any other share-based award ("2012 Award(s)"). The Plan is intended as an incentive to retain in the employ of, and as directors, consultants and advisors to TINGO GROUP, Inc., a Delaware corporation (the "Company"), and its subsidiaries (including any "employing company" under Section 102(a) of the Ordinance (as hereinafter defined) and any "subsidiary" within the meaning of Section 424(f) of the United States Internal Revenue Code of 1986, as amended (the "Code"), collectively, the "Subsidiaries"), persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries, by granting to such persons either (i) options to purchase shares of the Company's Stock, (the "Options"), (ii) shares of the Company's Stock, with or without restrictions, or (iii) any other Stock-based award, granted to a Grantee or an Optionee (as such terms are defined below hereunder) under the Plan and any Stock issued pursuant to the exercise thereof. Stock awards and the grant of Options to purchase shares of Stock, or the issue of each of the above under sub-sections (i) - (iii) shall be referred as the "Award(s)".

The following table summarizes the equity securities granted under the 2012 Stock Incentive as of December 31, 2022. The shares covered by outstanding equity securities awards are subject to adjustment for changes in capitalization, stock splits, stock dividends and similar events.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (*)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	590,000	\$ 1.96	1,005,218
Equity compensation plans not approved by security holders	-	-	-
Total	590,000	\$ 1.96	1,005,218

(\*) Excluded the shares of common stock awarded under the 2012 Incentive Plan in amount of 2,146,782.

Pursuant to our 2012 Stock Incentive Plan, as amended, our board of directors is authorized to award (i) stock options to purchase shares of common stock and (ii) shares of common stock, to our officers, directors, employees and certain others, up to a total of 5,000,000 shares of common stock, subject to adjustment in the event of a stock split, stock dividend, recapitalization or similar capital change.

As of December 31, 2022 1,005,218 stock options remain available for future awards under the 2012 Stock Incentive Plan.

2020 Plan: The 2020 Stock Incentive Plan (the “2020 Incentive Plan”) provides for the issuance of up to 25,000,000 shares of our common stock plus a number of additional shares issued upon the expiration or cancellation of awards under our 2014 Incentive Plan, which was terminated when the 2020 Incentive Plan was approved by our stockholders. Generally, shares of common stock reserved for awards under the 2020 Incentive Plan that lapse or are canceled (other than by exercise) will be added back to the share reserve available for future awards. However, shares of common stock tendered in payment for an award or shares of common stock withheld for taxes are not available again for future awards. In addition, Shares repurchased by the Company with the proceeds of the option exercise price may not be reissued under the 2020 Incentive Plan.

## EXPERTS

The consolidated financial statements of Tingo Group, Inc. and subsidiaries as of December 31, 2022 and 2021, have been included in the registration statement in reliance upon the reports of Brightman Almador Zohar & Co. (a firm in the Deloitte global network) and Friedman LLP, respectively, independent registered public accounting firms, and upon the authority of said firm as experts in accounting and auditing.

## LEGAL MATTERS

The validity of the common stock being offered pursuant to this registration statement have been passed upon for us by Ellenoff Grossman & Schole LLP located at 1345 Avenue of the Americas, New York, NY 10105.

On January 3, 2023, litigation proceedings brought by ClearThink Capital, LLC (“ClearThink”) against TMNA were settled by TMNA. Pursuant to the settlement agreement, TMNA paid ClearThink \$300,000 of cash and TMNA will also transfer to ClearThink within the next year a combination of TMNA common stock and common stock of TIO held by TMNA equal in value to \$7.7 million.

On April 18, 2023, Altium Growth Fund, L.P., Alto Opportunity Master Fund, SPC – Segregated Master Portfolio B, Empery Asset Master Ltd., Empery Tax Efficient, L.P., and Empery Tax Efficient III, L.P. (collectively “Investors”) filed a Motion for Summary Judgment in Lieu of Complaint (“Motion”) against the Company in the Supreme Court of the State of New York, requesting that the Court order the Company to purchase certain Warrants (the “Warrants”) from the Investors at the Black Scholes Value of \$13,425,727.30. The Investors hold various Warrants issued pursuant to Securities Purchase Agreements (“SPAs”) that the Company is to purchase at their Black Scholes Value upon the Investors’ demand and after a “Fundamental Transaction” (as defined in the Warrants). According to the Investors, the Merger described herein constituted a Fundamental Transaction. The Company initially was of the view that the Merger was not a Fundamental Transaction. However, having received further advice and upon further reflection, the Company concluded that the Investors were correct, and filed a response in the litigation agreeing that: (i) a Fundamental Transaction had occurred, (ii) that the Investors were entitled to the Black Scholes Value of their Warrants, and (iii) requesting that the Court enter an order directing the Company to pay the Investors accordingly. The day after the Company filed its response in the litigation, the Investors claimed to rescind their demand for the Black Scholes Value of their Warrants, pursuant to a provision in the SPAs that they say entitles them to do so. The Company contests the Investors’ claimed right to rescind, and the litigation is ongoing.

## INDEMNIFICATION OF SECURITIES ACT LIABILITIES

Section 145 of the Delaware General Corporation Law, or Delaware law, inter alia, empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Similar indemnity is authorized for such persons against expenses (including attorneys’ fees) actually and reasonably incurred in connection with the defense or settlement of any such threatened, pending or completed action or suit if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and provided further that (unless a court of competent jurisdiction otherwise provides) such person shall not have been adjudged liable to the corporation. Any such indemnification may be made only as authorized in each specific case upon a determination by the stockholders or disinterested directors or by independent legal counsel in a written opinion that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145. We maintain policies insuring our officers and directors against certain liabilities for actions taken in such capacities, including liabilities under the Securities Act.

Our certificate of incorporation and bylaws require us to indemnify our directors to the fullest extent permitted under Delaware law or any other applicable law in effect, but if such statute or law is amended, we may change the standard of indemnification only to the extent that such amended statute or law permits us to provide broader indemnification rights to our directors. We must indemnify such officers and employees in the same manner and to the same extent that we are required to indemnify our directors under our certificate of incorporation and bylaws. Our certificate of incorporation limits the personal liability of a director to us or our stockholders to damages for breach of the director’s fiduciary duty. Pursuant to indemnification agreements we entered into with each of our directors, we are further required to indemnify our directors to the fullest extent permitted under Delaware law and our bylaws; provided that each such director shall enjoy the greater of (i) the advancement and indemnification rights permitted under our certificate of incorporation and bylaws for directors and officers as of the date of such indemnification agreement or (ii) the benefits so afforded by amendments thereto.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, or otherwise, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act, which registers certain of our shares of common stock for public resale. This prospectus, which is part of such registration statement, omits certain information, exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

We file reports, proxy statements and other information with the SEC. Information filed with the SEC by us can be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports, proxy and information statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

**You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.**

**Additional risks and uncertainties not presently known or that are currently deemed immaterial may also impair our business operations. The risks and uncertainties described in this document and other risks and uncertainties which we may face in the future will have a greater impact on those who purchase our common stock. These purchasers will purchase our common stock at the market price or at a privately negotiated price and will run the risk of losing their entire investment.**

## TINGO GROUP, INC.

44,462,959 Shares of  
Common Stock

### PROSPECTUS

June 2, 2023

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#### INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

##### TINGO GROUP, INC.

##### TABLE OF CONTENTS

##### **Audited Financial Statements**

<a href="#">Report of Independent Registered Public Accounting Firm Brightman Almagor Zohar &amp; Co. (PCAOB ID 1197)</a>	F-2
<a href="#">Report of Independent Registered Public Accounting Firm Friedman LLP, PCAOB #711</a>	F-4
<a href="#">Consolidated Balance Sheets as of December 31, 2022 and December 31, 2021</a>	F-6
<a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2022 and 2021</a>	F-8
<a href="#">Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2022 and 2021</a>	F-9
<a href="#">Statements of Changes in Temporary Equity and Stockholders' Equity for the years ended December 31, 2022 and 2021</a>	F-10
<a href="#">Consolidated Statements of Cash Flows</a>	F-11
<a href="#">Notes to Consolidated Financial Statements</a>	F-14

##### **Unaudited Financial Statements**

<a href="#">Unaudited Condensed Combined Consolidated Balance Sheets For the Three Months Ended March 31, 2023 and March 31, 2022</a>	F-60
<a href="#">Unaudited Condensed Combined Statements of Operations For the Three Months Ended March 31, 2023 and March 31, 2022</a>	F-61
<a href="#">Unaudited Condensed Combined Consolidated Statements of Comprehensive Loss For the Three Months Ended March 31, 2023 and March 31, 2022</a>	F-62
<a href="#">Unaudited Condensed Consolidated Statements of Changes in Temporary Equity and Stockholders' Equity as of March 31, 2023 and December 31, 2022</a>	F-63
<a href="#">Unaudited Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2023 and March 31, 2022</a>	F-65
<a href="#">Notes to Consolidated Financial Statements</a>	F-67



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of Tingo Group, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheet of Tingo Group, Inc. (the “Company”) as of December 31, 2022, the related consolidated statements of operations, comprehensive loss, changes in temporary equity and stockholders’ equity and cash flows for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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F-2

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**Determine the Accounting Acquirer and Evaluate the Valuation and Balance Sheet Presentation of the Consideration – Acquisition of Tingo Mobile Ltd – Refer to Note 13 to the Financial Statements***Critical Audit Matter Description*

As described in Note 13 to the financial statements, in May 2022 the Company entered into an Agreement and Plan of Merger with Tingo, Inc. On December 1, 2022, Tingo Group, Inc. completed the merger with a total consideration paid by Tingo Group, Inc. to the shareholders of Tingo, Inc. by cash, shares of common stock of Tingo Group, Inc. as well as shares of Series A and B Preferred Stock of Tingo Group, Inc. convertible into common stock upon certain conditions as determined in the Agreement and Plan of Merger. As result of the merger, the Company was determined to be the accounting acquirer and started to consolidate Tingo Mobile Ltd. as of December 1, 2022.

Management estimated the fair value of consideration at the acquisition date using the Tingo, Inc.’s market value (Level 2 observable input) at the date of the transaction instead of the market value of the Company in accordance with ASC 820 – “Fair Value Measurement” or ASC 820. Management considered that the market value of Tingo Inc. at that date, better reflects the fair value of the consideration then measuring the fair value of the consideration using the Company own shares as they determine that its share price at the acquisition date may not be representative of fair value. Management also estimated the fair value of the redeemable preferred stock at the acquisition date to be approximately \$553 million and recognized it outside of permanent equity. The provisional purchase price allocation included a software intangible asset of \$90.1 million, trade names and trademarks intangible asset of \$54.5 million, farmer cooperative intangible asset of \$24.8 million and goodwill of \$ 81.5 million.

The principal considerations for our determination that performing procedures relating to the determination of the accounting acquirer and evaluating the valuation and balance sheet presentation of the consideration in the acquisition of Tingo Mobile Ltd. is a critical audit matter, are: (i) the complexity of the accounting guidance and significant judgement exercised by the Company’s management in assessing the accounting treatment of this transaction, specifically, when determining the accounting acquirer and when developing the fair value estimates of the consideration and its presentation in the financial statements, (ii) high degree of auditor judgement, subjectivity, and effort in performing procedures on evaluating management conclusion on the accounting acquirer and evaluating management’s significant judgement related to the use of Level 2 observable inputs; and (iii) the audit effort involved the use of professionals with specialized skills and knowledge.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the determination of the accounting acquirer and evaluating the valuation and presentation of the consideration in the acquisition of Tingo Mobile Ltd. included the following, among others:

- We read the Agreement and Plan of Merger to identify and assess the relevant terms and conditions to evaluate the appropriateness of management’s accounting treatment.
- With the assistance of our technical accounting specialist, we evaluated management’s assessment and conclusion that Tingo Group Inc. is the accounting acquirer and will be the one to consolidate Tingo Mobile Ltd. financial statements from the date of the transaction.
- We assessed and evaluated, with the assistance of our fair value specialists, management’s market value valuation technique used to determine the fair value of the consideration paid in accordance with ASC 820 and the determination of the category within the fair value hierarchy (categorizes into three levels);
- We assessed and evaluated the appropriateness of management presentation of the consideration as equity and the portion classified outside permanent equity by considering the terms in the Agreement and Plan of Merger; and

- We evaluated the completeness and accuracy of the transaction disclosures based on ASC 805-10-50 “Business Combinations” by comparing management’s disclosures to information obtained from our other audit procedures.

/s/ Brightman Almagor Zohar & Co.

**Brightman Almagor Zohar & Co.**  
**Certified Public Accountants**  
**A Firm in the Deloitte Global Network**

Tel Aviv, Israel

March 31, 2023

We have served as the Company’s auditor since 2022.

F-3



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Tingo Group, Inc. (formerly known as MICT, Inc.)

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Tingo Group, Inc. (formerly known as MICT, Inc., the “Company”) as of December 31, 2021, and the related consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the year ended December 31, 2021, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### Valuation related to business combinations

#### *Description of Critical Audit Matter*

As discussed in Note 1 to the consolidated financial statements, the Company consummated several business combinations during the year ended December 31, 2021, including Magpie Securities Limited, Guangxi Zhongtong Insurance Agency Co., Ltd, Beijing Yibao Technology Co., Ltd and All Weather Insurance Agency Co., Ltd.

F-4

We identified the audit of valuation related to those business combinations as a critical audit matter because of the significant estimates and assumptions management used. Performing audit procedures to evaluate the reasonableness of these estimates and assumptions required a high degree of auditor judgment and an increased extent of effort.

#### *How We Addressed the Matter in Our Audit*

The primary procedures we performed to address these critical audit matters included the following:



- We obtained an understanding and evaluated the reasonableness of management's process for developing the discounted cash flows. We evaluated the reasonableness of management's significant assumptions used in developing such discounted cash flows, such as future projections of revenue growth rates and profitability, and estimated working capital needs by testing the underlying data used by the management in its analyses to compare to historical and other industry data, as well as validating certain assertions with data internal to the management and from other sources.
- With the assistance of our valuation specialists, we evaluated the reasonableness of the valuation methodology and discount rates by testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rates selected by management.

### Long-Lived Assets and Goodwill Impairment Assessment

#### Description of Critical Audit Matter

As discussed in Note 2 to the consolidated financial statements, the Company assesses the recoverability of its long-lived assets based on the undiscounted future cash flow and recognizes an impairment loss when the estimated undiscounted future cash flow expected to result from the use of the assets plus the net proceeds expected from disposition of the asset, if any, are less than the carrying value of the assets. The Company measures a goodwill impairment using a single step impairment model, whereby the impairment equals the difference between the carrying amount and the estimated fair value of the specified reporting units in their entirety.

We identified the impairment assessment for long-lived assets and goodwill as a critical audit matter because of the significant estimates and assumptions management used. Performing audit procedures to evaluate the reasonableness of these estimates and assumptions required a high degree of auditor judgment and an increased extent of effort.

#### How We Addressed the Matter in Our Audit

The primary procedures we performed to address these critical audit matters included the following:

- We obtained an understanding and evaluated the reasonableness of management's process for developing the discounted cash flows. We evaluated the reasonableness of management's significant assumptions used in developing such discounted and undiscounted cash flows, such as future projections of revenue growth rates and profitability, and estimated working capital needs by testing the underlying data used by the management in its analyses to compare to historical and other industry data, as well as validating certain assertions with data internal to the management and from other sources.
- With the assistance of our valuation specialists, we evaluated the reasonableness of the valuation methodology and discount rates by testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rates selected by management.

/s/ Friedman LLP

We served as the Company's auditor from July 2021 through October 2022.

New York, New York

June 17, 2022

F-5

### TINGO GROUP, Inc. CONSOLIDATED BALANCE SHEETS (In Thousands, except Share and Par Value Data)

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 500,316	\$ 96,619
Trade accounts receivable, net	11,541	17,879
Related party receivables	13,491	5,134
Other current assets	5,828	7,865
<b>Total current assets</b>	<b>531,176</b>	<b>127,497</b>
Property and equipment, net	855,125	677
Intangible assets, net	185,407	21,442
Goodwill	101,247	19,788
Right of use assets under operating lease	2,260	1,921
Long-term deposit and other non-current assets	514	824
Deferred tax assets	3,661	1,764
Restricted cash escrow	2,233	2,417
Micronet Ltd. equity method investment	735	1,481
<b>Total long-term assets</b>	<b>1,151,182</b>	<b>50,314</b>
<b>Total assets</b>	<b>\$ 1,682,358</b>	<b>\$ 177,811</b>

F-6

### TINGO GROUP, Inc. CONSOLIDATED BALANCE SHEETS (In Thousands, except Share and Par Value Data)

	December 31, 2022	December 31, 2021
<b>LIABILITIES TEMPORARY EQUITY AND EQUITY</b>		
Short-term loan	\$ 460	\$ 1,657
Trade accounts payable	11,092	14,416
Deposit held on behalf of clients	2,528	3,101
Related party payables	57,506	4
Current operating lease liability	1,215	1,298
Other current liabilities	192,594	4,914
<b>Total current liabilities</b>	<b>265,395</b>	<b>25,390</b>
Long term loan	377	-
Long term operating lease liability	905	691
Deferred tax liabilities	89,597	3,952
Accrued severance pay	50	56
<b>Total long-term liabilities</b>	<b>90,929</b>	<b>4,699</b>
<b>Commitment and Contingencies (Note 18)</b>	<b>-</b>	<b>-</b>
<b>Temporary equity</b>		
Preferred stock Series B subject to redemption: \$0.001 par value, 33,687.21 shares authorized and 0 shares issued and outstanding as of December 31, 2022 and 2021, respectively.	553,035	-
Stockholders' Equity:		
Preferred stock Series A: \$0.001 par value, 2,604.28 shares authorized and 0 shares issued and outstanding as of December 31, 2022 and 2021, respectively.	3	-
Common stock; \$0.001 par value, 425,000,000 shares authorized, 157,599,882 and 122,435,576 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	158	122
Additional paid in capital	889,579	220,786
Accumulated other comprehensive loss	4,367	(414)
Accumulated deficit	(123,463)	(76,394)
TINGO GROUP, Inc. stockholders' equity	770,644	144,100
Non-controlling interests	2,355	3,622
<b>Total stockholders' equity</b>	<b>772,999</b>	<b>147,722</b>
<b>Total liabilities, temporary equity and stockholders' equity</b>	<b>\$ 1,682,358</b>	<b>\$ 177,811</b>

F-7

**TINGO GROUP, Inc.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In Thousands, Except Share and Loss Per Share Data)

	Year ended December 31,	
	2022	2021
Revenues	\$ 146,035	\$ 55,676
Cost of revenues	81,243	46,456
Gross profit	64,792	9,220
Operating expenses:		
Research and development	1,689	889
Selling and marketing	11,140	6,814
General and administrative	58,165	36,488
Amortization of intangible assets	5,590	2,925
Total operating expenses	76,584	47,116
Loss from operations	(11,792)	(37,896)
Equity in net loss of Micronet	-	(1,934)
Loss from decrease in holding percentage in former VIE	-	(1,128)
Other income, net	2,151	1,261
Finance income (expense), net	(750)	395
Loss before income tax expense (benefit)	(10,391)	(39,302)
Income tax expense (benefit)	37,474	(1,791)
Net loss after provision for income taxes	(47,865)	(37,511)
Gain (loss) from equity investment	(746)	353
Net loss	(48,611)	(37,158)
Net loss attributable to non-controlling stockholders	(1,542)	(730)
Net loss attributable to TINGO GROUP	\$ (47,069)	\$ (36,428)
Loss per share attributable to TINGO GROUP:		
Basic and diluted loss per share	\$ (0.36)	\$ (0.32)
Weighted average common shares outstanding:		

**TINGO GROUP, Inc.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In Thousands, except Share and Par Value Data)

	Year ended December 31,	
	2022	2021
Net loss	\$ (48,611)	\$ (37,158)
Other comprehensive loss, net of tax:		
Currency translation adjustment	4,781	(218)
Total comprehensive loss	\$ (43,830)	\$ (37,376)
Comprehensive loss attributable to the non-controlling stockholders	\$ (1,267)	\$ (926)
Comprehensive loss attributable to TINGO GROUP	\$ (42,563)	\$ (36,450)

**TINGO GROUP, Inc.**  
**STATEMENTS OF CHANGES IN TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY**  
(In Thousands, Except Numbers of Shares)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Capital reserve related to transaction with the Minority stockholders	Non- controlling Interest	Total Stockholders' Equity
	Amount	Shares						
<b>Balance, December 31, 2020</b>	68	68,757,450	102,333	(39,966)	(196)	(174)	3,631	65,696
Shares issued to service providers and employees	7	7,010,020	9,869	-	-	-	-	9,876
Stock based compensation	-	-	711	-	-	-	-	711
Exercising options for employees and consultants	-	60,000	80	-	-	-	-	80
Net loss	-	-	-	(36,428)	-	-	(730)	(37,158)
Other comprehensive loss	-	-	-	-	(218)	174	(197)	(241)
Loss of control of subsidiary	-	-	-	-	-	-	(2,989)	(2,989)
Minority interest- Zhongtong Insurance	-	-	-	-	-	-	3,232	3,232
Initially consolidated entity	-	-	-	-	-	-	675	675
Issuance of shares upon November 2020 Securities Purchase Agreement	3	2,400,000	2,673	-	-	-	-	2,676
Issuance of shares upon February 2021 Purchase Agreement	23	22,471,904	53,977	-	-	-	-	54,000
Issuance of shares upon March 2021 Securities Purchase Agreement	19	19,285,715	48,671	-	-	-	-	48,690
Exercising warrants	2	2,450,487	2,472	-	-	-	-	2,474
<b>Balance, December 31, 2021</b>	122	122,435,576	220,786	(76,394)	(414)	-	3,622	147,722

	Preferred stock Series B subject to redemption		Preferred stock Series A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest	Total Stockholders' Equity
	Amount	Shares	Amount	Shares	Amount	Shares					
<b>Balance, December 31, 2021</b>	-	-	-	-	122	122,435,576	220,786	(76,394)	(414)	3,622	147,722
Shares issued to service providers and employees	-	-	-	-	10	9,380,631	6,407	-	-	-	6,417
Stock based compensation	-	-	-	-	-	-	208	-	-	-	208
Net loss	-	-	-	-	-	-	-	(47,069)	-	(1,542)	(48,611)
Tingo transaction	553,035	33,687	3	2,604	26	25,783,675	662,178	-	-	-	662,207
Other comprehensive (loss)/income	-	-	-	-	-	-	-	-	4,781	275	5,056
<b>Balance, December 31, 2022</b>	553,035	33,687	3	2,604	158	157,599,882	889,579	(123,463)	4,367	2,355	772,999

**TINGO GROUP, Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands, except Share and Par Value Data)

Year ended  
December 31,

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (48,611)	\$ (37,158)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Loss (gain) on previously held equity in Micronet	-	1,934
Loss from decrease in holding percentage in former VIE	-	1,128
Equity in net (income) loss from equity method investment	746	(353)
Provision for doubtful accounts	618	2,574
Depreciation and amortization	39,766	3,088
Shares issued to service providers and employees	6,417	9,876
Stock-based compensation for employees and consultants	208	711
Loss from disposal of property and equipment	-	21
<b>Changes in operating assets and liabilities:</b>		
Other non-current assets	-	-
Change in deferred taxes, net	28,759	(2,539)
Change in long-term deposit and other non-current assets	311	(542)
Change in right of use assets	1,311	486
Change in lease liabilities	(1,518)	(479)
Change in restricted cash escrow	184	-
Change in accrued interest due to related party	(266)	(163)
Increase (decrease) in trade accounts receivable, net	7,747	(19,579)
Increase (decrease) in other current assets	1,685	(3,189)
Increase (decrease) in trade accounts payable	(2,234)	13,846
Increase (decrease) in deposit held on behalf of clients	(573)	3,101
Accrued interest and exchange rate differences on loans from others	(59)	-
Increase (decrease) in other current liabilities	11,520	(4,099)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 46,011</b>	<b>\$ (31,336)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of intangible assets, net	-	(520)
Net cash acquired through business combination - Magpie Securities Limited (Appendix B)	-	1,834
Payment on business acquired - Beijing Fucheng (Appendix A)	-	(4,891)
Net cash acquired on an variable interest entity acquired - Guangxi Zhongtong (Appendix E)	-	460
Loan provided to related party	(791)	(4,265)
Loan provided to Tingo Inc pursuant to the merger agreement	(23,700)	-
Receipt of loan from related party (Micronet)	534	-
Net cash acquired on an variable interest entity acquired – All Weather (Appendix D)	-	1,560
Purchase of property and equipment	(39,645)	(689)
Cash received from disposal of property and equipment	-	124
Acquisition of Tingo Mobile, Inc (Appendix F)	430,563	-
Deconsolidation of Micronet (Appendix C)	-	(2,466)
<b>Net cash provided by (used in) investing activities</b>	<b>\$ 366,961</b>	<b>\$ (8,853)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash received from issuance of shares by a subsidiary	-	-
Receipt of short- term loans from banks and others	144	1,657
Receipt of loan from affiliate company	-	220
Repayment of bank loans and others	(859)	(195)
	(10,000)	-
Repayment on loan to related party	-	-
Proceeds from issuance of shares and warrants	-	105,366
Proceeds from exercise of warrants	-	2,474
Proceeds from exercise of options	-	80
<b>Net cash provided by (used in) financing activities</b>	<b>\$ (10,715)</b>	<b>\$ 109,602</b>
<b>TRANSLATION ADJUSTMENT OF CASH AND RESTRICTED CASH</b>	<b>1,256</b>	<b>97</b>
<b>NET CHANGE IN CASH AND RESTRICTED CASH</b>	<b>403,513</b>	<b>69,510</b>
<b>Cash and cash equivalents and restricted cash at the beginning of the year</b>	<b>99,036</b>	<b>29,526</b>
<b>Cash and cash equivalents and restricted cash at end of the year</b>	<b>\$ 502,549</b>	<b>\$ 99,036</b>
<b>Supplemental disclosure of cash flow information:</b>		
Amount paid during the period for:		
Interest	\$ 6	\$ 44
Taxes	\$ 535	\$ 146

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same amounts shown in the statements of cash flows:

	Year ended December 31,	
	2022	2021
Cash and cash equivalent at end of the year	\$ 500,316	\$ 96,619

Restricted cash escrow at end of the year	2,233	2,417
Cash, cash equivalent and restricted cash escrow at end of the year	<u>\$ 502,549</u>	<u>\$ 99,036</u>

Appendix A: Beijing Fucheng

	February 10, 2021
Net working capital	\$ 106
Property and equipment	26
Current liabilities	(55)
Intangible assets	4,814
<b>Cash</b>	<u>\$ 4,891</u>

Appendix B: Magpie Securities Limited

	February 26, 2021
Net working capital	\$ 206
Investment and loan to Magpie	(2,947)
Property and equipment	24
Current liabilities	(19)
Intangible assets	902
<b>Cash</b>	<u>\$ (1,834)</u>

Appendix C: Deconsolidation of Micronet Ltd.

	May 9, 2021
Working capital other than cash	\$ (3,849)
Finance lease	33
Accrued severance pay, net	96
Translation reserve	134
Micronet Ltd.investment in fair value	1,128
Non-controlling interests	2,990
Net loss from loss of control	1,934
<b>Cash</b>	<u>\$ 2,466</u>

F-12

Appendix D: All Weather Insurance Agency

	July 1, 2021
Net working capital	\$ (1,665)
Property and equipment	153
Right of use assets	208
Lease liabilities	(258)
Intangible assets	903
Deferred Tax liability	(226)
Minority interest	(675)
<b>Cash</b>	<u>\$ (1,560)</u>

Appendix E: Guangxi Zhongtong Insurance Agency Co., Ltd:

	October 21, 2021
Net working capital	\$ 152
Property and equipment	13
Intangible assets	2,174
Goodwill	(153)
Deferred Tax liability	(544)
Minority interest	(3,230)
Loss on equity interest	1,128
<b>Net cash provided by acquisition</b>	<u>\$ (460)</u>

Appendix F :Acquisition of Tingo

	December 1, 2022
Net working capital	\$ (256,181)
Property and equipment	844,764
Intangible assets	169,559
Goodwill	81,459
Deferred Tax liability	(54,923)

Investment in fair value	(1,215,241)
<b>Net cash provided by acquisition</b>	<b>\$ (430,563)</b>

The accompanying notes are an integral part of the consolidated financial statements

F-13

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 1 — DESCRIPTION OF BUSINESS**

*Overview*

TINGO GROUP, Inc. (“TINGO GROUP” or the “Company”) was formed as a Delaware corporation on January 31, 2002 under the name Lapis Technologies, Inc. On March 14, 2013, we changed our corporate name to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary, Enertec Systems Ltd., we changed our name to MICT, Inc. On February 27, 2023, following the acquisition of Tingo Mobile Limited (“Tingo Mobile”), we changed our name to TINGO GROUP, Inc. Our shares have been listed for trading on The Nasdaq Capital Market since April 29, 2013 under the symbol “TIO”.

The Company is a holding company conducting financial technology business and agri-fintech business through its subsidiaries and entities, both wholly-owned and controlled through various VIE arrangements (“VIE entities”), which are located mainly in Africa, Southeast Asia and the Middle East. The Company’s business has changed materially since December 1, 2022, following the completion of two material acquisitions of Tingo Mobile and Tingo Foods.

We currently operate in 3 segments (i) Verticals and Technology, comprising of our operations in China where we have 3 VIEs through which we operate, mainly, our business of insurance brokerage (see Notes 9, 10, 11, and 12); (ii) Online Stock Trading, comprising mainly the operation of Magpie Securities Limited (“Magpie”) through which we operate the business of online stock trading, located mainly in Hong Kong and Singapore; (iii) Comprehensive Platform Service which includes the operations of Tingo Mobile described above and includes the operations of Tingo Mobile for the month of December.

Since July 1, 2020, following the completion of TINGO GROUP’s acquisition of GFH Intermediate Holdings Ltd or Intermediate (the “GFHI Acquisition”) the Company has been operating in the financial technology sector. GFHI is a financial technology company with a marketplace in China, as well as the wider Southeast Asia area and other parts of the world and is currently in the process of building various platforms for business opportunities in different verticals and technology segments to capitalize on such technology and business, including to compliment TINGO GROUP’s recent acquisitions of Tingo Mobile and Tingo Foods. The Company plans to increase its capabilities and its technological platforms through acquisition and licensing technologies to support its growth efforts, particularly in the agri-fintech, payment services, digital marketplace and financial services sectors.

In China, TINGO GROUP is principally focused on developing insurance broker business and products across approximately 130 insurance branches in China through its subsidiaries and VIE entities, with planned expansion into additional markets. The Company has developed highly scalable proprietary platforms for insurance products business-to-business (“B2B”) and business-to-business-to-consumer (“B2B2C”) and business -to-consumer (“B2C”) and financial services/products, the technology for which is highly adaptable for other applications and markets.

Following GFH Intermediate Holdings Ltd’s (“Intermediate”) acquisition of Magpie, a Hong Kong securities and investment services firm, on February 26, 2021 and the subsequent receipt of regulatory approval from the Hong Kong Securities and Futures Commission, Magpie is licensed to deal in securities, futures and options, and also undertake the business of securities advisory services and asset management.

Magpie launched Magpie Invest, a global stock trading app, on September 15, 2021. It is a proprietary technology investment trading platform that is currently operational in Hong Kong. The technology of Magpie Invest allows the platform to connect to all major stock exchanges. Magpie has memberships/registrations with the Hong Kong Stock Exchange (“HKSE”), the London Stock Exchange (“LSE”) and the requisite Hong Kong and China Direct clearing companies. TINGO GROUP’s financial services business and first financial services product, the Magpie Invest app, is able to trade securities on National Association of Securities Dealers Automated Quotations (“NASDAQ”), New York Stock Exchange (“NYSE”), TMX, HKSE, China Stock Connect, LSE, the Frankfurt Stock Exchange and the Paris Stock Exchange.

The growth of Magpie will continue to be realized and executed through the Company’s business development efforts, which include the pivot of Magpie to a B2B, white-label and payment services strategy in respond to the significant change in market conditions for the retail client sector that materialized in 2022. In order to strengthen Magpie’s offering to potential B2B and white-label clients, and enable the broadening of its product offering, management made the decision to apply for a Capital Markets License (“CMS License”) from the Monetary Authority of Singapore (“MAS”), which was granted in full on September 20, 2022. Magpie’s CMS License enables it to offer several new products, including leveraged foreign exchange products and contract for differences (“CFDs”), including CFDs on commodities prices and crypto-currency prices.

F-14

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

On December 1, 2022, the Company acquired Tingo Mobile, an agri-fintech business based in Nigeria, from Tingo Inc., a Nevada corporation (“TMNA”). Under the terms of the merger agreement, we entered into with TMNA and representatives of the shareholders of each of TMNA and the Company (“Tingo Merger Agreement”), TMNA contributed its ownership of Tingo Mobile to a newly organized holding company incorporated in the British Virgin Islands (“Tingo BVI Sub”). TMNA then merged Tingo BVI Sub with and into MICT Fintech Ltd., a wholly-owned subsidiary of the Company organized in the British Virgin Islands (“MCT Fintech”), resulting in Tingo Mobile being wholly-owned by the Company.

As of December 31, 2022, Tingo Mobile had approximately 9.3 million subscribers using its mobile phones and Nwassa payment platform. Tingo Mobile believes that Nwassa payment platform is Africa’s leading digital agriculture ecosystem that empowers rural farmers and agri-businesses by using proprietary technology to enable access to markets in which they operate. The Nwassa payment platform also has an escrow structure that creates trust between buyers and sellers. Tingo Mobile’s system provides real-time pricing, straight from the farms, eliminating middlemen. Users’ customers pay for produce bought using available pricing on our Nwassa payment platform. The Nwassa payment platform is paperless, verified and matched against a smart contract. Data is efficiently stored on the blockchain.

The Nwassa payment platform has created an escrow solution that secures the buyer, where funds are not released to its subscribers until fulfilment. The Nwassa payment platform also facilitates trade financing, ensuring that banks and other lenders compete to provide credit to its subscribers.

Pursuant to the Tingo Merger Agreement, TMNA transferred its ownership of Tingo Mobile to Tingo BVI Sub, which was then merged with and into MICT Fintech, a wholly-owned subsidiary of Tingo Group Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of TINGO GROUP (“TGH”).

On December 1, 2022 (the “Tingo Closing”), pursuant to certain joinder agreements, TGH and MICT Fintech were added as parties to the Tingo Merger Agreement, and TINGO GROUP completed the merger of Tingo BVI Sub with and into MICT Fintech (the “Tingo Combination”).

#### **Liquidity**

The Company has been incurring losses in 2022 and 2021. The loss from operations were US\$1,792 and US\$37,896 as of December 31, 2022 and 2021, respectively. The net cash in operating activities was US\$46,011 for the year ended December 31, 2022 and US\$31,336 net cash used in operating activities for the years ended December 31, 2021.

The Company’s primary resources of cash has been its ability to generate cash from operating activities, obtain capital financing from equity interest investors and borrow funds on favorable economic terms to fund its general operations and capital expansion needs. The Company’s ability to continue as a going concern is dependent on management’s ability to successfully execute its business plan, which includes increasing revenue while controlling operating cost and expenses to generate positive operating cash flows and obtaining funds from outside sources of financing to generate positive financing cash flows. As of December 31, 2022 and 2021, the Company’s balance of cash and cash equivalents was \$500,316 and \$96,619, respectively.

The Company believes its existing cash will be sufficient to fund its anticipated operating cash requirements for at least twelve months following the date of this filing.

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 consolidated 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.

F-15

### **TINGO GROUP, Inc.** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **(In Thousands, except Share and Par Value Data)**

#### **Variable Interest Entities (VIEs)**

We currently conduct our insurance broker business in China using 3 VIEs (see Notes 9, 10, 11 and 12). The Company consolidates certain VIEs for which it is the primary beneficiary. VIEs consist of certain operating entities not wholly owned by the Company. See Note 2 for more information on the Company’s accounting policies related to the consolidation of VIEs.

The assets and liabilities of the Company’s VIEs that were included in the Company’s consolidated balance sheets are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Current assets:</b>		
Cash	\$ 3,690	\$ 1,260
Accounts receivable, net	6,823	2,462
Related parties	2,001	-
Other current assets	2,278	4,550
<b>Total current assets</b>	<b>14,792</b>	<b>8,272</b>
Property and equipment, net	176	208
Intangible assets	5,712	5,718
Long-term prepaid expenses	48	48
Right of use assets	711	530
Restricted cash	1,479	1,632
Deferred tax assets	793	369
<b>Total long-term assets</b>	<b>8,919</b>	<b>8,505</b>
<b>Total assets</b>	<b>\$ 23,711</b>	<b>\$ 16,777</b>
<b>Current liabilities:</b>		
Short term loan from others	\$ 286	\$ 1,155
Trade accounts payable	4,817	697
Related party	4,002	4,583
Operating lease short term liability	230	-
Other current liabilities	4,515	2,401
<b>Total current liabilities</b>	<b>13,850</b>	<b>8,836</b>
<b>Long-term liabilities:</b>		
Long term loan	377	-
Lease liability	257	106
Deferred tax liability	224	224
<b>Total long-term liabilities</b>	<b>858</b>	<b>330</b>
<b>Total liabilities</b>	<b>\$ 14,708</b>	<b>\$ 9,166</b>

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

Revenues, loss from operations and net loss of the VIEs that were included in the Company's consolidated statements of operations are as follows:

	Year ended December 31,	
	2022	2021
	USD in thousands	USD in thousands
Revenues	\$ 51,841	\$ 19,683
Loss from operations	\$ (1,531)	\$ (1,883)
Net loss	\$ (541)	\$ (526)

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") applied on a consistent basis.

**Principle of Consolidation**

The consolidated financial statements include the financial statements of the Company, its subsidiaries and variable interest entities ("VIEs"). Inter-company transactions and balances among the Company and its subsidiaries are eliminated upon consolidation. As the Company has both the power to direct the activities of the entities that most significantly impact its economic performance and the right to receive benefits or the obligation to absorb losses of the entities that could potentially be significant to the entities, the Company is considered the primary beneficiary of VIEs. (see Notes 9, 10, 11 and 12).

**Noncontrolling Interest**

Noncontrolling interest ("NCI") reflect the portion of income or loss and the corresponding equity attributable to third-parties in certain consolidated subsidiaries that are not 100% owned by the Company. Noncontrolling interest is presented as a separate component in our consolidated statements of operation. NCI is allocated a share of income or loss in the respective consolidated subsidiaries in proportion to their relative ownership interest.

**Functional currency and Exchange Rate Income (Loss)**

The functional currency of our foreign entities is their local currency. For these foreign entities, we translate their financial statements into U.S. dollars using average exchange rates for the period for statements of operations amounts and using end-of-period exchange rates for assets and liabilities. We record these translation adjustments in Accumulated other comprehensive loss, a separate component of stockholders' equity, in our consolidated balance sheets. Exchange gains and losses resulting from the conversion of transaction currency to functional currency are charged or credited to other comprehensive income (expense), net.

The exchange rate used for conversion Nigerian Naira and RMB to USD is presented below:

Currency	December 31, 2022	December 31, 2021
Naira	448.55	412.49
RMB	6.8972	6.3726

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. These estimates and assumptions take into account historical and forward-looking factors that the Company believes are reasonable. Actual results could differ significantly from those estimates.

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash, bank deposits, money market funds and high liquid short-term investments with insignificant interest rate risk and original maturities of three months or less.

**Restricted Cash**

The Company, as an insurance broker, is required to reserve 10% of its registered capital in cash held in an escrow bank account pursuant to the China Insurance Regulatory Commission ("CIRC") rules and regulations. As of December 31, 2022 and 2021, restricted cash amounted to \$2,233 and \$2,417 respectively.

**Accounts receivable, net**

Accounts receivables are recorded at amounts billed to customers, net of an allowance for doubtful accounts. Trade accounts receivable are recorded at invoiced amounts. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off. The allowance is determined based on specific analysis of each customer account receivable's aging, assessment of its related risk and ability of the customer to make the required



payment. In addition, in accordance with ASC 326, “Financial Instruments - Credit Losses”, an allowance is maintained for estimated forward-looking losses resulting from possible inability of customers to make required payments (current expected losses). The amount of the allowance is determined principally on the basis of past collection experience and known financial factors regarding specific customers. Trade accounts receivables are written off against the allowance when it becomes evident that collection will not occur. As of December 31, 2022 and December 31, 2021, allowance for expected credit losses was \$3,012 and \$2,606, respectively.

## Financial Instruments

The Company accounts for debt and equity issuances as either equity-classified or liability-classified instruments based on an assessment of the instruments’ specific terms and applicable authoritative guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 480, Distinguishing Liabilities from Equity (“ASC 480”) and ASC 815, Derivatives and Hedging (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own common stock and whether the warrant holders could potentially require “net cash settlement” in a circumstance outside of the Company’s control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of issuance of the instruments and as of each subsequent quarterly period end date while the instruments are outstanding.

For issued or modified instruments that meet all of the criteria for equity classification, the instruments are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified instruments that do not meet all the criteria for equity classification, the instruments are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the instruments are recognized as a non-cash gain or loss on the statements of operations.

F-18

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

## Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is calculated by the straight-line method over their estimated useful lives. Useful lives of depreciation are as follows:

Category	Useful Life
Machinery and equipment	3-7 years
Furniture and fixtures	3-14 years
Transportation equipment	4-7 years
Leasehold improvements	Over the shorter of lease term or life of the assets
Computer equipment	3 years
Buildings	20 years
Office Equipment	5 years
Plant & Machinery	4 years
Mobile Devices	3 years
Site Installations	4 years

## Stock Based Compensation

The Company applies the provisions of ASC Topic 718 “Compensation - Stock Compensation”, under which employees’ share-based awards are recognized based on the grant-date fair values. The Company estimates the fair value of stock-based compensation awards granted using the grant date fair value of the awards.

Stock-based compensation expense is recognized evenly over the vesting period. The Company accounts for forfeitures as they occur. For stock options, fair value is determined using an option-pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option, the volatility of the underlying stock, the expected dividends on it, and the risk-free interest rate over the expected life of the option.

## Cost of revenues

Cost of revenues are from our Comprehensive Platform Service and also from our Chinese’s companies Verticals and technology segment. Our Cost of revenues expenses consist primarily from commission costs and depreciation Expense.

## Research and Development Costs

Research and development costs are from our online stock trading platform segment and also from our Chinese’s companies Verticals and technology segment. Our research and development expenses consist primarily of expenditures for consulting fees, compensation, and salary costs and expensed as incurred unless these costs qualify for capitalization as internal-use software development costs.

## Earnings (Loss) per Share

In accordance with FASB ASC 260, “Earnings Per Share,” the basic net loss per share is computed by dividing the net loss attributable to ordinary shareholders by the weighted average number of shares of common stock outstanding during the period. Basic net loss per share excludes the dilutive effect of stock options or warrants. The calculation of the basic and diluted earnings per share is the same for all periods presented, as the effect of the potential common shares equivalents is anti-dilutive due to the Company’s net loss position for all periods presented.

F-19

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

## Leases

The Company as Lessee: Operating lease right-of-use assets (“ROU assets”) represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Because the rate implicit on most of the Company’s leases are not readily determinable, the Company’s incremental borrowing rate is used based on the information available at the commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense

ROU assets are reviewed for impairment when indicators of impairment are present. ROU assets from operating leases are subject to the impairment guidance in ASC 360, Property, Plant, and Equipment, as ROU assets are long-lived nonfinancial assets.

The Company recognized no impairment of ROU assets as of December 31, 2022 and December 31, 2021.

The operating lease is included in right-of-use assets and lease liability on the consolidated balance sheets.

The Company as Lessor: We evaluate all agreements entered into or modified that convey to others the use of property or equipment for a term to determine whether the agreement is or contains a lease. The underlying assets associated with these agreements are evaluated for future use beyond the lease term. We have elected the non-lease component separation practical expedient for all classes of assets where we are the lessor.

We entered into agreement with standard terms to lease mobile phones to the customers for 1 year. Under the agreement the right and ownership of the mobile phones shall remain with the Company (Lessor). Lessor has the exclusive right to terminate the agreement in whole or part. The agreement has lease and non lease component. The lease component is accounted as operating lease and income is recognized on a straight-line basis over the lease term as a revenue and certain non-lease components may be accounted for under the revenue recognition guidance in ASC Topic 606, Revenue from Contracts with Customers, or ASC Topic 606. See the “Revenue Recognition”.

The Company follows ASC No 842, Leases starting from the January 1, 2021.

## Investments

The Company accounts for its equity investment over which it has significant influence but does not own a majority equity interest or otherwise control, using the equity method. The Company adjusts the carrying amount of the investment and recognizes investment income or loss for its share of the earnings or loss of the investee after the date of investment. The Company assesses its equity investment for other-than-temporary impairment by considering factors including, but not limited to, current economic and market conditions, operating performance of the entity, including current earnings trends and undiscounted cash flows, and other entity-specific information. The fair value determination, particularly for investments in a privately held entity, requires judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investment and determination of whether any identified impairment is other-than-temporary.

As of December 31, 2022, the Company owned 31.47% of shares in Micronet which was accounted for under equity method.

As of December 31, 2022, the Company owned 24% of the shares in Beijing Fucheng and controlled the remaining 76% through contractual arrangements as discussed in Note 1. The Company consolidates Beijing Fucheng.

F-20

## TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

### Fair value measurement

ASC 820, “Fair Value Measurements and Disclosures” (“ASC 820”), requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Financial instruments included in current assets and current liabilities are reported in the consolidated balance sheets at face value or cost, which approximate fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rates of interest.

### Intangible assets

The Company’s intangible assets with definite useful lives primarily consist of licensed software, Technology, Trade name/ trademarks, Customer relationship and Farmer Cooperative. The Company amortizes its intangible assets with definite useful lives over their estimated useful lives and reviews all the intangible assets for frequent impairment indicators on quarterly basis. The Company typically amortizes its intangible assets with definite useful lives on a straight-line basis over the shorter of the contractual terms or the estimated useful lives. The Company did not record any impairment of intangible assets as of December 31, 2022 and December 31, 2021.

Intangible assets are stated at cost less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Useful Life
License & software	indefinite useful life and some of them for 10 years and some of them for 6 years

Technology know-how	6 years
Trade name/ trademarks	indefinite useful life and some of them for 5 years and some of them for 10 years
Customer relationship	5-10 years
Farmer cooperative	8 years

F-21

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**Goodwill**

Goodwill represents the excess of the purchase price over the estimated fair value of the identifiable net assets acquired in the acquisition of a business. We test goodwill for impairment annually in the fourth quarter and when events or changes in circumstances indicate that the fair value of a reporting unit with goodwill has been reduced below its carrying value. Events that could indicate impairment and trigger an interim impairment assessment include, but are not limited to, current economic and market conditions, including a decline in market capitalization, a significant adverse change in legal factors, business climate, operational performance of the business or key personnel, and an adverse action or assessment by a regulator. The Company has determined that there are two reporting units for purposes of testing goodwill for impairment.

In testing goodwill for impairment, the Company has the option to first consider qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Such qualitative factors include industry and market considerations, economic conditions, entity-specific financial performance and other events, such as changes in management, strategy and primary customer base. If based on the Company's qualitative assessment it is more likely than not that the fair value of the reporting unit is less than its carrying amount, quantitative impairment testing is required. However, if the Company concludes otherwise, quantitative impairment testing is not required. The results of the Company's qualitative goodwill impairment test performed on the first business day of fourth quarter for fiscal years 2022 and 2021 did not indicate any impairments.

**Temporary Equity**

Equity instruments that are redeemable for cash or other assets are classified as temporary equity if the instrument is redeemable, at the option of the holder, at a fixed or determinable price on a fixed or determinable date or upon the occurrence of an event that is not solely within the control of the issuer.

Redeemable equity instruments are initially carried at the relative fair value of the equity instrument at the issuance date, which is subsequently adjusted at each balance sheet date if the instrument is currently redeemable or probable of becoming redeemable. The Series B Preferred Stock issued in connection with the acquisition of Tingo Mobile described in Note 3 were classified as temporary equity in the accompanying financial statements.

**Business Combinations**

We allocate the purchase consideration to the identifiable net assets acquired, including intangible assets and liabilities assumed, based on estimated fair values at the date of the acquisition. The excess of the fair value of the purchase consideration over the fair value of the identifiable assets and liabilities, if any, is recorded as goodwill. During the measurement period, which is up to one year from the acquisition date, we may adjust provisional amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Determining the fair value of assets acquired and liabilities assumed requires significant judgment, including the selection of valuation methodologies including the income approach, the cost approach, and the market approach. Significant assumptions used in those methodologies include, but are not limited to, the expected values of the underlying metric, the systematic risk embedded in the underlying metric, the volatility of the underlying metric, the risk-free rate, and the counterparty risk. The use of different valuation methodologies and assumptions is highly subjective and inherently uncertain and, as a result, actual results may differ materially from estimates.

F-22

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**Revenue Recognition**

The Company follows ASC 606 "Revenue from Contracts with Customers" and recognizes revenue when it transfers the control of promised goods or services to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company's revenues from the insurance segment are generated from providing insurance brokerage services or insurance agency services on behalf of insurance carriers.

Our performance obligation to the insurance carrier is satisfied and commission revenue is recognized at a point in time when an insurance policy becomes effective. The Company provides customers with information regarding services and commission charge from the customers on a monthly basis. Performance obligation is satisfied at a point in time when the requested information is delivered to the customer.

In accordance with ASC 606-10-55, Revenue Recognition: Principal Agent Considerations, the Company reports revenue on a gross or net basis based on management's assessment of whether the Company acts as a principal or agent in the transaction. To the extent the Company acts as the principal, revenue is reported on a gross basis. To the extent the Company acts as the agent, revenue is reported on a net basis. The determination of whether the Company act as a principal or an agent in a transaction is based on an evaluation of whether the Company controls the good or service prior to transfer to the customer.

The Company reports its insurance revenue net of amounts due to the insurance companies as the Company is not the primary obligor in the relevant arrangements, the Company does not finalize the pricing, and does not bear any risk related to the insurance policies.

The Company's revenues from the online stock trading platform are generated from stock trading commission income. Commission revenue is recognized at a point in time when transfer of control occurs. Trade execution performance obligation generally occurs on the trade date because that is when the underlying financial instrument (for a purchase) or purchaser (for a sale) is identified, and the pricing is agreed upon.

The Company's revenues from Tingo Mobile's comprehensive platform service recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company offers customers the ability to lease the phones on one-year terms, and purchase data and calls, as well as use of the NWASSA payment platform. As part of these contracts, the Company records revenue. The Company also records depreciation expense on a straight-line basis over the useful life of the phones, which is estimated by management at three years.

The Company exercised judgement in determining the accounting policies related to these transactions, including the following:

- Determination of whether products and services are considered distinct performance obligations that should be accounted for separately versus together, such as phone leases and purchase of data.
- Determination of stand-alone selling prices for each distinct performance obligation and for products and services that are not sold separately.
- The pattern of delivery (i.e., timing of when revenue is recognized) for each distinct performance obligation.
- Estimation of variable consideration when determining the amount of revenue to recognize (i.e., separate items on NWASSA platform)

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F-23

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

**Income Taxes**

The Company accounts for income taxes using an asset and liability approach as prescribed in ASC 740-10 "*Income Taxes*" whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities. Deferred taxes are measured using the enacted tax rates anticipated (under applicable law as of the balance sheet date) to apply when the deferred taxes are expected to be paid or realized. Deferred tax assets and liabilities, as well as any related valuation allowance, are classified as noncurrent items on the balance sheets.

The Company evaluates the potential realization of its deferred tax assets for each jurisdiction in which the Company operates at each reporting date and establishes valuation allowances when it is more likely than not that all or a part of its deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the same character and in the same jurisdiction. The Company considers all available positive and negative evidence in making this assessment, including, but not limited to, the scheduled reversal of deferred tax liabilities and deferred tax assets and projected future taxable income.

ASC 740-10 prescribes a two-step approach for recognizing and measuring uncertain tax positions. The first step is to evaluate tax positions taken or expected to be taken in a tax return by assessing whether they are more-likely-than-not sustainable, based solely on their technical merits, upon examination and including resolution of any related appeals or litigation process. The second step is to measure the associated tax benefit of each position as the largest amount that the Company believes is more-likely-than-not realizable. Differences between the amount of tax benefits taken or expected to be taken in its income tax returns and the amount of tax benefits recognized in its financial statements, represent the Company's unrecognized income tax benefits. The Company's policy is to include interest and penalties related to unrecognized income tax benefits as a component of income tax expense.

TINGO GROUP and its subsidiaries and VIEs within the jurisdiction of the United States, Israel and China are subject to a tax examination for the most recent three, four and five years, respectively.

**Impairment of Long-Lived Assets**

The Company reviews long-lived assets and intangible assets on a periodic basis, as well as when such review is required based upon relevant circumstances, to determine whether events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, considering the undiscounted cash flows expected from them. If applicable, the Company recognizes an impairment loss based upon the difference between the carrying amount and the fair value of such assets, in accordance with ASC 360-10 "Property, Plant and Equipment". As of December 31, 2022, and 2021, no indicators of impairment have been identified.

**Comprehensive Income (Loss)**

In accordance with ASC 220 "*Comprehensive Income*", comprehensive income represents the change in shareholders' equity during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a reporting period except those resulting from investments by owners and distributions to owners. Other comprehensive income ("OCI") represents gains and losses that are included in comprehensive income but excluded from net profit.

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F-24

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

**Statutory reserves**

Pursuant to the laws applicable to the PRC, PRC entities must make appropriations from after-tax profit to the non-distributable "statutory surplus reserve fund". Subject to certain cumulative limits, the "statutory surplus reserve fund" requires annual appropriations of 10% of after-tax profit until the aggregated appropriations reach 50% of the registered capital (as determined under accounting principles generally accepted in the PRC ("PRC GAAP") at each year-end). For foreign invested enterprises and joint ventures in the PRC, annual appropriations should be made to the "reserve fund". For foreign invested enterprises, the annual appropriation for the "reserve fund" cannot be less than 10% of after-tax profits until the aggregated appropriations reach 50% of the registered capital (as determined under PRC GAAP at each year-end). If the Company has accumulated loss from prior periods, the Company is able to use the current period net income after tax to offset against the accumulate loss.

**Segment reporting**

ASC Topic 280, "Segment Reporting", establishes standards for reporting information about operating segments on a basis consistent with management approach,"

following the method that management organizes the Company's reportable segments for which separate financial information is made available to, and evaluated regularly by, the chief operating decision maker (the "CODM"), in allocating resources and in assessing performance.

The Company's CODM has been identified as the CEO, who reviews consolidated and each of the segments results when making decisions about allocating resources and assessing performance of the Company.

Based on management's assessment, the Company determined that it has three operating segments and therefore three reportable segments as defined by ASC 280.

#### Recently issued accounting pronouncements

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments — Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments — Credit Losses — Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-02 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. The Company does not expect the adoption of this ASU would have a material effect on the Company's consolidated financial statements.

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F-25

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

In October 2021, the FASB issued ASU 2021-08, "Business Combinations". The amendments in this Update address how to determine whether a contract liability is recognized by the acquirer in a business combination and resolve the inconsistency of measuring revenue contracts with customers acquired in a business combination by providing specific guidance on how to recognize and measure acquired contract assets and contract liabilities from revenue contracts in a business combination. The amendments in this Update apply to all entities that enter into a business combination within the scope of Subtopic 805-10, Business Combination-Overalls. For public business entities, ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application is permitted. The amendments in this Update should be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company's consolidated balance sheets, consolidated statements of operations, comprehensive loss and cash flows.

#### Reclassification

Certain prior year amounts in the consolidated financial statements and the notes thereto have been reclassified where necessary to conform to the current year presentation. These reclassifications did not affect the prior period total assets, total liabilities, stockholders' deficit, net loss or net cash used in operating activities.

#### NOTE 3 — STOCKHOLDERS' EQUITY

##### A. Common stock:

Common stock confers upon its holders the rights to receive notice to participate and vote in general meetings of the Company, and the right to receive dividends if declared.

##### B. Series A preferred stock:

As part of the consideration paid by TINGO GROUP to TMNA at the closing of the Merger on December 1, 2022, the Company issued 2,604.28 shares of Series A preferred stock which are convertible into 26,042,808 shares of TINGO GROUP common stock equal to approximately 20.1% of the total issued and outstanding common stock immediately prior to Closing. The Series A preferred stocks will be convertible to TINGO GROUP common stock upon stockholders' approval. If stockholders have not approved the conversion of the Series A Preferred Stock into TINGO GROUP common stock by June 30, 2023 (the "Trigger Date"), then, TINGO GROUP will issue to TMNA stocks to cause TMNA to own 27% of the total issued and outstanding membership interests of TGH. See also Note 13.

##### C. Temporary equity:

As part of the consideration paid by TINGO GROUP to TMNA at the closing of the Tingo Merger on December 1, 2022, the Company issued 33,687.21 shares of Series B preferred stock convertible into 336,872,138 shares of TINGO GROUP common stock equal to approximately 35% of the total issued and outstanding common stock immediately prior to Closing. The Series B preferred stocks will be convertible to TINGO GROUP common stock upon approval by Nasdaq of the change of control of TINGO GROUP and upon the approval of TINGO GROUP's stockholders. If such shareholder or Nasdaq approval is not obtained by June 30, 2023, TMNA shall have the right to (i) cause the redemption of Series B preferred stock to take place within 90 days; and (ii) cause TINGO GROUP to redeem all of the Series B preferred stock in exchange for \$666,666,667 or an amount of common stock of TGH equivalent in value to \$666,666,667. See also Note 13. As the redemption provisions to redeem the Series B preferred stock in cash is outside the control of the Company and contingent upon the approval of shareholders or Nasdaq approval of the change in control application of TINGO GROUP, they are required to be presented outside of Stockholders' Equity and therefore were presented as temporary equity on the face of the Consolidated Balance Sheets.

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F-26

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

## C. Stock Option Plan:

**2012 plan.** Our 2012 Stock Incentive Plan (the “2012 Incentive Plan”) was initially adopted by the Board on November 26, 2012 and approved by our stockholders on January 7, 2013 and subsequently amended on September 30, 2014, October 26, 2015, November 15, 2017 and November 8, 2018. Under the 2012 Incentive Plan, as amended, up to 5,000,000 shares of our Common Stock, are currently authorized to be issued pursuant to option awards granted thereunder. 3,994,782 shares of which have been issued or have been allocated to be issued as of December 31, 2022 and 1,005,218 shares remain available for future issuance as December 31, 2022. The 2012 Incentive Plan is intended as an incentive to retain directors, officers, employees, consultants and advisors to the Company, persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company, by granting to such persons options to purchase shares of the Company’s Common Stock (“2012 Options”), shares of the Company’s stock, with or without restrictions, or any other share-based award (“2012 Award(s)”). The Plan is intended as an incentive to retain in the employ of, and as directors, consultants and advisors to TINGO GROUP, Inc., and its subsidiaries (including any “employing company” under Section 102(a) of the Ordinance (as hereinafter defined) and any “subsidiary” within the meaning of Section 424(f) of the United States Internal Revenue Code of 1986, as amended (the “Code”), collectively, the “Subsidiaries”), persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries, by granting to such persons either (i) options to purchase shares of the Company’s Stock, (the “Options”), (ii) shares of the Company’s Stock, with or without restrictions, or (iii) any other Stock-based award, granted to a Grantee or an Optionee (as such terms are defined below hereunder) under the Plan and any Stock issued pursuant to the exercise thereof. Stock awards and the grant of Options to purchase shares of Stock, or the issue of each of the above under sub-sections (i) - (iii) shall be referred as the “Award(s).”

**2020 plan.** The 2020 Incentive Plan provides for the issuance of up to 25,000,000 shares of our common stock plus a number of additional shares issued upon the expiration or cancellation of awards under our 2014 Incentive Plan, which was terminated when the 2020 Incentive Plan was approved by our stockholders. Generally, shares of common stock reserved for awards under the 2020 Incentive Plan that lapse or are canceled (other than by exercise) will be added back to the share reserve available for future awards. However, shares of common stock tendered in payment for an award or shares of common stock withheld for taxes are not available again for future awards. In addition, Shares repurchased by the Company with the proceeds of the option exercise price may not be reissued under the 2020 Incentive Plan.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2022:

Options Outstanding		Options Exercisable	
Number Outstanding on December 31, 2022	Weighted Average Remaining Contractual Life Years	Number Exercisable on December 31, 2022	Exercise Price \$
125,000	8.5	125,000	1.41
370,000	8.5	277,500	1.81
95,000	8.5	31,667	2.49
590,000		434,167	

F-27

## TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

### B. Stock Option Plan - (continued):

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding at the beginning of period:	1,558,000	\$ 1.74	1,158,000	\$ 2.24
Changes during the period:				
Granted	-	\$ -	740,000	\$ 1.97
Exercised	-	\$ -	(60,000)	\$ 1.35
Forfeited	(968,000)	\$ 1.68	(280,000)	\$ 1.41
Options outstanding at the end of the period	590,000	\$ 1.83	1,558,000	\$ 1.74
Options exercisable at the end of the period	434,167	\$ 1.74	1,118,000	\$ 1.57

The Company has warrants outstanding as follows:

	Warrants Outstanding	Average Exercise Price	Remaining Contractual Life
Balance, December 31, 2021	62,863,879	\$ 2.854	4.5
Granted	-	\$ -	-
Forfeited	-	\$ -	-
Exercised	-	\$ -	-
Balance, December 31, 2022	62,863,879	\$ 2.854	4.25

The Company is required to assume a dividend yield as an input in the Black-Scholes model. The dividend yield assumption is based on the Company’s historical experience and expectation of future dividends payouts and may be subject to change in the future.

The Company uses historical volatility in accordance with FASB ASC Topic 718, “Compensation - stock compensation”. The computation of volatility uses historical volatility derived from the Company’s exchange-traded shares.

The risk-free interest assumption is the implied yield currently available on U.S. Treasury zero-coupon bonds, issued with a remaining term equal to the expected life term of the Company's options.

Pre-vesting rates forfeitures were zero based on pre-vesting forfeiture experience.

The fair value of each option granted is estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0% for all years; expected volatility: 2022 and 2021-87.2%-100.4%; risk-free interest rate: 2022 and for 2021-0.99%-1.64%; and expected life: 2022 and for 2021-6.5-10 years.

The Company uses the simplified method to compute the expected option term for options granted.

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F-28

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

On November 2, 2020 the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain 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 and one warrant to purchase 0.8 of one share of Common Stock at a purchase price of \$2.50 per Unit. The warrants are exercisable nine months after the date of issuance at an exercise price of \$.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 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 had entered into a securities purchase agreement (the "February Purchase Agreement") with certain institutional 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 "February Offering"). The gross proceeds to the Company from the February Offering were expected to be approximately \$60.0 million. The Series A warrants will be exercisable nine 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 nine 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 (the "March 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 March 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, 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 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 for the transaction consummated under the March Purchase Agreement 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.

On May 17, 2021, the Company's Board of Directors (the "Board") unanimously approved a grant of fully vested 6,000,000 shares of common stock to Mr. Darren Mercer, the Company's Chief Executive Officer. The issuance of the shares was 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 Fucheng Insurance and Magpie; (ii) obtaining regulatory approval from the Hong Kong SFC regarding the acquisition of Magpie; (iii) the execution 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 execution of an exclusive partnership with the Shanghai Petroleum and Natural Gas Trading Center to which allows TINGO GROUP 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.

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F-29

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

On May 17, 2021, the Board unanimously approved a grant of fully vested 300,000 shares of common stock of the Company to Richard Abrahams, Magpie's Chief Executive Officer.

Our 2012 Incentive Plan was initially adopted by the Board on November 26, 2012 and approved by our stockholders on January 7, 2013 and subsequently amended on September 30, 2014, October 26, 2015, November 15, 2017 and November 8, 2018. Under the 2012 Incentive Plan, as amended, up to 5,000,000 shares of our common stock, are currently authorized to be issued pursuant to option awards granted thereunder. On May 17, 2021, May 23, 2021 and June 28, 2021, the Company granted an aggregate of 125,000, 370,000 and 245,000 respectively, options under the 2012 Incentive Plan, with an exercise price of \$1.41, \$1.81 and \$2.49, respectively, of which 433,667 options vested and 150,000 options expired as of December 31, 2022. This resulted in a stock-based compensation expense of approximately \$208,079 recorded for the twelve months ended December 31, 2022, based on a fair value determined using a Black-Scholes model.

On March 22, 2021, 20,000 shares of common stock were issued to an employee who exercised their options at an exercise price of \$.41.

In September 2021, the Board unanimously approved a grant of 87,000 fully vested shares of common stock of the Company to some of our employees.

On September 13, 2021, 40,000 shares of common stock were issued to an employee who exercised their options at an exercise price of \$.32.

On September 28, 2021, The Company granted 823,020 shares of common stock of the Company to China Strategic Investments Limited.



On May 10, 2022, The Company granted 1,659,500 shares of common stock of the Company to Cushman Holdings Limited, an unrelated third party, as an introducer fee for TMNA.

On May 10, 2022, The Company granted 858,631 shares of common stock of the Company to China Strategic Investments Limited, an unrelated third party, in connection with the GFHI acquisition as discussed in Note

On May 10, 2022, The Company granted 612,500 shares of common stock of the Company to some of our directors and employees. The shares were issued pursuant to the 2020 Incentive Plan.

On May 10, 2022, the Company's Board unanimously approved a grant of fully vested 4,000,000 shares of common stock to Mr. Darren Mercer. The shares were issued under the Company's long term incentive plan as such long-term incentive plan 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 execution of several major commercial contracts and partnerships, including with a number of major insurance agents and one of China's largest payment service providers; (ii) entered into an Agreement and Plan of Merger with Tingo.

F-30

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

On December 1, 2022, The Company granted 2,000,000 shares of common stock of the Company to Mr. Wei Qi, the company consultant, who has a professional business development goal as part of his agreement with the company. The shares were issued pursuant to the 2020 Incentive Plan.

On February 5, 2023, The Company granted 1,309,500 shares of common stock of the Company to Cushman Holdings Limited, an unrelated third party, as a success fee relating to the completion of the acquisition of Tingo Mobile Limited.

On February 5, 2023, The Company granted 750,000 shares of common stock of the Company to an unrelated third party, relating to the purchase by GFH Intermediate Holdings Limited of certain software, technology and intellectual property from the beneficial owner of Data Insight Holdings Limited,

On February 5, 2023, The Company granted 100,000 shares of common stock of the Company to China Strategic Investments Limited as an ex gratia payment for the provision of corporate finance services.

On February 5, 2023, The Company granted 720,000 shares of common stock of the Company to certain directors and employees. The shares were issued pursuant to the 2020 Incentive Plan and 2012 Incentive Plan.

On February 5, 2023, the Company's Board unanimously approved a grant of 3,200,000 fully vested shares of common stock to Mr. Darren Mercer in recognition of the completion of the acquisition of Tingo Mobile which is expected to be transformational for the Company. The size of the award takes into account the improved terms for TINGO GROUP that were negotiated in October 2022, and also the value Mr Mercer is delivering to the growth of TINGO GROUP.

On March 6, 2023, The Company granted 48,000 shares of common stock of the Company to CORPROMINENCE LLC as part of the payment for their services.

**NOTE 4 — FAIR VALUE MEASUREMENTS**

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The Company's financial assets measured at fair value on a recurring basis were as follows (in thousands)

<b>Fair value measurements</b>				
<b>December 31, 2022</b>				
<b>(USD in thousands)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 500,316	-	-	\$ 500,316
Total	\$ 500,316	-	-	\$ 500,316

<b>Fair value measurements</b>				
<b>December 31, 2021</b>				
<b>(USD in thousands)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 96,619	-	-	\$ 96,619
Total	\$ 96,619	-	-	\$ 96,619

F-31

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

**NOTE 5 — PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following:

<b>December 31,</b>			
<b>(USD in thousands)</b>	<b>2022</b>	<b>2021</b>	
Building	\$ 29,256	\$ -	-
Land	8,097	-	-
Office furniture and equipment	577	431	-



Site installations	176,150	-
Cell phones	1,258,902	-
Machinery and equipment	9,408	153
Leasehold improvement	225	203
Transportation equipment	688	415
	<u>1,483,303</u>	<u>1,202</u>
Less accumulated depreciation and amortization	<u>(628,178)</u>	<u>(525)</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>\$ 855,125</b>	<b>\$ 677</b>

Depreciation and amortization expenses totaled \$34,176 and \$163 for the years ended December 31, 2022 and 2021, respectively.

#### NOTE 6 — INTANGIBLE ASSETS, NET

##### Composition:

<b>(USD in thousands)</b>	<b>Useful life years</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Original amount:</b>			
Technology know-how	6	\$ 11,490	\$ 11,490
Trade name/trademarks	Indefinite or		
	5-8 years	55,507	923
Customer relationship	5-10 years	4,802	4,802
Farmer Cooperative	6 years	24,811	-
License	Indefinite or		
	10 years	8,498	8,498
Software	5-6 years	90,332	172
		<u>195,440</u>	<u>25,885</u>
<b>Accumulated amortization:</b>			
Technology know-how		(4,788)	(2,873)
trade name/ trademarks		(859)	(174)
Customer related intangible assets		(2,288)	(1,355)
Farmer Cooperative		(345)	-
License		(235)	(39)
Software		(1,518)	(2)
		<u>(10,033)</u>	<u>(4,443)</u>
<b>INTANGIBLE ASSETS, NET</b>		<b>\$ 185,407</b>	<b>\$ 21,442</b>

The estimated future amortization of the intangible assets (excluded of deferred tax assets) as of December 31, 2022 is as follows:

<b>(USD in thousands)</b>	
2023	\$ 29,765
2024	29,765
2025	29,257
2026	27,791
2027 onward	61,910
Total	<u>\$ 178,028</u>

F-32

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

#### NOTE 7 — EQUITY INVESTMENT IN MICRONET

As of March 31, 2021, the Company held 50.31% of Micronet's issued and outstanding shares. On May 9, 2021, following the exercise of options by minority stockholders, the Company's ownership interest was diluted to 49.88% and as a result the Company is no longer required to consolidate Micronet's operating results in its financial statements. From May 9, 2021, the Company accounted for the investment in Micronet in accordance with the equity method. The company recognized a loss in 2021 from deconsolidation of Micronet in the amount of \$1,934.

On June 16, 2021, Micronet announced that it had completed a public equity offering on the TASE. Pursuant to the offering, Micronet sold an aggregate number of 18,400 securities units (the "Units") at a price of 14.6 NIS per Unit with each Unit consisting of 100 ordinary shares, 25 series A options and 75 series B options, resulting in the issuance of 1,840,000 ordinary shares, 460,000 series A options and 1,380,000 series B options. Micronet raised total gross proceeds of 26,864,000 NIS (approximately \$8,290,000) in the Offering. The Company did not participate in the Offering, and, as a result, the Company's ownership interest was further diluted to 31.47% of the outstanding ordinary shares of Micronet and 30.54% on a fully diluted basis as of December 31, 2022.

Purchased identifiable intangible assets are amortized on a straight-line basis over their respective useful lives. The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting gain on bargain purchase.

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 (the "Convertible Loan"). The Convertible Loan bears interest at a rate of 3.95% calculated and 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 issuance. 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 one of Micronet's ordinary shares for each ordinary share that it issued as a result of a conversion of the Convertible Loan 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

exercise price changed from 0.6 NIS per share to 9 NIS per Micronet share.

On January 1, 2020, the Convertible Loan was approved at a general meeting of the Micronet shareholders and as a result, the Convertible Loan and the transactions contemplated thereby became effective. The loan was repaid on January 4, 2022.

On August 13, 2020, TINGO GROUP Telematics extended to Micronet an additional loan in the aggregate amount of \$175 (the “Loan Sum”) which governed the existing outstanding intercompany debt. The loan does not bear any interest and has a term of twelve months. The Loan Sum was granted for the purpose of supporting Micronet’s working capital and general corporate needs. The loan was repaid on August 25, 2021.

#### NOTE 8 — GFH INTERMEDIATE HOLDINGS LTD ACQUISITION

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

As of the date of this annual report, COVID-19 and the resulting government regulations enacted in China and elsewhere have not had a material adverse effect on GFHI financial reports; however, there can be no assurance that GFHI financial reports will not be affected in the future from COVID-19 or resulting government actions.

F-33

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

Purchased identifiable intangible assets are amortized on a straight-line basis over their respective useful lives. 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:

#### GFH Intermediate Holdings LTD, Purchase Price Allocation

(USD in thousands)

Total share consideration (1)	\$ 32,050
Total Purchase Consideration	<u>\$ 32,050</u>
Less:	
Intangible assets - trade name/ trademarks	\$ 580
Intangible assets - developed technology	11,490
Intangible assets - Customer database (2)	4,500
Deferred Tax liability (3)	<u>(4,308)</u>
Fair value of net assets acquired	<u>\$ 12,262</u>
Goodwill value (4)	<u>\$ 19,788</u>

- (1) The purchase consideration represented the fair value of the convertible promissory notes that were converted into common stock of TINGO GROUP.
- (2) The customer database value is based on the cost to recreate, as indicated by management.
- (3) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 26%.
- (4) The goodwill is not deductible for tax purposes.

#### NOTE 9 — VIE’S AGREEMENTS

The Company consolidates certain VIEs as it is the primary beneficiary since it has both the power to direct the activities of the VIEs that most significantly impact the VIE’s economic performance and has the right to receive benefits or the obligation to absorb losses of the VIEs that could potentially be significant to the VIEs which are derived from various agreements described below.

##### VIE agreements with Guangxi Zhongtong Insurance Agency Co., Ltd (Guangxi Zhongtong):

On January 1, 2021, Bokefa Petroleum and Gas Co. Ltd., our wholly foreign-owned enterprise (“WFOE”), Guangxi Zhongtong, and nominee shareholders of Guangxi Zhongtong entered into six agreements, described below, pursuant to which Bokefa is deemed to have controlling financial interest and be the primary beneficiary of Guangxi Zhongtong. Therefore, Guangxi Zhongtong is deemed a VIE of Bokefa:

##### Loan Agreement

Pursuant to this agreement, Bokefa agreed to provide loans to the nominee shareholders of Guangxi Zhongtong. The term of the loan shall start from the date when the loan is actually paid, until the date on which the loan is repaid in full. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely for Guangxi Zhongtong’s operating expenses and should be exclusively repaid by transferring shares of Guangxi Zhongtong to Bokefa when PRC Law permits.

##### Exclusive Option Agreement

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all the equity interest of Guangxi Zhongtong to Bokefa in accordance with relevant laws and provisions as provided in the agreement, or upon written notice by Bokefa to shareholders. In consideration of Bokefa’s loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, are restricted without the approval of Bokefa. Upon request by Bokefa, Guangxi Zhongtong is obligated to distribute profits to the shareholders of Guangxi Zhongtong, who must remit such profits to Bokefa immediately. Guangxi Zhongtong and its shareholders are required to act in a manner that is in the best interest of Bokefa with regards to Guangxi Zhongtong’s business operation.

##### Equity Pledge Agreement

The agreement will be terminated upon such date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholders pledged all their equity interest in Guangxi Zhongtong to Bokefa as security for the obligations in the other agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

*Business Cooperation Agreement*

The agreement is effective until terminated by both parties. Guangxi Zhongtong and its shareholders agree that the legal person, directors, general manager and other senior officers of Guangxi Zhongtong should be appointed or elected by Bokefa. Guangxi Zhongtong and its shareholders agree that all the financial and operational decisions for Guangxi Zhongtong will be made by Bokefa.

*Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive technical consulting and support services to Guangxi Zhongtong and Guangxi Zhongtong agrees to pay service fees to Bokefa.

*Entrustment and Power of Attorney Agreement*

The shareholders of Guangxi Zhongtong agreed to entrust all the rights to exercise their voting power and any other rights as shareholders of Guangxi Zhongtong to Bokefa. The shareholders of Guangxi Zhongtong have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval.

On August 23, 2021, Beijing Yibao Technology Co., Ltd. ("Beijing Yibao"), Guangxi Zhongtong, and two shareholders of Guangxi Zhongtong entered into a capital increase agreement pursuant to which Beijing Yibao would invest approximately RMB30,000 (\$4,700) into Guangxi Zhongtong. On October 21, 2021, Beijing Yibao transferred the total investment funds of RMB30,000 (\$4,700) to Guangxi Zhongtong, and 60% of the shares were issued to Beijing Yibao. The capital increase transaction was closed accordingly on October 21, 2021. As a result of the transaction, Beijing Yibao now holds a sixty percent (60%) equity interest in Guangxi Zhongtong and is the controlling shareholder. As a condition of the closing, the previous agreements consummated on January 1, 2021 per the GZ Frame Work Loan became null and void, and the loan lent to the shareholders under the GZ Frame Work Loan agreement should be fully repaid by the shareholders before December 31, 2023.

**VIE agreements with Beijing Fucheng Lianbao Technology Co., Ltd. (Beijing Fucheng):**

On December 31, 2020, as amended on August 25, 2021, Bokefa, Beijing Fucheng, and the shareholders of Beijing Fucheng entered into six agreements, described below, pursuant to which Bokefa is deemed to have a controlling financial interest and be the primary beneficiary of Beijing Fucheng. Therefore, Beijing Fucheng is deemed a VIE of Bokefa.

*Loan Agreement*

Pursuant to this agreement, Bokefa agreed to provide loans to the registered shareholders of Beijing Fucheng. The term of the loan under this agreement shall start from the date when the loan is actually paid and shall continue until the shareholders repay all the loan in accordance with this agreement. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely for Beijing Fucheng's operating expenses, and should be exclusively repaid by transferring shares of Beijing Fucheng to Bokefa when PRC Law permits.

*Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of Beijing Fucheng to Bokefa in accordance with relevant laws and provisions as provided in the agreement, or upon written notice by Bokefa to the shareholders. In consideration for Bokefa's loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Bokefa. Upon request by Bokefa, Beijing Fucheng is obligated to distribute profits to the shareholders of Beijing Fucheng, who must remit those profits to Bokefa immediately. Beijing Fucheng and its shareholders are required to act in a manner that is in the best interest of Bokefa with regards to Beijing Fucheng's business operations.

*Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the shareholders pledged all their equity interest in Beijing Fucheng to Bokefa as security for their obligations under the agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

*Business Cooperation Agreement*

The agreement is effective until terminated by both parties. Beijing Fucheng and its shareholders agree that the legal person, directors, general manager and other senior officers of Beijing Fucheng should be appointed or elected by Bokefa. Beijing Fucheng and its shareholders agree that all financial and operational decisions of Beijing Fucheng will be made by Bokefa.

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

*Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive

technical consulting and support services to Beijing Fucheng and Beijing Fucheng agrees to pay service fees to Bokefa.

#### *Entrustment and Power of Attorney Agreement*

The shareholders of Beijing Fucheng agreed to entrust all the rights to exercise their voting power and any other rights as shareholders of Beijing Fucheng to Bokefa. The shareholders of Beijing Fucheng have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until deregistration of Beijing Fucheng.

#### **VIE agreements with All Weather Insurance Agency Co., Ltd. (All Weather):**

On July 1, 2021, Bokefa, All Weather., and nominee shareholders of All Weather entered into six agreements, described below, pursuant to which Bokefa is deemed to have a controlling financial interest and be the primary beneficiary of All Weather. All Weather., Ltd. is deemed a VIE of Bokefa.

#### *Loan Agreement*

Pursuant to this agreement, Bokefa agreed to provide loans to the nominee shareholders of All Weather. The term of the loan is one year and shall start from the date when the loan is actually paid. The agreement shall terminate when the shareholders repay the loan. The loan should be used solely by All Weather for operating expenses, and should be exclusively repaid by transferring shares of All Weather to Bokefa when PRC Law permits.

#### *Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of All Weather to Bokefa in accordance with relevant laws and provisions in the agreement, or upon written notice by Bokefa to the shareholders. In consideration for Bokefa's loan arrangement, the shareholders have agreed to grant Bokefa an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Bokefa. Upon request by Bokefa, All Weather is obligated to distribute profits to the shareholders of All Weather, who must remit the profits to Bokefa immediately. All Weather and its shareholders are required to act in a manner that is in the best interest of Bokefa with regard to All Weather's business operations.

#### *Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholders pledged all of their equity interest in All Weather to Bokefa as security for their obligations pursuant to the other agreements. Bokefa has the right to receive dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Bokefa.

#### *Business Cooperation Agreement*

The agreement is effective until terminated by both parties. All Weather and its shareholders agree that the legal person, directors, general manager and other senior officers of All Weather should be appointed or elected by Bokefa. All Weather and its shareholders agree that all the financial and operational decisions of All Weather will be made by Bokefa.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Bokefa agrees to provide exclusive technical consulting and support services to All Weather and All Weather agrees to pay service fees to Bokefa.

#### *Entrustment and Power of Attorney Agreement*

The shareholders of All Weather agreed to entrust all their rights to exercise their voting power and any other rights as shareholders of All Weather to Bokefa. The shareholders of All Weather have each executed an irrevocable power of attorney to appoint Bokefa as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until the deregistration of All Weather.

### **TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)**

#### **VIE agreements with Tianjin Dibao Technology Development Co. Ltd. (Tianjin Dibao):**

On April 2, 2022, Zheng Zhong Energy, Tianjin Dibao, and nominee shareholder of Tianjin Dibao entered into six agreements, described below, pursuant to which Zheng Zhong Energy is deemed to have a controlling financial interest and be the primary beneficiary of Tianjin Dibao. Tianjin Dibao is deemed a VIE of Zheng Zhong Energy.

#### *Loan Agreement*

Pursuant to this agreement, Zheng Zhong Energy agreed to provide loans to the shareholder of Tianjin Dibao. The term of the loan shall start from the date when the loan is actually paid. The agreement shall terminate when the shareholder repay the loan. The loan should be used solely to purchase Tianjin Dibao's 76% equity, and should be exclusively repaid by transferring shares of Tianjin Dibao to Zheng Zhong Energy when PRC Law permits.

#### *Exclusive Option Agreement*

The effective term of the agreement is unlimited and the agreement shall terminate upon the transfer of all of the equity interest of Tianjin Dibao to Zheng Zhong Energy in accordance with relevant laws and provisions in the agreement, or upon written notice by Zheng Zhong Energy to the shareholder. In consideration for Zheng Zhong Energy's loan arrangement, the shareholder have agreed to grant Zheng Zhong Energy an exclusive option to purchase their equity interest. Distribution of residual profits, if any, is restricted without the approval of Zheng Zhong Energy. Upon request by Zheng Zhong Energy, Tianjin Dibao is obligated to distribute profits to the shareholder of Tianjin Dibao, who must remit the profits to Zheng Zhong Energy immediately. Tianjin Dibao and its shareholder are required to act in a manner that is in the best interest of Zheng Zhong Energy with regard to Tianjin Dibao's business operations.

#### *Equity Pledge Agreement*

The agreement will be terminated at the date when the other agreements have been terminated. Pursuant to the agreement, the nominee shareholder pledged all of their equity interest in Tianjin Dibao to Zheng Zhong Energy as security for their obligations pursuant to the other agreements. Zheng Zhong Energy has the right to receive

dividends on the pledged shares, and all shareholders are required to act in a manner that is in the best interest of Zhengzhong Energy.

#### *Business Cooperation Agreement*

The agreement is effective until terminated by both parties. Tianjin Dibao and its shareholders agree that the legal person, directors, general manager and other senior officers of Tianjin Dibao should be appointed or elected by Zheng Zhong Energy. Tianjin Dibao and its shareholder agree that all the financial and operational decisions of Tianjin Dibao will be made by Zheng Zhong Energy.

#### *Exclusive Service Agreement*

The effective term of this agreement is for one year and it can be extended an unlimited number of times if agreed by both parties. Zheng Zhong Energy agrees to provide exclusive technical consulting and support services to Tianjin Dibao and Tianjin Dibao agrees to pay service fees to Zheng Zhong Energy.

#### *Entrustment and Power of Attorney Agreement*

The shareholder of Tianjin Dibao agreed to entrust all their rights to exercise their voting power and any other rights as shareholder of Tianjin Dibao to Zheng Zhong Energy. The shareholder of Tianjin Dibao have each executed an irrevocable power of attorney to appoint Zheng Zhong Energy as their attorney-in-fact to vote on their behalf on all matters requiring shareholder approval. The agreement is effective until the deregistration of Tianjin Dibao.

F-37

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

#### **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 in which it holds 24% and engaged in a VIE structure) all of the shares of Beijing Yibao Technology Co., Ltd., and, indirectly, its wholly-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. 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	\$ 5,711
Total purchase consideration	<u>\$ 5,711</u>
Less:	
Net working capital	\$ 926
Property and equipment	26
Intangible assets - License	4,814
Current liabilities	<u>(55)</u>
Fair value of net assets acquired	<u>\$ 5,711</u>

Since we started consolidating Beijing Fucheng Lianbao reports from February 10, 2021, the pro forma numbers are immaterial and therefore we did not present them.

#### **NOTE 11 — GUANGXI ZHONGTONG INSURANCE AGENCY CO., LTD ACQUISITION**

On January 1, 2021, we entered into a transaction through Bokefa, with the shareholders of Guangxi Zhongtong Insurance Agency Co., Ltd (“Guangxi Zhongtong”), a local Chinese entity with business and operations in the insurance brokerage business. Pursuant to the transaction, we granted loans to Guangxi Zhongtong’s shareholders through a frame work loan (the “GZ Frame Work Loan”) the amount of up to RMB 40,000 (approximately \$6,125) (“GZ Frame Work Loan Amount”) which is designated, if exercised, to be used as a working capital loan for Guangxi Zhongtong. As of December 31, 2022, only RMB 8,010 (approximately \$1,243) was drawn down from the GZ Frame Work Loan for working capital and approximately \$919 was drawn down for loans to shareholders of Guangxi Zhongtong (as stipulated in the agreement). In consideration for the GZ Frame Work Loan, the parties entered into various additional agreements which include: (i) a pledge agreement pursuant to which the shareholders have pledged their shares for the benefit of Bokefa in order to secure the GZ Frame work Loan Amount (ii) an exclusive option agreement pursuant to which Bokefa has an exclusive option to purchase the entire issued and outstanding common shares of Guangxi Zhongtong from the shareholders (“Option Agreement”) under such terms set forth therein (which include an exercise price not less than the maximum GZ Frame Work Loan Amount and the right to convert the GZ Frame Work Loan Amount into the purchased shares) (iii) an entrustment agreement and power of attorney agreement pursuant to which the shareholders irrevocably entrusted and appointed Tianjin Bokefa as their 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) a business cooperation agreement and a master exclusive service agreement which grants Bokefa rights related to Guangxi Zhongtong’s business and operations in order to secure repayment of the GZ Frame Work Loan Amount.

F-38

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value data)

This transaction was structured pursuant to a Variable Interest Entity, Structure (in which we do not hold the shares). As such, and given our direct ownership in Bokefa and its contractual arrangements with Guangxi Zhongtong, we are regarded as Guangxi Zhongtong’s controlling entity and primary beneficiary of Guangxi Zhongtong business. We have, therefore, consolidated the financial position and operating results of Guangxi Zhongtong using the fair value of the assets and liabilities of Guangxi Zhongtong.

Beijing Fucheng Lianbao Technology Co., Ltd is an entity incorporated on December 29, 2020, in which Bokefa owns 24% equity interest with the remaining 76% controlled by Bokefa through VIE agreements. On February 10, 2021, Beijing Fucheng acquired all of the shares of Beijing Yibao Technology Co., Ltd., which holds 100% of the equity interest in Beijing Fucheng Insurance Brokerage Co., Ltd. ("Fucheng Insurance"). Fucheng Insurance is a Chinese insurance brokerage agency and a nation-wide licensed entity which offers insurance brokerage services for a broad range of insurance products. Fucheng Insurance, through their nationwide license, will give us the flexibility to offer and create tailor-made insurance products, leverage customers directly or through distribution partners and procure better deals with both our existing and new insurance company partners. Fucheng Insurance further enables us to accelerate the onboarding of new agents onto our platforms all throughout China. 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. When Fucheng Insurance initiates its nationwide rollout of its mobile application, it will facilitate access to those portals' large customer bases which will also offer TINGO GROUP'S full suite of insurance products. Beijing Fucheng shares were acquired for approximately \$5,700, and funded through the Company.

On October 21, 2021, Yibao transferred such funds and the transaction closed. As a result of the transaction, Yibao now holds a sixty percent (60%) equity interest in Guangxi Zhongtong and is the controlling shareholder. As a condition of the Closing, the previous agreements consummated on January 1, 2021 per the Frame Work Loan became null and void.

Purchased identifiable intangible assets are amortized on a straight-line basis over their respective useful lives. The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed. In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

#### Guangxi Zhongtong Insurance Agency Co., Ltd, Purchase Price Allocation

(USD in thousands)

Total cash consideration	\$ -
<b>Total Purchase Consideration</b>	<b>\$ -</b>
<b>Less:</b>	
Debt-free net working capital	\$ 613
Property and equipment	13
Intangible assets - Licenses	1,926
Intangible assets - customer relationship (1)	248
Deferred Tax liability (2)	(544)
<b>Fair value of net assets acquired</b>	<b>\$ 2,256</b>
Fair value of the Noncontrolling interest	\$ (3,231)
Gain on equity interest	1,128
Equity investment	-
<b>Change in investment</b>	<b>(2,103)</b>
Bargain gain from acquisition	\$ (153)

(1) The customer database value is based on the cost to recreate, as indicated by management.

(2) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 26%.

F-39

### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

#### NOTE 12 — ALL WEATHER TRANSACTION

On July 1, 2021, we entered into a transaction through Bokefa, with the shareholders of All Weather, a local Chinese entity with business and operations in the insurance brokerage business. Pursuant to the transaction, we granted loans to All Weather's shareholders through a frame work loan (the "AW Frame Work Loan") the amount of up to RMB 30,000 (approximately \$4,700) ("AW Frame Work Loan Amount") which is designated, if exercised, to be used as a working capital loan for All Weather. As of December 31, 2022, RMB 30,000 (approximately \$4,700) was drawn down from the AW Frame Work Loan for working capital. In consideration for the AW Frame Work Loan, the parties entered into various additional agreements which include: (i) a pledge agreement pursuant to which the shareholders have pledged their shares for the benefit of Bokefa in order to secure the AW Frame work Loan Amount (ii) an exclusive option agreement pursuant to which Bokefa has an exclusive option to purchase the entire issued and outstanding common shares of All Weather from the shareholders ("Option Agreement") under such terms set forth therein (iii) an entrustment agreement and power of attorney agreement pursuant to which the shareholders irrevocably entrusted and appointed Bokefa as their proxy and trustee to exercise on their behalf any and all rights under applicable law and the articles of association of All Weather in the shareholder's equity interest in All Weather (iv) a business cooperation agreement and a master exclusive service agreement which grants Bokefa rights related to All Weather's business and operations in order to secure repayment of the AW Frame Work Loan Amount.

This transaction was structured pursuant to a Variable Interest Entity Structure (in which we do not hold the shares). As such, and given our direct ownership in Bokefa and its contractual arrangements with All Weather, we are regarded as All Weather's controlling entity and primary beneficiary of All Weather's business. We have, therefore, consolidated the financial position and operating results of All Weather into our consolidated financial statements, using the fair value of the assets and liabilities of All Weather.

Purchased identifiable intangible assets are amortized on a straight-line basis over their respective useful lives. 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:

#### All Weather, Purchase Price Allocation

(USD in thousands)

Total cash consideration	\$ -
<b>Total purchase consideration</b>	<b>\$ -</b>
<b>Less:</b>	
Debt-free net working capital	\$ (105)
Property and equipment	153

Right of use assets	208
Lease liabilities	(258)
Intangible assets - licenses (1)	849
Intangible assets - customer relationship (1)	54
Deferred Tax liability (2)	(226)
<b>Fair value of net assets acquired</b>	<b>\$ 675</b>
Noncontrolling interest	\$ (675)
<b>Change in investment</b>	<b>(675)</b>
<b>Goodwill</b>	<b>\$ -</b>

- (1) The customer database value is based on the cost to recreate, as indicated by management.  
(2) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 25%.

All Weather's net revenues and net loss are presented if the acquisition date had occurred at the beginning of the annual reporting period.

(USD in thousands)	Year ended	
	December 31,	December 31,
	(Unaudited)	
	2022	2021
Revenues	\$ 146,035	\$ 69,566
Net loss	\$ (47,115)	\$ (36,514)

F-40

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 13 — TINGO MOBILE LIMITED TRANSACTION**

On May 10, 2022, TMNA entered into the Tingo Merger Agreement with MICT Merger Sub, Inc., a Nevada corporation and a wholly owned subsidiary of TINGO GROUP ("Merger Sub"), and TINGO GROUP, Inc., a Delaware corporation ("TINGO GROUP").

On June 15, 2022, TMNA, Merger Sub and TINGO GROUP entered into an Amended and Restated Agreement and Plan of Merger, following the completion of extensive due diligence by TINGO GROUP and its advisors.

Following the execution of the Amended and Restated Merger Agreement, TINGO GROUP and TMNA explored ways in which the combination of Tingo's core businesses and TINGO GROUP could be accomplished with the greatest speed and efficiency and on a tax-free basis. Based upon advice from each of the companies' advisors, the parties negotiated a Second Amended and Restated Merger Agreement, which determined the Merger to be a multi-phase forward-triangular Merger. On October 6, 2022, TINGO GROUP and TMNA, as well as individual representatives of each company's shareholders, executed the Tingo Merger Agreement.

On November 9, 2022, TMNA filed a Definitive Information Statement with the U.S. Securities and Exchange Commission to complete the Tingo Merger.

Pursuant to the Tingo Merger Agreement, TMNA transferred its ownership of Tingo Mobile to Tingo BVI Sub, which was then merged with and into MICT Fintech Limited ("MICT Fintech"), a British Virgin Islands company and a wholly-owned subsidiary of Tingo Group Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of TINGO GROUP ("TGH").

On December 1, 2022 (the "Tingo Closing"), pursuant to certain joinder agreements, TGH and MICT Fintech were added as parties to the Merger Agreement, and TINGO GROUP completed the merger of Tingo BVI Sub with and into MICT Fintech (the "Tingo Combination").

Under the terms of the Tingo Merger Agreement, TINGO GROUP issued to TMNA (i) 25,783,675 shares of common stock of TINGO GROUP, representing approximately 19.9% of the number of shares of TINGO GROUP's common stock issued and outstanding; (ii) 2,604.28 shares of Series A Preferred Stock convertible into 26,042,808 shares of TINGO GROUP common stock equal to approximately 20.1% of the total issued and outstanding TINGO GROUP common stock immediately prior to Tingo Closing; and (iii) 33,687.21 shares of Series B Preferred Stock convertible into 336,872,138 shares of TINGO GROUP common stock equal to approximately 35% of the total issued and outstanding common stock immediately prior to Tingo Closing. The rights of the Series A Preferred Stock and the Series B Preferred Stock are set forth in Certificates of Designation of Preferences, Rights and Limitations that TINGO GROUP filed with the Secretary of State of the State of Delaware on November 30, 2022.

Also, at the Tingo Closing, TINGO GROUP added two individuals appointed by TMNA to TINGO GROUP's existing board of directors.

Following execution of the Tingo Merger Agreement, TINGO GROUP extended to TMNA a loan in the principal amount of \$23,700 with an interest rate of 5% per year (the "Amended Purchaser Loan"), and which amended and restated a previous loan agreement between TINGO GROUP and TMNA dated September 28, 2022, for a principal amount of \$3,700.

If all of the transactions contemplated by the Tingo Merger Agreement and related agreements are consummated (including, for the avoidance of doubt, the conversions of the Series A Preferred Stock and Series B Preferred Stock into common stock), which will require further TINGO GROUP stockholder approval and Nasdaq approvals, such transactions would constitute a change of control of TINGO GROUP, as TMNA, would own a majority of the outstanding shares (on an as-converted basis) of TINGO GROUP.

**Conversion of Series A Preferred Stock**

Subject to stockholder approval, each share of Series A Preferred Stock will be convertible into approximately 10,000 shares of TINGO GROUP Common Stock. If stockholders have not approved the conversion of the Series A Preferred Stock into TINGO GROUP common stock by June 30, 2023 (the "Trigger Date"), then, (i) all issued and outstanding shares of Series A Preferred Stock will be immediately and automatically redeemed by TINGO GROUP, and all accrued and unpaid dividends thereon to the date of redemption extinguished, in consideration of the right to receive an aggregate amount, in respect of all shares of Series A Preferred Stock, of \$1.00 in cash, and (ii) TINGO GROUP shall, within ten (10) business days following the Trigger Event, cause TINGO GROUP to issue to TMNA the amount of membership interests of TGH as needed to cause TMNA to own 27% of the total issued and outstanding membership interests of TGH, subject to the terms of the Series A Preferred Stock Certificate of Designations.



**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**Conversion of Series B Preferred Stock**

Upon approval by Nasdaq of the change of control of TINGO GROUP and upon the approval of TINGO GROUP's stockholders, each share of Series B Preferred Stock issued by TINGO GROUP to TMNA shall automatically convert into 10,000 shares of TINGO GROUP common stock in accordance with the terms of its certificate of designation. If such shareholder or Nasdaq approval is not obtained by June 30, 2023, TMNA shall have the right to (i) cause the Series B Redemption to take place within 90 days; and (ii) cause TINGO GROUP to redeem all of the Series B Preferred Stock in exchange for (x) \$666,666,667 or (y) an amount of common stock of TGH equivalent in value to \$666,666,667 (reduced from the aggregate value of the Series B Preferred Stock at issuance, which is \$1,000,000,000). As the Series B Preferred Stock redemption is contingent upon the approval of shareholders or Nasdaq approval, they are presented outside of Stockholders' Equity in a total amount of approximately \$553 million which reflect their fair value proportion from the consideration.

The Series B Preferred Stock shall have no voting rights, however, the Series B Preferred Stock are entitled to receive dividends and conversion rights. The dividend rate on Series B Preferred Stock shall be the sum of (i) 4% of the Stated Value (as defined in the Series B Certificate of Designation) per share per annum plus (ii) if a dividend was declared and paid on the outstanding shares of Common Stock, an amount equal to the amount each share of Series B Preferred Stock would have received if it had been converted into Common Stock prior to the payment of the dividend, as declared by the Board of Directors. Regarding the conversion rights, upon the occurrence of the Conversion Date as defined within the Series B Certificate of Designation, each outstanding share of Preferred Stock shall be automatically converted into 10,000 shares of Common Stock, which in the aggregate shall be equal to 35.0% of Common Stock outstanding immediately prior to the Tingo Closing.

In accordance with ASC 805, Business Combinations, at Tingo Closing, the Tingo Merger was accounted as business combinations under which, TINGO GROUP was the acquirer and Tingo BVI Sub and its subsidiaries will be treated as the "acquired" company for financial reporting purposes. Under the acquisition accounting method, the total estimated purchase price was allocated to the identifiable assets acquired and liabilities assumed based on their fair values. The excess of the purchase price over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed has been recorded as goodwill. Management's estimate of the fair values of the acquired intangible assets as of December 1, 2022 is preliminary and subject to change and is based on established and accepted valuation techniques performed with the assistance of third-party valuation specialists. Additional information, which existed as of the acquisition date but is yet unknown to the Company may become known to the Company during the remainder of the measurement period, which will not exceed twelve months from the acquisition date. Changes to amounts will be recorded as adjustments to the provisional amounts recognized as of the acquisition date and may result in a corresponding adjustment to goodwill in the period in which new information becomes available. The goodwill that arose from the acquisition consists of synergies expected from integrating Tingo Mobile into the Company's operations and customer base.

**Tingo Mobile, Purchase Price Allocation**

Purchased identifiable intangible assets are amortized on a straight-line basis over their respective useful lives. The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting goodwill. In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

Total Merger consideration (1)	\$ 1,215,241
<b>Total purchase consideration</b>	<b>\$ 1,215,241</b>
<b>Less:</b>	
Net working capital	\$ 170,327
Property and equipment	844,764
Intangible – farmer cooperative	24,811
Intangible – trade names and trade marks	54,576
Intangible – software	90,172
Deferred tax liability (2)	(50,868)
	<b>\$ 1,133,782</b>
<b>Goodwill (3)</b>	<b>\$ 81,459</b>

- (1) The \$1,215,241 value of the Merger Consideration transferred was determined in accordance with ASC 820 and ASC 805. ASC 820 requires that fair value to maximize objective evidence and be determined using assumptions that a market participant would use, and when level 1 inputs exist, it should be used unless determined to be not representative. That would have meant using the unadjusted TINGO GROUP quoted price at the time of completion of the Transaction. The Company is of the opinion however, that the market value per share price as quoted on Nasdaq is not representative of the fair value and should not be used to determine the merger consideration. Using market value per share of TINGO GROUP would have led to a significant bargain purchase gain and an internal rate of return that was not reasonable as well as other valuation anomalies that it created. Hence, and in accordance with ASC 805-30-30-5, the Company reassessed the determination of the consideration transferred and determined that using Tingo, Inc. quoted price traded at the OTC Tingo Closing is more appropriate in determining the consideration fair value.
- (2) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 30%.
- (3) The goodwill is not deductible for tax purposes.

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

During the measurement period, which is up to one year from the acquisition date, we may adjust provisional amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

**NOTE 14 — SEGMENTS**



ASC 280, "Segment Reporting", establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, operating segments and major customers in financial statements for detailing the Company's operating 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. As a result of our acquisition of GFHI on July 1, 2020 (see Note 8) and Tingo Mobile on December 1, 2022 (see Note 13), we currently serve the marketplace, through our operating subsidiaries, as a financial technology company (Fintech Industry) targeting the African, Middle Eastern and South East Asia marketplaces as well as other areas of the world.

During the period between June 23, 2020, and May 9, 2021, we have held a controlling interest in Micronet, and we have presented our mobile resource management ("MRM") business operated by Micronet as a separate operating segment. As of May 9, 2021, the Company's ownership interest was diluted and, as a result, we deconsolidated Micronet.

As of December 31, 2022, the Company has 3 segments. This change came with the completion of the Tingo Mobile acquisition on December 1, 2022. The Company changed its reporting structure to better reflect what the CODM is reviewing to make organizational decisions and resource allocations. Following the loss of control over Micronet, MRM is no longer a separate operating segment or reportable segment since the CODM does not review discrete financial information for the business. The Company recast the information for the fiscal years ended December 31, 2022 to align with this presentation.

The activities of each of our reportable segments from which the Company earns revenues, records equity earnings or losses and incurs expenses are described below:

- Verticals and technology segment develops insurance platform, for the Chinese market and have been generating revenues from insurance products in China.
- Comprehensive platform service segment develops Nwassa agri-fintech marketplace platform, which enables customers in Nigeria to trade agricultural produce with customers, as well as to purchase farming inputs, to top up of airtime and data, to pay bills and utilities, to arrange insurance and to procure finance.
- Online stock trading segment develops technology investment trading platform that is currently operational in Hong Kong and Singapore.

F-43

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

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

(USD in thousands)	Year ended December 31, 2021				
	Verticals and technology	Comprehensive platform service	Corporate and others (3)	Online stock trading	Consolidated
Revenues from external customers	\$ 54,932	-	\$ 726	\$ 18	\$ 55,676
Segment operating loss	(9,604)(1)	-	(20,788)(2)	(7,504)	(37,896)
Other income, net			(1,801)		(1,801)
Finance income (expenses), net			395	395	
Loss before provision for income taxes					\$ (39,302)

(1) Includes \$2,931 of intangible assets amortization, derived from GFHI acquisition.

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

(3) Corporate and Other represents those results that: (i) are not specifically attributable to a reportable segment; (ii) are not individually reportable or (iii) have not been allocated to a reportable segment for the purpose of evaluating their performance, including certain general and administrative expense items.

(USD in thousands)	Year ended December 31, 2022				
	Verticals and technology	Online stock trading	Corporate and others (3)	Comprehensive platform service	Consolidated
Revenues from external customers	\$ 57,364	\$ 55		\$ 88,616	\$ 146,035
Segment operating loss	(12,539)(1)	(9,829)	(26,203)	36,779(2)	(11,792)
Other income, net			2,151		2,151
Finance income (expenses), net			(750)		(750)
Consolidated loss before income tax benefit					\$ (10,391)

(1) Includes \$2,931 of intangible assets amortization, derived from GFHI acquisition.

(2) Includes \$2,416 of intangible assets amortization, derived from Tingo Mobile acquisition.

F-44

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

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

As of December 31, 2021

(USD in thousands)	Verticals and technology	Comprehensive platform service	Corporate and others	Online stock trading	Consolidated
Assets related to segments	\$ 86,474(1)	\$ -	30,756	\$ 60,581(3)	\$ 177,811
Liabilities related to segments	(23,516)(2)	-	(2,620)	(3,953)	(30,089)
Total equity					<u>\$ 147,722</u>

(1) Includes \$19,292 of intangible assets and \$19,788 goodwill, derived from GFHI's acquisition.

(2) Includes \$3,728 of deferred tax liability, derived from GFHI acquisition.

(3) Includes \$1,222 of intangible assets.

As of December 31, 2022					
(USD in thousands)	Verticals and technology	Online stock trading	Comprehensive platform service	Corporate and others	Consolidated
Assets related to segments	\$ 40,831(1)	\$ 21,077(3)	\$ 1,541,093(4)	79,357	\$ 1,682,358
Liabilities and redeemable preferred stock series B related to segments	(18,406)(2)	(3,911)	(877,353)(5)	(9,689)	(909,359)
Total equity					<u>\$ 772,999</u>

(1) Includes \$17,009 of intangible assets and \$19,788 goodwill, derived from GFHI's acquisition.

(2) Includes \$3,125 of deferred tax liability, derived from GFHI All weather and Zhongtong acquisitions.

(3) Includes \$1,226 of intangible assets.

(4) Includes \$167,143 of intangible assets and \$81,459 goodwill, derived from Tingo Mobile acquisition.

(5) Includes \$50,143 of deferred tax liability, derived from Tingo Mobile acquisition and \$553,035 redeemable preferred stock series B.

#### NOTE 15 — TRADE ACCOUNTS RECEIVABLE, NET

Trade accounts receivable were comprised of the following:

(USD in thousands)	December 31, 2022	December 31, 2021
Trade accounts receivable	\$ 14,553	\$ 20,485
Allowance for doubtful accounts	(3,012)	(2,606)
	<u>\$ 11,541</u>	<u>\$ 17,879</u>

F-45

#### TINGO GROUP, Inc. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

Movement of allowance for doubtful accounts for the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2021 are as follows:

(USD in thousands)	2022	2021
Beginning balance	\$ 2,606	\$ 5
Provision	618	2,574
Exchange rate fluctuation	(212)	32
Decrease due to deconsolidation of Micronet	-	(5)
	<u>\$ 3,012</u>	<u>\$ 2,606</u>

#### NOTE 16 — SUPPLEMENTARY FINANCIAL STATEMENTS INFORMATION

##### A. Other Current Assets:

(USD in thousands)	December 31, 2022	December 31, 2021
Prepaid expenses	\$ 1,019	\$ 1,715
Advance to suppliers	2,821	2,338
Deposit	287	1,335
Business advance to employee	-	1,444
Other receivables	1,701	1,033
	<u>\$ 5,828</u>	<u>\$ 7,865</u>

##### B. Other Current Liabilities:

(USD in thousands)	December 31,	
	2022	2021
Employees and wage-related liabilities	\$ 1,064	\$ 500
expenses payable	5,298	-
Payment received by customers in advance	15	73

Accrued expenses	2,431	1,802
Income tax payable	178,582	365
Other tax payable	3,267	273
Advances from employee	1,402	990
Deposit	383	364
Due to insurance companies	151	142
Other	1	405
	<u>\$ 192,594</u>	<u>\$ 4,914</u>

F-46

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 17 — RELATED PARTIES**

Current assets – related parties

	December 31, 2022	December 31, 2021
<b>(USD in thousands)</b>		
Shareholders of All Weather	\$ 4,603	\$ 3,680
Beijing Fucheng Prospect Technology Co., Ltd	267	
Loan to Tingo Inc.(1)	8,099	
Convertible loan to Micronet (1)	-	535
Shareholders of Guangxi Zhongtong	522	919
	<u>\$ 13,491</u>	<u>\$ 5,134</u>

(1) Tingo's loan- as discussed in Note 13.

Current liabilities – related parties

	December 31, 2022	December 31, 2021
<b>(USD in thousands)</b>		
Shareholders of Bokefa Petroleum and Gas	\$ 308	\$ -
Shareholders of All Weather	659	4
Shareholders of Tingo Mobile Limited	56,539	-
	<u>\$ 57,506</u>	<u>\$ 4</u>

Darren Mercer, our Chief Executive Officer and a director, presently owns, with certain family members and related parties, approximately one third of the issued and outstanding shares of GFH and is the sole officer and one of three directors of GFH. In addition, prior to the closing the transactions contemplated by the agreement and plan of merger, entered into on November 7, 2019 and amended and restated on April 15, 2020 by and among TINGO GROUP, GFH Intermediate Holdings Ltd., a British Virgin Islands company ("Intermediate"), TINGO GROUP Merger Subsidiary Inc., a British Virgin Islands company and a wholly-owned subsidiary of TINGO GROUP ("Merger Sub") and GHF as the sole shareholder of Intermediate, pursuant to which the Merger Sub merged with and into Intermediate, with Intermediate continuing as the surviving entity, as a result of which GFH became a wholly owned subsidiary of TINGO GROUP (the "Merger"). Mr. Mercer was the sole officer and director of Intermediate.

F-47

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

On April 2, 2020, Darren Mercer, current board member of the Company, was appointed, the interim Chief Executive Officer of the Company and was given a fee of \$25 per month for his services to the Company. Effective on July 1, 2020 the board of directors approved the following consideration for Darren Mercer: (i) An annual base fee will be \$495 per year and, (ii) a signing bonus of \$100 and, (iii) a total annual bonus in accordance with the bonus program adopted by the Company from time-to-time with a target bonus opportunity equal to 100% of the Base Fee, With respect to a Target Bonus for a given year, the Company shall award up to 40% of such Target Bonus, as it so determines, on the basis of Mr. Mercer's performance in the first six months of the year and up to the remaining 60% of such Target Bonus on the basis of Mr. Mercer's performance in the remaining 6 months of the year. In addition, the Board of Directors may declare and grant a discretionary bonus for Mr. Mercer based on various targets and performance criteria to be established by the Board of Directors. The evaluation of the performance of Mr. Mercer as measured by the applicable targets and the awarding of applicable bonuses, if any, shall be at the sole discretion of the Board of Directors. On December 21, 2020, the board of directors approve additional \$200 bonus. The agreement shall end on the third anniversary of the Start Date. The engagement above was formalized in the form of independent contractor.

Effective on October 2021, the board of directors approve Darren Mercer ("Executive") new employment terms as follows: (i) an annual base salary fee will be \$800 and, (ii) a total annual bonus in accordance with the bonus program adopted by the Company from time-to-time. The Target Bonus amount for Executive's work in the calendar year 2021 shall be \$713. Executive's Target Bonus opportunities for his work in the calendar years 2022 and 2023 shall be \$1,200. The annual bonus under this Section 3(b), if any, shall be payable at the discretion of the Company based on achievement of performance metrics to be established by the Board for each year, including, for calendar years 2022 and 2023. Such metrics shall include goals based on revenue generated Executive's consulting businesses. Executive must be employed by the Company on the date of payment in order to earn and receive any above, except in the event of termination without Cause or resignation for Good Reason (as such terms are include In the Agreement). In addition, the Board may declare and grant a discretionary bonus for Executive based on various targets and performance criteria to be established by the Board. The evaluation of the performance of Executive as measured by the applicable targets and the awarding of applicable bonuses, if any, shall be at the sole discretion of the Board. In addition, Executive shall be entitled to Health Insurance If available on commercially reasonable terms, based on a health insurance plan to be determined in the Company's discretion, Key Man Life Insurance (at the Company sole discretion), up to 35 (thirty-five) days of paid vacation per year, subject to the

Company's vacation policies in effect from time-to-time and to those paid public holidays set by the Company. Executive is also entitled to be reimbursed for reasonable and customary business expenses incurred by Executive during employment subject to all terms and conditions of the Company's expense policies in effect from time to time and for an expense account of \$300 for the purposes of: (i) funding an office and accommodations for use of Executive and (ii) paying Executive additional compensation at the rate of \$8.33 per month during the Term, as compensation for the additional expense of living overseas for those months in which Executive works for the Company outside the United Kingdom for at least five days.

As of December 31, 2022, Professor Yehezkel (Chezy) Ofir, held options to purchase 30,000 shares, 30,000 options to purchase shares were granted on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 22,500 of the options have vested.

As of December 31, 2022, Mr. Robert Benton, held options to purchase 80,000 shares, the options to purchase 80,000 shares were granted to him on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 60,000 of the options have vested.

As of December 31, 2022, Mr. John McMillan Scott held options to purchase 160,000 shares, the options to purchase 160,000 shares were granted to him on May 23, 2021 at an exercise price of \$1.81 per share. Out of which 120,000 of the options have vested.

F-48

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

On October 6, 2022, the Company extended to Tingo Inc a loan in the principal amount of \$23,700 with an interest rate of 5% per year, and which shall amend and restate the loan agreement between TINGO GROUP and Tingo dated September 28, 2022, for a principal amount of \$3,700 (the "Previous Loan"). Pursuant to the Amended Purchaser Loan. In October 2022, Tingo Inc loan to Tingo mobile an amount of \$15,866. The loan shall be due and payable on May 10, 2024 and bear interest at the rate of five percent (5%) per annum.

On February 5, 2023, the Company granted 720,000 shares of common stock of the Company to certain Directors and employees. The shares were issued pursuant to the 2020 Incentive Plan and 2012 Incentive Plan.

On February 5, 2023, the Company's Board of Directors (the "Board") unanimously approved a grant of 3,200,000 Fully vested shares of common stock to Mr. Darren Mercer, the Company's Chief Executive Officer, in recognition of the completion of the acquisition of Tingo Mobile Limited, which is expected to be transformational for the Company. The size of the award takes into account the improved terms for the Company that were negotiated in October 2022, and also the value Mr Mercer is delivering to the growth of the Company.

**NOTE 18 — COMMITMENT AND CONTINGENCIES**

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, and other factors may result in actual payments differing from the estimates. The following tables summarize our contractual obligations as of December 31, 2022, and the effect these obligations are expected to have on our liquidity and cash flows in future periods.

<b>Contractual Obligation:</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 year</b>	<b>3-5 year</b>	<b>5+ year</b>
Office leases commitment	2,246,040	1,287,995	904,174	53,871	-
Short-term debt obligations Commitment	837,442	460,477	376,965	-	-
Services Contract Commitment	260,975	260,975	-	-	-
Total	3,344,457	2,009,447	1,281,139	53,871	-

Legal Proceedings

The Company is subject to litigation arising from time to time in the ordinary course of its business. There is no open legal proceeding as of December 31, 2022 and as of today. We could be involved in ordinary course litigation.

**NOTE 19 — OPERATING LEASES**

The following table provides a summary of leases by balance sheet location:

<b>Assets/liabilities (USD in thousands)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Right-of-use assets	\$ 2,260	\$ 1,921
<b>Liabilities</b>		
Lease liabilities- current portion	\$ 1,215	\$ 1,298
Lease liabilities- long term	905	691
Total Lease liabilities	\$ 2,120	\$ 1,989

F-49

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

The operating lease expenses were as follows:

(USD in thousands)	Year ended December 31,	
	2022	2021
Operating lease cost	\$ 1,222	\$ 1,440

Maturities of operating lease liabilities were as follows:

(USD in thousands)	Year ended December 31,
2023*	1,288
2024	656
2025	221
2026	27
2027	21
Thereafter	33
Total lease payment	2,246
Less: imputed interest	(126)
Total lease liabilities	2,120

\* Not include operating leases with a term less than one year.

Lease term and discount rate	December 31, 2022
Weighted-average remaining lease term (years) – operating leases	2.23
Weighted average discount rate – operating leases	5.70%

The Company leases mobile phones that classified as operating leases. The following table summarizes the components of operating lease revenue recognized during the years ended December 31, 2022

Lease revenue	Year Ended December 31, 2022
Fixed contractual payments	38,847

Future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of December 31, 2022, assuming no new or renegotiated leases or option extensions on lease agreements are executed, are as follows (dollars in thousands):

Years Ending December 31,	Future lease payments due
2023	537,753
2024	-
2025	-
2026	-
2027	-
Thereafter	-

F-50

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 19 — PROVISION FOR INCOME TAXES**

**A. Basis of Taxation**

**United States:**

The statutory federal income tax rate in U.S. was 21% in 2021 and in the year ended December 31, 2022 and 2021. As of December 31, 2022 the operating loss carry forward were \$60,230, among which there was \$5,115 expiring from 2025 through 2037, and the remaining \$55,115 has no expiration date.

**Israel:**

The Company's Israeli subsidiaries and associated are governed by the tax laws of the State of Israel which had a general tax rate of 23% in the years ended December 31, 2022 and 2021. As of December 31, 2022 the operating loss carry forward were \$8,290, which does not have an expiration date.

**Mainland China:**

The Company's Chinese subsidiaries in the PRC are subject to the PRC Corporate Income Tax Law ("CIT Law") and are taxed at the statutory income tax rate of 25%. As of December 31, 2022 the operating loss carry forward was \$13,714, which will expire from 2026 through 2027.

**Hong Kong:**

Our subsidiaries incorporated in Hong Kong, such as Magpie Securities Limited and BI Intermediate Limited, are subject to Hong Kong profit tax on their profits arising from their business operations carried out in Hong Kong. Hong Kong profits tax for a corporation from the year of assessment 2018/2019 onwards is generally 8.25% on assessable profits up to HK\$2,000,000; and 16.5% on any part of assessable profits over HK\$2,000,000. Under the Hong Kong Inland Revenue Ordinance, profits that we derive from sources outside of Hong Kong are generally not subject to Hong Kong profits tax.

As of December 31, 2022, the tax loss carry forward was \$17,243 for Magpie Securities Limited, and the operating loss carry forward was \$5,342 for BI Intermediate Limited. Tax losses can be carried forward indefinitely until utilized.

F-51

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**Singapore:**

Our subsidiaries incorporated in Singapore are subject to an income tax rate of 17% for taxable income earned in Singapore. Singapore does not impose a withholding tax on dividends for resident companies. In 2022, we did not incur any income tax as there was no estimated assessable profit that was subject to Singapore income tax.

As of December 31, 2022, the operating loss carry forward was USD\$58 subject to qualifying conditions, trade losses can be carried forward indefinitely while unutilized donations can be carried forward for up to 5 Years of Assessment.

**Nigeria:**

The Company's Nigeria subsidiary Tingo Mobile Limited is governed by the tax laws of the Federal Republic of Nigeria which had a corporate tax rate of 30% in the year ended December 31, 2022 and 2021. As of December 31, 2022, the operating loss carry forward were nil, which does not have an expiration date.

TINGO GROUP and its subsidiaries and VIEs within the jurisdiction of the United States, Israel and China are subject to a tax examination for the most recent three, four and five years, respectively.

**B. Loss before income taxes**

(USD in thousands)	Year ended December 31,	
	2022	2021
Domestic	\$ (25,346)	\$ (20,157)
Foreign	14,955	(19,145)
Total	<u>\$ (10,391)</u>	<u>(39,302)</u>

**C. Provision for Expense (Benefit) Taxes**

(USD in thousands)	Year ended December 31,	
	2022	2021
Current		
Domestic	\$ 330	\$ 81
Foreign	6,266	484
Total	<u>\$ 6,596</u>	<u>565</u>
Deferred		
Domestic	\$ (762)	\$
Foreign	31,640	(2,356)
Total	<u>\$ 37,474</u>	<u>(1,791)</u>

**D. Deferred Tax Assets and Liabilities**

Deferred tax reflects the net tax effects of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets were included in long-term deposit and prepaid expenses, and the Company's deferred taxes were in respect of the following:

(USD in thousands)	December 31, 2022	December 31, 2021
Deferred tax assets		
Provisions for employee rights and other temporary differences	\$ 234	\$ 260
Provisions for bad debt	753	696
Net operating loss carry forward	21,839	12,034
Valuation allowance	(19,165)	(11,226)
Deferred tax assets, net of valuation allowance	3,661	1,764
Deferred tax liabilities		
Recognition of intangible assets arising from business combinations	(89,597)	(3,952)
Deferred tax assets (liabilities), net	<u>\$ (85,936)</u>	<u>(2,188)</u>

F-52

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**D. The reconciliation of income tax at the U.S. statutory rate to the Company's effective tax rate as follows:**

	2022	2021
U.S. federal statutory rate	21%	21%
Change in valuation allowance	(53)%	(16)%
Non-deductible share-based compensation	(9)%	-
Other expenses non-deductible for tax purposes	(175)%	-
Difference in foreign tax rates	(24)%	-
Effective tax rate	(240)%	5%

#### NOTE 20 — GOODWILL

(USD in thousands)	Year ended December 31, 2021				
	Verticals and technology	Comprehensive platform service	Corporate and others (3)	Online stock trading	Consolidated
Balance as of January 1, 2021	\$ 19,788	-	\$ 2,617	\$ -	\$ 22,405
Impairment loss	-	-	-	-	-
Acquisitions in 2021	-	-	-	-	-
Loss of control	-	-	(2,617)	-	(2,617)
Forex	-	-	-	-	-
Balance as of December 31, 2021	19,788	-	-	-	\$ 19,788

(USD in thousands)	Year ended December 31, 2022				
	Verticals and technology	Comprehensive platform service	Corporate and others (3)	Online stock trading	Consolidated
Balance as of January 1, 2022	\$ 19,788	-	\$ -	\$ -	\$ 19,788
Impairment loss	-	-	-	-	-
Acquisitions in 2022	-	81,459	-	-	81,459
Loss of control	-	-	-	-	-
Forex	-	-	-	-	-
Balance as of December 31, 2022	19,788	81,459	-	-	\$ 101,247

#### NOTE 21 — CONDENSED FINANCIAL INFORMATION OF TINGO GROUP, INC (Parent Company)

On December 1, 2022, we acquired Tingo Mobile (see Note 13). Tingo Mobile may generally repatriate capital and associated returns thereon by applying to the Nigerian Central Bank for approval. All transfer of funds to the registrant in the form of cash dividends, loans or advances or in other form is subject to an application and approval process for currency payments out of Nigeria. The cash and cash equivalents under restriction in Tingo Mobile as of December 31, 2022 is \$461.7 million. The amount of such restricted net assets exceeds 25% of consolidated net assets as of December 31, 2022.

#### Basis of presentation

The Tingo Group, Inc. (the “Parent Company”) condensed financial information should be read in conjunction with our consolidated financial statements. The condensed financial statements include the activity of the Parent Company and reflect its subsidiaries using the equity method of accounting. Under the equity method, the investment in consolidated subsidiaries and VIE’s is stated at cost plus equity in undistributed earnings or loss of the consolidated subsidiaries and VIE’s.

F-53

**TINGO GROUP, Inc.**  
**CONDENSED BALANCE SHEETS**  
**(Parent Company Only)**  
**(In Thousands, except Share and Par Value Data)**

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 14,924	\$ 29,674
Related party receivables	114,657	107,952
Other current assets	98	2,308
<b>Total current assets</b>	<b>129,679</b>	<b>139,934</b>
Other non-current assets	239	600
Equity method investments	1,200,886	5,062
<b>Total long-term assets</b>	<b>1,201,125</b>	<b>5,662</b>
<b>Total assets</b>	<b>\$ 1,330,804</b>	<b>\$ 145,596</b>

F-54

**TINGO GROUP, Inc.**  
**CONDENSED BALANCE SHEETS**  
**(Parent Company Only)**  
**(In Thousands, except Share and Par Value Data)**

	December 31, 2022	December 31, 2021
<b>LIABILITIES TEMPORARY EQUITY AND EQUITY</b>		
Other current liabilities	\$ 7,125	\$ 1,496
<b>Total current liabilities</b>	<b>7,125</b>	<b>1,496</b>
Redeemable preferred stock Series B: \$0.001 par value, 33,687.21 shares authorized and 0 shares issued and outstanding as of December 31, 2022 and 2021, respectively.	553,035	-
Stockholders' Equity:		
Redeemable preferred stock Series A: \$0.001 par value, 2,604.28 shares authorized and 0 shares issued and outstanding as of December 31, 2022 and 2021, respectively.	3	-
Common stock; \$0.001 par value, 250,000,000 shares authorized, 157,599,882 and 122,435,576 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	158	122
Additional paid in capital	889,579	220,786
Accumulated other comprehensive loss	4,367	(414)
Accumulated deficit	(123,463)	(76,394)
<b>Total equity</b>	<b>770,644</b>	<b>144,100</b>
<b>Total liabilities temporary equity and equity</b>	<b>\$ 1,330,804</b>	<b>\$ 145,596</b>

F-55

**TINGO GROUP, Inc.**  
**CONDENSED STATEMENTS OF OPERATIONS**  
**(Parent Company Only)**  
**(In Thousands, Except Share and Loss Per Share Data)**

	Year ended December 31,	
	2022	2021
Revenues	\$ -	\$ -
Cost of revenues	-	-
Gross profit	-	-
Operating expenses:		
General and administrative	25,714	19,136
Amortization of intangible assets	-	-
Total operating expenses	25,714	19,136
Loss from operations	(25,714)	(19,136)
(Loss) gain of controlling equity investment held in Micronet	-	-
Finance income (expense), net	3,175	1,786
Loss before income tax expense	(22,539)	(17,350)
Income tax expense	330	81
Loss after income tax expense	(22,869)	(17,431)
Gain (loss) from equity investment	(24,200)	(18,997)
Net loss	\$ (47,069)	\$ (36,428)
Basic and diluted loss per share	\$ (0.36)	\$ (0.32)
Weighted average common shares outstanding:		
Basic and diluted	129,345,764	112,562,199

F-56

**TINGO GROUP, Inc.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**(Parent Company Only)**  
**(In Thousands, except Share and Par Value Data)**

	Year ended December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (22,869)	\$ (17,431)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Shares issued to service providers and employees	6,417	9,876
Stock-based compensation for employees and consultants	208	711
<b>Changes in operating assets and liabilities:</b>		
Change in other non-current assets	361	(600)
Change in accrued interest due to related party	(3,312)	(115)
Increase (decrease) in other current assets	2,210	(1,524)
Increase (decrease) in other current liabilities	5,628	(1,992)
<b>Net cash used in operating activities</b>	<b>\$ (11,357)</b>	<b>\$ (11,075)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Loan to related party	(203)	(88,000)
Receipt of loan from related party	30,000	-
Loan to Tingo Inc pursuant to the merger agreement	(23,700)	-
Receipt of loan from related party (Micronet)	534	-



Loan to Tingo Mobile	(10,024)	-
<b>Net cash used in investing activities</b>	<b>\$ (3,393)</b>	<b>\$ (88,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of shares and warrants	-	105,366
Proceeds from exercise of warrants	-	2,474
Proceeds from exercise of options	-	80
<b>Net cash provided by financing activities</b>	<b>\$ -</b>	<b>\$ 107,920</b>
<b>TRANSLATION ADJUSTMENT OF CASH</b>		
	-	-
<b>NET CHANGE IN CASH</b>	<b>(14,750)</b>	<b>8,845</b>
<b>Cash at the beginning of the year</b>	<b>29,674</b>	<b>20,829</b>
<b>Cash at end of the year</b>	<b>\$ 14,924</b>	<b>\$ 29,674</b>

F-57

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 22 — SUBSEQUENT EVENTS**

On February 2, 2023 (“Effective Date”), the Company, entered into settlement and repurchase agreements (the “Repurchase Agreements”) with certain holders of the outstanding warrants over its common stock (“Warrant Holders”). The warrants being repurchased were originally issued by TINGO GROUP between November 2020 and March 2021 pursuant to three offerings of common stock and warrants. The exercise prices of the warrants were \$3.12 in the first offering and \$2.80 in the subsequent two offerings, with various expiration dates falling between August 16, 2024 and August 16, 2026. The repurchase will result in the surrender and cancellation of the warrants held by each Warrant Holder.

***Repurchase Payment***

Pursuant to the Repurchase Agreements, the Company agreed to repurchase warrants representing an aggregate amount of 28,117,835 shares of its common stock, for which it is paying \$0.15 per share on March 3, 2023 and \$0.10 per share on May 1, 2023 at an aggregate cost to the Company of \$7,029. Additionally, the Company has also entered into Repurchase Agreements with certain other Warrant Holders with respect to an additional 1,064,000 shares, who have agreed to grant TINGO GROUP an option from July 1, 2023 to July 31, 2023 to repurchase their warrants for \$0.25 per share upon the exercise of such option. TINGO GROUP’s payment for the repurchase of warrants serves as consideration and full and final settlement of all claims which were or might have been asserted by Warrant Holders arising from the Warrants.

If TINGO GROUP fails to make timely payment under the terms of the Repurchase Agreements, the Warrants shall remain outstanding and be exercisable in full in accordance with their terms, and the Warrant Holders shall retain all rights available under applicable law or equity with respect to the Warrants.

***Representations and Warranties***

The Repurchase Agreements contain a number of representations and warranties by each of the Company and the Warrant Holders as of the Effective Date. Most material of which the Warrant Holders represent and warrant that they are the sole owner of, and have good, valid and marketable title to the Warrants free of any restrictions, among other representations and warrants. the Company represents and warrants that it has received all necessary consents, approvals, and authorizations to approve its obligations under the Repurchase Agreements, among other representations and warrants. The representations and warranties made by the Company and the Seller are customary for transactions similar to this transaction.

***Most Favored Nation***

The Company represented and warranted as of the Effective Date that from and after the Effective Date through the respective expiration dates of the Warrants, that none of the terms offered to any other holder of the Company’s warrants (outstanding as of the Effective Date), with respect to any amendment, settlement, repurchase or redemption (whether pursuant to the terms of such warrants or otherwise) of any such warrants (outstanding as of the Effective Date) since the Announcement Time (“Other Warrant Settlement Document”), is or will be more favorable to such holder than those of the Warrant Holders and that the Repurchase Agreements are, without any further action by the Warrant Holders or the Company, deemed amended and modified in an economically and legally equivalent manner such that the Warrant Holders shall receive the benefit of the more favorable terms contained in such Other Warrant Settlement Document.

F-58

**TINGO GROUP, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

On February 7, 2023, Yehezkel (Chezy) Ofir tendered his resignation to the board of directors (the “Board”) of the Company, effective immediately. The reason for Mr. Ofir’s resignation is to comply with the terms of the Amended Agreement and Plan of Merger with Tingo, Inc. and Tingo Mobile Limited (“Tingo”), where it was agreed the Board would be comprised of four of the existing directors of the Company and two new directors nominated by Tingo, Inc. and not in connection with any disagreements with the Company on any matter.

On February 9, 2023 (“Effective Date”), TINGO GROUP, Inc. and TINGO GROUP Fintech Ltd., an indirect wholly owned subsidiary of the Company organized under the laws of the British Virgin Islands (“TINGO GROUP Fintech”) purchased from Dozy Mmobuosi 100% of the ordinary shares of Tingo Foods PLC (“Tingo Foods”) (the “Acquisition”). Mr. Mmobuosi is the majority shareholder, Chairman and Chief Executive Officer of Tingo, Inc., a Nevada corporation. Tingo, Inc.

Given the recent timing of the transaction, the initial accounting for the transaction is incomplete at the time these financial statements were authorized for issuance. Accordingly, not all relevant disclosures are available for this transaction. Tingo Foods started its operational business in September 2022 and generated revenue of more than

\$400 million dollars (unaudited) during the approximate four-month period ended on December 31, 2022.

As consideration for the Acquisition, TINGO GROUP agreed to pay Mr. Mmobuosi, a purchase price equal to the cost value of Tingo Foods' stock, which will be satisfied by the issuance of a secured promissory note ("Promissory Note") in the amount of US\$204,000,000. The Promissory Note is for a term of two years with an interest rate of 5%. MICT Fintech agreed to certain covenants with respect to its ability to incur additional debt or create additional liens. The Acquisition will not result in any new issuance of the Company common stock, nor of any instruments convertible into shares of the Company.

The parties additionally agreed that Mr. Mmobuosi, as the owner of the real property on which the business of Tingo Foods is located and operates, to finance and complete construction of the building, and for TINGO GROUP and Tingo Foods to fit out the building and premises, including the installation of mechanized equipment, for the specialized operations of a large food processing facility. Lastly, Mr. Mmobuosi will also provide TINGO GROUP and Tingo Foods with a long-term lease with respect to the real property.

On February 14, 2023, TINGO GROUP through its wholly-owned subsidiary Tingo Mobile, and Visa, the global leader in digital payments, launched their pan-African strategic partnership, which aims to improve access to digital payments and financial services, and drive financial inclusion across Africa. The launch of the Tingo Visa card, together with the new TingoPay Super App and the TingoPay business portal, opens significant global opportunities to Tingo's subscribers, allowing secure cashless payments at more than 61 million merchants in over 200 countries through Visa's global network, as well as the ability for business subscribers to more readily and securely accept payments from customers and other third parties.

On February 23, 2023, the Company filed an amendment to its certificate of incorporation, as amended, with the Secretary of State of Delaware to change its corporate name from "MCT, Inc." to "Tingo Group, Inc." . The Name Change was effective as of February 27, 2023. Also effective February 27, 2023 the Company changed its trading symbol on the Nasdaq Capital Market from "MCT" to "TIO" (the "Symbol Change").

F-59

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 780,153	\$ 500,316
Trade accounts receivable, net	356,771	11,541
Related party receivables	14,535	13,491
Other current assets	4,686	5,828
<b>Total current assets</b>	<b>1,156,145</b>	<b>531,176</b>
Property and equipment, net	651,754	855,125
Intangible assets, net	322,007	185,407
Goodwill	231,637	101,247
Right of use assets under operating lease	2,001	2,260
Long-term deposit and other non-current assets	483	514
Deferred tax assets	4,015	3,661
Restricted cash escrow	2,242	2,233
Micronet Ltd. equity method investment	527	735
<b>Total long-term assets</b>	<b>1,214,666</b>	<b>1,151,182</b>
<b>Total assets</b>	<b>\$ 2,370,811</b>	<b>\$ 1,682,358</b>

F-60

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>LIABILITIES TEMPORARY EQUITY AND EQUITY</b>		
Short-term loan	\$ 312	\$ 460
Trade accounts payable	204,304	11,092
Deposit held on behalf of clients	2,330	2,528
Related party payables	47,083	57,506
Current operating lease liability	1,165	1,215
Other current liabilities	306,238	192,594
<b>Total current liabilities</b>	<b>561,432</b>	<b>265,395</b>
Long-term loan	379	377
Long-term operating lease liability	691	905
Promissory note	205,369	-
Deferred tax liabilities	129,565	89,597
Accrued severance pay	48	50
<b>Total long-term liabilities</b>	<b>336,052</b>	<b>90,929</b>

<b>Commitment and Contingencies (Note 10)</b>	-	-
<b>Temporary equity</b>		
Preferred stock Series B subject to redemption: \$0.001 par value, 33,687.21 shares authorized and 0 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively.	553,035	553,035
<b>Stockholders' Equity:</b>		
Preferred stock Series A: \$0.001 par value, 2,604.28 shares authorized and 0 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	3	3
Common stock: \$0.001 par value, 425,000,000 shares authorized, 163,727,382 and 157,599,882 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	164	158
Additional paid in capital	896,398	889,579
Accumulated other comprehensive income (loss)	(31,432)	4,367
Accumulated earnings (deficit)	53,277	(123,463)
TINGO GROUP, Inc. stockholders' equity	<u>918,410</u>	<u>770,644</u>
Non-controlling interests	<u>1,882</u>	<u>2,355</u>
<b>Total stockholders' equity</b>	<u>920,292</u>	<u>772,999</u>
<b>Total liabilities, temporary equity and stockholders' equity</b>	<u>\$ 2,370,811</u>	<u>\$ 1,682,358</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

F-61

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(USD In Thousands, Except Share and Earnings Per Share Data)

	<b>Three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenues	\$ 851,245	\$ 9,563
Cost of revenues	464,391	8,298
Gross profit	<u>386,854</u>	<u>1,265</u>
Operating expenses:		
Research and development	363	595
Selling and marketing	85,068	2,517
General and administrative	29,627	7,326
Amortization of intangible assets	11,119	797
Total operating expenses	<u>126,177</u>	<u>11,235</u>
Profit (loss) from operations	260,677	(9,970)
Other income	425	155
Financial income , net	<u>1,444</u>	<u>78</u>
Profit (loss) before provision for income taxes	262,546	(9,737)
Income tax expenses (benefit)	<u>85,914</u>	<u>(1,076)</u>
Net profit (loss) after provision for income taxes	176,632	(8,661)
Loss from equity investment	<u>(208)</u>	<u>(184)</u>
Net profit (loss)	<u>176,424</u>	<u>(8,845)</u>
Net loss attributable to non-controlling stockholders	<u>(316)</u>	<u>(159)</u>
Net profit (loss) attributable to TINGO GROUP, Inc.	<u>\$ 176,740</u>	<u>\$ (8,686)</u>
Profit (loss) per share attributable to TINGO GROUP, Inc.:		
Basic profit (loss) per share	\$ 1.10	\$ (0.07)
Diluted profit (loss) per share	0.33	\$ (0.07)
Weighted average common shares outstanding:		
Basic	161,302,051	122,435,576
Diluted	<u>524,214,392</u>	<u>122,435,576</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

F-62

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(USD In Thousands)

**Three months ended  
March 31,**

	2023	2022
Net profit (loss)	\$ 176,424	\$ (8,845)
Other comprehensive income (loss), net of tax:		
Currency translation adjustment	(35,799)	(29)
Total comprehensive profit (loss)	140,625	(8,874)
Comprehensive loss attributable to non-controlling stockholders	(473)	(212)
Comprehensive profit (loss) attributable to TINGO GROUP, Inc.	\$ 141,098	\$ (8,662)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

F-63

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY**  
(USD In Thousands, Except Numbers of Shares)

	Preferred stock Series B subject to redemption		Preferred stock Series A		Common Stock		Additional Paid-in Capital	Accumulated Earnings (loss)	Accumulated Other Comprehensive Income (loss)	Non-controlling Interest	Total Stockholders' Equity
	Amount	Shares	Amount	Shares	Amount	Shares					
<b>Balance, December 31, 2022</b>	553,035	33,687	3	2,604	158	157,599,882	889,579	(123,463)	4,367	2,355	772,999
Shares issued to service providers and employees	-	-	-	-	6	6,127,500	6,789	-	-	-	6,795
Stock based compensation	-	-	-	-	-	-	30	-	-	-	30
Net profit (loss)	-	-	-	-	-	-	-	176,740	-	(316)	176,424
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	(35,799)	(157)	(35,956)
<b>Balance, March 31, 2023</b>	553,035	33,687	3	2,604	164	163,727,382	896,398	53,277	(31,432)	1,882	920,292

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Stockholders' Equity
	Amount	Shares					
<b>Balance, December 31, 2021</b>	122	122,435,576	220,786	(76,394)	(414)	3,622	147,722
Stock based compensation	-	-	125	-	-	-	125
Net loss	-	-	-	(8,686)	-	(159)	(8,845)
Other Comprehensive loss	-	-	-	-	(29)	(54)	(83)
<b>Balance, March 31, 2022</b>	122	122,435,576	220,911	(85,080)	(443)	3,409	138,919

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

F-64

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(USD In Thousands)

	Three months ended March 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit (loss)	\$ 176,424	\$ (8,845)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Loss from equity investment	208	184
Depreciation and amortization	111,055	871
Provision for doubtful accounts	570	118
Shares issued to service providers and employees	6,795	-
Stock-based compensation for employees and consultants	30	125
<b>Changes in assets and liabilities:</b>		
Change in deferred taxes, net	(3,656)	(1,073)
Change in long-term deposit and prepaid expenses	30	203
Change in right of use assets	259	324
Change in lease liabilities	(265)	(309)
Due to related party	(1,894)	737
Change in accrued interest	1,369	-
Increase (decrease) in trade accounts receivable, net	(150,131)	3,346
Increase in other current assets	1,367	(1,265)
(Decrease) increase in trade accounts payable	(2,458)	(3,606)
Decrease in deposit held on behalf of client	(198)	(198)
Increase in other current liabilities	103,288	401
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 242,793</b>	<b>\$ (8,987)</b>

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(USD In Thousands)**

	<b>Three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(3)	(49)
Acquisition of Tingo Foods (Appendix A)	56,849	-
<b>Net cash provided by (used in) investing activities</b>	<b>\$ 56,846</b>	<b>\$ (49)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of short-term loan	(149)	(520)
Repayment of loan from related party (Micronet)	-	534
Repayment on loan to related party	(8,125)	-
<b>Net cash provided by (used in) financing activities</b>	<b>\$ (8,274)</b>	<b>\$ 14</b>
<b>TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(11,519)</b>	<b>(74)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>279,846</b>	<b>(9,096)</b>
<b>Cash and cash equivalents and restricted cash at beginning of the period</b>	<b>502,549</b>	<b>99,036</b>
<b>Cash and cash equivalents and restricted cash at end of the period</b>	<b>\$ 782,395</b>	<b>\$ 89,940</b>
<b>Supplemental disclosure of cash flow information:</b>		
<b>Amount paid during the period for:</b>		
Interest	\$ 666	\$ 6
Taxes	\$ 426	\$ 3

The following table provides a reconciliation of cash and cash equivalent and restricted cash reported within the statement of financial position that sum to the total of the same amounts shown in the statement of cash flows:

Cash and cash equivalents at end of the period	\$ 780,153	\$ 87,511
Restricted cash at end of the period	2,242	2,429
<b>Cash and cash equivalents and restricted cash at end of the period</b>	<b>\$ 782,395</b>	<b>\$ 89,940</b>

**Supplemental non-cash investing and financing activities**

Appendix A: Acquisition of Tingo Foods

	<b>February 9, 2023</b>
Net working capital	\$ 14,772
Property and equipment	(12,235)
Intangible assets	(147,774)
Goodwill	(46,246)
Deferred tax liabilities	44,332
Promissory note	204,000
<b>Net cash provided by acquisition</b>	<b>\$ 56,849</b>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

**NOTE 1 — DESCRIPTION OF BUSINESS**

***Overview***

TINGO GROUP, Inc. (the “Company”, “We”, “us”, “our”) was formed as a Delaware corporation on January 31, 2002 under the name Lapis Technologies, Inc. On March 14, 2013, we changed our corporate name to Micronet Enertec Technologies, Inc. On July 13, 2018, following the sale of our former subsidiary, Enertec Systems Ltd., we changed our name to MICT, Inc. On February 27, 2023, following the merger transaction with Tingo., we changed our name to TINGO GROUP, Inc. Our shares have been listed for trading on The Nasdaq Capital Market since April 29, 2013 under the symbol “TIO”.

The Company is a holding company conducting financial technology business and agri-fintech business through its subsidiaries and entities, both wholly-owned and controlled through various VIE arrangements (“VIE entities”, together with the Company, the “Group”), which are located mainly in Africa, Southeast Asia and the Middle

East. The Group's business has changed materially since December 1, 2022, following the completion of two material acquisitions of Tingo Mobile and Tingo Foods, the details of which are described under *Acquisition of Tingo Mobile*, *Acquisition of Tingo Foods*.

We currently operate in 4 segments: (i) Verticals and Technology, comprised of our operations in China where we have 3 VIE entities through which we primarily operate our insurance brokerage business; (ii) Online Stock Trading, primarily comprised of the operation of Magpie Securities Limited ("Magpie") through which we operate the online stock trading business, primarily out of Hong Kong and Singapore; (iii) Comprehensive Platform Service which includes the operations of Tingo Mobile described above; and (iv) Tingo Food Processing, where crops and raw foods are processed into finished products, through Tingo Foods, (purchased by the Company in February 2023) which commenced food processing operations in August 2022.

Since July 1, 2020, as a result of the Company's acquisition of GFHI (the "GFHI Acquisition") the Group has been operating in the financial technology sector. GFHI is a financial technology company with a marketplace in China, as well as the wider southeast Asia area and other parts of the world and is currently in the process of building various platforms for business opportunities in different verticals and technology segments to capitalize on such technology and business, including the Company's recent acquisitions of Tingo Mobile and Tingo Foods. The Company plans to increase its capabilities and its technological platforms through acquisition and licensing technologies to support its growth efforts, particularly in the agri-fintech, payment services, digital marketplace and financial services sectors.

In China, the Company is principally focused on developing insurance broker business and products across approximately 130 insurance branches in China through its subsidiaries and VIE entities, with planned expansion into additional markets. The Company has developed highly scalable proprietary platforms for insurance products (B2B, B2B2C and B2C) and financial services/products (B2C), the technology for which is highly adaptable for other applications and markets.

Following GFH Intermediate Holdings Ltd ("Intermediate") acquisition of Magpie, a Hong Kong securities and investment services firm, on February 26, 2021 and the subsequent regulatory approval from the Hong Kong Securities and Futures Commission ("HKSF"), Magpie is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong.

Magpie launched Magpie Invest, a global stock trading app, on September 15, 2021. It is a proprietary technology investment trading platform that is currently operational in Hong Kong. Magpie has memberships/registrations with the Hong Kong Stock Exchange ("HKSE"), the London Stock Exchange ("LSE") and the requisite Hong Kong and China Direct clearing companies. The Company's financial services business and first financial services product, the Magpie Invest app, is able to trade securities on National Association of Securities Dealers Automated Quotations ("NASDAQ"), New York Stock Exchange ("NYSE"), TMX, HKSE, China Stock Connect, LSE, the Frankfurt Stock Exchange and the Paris Stock Exchange.

The growth of Magpie will continue to be realized and executed through the Company's business development efforts, which include the pivot of Magpie's strategic focuses to B2B, white-label and payment services in response to the change in market conditions for the retail client sector that materialized in 2022. In order to strengthen Magpie's offering to potential B2B and white-label clients, and enable the broadening of its product offering, management made the decision to apply for a Capital Markets License ("CMS License") from the Monetary Authority of Singapore ("MAS"), which was granted in full on September 20, 2022. Magpie's CMS License enables it to offer several new products, including leveraged foreign exchange products and contracts for differences ("CFDs"), including CFDs on commodities prices and crypto-currency prices.

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F-67

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**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands, except Share and Par Value Data)**

***Acquisition of Tingo Mobile***

**Overview.** On December 1, 2022, the Company acquired Tingo Mobile Limited, an agri-fintech business based in Nigeria ("Tingo Mobile"), from Tingo Inc., a Nevada corporation ("TMNA"). Under the terms of the Merger Agreement we entered into with TMNA and representatives of the shareholders of each of TMNA and the company ("Merger Agreement"), TMNA contributed its ownership of Tingo Mobile to a newly organized holding company incorporated in the British Virgin Islands ("Tingo BVI Sub"). TMNA then merged Tingo BVI Sub with and into MICT Fintech Ltd., a wholly-owned subsidiary of the company organized in the British Virgin Islands ("MICT Fintech"), resulting in Tingo Mobile being wholly-owned by the Company (hereinafter, the "Merger").

**Consideration Provided.** As consideration for Tingo Mobile, we issued to TMNA 25,783,675 shares of our common stock, equal to 19.9% of our outstanding shares, calculated as of the closing date of the Merger (the "Common Consideration Shares") and two series of convertible preferred shares – Series A Convertible Preferred Stock ("Series A Preferred Stock") and Series B Convertible Preferred Stock ("Series B Preferred Stock").

**Key Terms of Series A Preferred Stock** Upon the approval of our stockholders, the Series A Preferred Stock will convert into 20.1% of the outstanding shares of our common stock, calculated as of the closing date of the Merger. If such shareholder approval is not obtained by June 30, 2023, all issued and outstanding shares of Series A Preferred Stock must be redeemed by us in exchange for TMNA receiving 27% of the total issued and outstanding shares of Tingo Group Holdings, LLC, a Delaware-incorporated subsidiary of the company ("TGH") that is the immediate parent company of MICT Fintech, which in turn would reduce the Company's interests in TGH and therefore Tingo Mobile by 27%.

**Key Terms of Series B Preferred Stock** Upon approval by Nasdaq of the change of control of the company and upon the approval of our stockholders, the Series B Preferred Stock will convert into 35.0% of the outstanding shares of our common stock, calculated as of the closing date of the Merger, giving TMNA an aggregate ownership of 75.0% of our outstanding common stock, if both the Series A and series B preferred stock are converted in full. If such shareholder or Nasdaq approval is not obtained by June 30, 2023, TMNA will have the right to cause us to redeem all of the Series B Preferred Stock for (x) \$666,666,667 or, (y) an amount of common stock of TGH equivalent in value to \$666,666,667.

**Loan to TMNA.** In connection with the Merger Agreement, we also loaned \$23.7 million to TMNA. The loan bears interest at 5.0% per annum and matures on May 10, 2024.

***Acquisition of Tingo Foods***

On February 9, 2023 ("Effective Date"), the Company, and MICT Fintech Ltd., an indirect wholly owned subsidiary of the Company organized under the laws of the British Virgin Islands ("TINGO GROUP Fintech") purchased from Dozy Mmobuosi 100% of the ordinary shares of Tingo Foods PLC ("Tingo Foods") (the "Acquisition"). Mr. Mmobuosi is the majority shareholder, Chairman and Chief Executive Officer of TMNA.

Tingo Foods started its operational business in August 2022.

As consideration for the Acquisition, the Company agreed to pay Mr. Mmobuosi, a purchase price equal to the cost value of Tingo Foods' stock, which will be satisfied by the issuance of a secured promissory note ("Promissory Note") in the amount of US\$204,000 and certain undertakings and obligations of the Company. The Promissory Note is for a term of two years with an interest rate of 5%. MICT Fintech agreed to certain covenants with respect to its ability to incur additional debt or create additional liens. The Acquisition will not result in any new issuance of the Company common stock, nor of any instruments convertible into shares of the Company.

On February 14, 2023, the Company through its wholly owned subsidiary Tingo Mobile, and Visa, the global leader in digital payments, launched their pan-African strategic partnership, which aims to improve access to digital payments and financial services, and drive financial inclusion across Africa. The launch of the Tingo Visa card, together with the new TingoPay Super App and the TingoPay business portal, opens significant global opportunities to Tingo's subscribers, allowing secure cashless payments at more than 61 million merchants in over 200 countries through Visa's global network, as well as the ability for business subscribers to more readily and securely accept payments from customers and other third parties.

[illegible]

We currently conduct our insurance broker business in China using 3 VIEs. The Company consolidates certain VIEs for which it is the primary beneficiary. VIEs consist of certain operating entities not wholly owned by the Company.

The assets and liabilities of the Company's VIEs prior to intercompany adjustments included in the Company's unaudited condensed consolidated financial statements as of March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
<b>Current assets:</b>		
Cash and cash equivalent	\$ 1,276	\$ 3,690
Trade accounts receivable, net	4,678	6,823
Related party receivables	2,533	2,001
Other current assets	1,400	2,278
<b>Total current assets</b>	<b>9,887</b>	<b>14,792</b>
Property and equipment, net	163	176
Intangible assets, net	5,712	5,712
Long-term deposit and other non-current assets	19	48
Right of use assets under operating lease	669	711
Restricted cash escrow	1,485	1,479
Deferred tax assets	840	793
<b>Total long-term assets</b>	<b>8,888</b>	<b>8,919</b>
<b>Total assets</b>	<b>\$ 18,775</b>	<b>\$ 23,711</b>
<b>Current liabilities:</b>		
Short-term loan	\$ 138	\$ 286

Trade accounts payable	1,915	4,817
Related party payables	4,099	4,002
Current operating lease liability	269	230
Other current liabilities	2,754	4,515
<b>Total current liabilities</b>	<b>9,175</b>	<b>13,850</b>
<b>Long-term liabilities:</b>		
Long-term loan	379	377
Long-term operating lease liability	327	257
Deferred tax liability	223	224
<b>Total long-term liabilities</b>	<b>929</b>	<b>858</b>
<b>Total liabilities</b>	<b>\$ 10,104</b>	<b>\$ 14,708</b>

F-70

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

Net revenues, loss from operations and net loss of the VIEs that were included in the Company's unaudited condensed consolidated financial statements for the three-month ended March 31, 2023 and 2022 are as follows:

	<b>For the three months Ended March 31, 2023</b>	<b>For the three months Ended March 31, 2022</b>
Net revenues	\$ 18,636	\$ 8,864
Loss from operations	\$ (807)	\$ (2,184)
Net loss	\$ (345)	\$ (1,572)

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Interim Financial Statements**

These unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of U.S. Securities and Exchange Commission Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included (consisting only of normal recurring adjustments except as otherwise discussed). For further information, reference is made to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Operating results for the three months ended March 31, 2023, are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

**Significant Accounting Policies**

The significant accounting policies followed in the preparation of these unaudited interim condensed consolidated financial statements are identical to those applied in the preparation of the latest annual financial statements.

**Recent Accounting Standards**

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's condensed financial statements.

**Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Functional currency and Exchange Rate Income (Loss)**

The functional currency of our foreign entities is their local currency. For these foreign entities, we translate their financial statements into U.S. dollars using average exchange rates for the period for statements of operations amounts and using end-of-period exchange rates for assets and liabilities. We record these translation adjustments in Accumulated other comprehensive loss, a separate component of stockholders' equity, in our consolidated balance sheets. Exchange gains and losses resulting from the conversion of transaction currency to functional currency are charged or credited to other comprehensive income (expense), net.

The exchange rate used for conversion balance sheet data from Nigerian Naira and RMB to USD is presented below:

<b>Currency</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Naira	460.35	448.55
RMB	6.8676	6.8972

**Reclassification**

Certain prior year amounts in the consolidated financial statements and the notes thereto have been reclassified where necessary to conform to the current year presentation. These reclassifications did not affect the prior period total assets, total liabilities, stockholders' deficit, net loss or net cash used in operating activities.



**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 3 — TINGO MOBILE LIMITED TRANSACTION**

**Tingo Mobile, Purchase Price Allocation**

The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting goodwill. During the measurement period, which is up to one year from the acquisition date, we may adjust provisional amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

Total Merger consideration (1)	\$ 1,215,241
<b>Total purchase consideration</b>	<b>\$ 1,215,241</b>
<b>Less:</b>	
Net working capital	\$ 170,327
Property and equipment	760,661
Intangible – farmer cooperative	24,893
Intangible – trade names and trade marks	54,576
Intangible – software	90,030
Deferred tax liability (2)	(50,849)
	<u>\$ 1,049,638</u>
<b>Goodwill (3)</b>	<b><u>\$ 165,603</u></b>

- (1) The \$1,215,241 value of the Merger Consideration transferred was determined in accordance with ASC 820 and ASC 805. ASC 820 requires that fair value to maximize objective evidence and be determined using assumptions that a market participant would use, and when level 1 inputs exist, it should be used unless determined to be not representative. That would have meant using the unadjusted TINGO GROUP quoted price at the time of completion of the Transaction. The Company is of the opinion however, that the market value per share price as quoted on Nasdaq is not representative of the fair value and should not be used to determine the merger consideration. Using market value per share of TINGO GROUP would have led to a significant bargain purchase gain and an internal rate of return that was not reasonable as well as other valuation anomalies that it created. Hence, and in accordance with ASC 805-30-30-5, the Company reassessed the determination of the consideration transferred and determined that using Tingo, Inc. quoted price traded at the OTC Tingo Closing is more appropriate in determining the consideration fair value.
- (2) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 30%.
- (3) The goodwill is not deductible for tax purposes.

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 4 — Tingo Foods PLC Purchase Price Allocation**

The table set forth below summarizes the estimates of the fair value of assets acquired and liabilities assumed and resulting goodwill. In addition, the following table summarizes the allocation of the preliminary purchase price as of the acquisition date. The amounts are provisional and will be adjusted during the measurement period, and additional assets or liabilities may be recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Total Merger consideration (1)	\$ 204,000
<b>Total purchase consideration</b>	<b>\$ 204,000</b>
<b>Less:</b>	
Net working capital	\$ 42,077
Property and equipment	12,235
Intangible – Customer Relationships	125,677
Intangible – trade names and trade marks	22,097
Deferred tax liability (2)	(44,332)
	<u>\$ 157,754</u>
<b>Goodwill (3)</b>	<b><u>\$ 46,246</u></b>

- (1) The \$204,000 value of the Merger Consideration transferred as promissory note (“Promissory Note”). The Promissory Note is for a term of two years with an interest rate of 5% per annum. The interest rate on the Promissory Note is reasonably reflective of a market-participant rate. MICT Fintech agreed to certain covenants in connection with the Promissory Note, including with regard to its ability to incur additional debt or create additional liens. The Acquisition will not result in any new issuance of shares of the Company’s common stock, nor of any instruments convertible into shares of the Company’s common stock.
- (2) Represents the income tax effect of the difference between the accounting and income tax bases of the identified intangible assets, using an assumed statutory income tax rate of 30%.

(3) The goodwill is not deductible for tax purposes.

During the measurement period, which is up to one year from the date of the Acquisition (the “Acquisition Date”), we may adjust provisional amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the Acquisition Date.

Tingo Foods’s net revenues and net profit are presented if the Acquisition Date had occurred at the beginning of the previous comparable period. Since Tingo Foods started its operational business in August 2022, revenues and net profit for three months ended March 31, 2022 is zero.

		Three months ended March 31, 2023
(USD in thousands)		
Revenues	\$	885,009
Net profit	\$	179,629

The revenues and net profit of Tingo Foods since the Acquisition Date included in the unaudited condensed consolidated statements of operations for the reporting period are \$577,219 and \$100,213, respectively.

#### NOTE 5 — Stockholders’ Equity

##### A. Common stock:

Common stock confers upon its holders the rights to receive notice to participate and vote in general meetings of the Company, and the right to receive dividends if declared.

##### B. Series A preferred stock:

As part of the consideration paid by the Company to TMNA at the closing of the Merger on December 1, 2022, the Company issued 2,604.28 shares of Series A preferred stock which are convertible into 26,042,808 shares of Company common stock equal to approximately 20.1% of the total issued and outstanding common stock immediately prior to Closing. The Series A preferred stocks will be convertible to Company common stock upon stockholders’ approval. If stockholders have not approved the conversion of the Series A Preferred Stock into Company common stock by June 30, 2023 (the “Trigger Date”), then, the Company will issue to TMNA stocks to cause TMNA to own 27% of the total issued and outstanding membership interests of TGH.

F-73

### TINGO GROUP, INC. AND SUBSIDIARIES NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

##### C. Temporary equity:

As part of the consideration paid by the Company to TMNA at the closing of the Merger on December 1, 2022, the Company issued 3,687.21 shares of Series B preferred stock which are convertible into 336,872,138 shares of Company common stock equal to approximately 35% of the total issued and outstanding Company common stock immediately prior to the closing date of the Merger. The shares of Series B preferred stock will be convertible into Company common stock upon approval by Nasdaq of the change of control of the Company and upon the approval of the Company’s stockholders. If such stockholder or Nasdaq approval is not obtained by June 30, 2023, TMNA shall have the right to (i) cause the redemption of Series B preferred stock to take place within 90 days; and (ii) cause the Company to redeem all of the Series B preferred stock in exchange for \$666,666,667 or an amount of common stock of TGH equivalent in value to \$666,666,667. As the redemption provisions to redeem the Series B preferred stock in cash is outside the control of the Company and contingent upon the approval of stockholders or Nasdaq approval of the change in control application of the Company, they are required to be presented outside of stockholders’ equity and therefore were presented as temporary equity on the face of the unaudited consolidated balance sheets.

##### D. Stock Option Plan:

**2012 Plan.** Our 2012 Stock Incentive Plan (the “2012 Incentive Plan”) was initially adopted by the Company’s board of directors (the “Board”) on November 26, 2012, and approved by our stockholders on January 7, 2013 and subsequently amended on September 30, 2014, October 26, 2015, November 15, 2017 and November 8, 2018. Under the 2012 Incentive Plan, as amended, up to 5,000,000 shares of our common stock, are currently authorized to be issued pursuant to option awards granted thereunder, 3,994,782 shares of which have been issued or have been allocated to be issued as of December 31, 2022 and 1,005,218 shares remain available for future issuance as December 31, 2022. The 2012 Incentive Plan is intended as an incentive to retain directors, officers, employees, consultants and advisors to the Company, persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company, by granting to such persons options to purchase shares of the Company’s common stock (“2012 Options”), shares of the Company’s stock, with or without restrictions, or any other share-based award (“2012 Award(s)”). The Plan is intended as an incentive to retain in the employ of, and as directors, consultants and advisors to the Company and its subsidiaries (including any “employing company” under Section 102(a) of the Ordinance (as hereinafter defined) and any “subsidiary” within the meaning of Section 424(f) of the United States Internal Revenue Code of 1986, as amended (the “Code”), collectively, the “Subsidiaries”), persons of training, experience and ability, to attract new employees, directors, consultants and advisors whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries, by granting to such persons either (i) options to purchase shares of the Company’s common stock, (the “Options”), (ii) shares of the Company’s common stock, with or without restrictions, or (iii) any other stock-based award, granted to a grantee or an optionee (as such terms are defined below hereunder) under the 2012 Incentive Plan and any stock issued pursuant to the exercise thereof.

**2020 Plan.** The 2020 Incentive Plan provides for the issuance of up to 25,000,000 shares of our common stock plus a number of additional shares issued upon the expiration or cancellation of awards under our 2014 Incentive Plan, which was terminated when the 2020 Incentive Plan was approved by our stockholders. Generally, shares of our common stock reserved for awards under the 2020 Incentive Plan that lapse or are canceled (other than by exercise) will be added back to the share reserve available for future awards. However, shares of our common stock tendered in payment for an award or shares of our common stock withheld for taxes are not available again for future awards. In addition, Shares repurchased by the Company with the proceeds of the option exercise price may not be reissued under the 2020 Incentive Plan.

The following table summarizes information about stock options outstanding and exercisable as of March 31, 2023:

Options Outstanding	Options Exercisable
---------------------	---------------------

Number Outstanding on March 31, 2023	Weighted Average Remaining Contractual Life	Number Exercisable on March 31, 2023	Exercise Price
	Years		\$
125,000	8	125,000	1.41
370,000	8	277,500	1.81
95,000	8	31,667	2.49
590,000		434,167	

F-74

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

D. Stock Option Plan - (continued):

	Three Months Ended March 31, 2023		Year ended December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding at the beginning of period:	590,000	\$ 1.83	1,558,000	\$ 1.74
Changes during the period:				
Granted	-	\$ -	-	\$ -
Exercised	-	\$ -	-	\$ -
Forfeited	-	\$ -	(968,000)	\$ 1.68
Options outstanding at the end of the period	590,000	\$ 1.83	590,000	\$ 1.83
Options exercisable at the end of the period	434,167	\$ 1.74	434,167	\$ 1.74

The Company has warrants outstanding as follows:

	Warrants Outstanding	Average Exercise Price	Remaining Contractual Life
Balance, December 31, 2022	62,863,879	\$ 2.854	4.25
Granted	-	\$ -	-
Forfeited	-	\$ -	-
Exercised	-	\$ -	-
Balance, March 31, 2023	62,863,879	\$ 2.854	4

The Company is required to assume a dividend yield as an input in the Black-Scholes model. The dividend yield assumption is based on the Company's historical experience and expectation of future dividends payouts and may be subject to change in the future.

The Company uses historical volatility in accordance with FASB ASC Topic 718, "Compensation - stock compensation". The computation of volatility uses historical volatility derived from the Company's exchange-traded shares.

The risk-free interest assumption is the implied yield currently available on U.S. Treasury zero-coupon bonds, issued with a remaining term equal to the expected life term of the Company's options.

Pre-vesting rates forfeitures were zero based on pre-vesting forfeiture experience.

The fair value of each option granted is estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0% for all years; expected volatility: as of March 31, 2023 and December 31, 2022 87.2%-100.4%; risk-free interest rate: as of March 31, 2023 and December 31, 2022 0.99%-1.64%; and expected life: as of March 31, 2023 and December 31, 2022 6.5-10 years.

The Company uses the simplified method to compute the expected option term for options granted.

F-75

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

On February 2, 2023, the Company entered into settlement and repurchase agreements (the "Repurchase Agreements") with certain holders of the outstanding warrants over its common stock ("Warrant Holders"). The warrants being repurchased were originally issued by the Company between November 2020 and March 2021 pursuant to three offerings of common stock and warrants. The exercise prices of the warrants were \$3.12 in the first offering and \$2.80 in the subsequent two offerings, with various expiration dates falling between August 16, 2024 and August 16, 2026. The repurchase will result in the surrender and cancellation of the warrants held by each Warrant Holder.

Pursuant to the Repurchase Agreements, the Company paid \$0.15 per share in April 2023 and \$0.10 per share on May 1, 2023 at an aggregate amount of \$6,548,115.99.

On February 5, 2023, The Company granted 1,309,500 shares of common stock of the Company to Cushman Holdings Limited, an unrelated third party, as a success fee relating to the completion of the acquisition of Tingo Mobile Limited.

On February 5, 2023, The Company granted 750,000 shares of common stock of the Company to an unrelated third party, relating to the purchase by GFH Intermediate Holdings Limited of certain software, technology and intellectual property from the beneficial owner of Data Insight Holdings Limited,

On February 5, 2023, The Company granted 100,000 shares of common stock of the Company to China Strategic Investments Limited as an ex-gratia payment for the provision of corporate finance services.

On February 5, 2023, The Company granted 720,000 shares of common stock of the Company to certain directors and employees. The shares were issued pursuant to the 2020 Incentive Plan and 2012 Incentive Plan.

On February 5, 2023, the Company's Board unanimously approved a grant of 3,200,000 fully vested shares of common stock to Mr. Darren Mercer in recognition of the completion of the acquisition of Tingo Mobile which is expected to be transformational for the Company. The size of the award takes into account the improved terms for the Company that were negotiated in October 2022, and also the value Mr. Mercer is delivering to the growth of the Company.

On March 6, 2023, The Company granted 48,000 shares of common stock of the Company to Corprominence LLC as part of the payment for their services.

#### NOTE 6 — FAIR VALUE MEASUREMENTS

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The Company's financial assets measured at fair value on a recurring basis were as follows (in thousands)

(USD in thousands)	Fair value measurements December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 500,316	-	-	\$ 500,316
Total	\$ 500,316	-	-	\$ 500,316

(USD in thousands)	Fair value measurements March 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 780,153	-	-	\$ 780,153
Total	\$ 780,153	-	-	\$ 780,153

F-76

### TINGO GROUP, INC. AND SUBSIDIARIES NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

#### NOTE 7 — SEGMENTS

ASC 280, "Segment Reporting", establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, operating segments and major customers in financial statements for detailing the Company's operating 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. As a result of our acquisition of GFHI on July 1, 2020 and Tingo Mobile on December 1, 2022, we currently serve the marketplace, through our operating subsidiaries, as a financial technology company (Fintech Industry) targeting the African, Middle Eastern and South East Asia marketplaces as well as other areas of the world.

During the period between June 23, 2020, and May 9, 2021, we have held a controlling interest in Micronet, and we have presented our mobile resource management ("MRM") business operated by Micronet as a separate operating segment. As of May 9, 2021, the Company's ownership interest was diluted and, as a result, we deconsolidated Micronet.

As of March 31, 2023, the Company has four segments. This change came with the acquisition of Tingo Foods on February 9, 2023. The Company changed its reporting structure to better reflect what the CODM is reviewing to make organizational decisions and resource allocations. Following the loss of control over Micronet, MRM is no longer a separate operating segment or reportable segment since the CODM does not review discrete financial information for the business. The Company recast the information as of March 31, 2023 to align with this presentation.

The activities of each of our reportable segments from which the Company earns revenues, records equity earnings or losses and incurs expenses are described below:

- Verticals and technology segment develops insurance platform, for the Chinese market and have been generating revenues from insurance products in China.
- Comprehensive platform service segment develops Nwassa agri-fintech marketplace platform, which enables customers in Nigeria to trade agricultural produce with customers, as well as to purchase farming inputs, to top up of airtime and data, to pay bills and utilities, to arrange insurance and to procure finance.
- Online stock trading segment develops technology investment trading platform that is currently operational in Hong Kong and Singapore.
- Food processing segment, which commenced its operations in August 2022 (and was acquired in February 2023).

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

(USD in thousands)	Three months ended March 31, 2022					
	Verticals and technology	Online stock trading	Corporate and others (2)	Comprehensive platform service	Food processing	Consolidated

Revenues from external customers	\$ 9,533	\$ 30	-	\$ -	-	\$ 9,563
Segment operating loss	(4,295)(1)	(3,544)	(2,131)	-	-	(9,970)
Other income, net	175		(20)	-	-	155
Finance income (expenses), net	178	(480)	380	-	-	78
Consolidated loss before income tax benefit						<u>\$ (9,737)</u>

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

(2) Corporate and Other represents those results that: (i) are not specifically attributable to a reportable segment; (ii) are not individually reportable or (iii) have not been allocated to a reportable segment for the purpose of evaluating their performance, including certain general and administrative expense items.

(USD in thousands)	Three months ended March 31, 2023					
	Verticals and technology	Online stock trading	Corporate and others (3)	Comprehensive platform service	Food processing	Consolidated
Revenues from external customers	\$ 20,552	\$ 8	-	\$ 253,466	577,219	\$ 851,245
Segment operating loss	(3,224)(1)	(1,701)	(9,917)	132,074(2)	143,445(4)	260,677
Other income, net	448	(8)		(15)		425
Finance income (expenses), net	65	(47)	(634)	2,343	(283)	1,444
Consolidated loss before income tax benefit						<u>\$ 262,546</u>

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

(2) Includes \$7,248 of intangible assets amortization, derived from the Tingo Mobile acquisition.

(3) Corporate and Other represents those results that: (i) are not specifically attributable to a reportable segment; (ii) are not individually reportable or (iii) have not been allocated to a reportable segment for the purpose of evaluating their performance, including certain general and administrative expense items.

(4) Includes \$3,078 of intangible assets amortization, derived from the Tingo Foods acquisition.

F-77

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

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

(USD in thousands)	As of March 31, 2023					
	Verticals and technology	Online stock trading	Comprehensive platform service	Food processing	Corporate and others	Consolidated
Assets related to segments	\$ 32,478(1)	\$ 17,655(3)	\$ 1,624,159(4)	413,004(6)	283,515	\$ 2,370,811
Liabilities and redeemable preferred stock series B related to segments	(12,962)(2)	(3,651)	(905,968)(5)	(312,689)(7)	(215,249)	(1,450,519)
Total equity						<u>\$ 920,292</u>

(1) Includes \$16,245 of intangible assets and \$19,788 goodwill, derived from GFHI's acquisition.

(2) Includes \$2,784 of deferred tax liability, derived from GFHI All weather and Zhongtong acquisitions.

(3) Includes \$1,225 of intangible assets.

(4) Includes \$159,482 of intangible assets and \$165,603 goodwill, derived from Tingo Mobile acquisition.

(5) Includes \$47,952 of deferred tax liability, derived from the Tingo Mobile acquisition and \$553,035 redeemable preferred stock series B.

(6) Includes \$144,695 of intangible assets and \$46,246 goodwill, derived from the Tingo Foods acquisition.

(7) Includes \$43,409 of deferred tax liability, derived from the Tingo Foods acquisition.

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

(USD in thousands)	As of December 31, 2022				
	Verticals and technology	Online stock trading	Comprehensive platform service	Corporate and others	Consolidated
Assets related to segments	\$ 40,831(1)	\$ 21,077(3)	\$ 1,541,093(4)	79,357	\$ 1,682,358
Liabilities and redeemable preferred stock series B related to segments	(18,406)(2)	(3,911)	(877,353)(5)	(9,689)	(909,359)
Total equity					<u>\$ 772,999</u>

(1) Includes \$17,009 of intangible assets and \$19,788 goodwill, derived from GFHI's acquisition.

(2) Includes \$3,125 of deferred tax liability, derived from GFHI All weather and Zhongtong acquisitions.

(3) Includes \$1,226 of intangible assets.

(4) Includes \$167,143 of intangible assets and \$81,459 goodwill, derived from the Tingo Mobile acquisition.

(5) Includes \$50,143 of deferred tax liability, derived from the Tingo Mobile acquisition and \$553,035 redeemable preferred stock series B.

## NOTE 8 — TRADE ACCOUNTS RECEIVABLE, NET

For the three months ended March 31, 2023, and the fiscal year ended December 31, 2022, accounts receivable were comprised of the following:

(USD in thousands)	March 31, 2023	December 31, 2022
Trade accounts receivable	\$ 359,542	\$ 14,553
Allowance for doubtful accounts	(2,771)	(3,012)
	<u>\$ 356,771</u>	<u>\$ 11,541</u>

F-78

## TINGO GROUP, INC. AND SUBSIDIARIES NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (In Thousands, except Share and Par Value Data)

Movement of allowance for doubtful accounts the three months ended March 31, 2023 and the fiscal year ended December 31, 2022 are as follows:

(USD in thousands)	March 31, 2023	December 31, 2022
Beginning balance	\$ 3,012	\$ 2,606
Provision	(507)	618
Exchange rate fluctuation	266	(212)
	<u>\$ 2,771</u>	<u>\$ 3,012</u>

## NOTE 9 — RELATED PARTIES

### Current assets – related parties

(USD in thousands)	March 31, 2023	December 31, 2022
Shareholders of All Weather	\$ 5,901	\$ 4,603
Beijing Fucheng Prospect Technology Co., Ltd	292	267
Loan to Tingo Inc.(1)	8,023	8,099
Shareholders of Guangxi Zhongtong	319	522
	<u>\$ 14,535</u>	<u>\$ 13,491</u>

(1) Tingo's loan- as discussed in Note 1.

### Current liabilities – related parties

(USD in thousands)	March 31, 2023	December 31, 2022
Shareholders of Bokefa Petroleum and Gas	\$ 158	\$ 308
Shareholders of All Weather	213	659
Shareholders of Tingo Mobile Limited	46,712	56,539
	<u>\$ 47,083</u>	<u>\$ 57,506</u>

## NOTE 10 — COMMITMENT AND CONTINGENCIES

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, and other factors may result in actual payments differing from the estimates. The following tables summarize our contractual obligations as of March 31, 2023, and the effect these obligations are expected to have on our liquidity and cash flows in future periods.

(USD in thousands)	Total	Less than 1 year	1-3 year	3-5 year	5+ year
<b>Contractual Obligation:</b>					
Office leases commitment	1,959	951	953	55	-
Short-term debt obligations Commitment	691	312	379	-	-
Services Contract Commitment	309	266	43	-	-
Total	<u>2,959</u>	<u>1,529</u>	<u>1,375</u>	<u>55</u>	<u>-</u>

### Legal Proceedings

The Company is subject to litigation arising from time to time in the ordinary course of its business.

On April 20, 2023, the Company received a motion for summary judgment in lieu of a complaint (the "Motion") from certain investors in certain of the Company's direct securities offerings, seeking \$13,426 in aggregate damages. The Motion against the Company in the Supreme Court of the State of New York alleges that the Merger constituted a "Fundamental Transaction" as defined in the warrants issued in such securities offerings and, as a result, plaintiffs were entitled to certain exercise rights pursuant to such warrants. More specifically, the plaintiffs demand that as a result of the Merger, they are entitled to cash payments of \$13,426 in respect of the warrants that they hold. The Group has not recognized a liability in respect of this motion because management does not believe that the Group has incurred a probable material loss by reason of any of this matter.

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 11 — OPERATING LEASES**

The Company follows ASC No. 842, Leases. The Company has operating leases for its office facilities. The Company's leases have remaining terms of approximately 4 years. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. The Company does not separate non-lease components from the lease components to which they relate, and instead accounts for each separate lease and non-lease component associated with that lease component as a single lease component for all underlying asset classes.

**Lessee**

The following table provides a summary of leases by balance sheet location:

<b>Assets/liabilities (USD in thousands)</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Right-of-use assets	\$ 2,001	\$ 2,260
<b>Liabilities</b>		
Lease liabilities- current portion	\$ 1,165	\$ 1,215
Lease liabilities- long term	691	905
Total Lease liabilities	<u>\$ 1,856</u>	<u>\$ 2,120</u>

The operating lease expenses were as follows:

<b>(USD in thousands)</b>	<b>Three months ended March 31, 2023</b>	<b>March 31, 2022</b>
Operating lease cost	\$ 477	\$ 412

Maturities of operating lease liabilities were as follows:

<b>(USD in thousands)</b>	<b>Year ended December 31,</b>
2023*	951
2024	694
2025	234
2026	24
2027	21
Thereafter	35
Total lease payment	1,959
Less: imputed interest	(103)
Total lease liabilities	<u>1,856</u>

\* Not include operating leases with a term less than one year.

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

<b>Lease term and discount rate</b>	<b>March 31, 2023</b>
Weighted-average remaining lease term (years) – operating leases	2.11
Weighted average discount rate – operating leases	5.70%

**Lessor**

The Company leases mobile phones that classified as operating leases. The following table summarizes the components of operating lease revenue recognized during the three months ended March 31, 2023:

<b>Lease revenue</b>	<b>Three months ended March 31, 2023</b>
Fixed contractual payments	113,660

Future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of March 31, 2023, assuming no new or renegotiated leases or option extensions on lease agreements are executed, are as follows (dollars in thousands):



Years Ending December 31,	Future lease payments due
2023	137,562
2024	-
2025	-
2026	-
2027	-
Thereafter	-

F-81

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**NOTE 12 — PROVISION FOR INCOME TAXES**

**A. Basis of Taxation**

**United States:**

On December 22, 2017, the U.S. Tax Cuts and Jobs Act, or the Act, was enacted, which significantly changed U.S. tax laws. The Act lowered the tax rate of the Company. The statutory federal income tax rate was 21% in 2020 and in the three months ended March 31, 2023, and 2022. As of March 31, 2023, the operating loss carry forward were \$70,192, among which there was \$5,115 expiring from 2025 through 2037, and the remaining \$60,041 has no expiration date.

**Israel:**

The Company's Israeli subsidiaries and associated are governed by the tax laws of the state of Israel which had a general tax rate of 23% in the three months ended March 31, 2023, and 2022. As of March 31, 2023 the operating loss carry forward was \$8,828, which does not have an expiration date.

**Mainland China:**

The Company's Chinese subsidiaries in the PRC are subject to the PRC Corporate Income Tax Law ("CIT Law") and are taxed at the statutory income tax rate of 25%. As of March 31, 2023, the operating loss carry forward was \$14,722, which will expire from 2023 through 2027.

**Hong Kong:**

Our subsidiaries incorporated in Hong Kong, such as Magpie Securities Limited, BI Intermediate Limited, are subject to Hong Kong profit tax on their profits arising from their business operations carried out in Hong Kong. Hong Kong profits tax for a corporation from the year of assessment 2018/2019 onwards is generally 8.25% on assessable profits up to HK\$2,000; and 16.5% on any part of assessable profits over HK\$2,000. Under the Hong Kong Inland Revenue Ordinance, profits that we derive from sources outside of Hong Kong are generally not subject to Hong Kong profits tax.

As of March 31, 2023, the tax loss carry forward was \$17,946 for Magpie Securities Limited, and the operating loss carry forward was \$6,010 for BI Intermediate Limited. Tax losses can be carried forward indefinitely until utilized.

**Singapore:**

Our subsidiaries incorporated in Singapore are subject to an income tax rate of 17% for taxable income earned in Singapore. Singapore does not impose a withholding tax on dividends for resident companies. In 2022, we did not incur any income tax as there was no estimated assessable profit that was subject to Singapore income tax.

As of March 31, 2023, the operating loss carry forward was \$975.

Subject to qualifying conditions, trade losses can be carried forward indefinitely while unutilized donations can be carried forward for up to 5 years of assessment.

**Australia:**

Our subsidiaries incorporated in Australia are subject to an income tax rate of 25% for taxable income earned in Australia. Australia does not impose a withholding tax on dividends for resident companies. In 2022, we did not incur any income tax as there was no estimated assessable profit that was subject to Australia income tax.

As of March 31, 2023, the operating loss carry forward was \$116.

**Nigeria:**

The Company's Nigerian subsidiaries Tingo Mobile Limited and Tingo Foods is governed by the tax laws of the Federal Republic of Nigeria which had a corporate tax rate of 30% in the three months ended March 31, 2023, and 2022. As of March 31, 2023, the operating loss carry forward was nil, which does not have an expiration date.

F-82

**TINGO GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In Thousands, except Share and Par Value Data)

**B. Profit (Loss) Before Income Taxes**



	Three months ended March 31,	
(USD in thousands)	2023	2022
Foreign	\$ 272,508	\$ (8,698)
Domestic	(9,962)	(1,272)
Total	<u>\$ 262,546</u>	<u>(9,970)</u>

#### C. Provision for (Benefit of) Income Taxes

	Three months ended March 31,	
(USD in thousands)	2023	2022
Current		
Domestic	\$ 40	\$ -
Foreign	89,176	3
Total	<u>\$ 89,216</u>	<u>3</u>
Deferred		
Domestic	\$ -	\$ -
Foreign	(3,302)	(1,079)
Total	<u>\$ 85,914</u>	<u>(1,076)</u>

#### D. Deferred Tax Assets and Liabilities

Deferred tax reflects the net tax effects of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the amounts used for income tax purposes. As of March 31, 2023, and December 31, 2022, deferred tax assets were included in long-term deposit and prepaid expenses, and the Company's deferred taxes were in respect of the following:

(USD in thousands)	March 31, 2023	December 31, 2022
Deferred tax assets		
Provisions for employee rights and other temporary differences	\$ 88	\$ 234
Provisions for bad debt	711	753
Net operating loss carry forward	24,599	21,839
Valuation allowance	(21,383)	(19,165)
Deferred tax assets, net of valuation allowance	4,015	3,661
Deferred tax liabilities		
Recognition of intangible assets arising from business combinations	(129,565)	(89,597)
Deferred tax assets (liabilities), net	<u>\$ (125,550)</u>	<u>\$ (85,936)</u>

F-83

### TINGO GROUP, INC. AND SUBSIDIARIES

#### NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(In Thousands, except Share and Par Value Data)

#### NOTE 13 — GOODWILL

	Three months ended March 31, 2023					
(USD in thousands)	Verticals and technology	Food processing	Comprehensive platform service	Corporate and others	Online stock trading	Consolidated
Balance as of January 1, 2023	\$ 19,788	-	81,459	-	-	\$ 101,247
Impairment loss	-	-	-	-	-	-
Acquisitions in 2023	-	46,246	-	-	-	46,246
Adjustments to purchase price allocations	-	-	84,144	-	-	84,144
Balance as of March 31, 2023	<u>19,788</u>	<u>46,246</u>	<u>165,603</u>	<u>-</u>	<u>-</u>	<u>\$ 231,637</u>

	Year ended December 31, 2022					
(USD in thousands)	Verticals and technology	Food processing	Comprehensive platform service	Corporate and others	Online stock trading	Consolidated
Balance as of January 1, 2022	\$ 19,788	-	-	\$ -	\$ -	\$ 19,788
Impairment loss	-	-	-	-	-	-
Acquisitions in 2022	-	-	81,459	-	-	81,459
Balance as of December 31, 2022	<u>19,788</u>	<u>-</u>	<u>81,459</u>	<u>-</u>	<u>-</u>	<u>\$ 101,247</u>

F-84

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

## ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The Company is paying all expenses of the offering. No portion of these expenses will be borne by the selling security holder. The selling security holder, however, will pay any other expenses incurred in selling its common stock, including any brokerage commissions or costs of sale. The following table sets forth expenses in connection with this registration statement. All of the amounts shown are estimates, except for the SEC Registration Fees.

SEC Registration Fee	\$ -
Accounting Fees and Expenses	\$ 5,000
Legal Fees and Expenses	\$ 10,000
Miscellaneous Fees and Expenses	\$ 30,000
<b>Total</b>	<b>\$ 45,000</b>

## ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS

Under Section 145 of the DGCL, a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorney's fees), as well as judgments, fines and settlements, actually and reasonably incurred in connection with the defense of any action, suit or proceeding (other than an action by or in the right of the corporation) in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner he or she reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation, where such person has been adjudged liable to the corporation for negligence or misconduct in the performance of his/her duty to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

Section 102(b)(7) of the DGCL permits a corporation to include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (relating to unlawful payment of dividends and unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit.

Article XIII of the By-Laws of the Company contains provisions which are designed to provide mandatory indemnification of directors and officers of the Company to the full extent permitted by law, as now in effect or later amended. The By-Laws further provide that, if and to the extent required by the DGCL, an advance payment of expenses to a director or officer of the Company that is entitled to indemnification will only be made upon delivery to the Company of an undertaking, by or on behalf of the director or officer, to repay all amounts so advanced if it is ultimately determined that such director is not entitled to indemnification.

### II-1

## ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

On March 2, 2021, the Company entered into a securities purchase agreement (the "March 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 March 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, 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 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 for the March Purchase Agreement 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.

On May 10, 2022, Tingo Inc. entered into an agreement and plan of merger (the "Tingo Merger Agreement") with the Company and MICT Merger Sub, Inc., a Nevada corporation and a wholly owned subsidiary of the Company ("Merger Sub"). On June 15, 2022, Tingo, Inc., Merger Sub and the Company entered into an amended and restated agreement and plan of merger. On December 1, 2022, Tingo Group Holdings, LLC ("TGH") and MICT Fintech Ltd. were added as parties to the Merger Agreement, and the Company completed the merger of Tingo BVI Sub with and into MICT Fintech and MICT Fintech became a wholly-owned subsidiary of TGH, which is a wholly-owned subsidiary of the Company. At the closing of the transaction, the total consideration paid by the Company to Tingo, Inc. was: (i) 25,783,675 shares of common stock of the Company, representing approximately 19.9% of the number of shares of the Company's common stock issued and outstanding immediately prior to the closing of the transaction; (ii) 2,604.28 shares of Series A Preferred Stock convertible into 26,042,808 shares of the Company common stock equal to approximately 20.1% of the total issued and outstanding the Company common stock immediately prior to the closing of the transaction; and (iii) 33,687.21 shares of Series B Preferred Stock convertible into 336,872,138 shares of the Company common stock equal to approximately 35% of the Company's total issued and Tingo, Inc. common stock. Of the foregoing of shares of the Company common and preferred stock issued to Tingo, Inc. in connection with the merger (the "Merger Consideration Shares"), 5% of the Merger Consideration Shares was withheld in escrow to satisfy the indemnification obligations of Tingo Inc. under the Tingo Merger Agreement. The issuance of the Merger Consideration Shares pursuant to the Tingo Merger Agreement was made in a transaction not constituting a public offering and, therefore, exempt from the registration requirements of the Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder.

### II-2

## ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following is a list of exhibits filed as part of this Annual Report:

Number of Exhibits	Description
2.1	<a href="#">Agreement of Plan and Merger, dated as of November 7, 2019, by and among the parties named therein (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 13, 2019).</a>
2.2	<a href="#">Amended and Restated Agreement and Plan of Merger, dated as of April 15, 2020, by and among the parties named therein (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 21, 2020).</a>

2.3	<a href="#"><u>Agreement and Plan of Merger, dated as of May 10, 2022, by and among the parties named therein (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 17, 2022).</u></a>
2.4	<a href="#"><u>Securities Purchase Agreement, dated as of February 9, 2023, by and among MICT, Inc., MICT Fintech Limited, Tingo Foods PLC and Dozy Mmobousi. (Incorporated by reference to our Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission on March 31, 2023)</u></a>
2.5	<a href="#"><u>Senior Secured Promissory Note, dated as of February 9, 2023, by and among MICT, Inc. and MICT Fintech Limited (Incorporated by reference to our Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission on March 31, 2023)</u></a>
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 17, 2022).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.5 of Amendment No. 2 to our Registration Statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013).</u></a>
4.1	<a href="#"><u>Form of Warrant Agreement (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2021).</u></a>
4.2	<a href="#"><u>Form of Series A Warrant Agreement (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2021).</u></a>
4.3	<a href="#"><u>Form of Series B Warrant Agreement (Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2021).</u></a>
4.4	<a href="#"><u>Form of Warrant Agreement (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2021).</u></a>
4.5	<a href="#"><u>Form of Placement Agent Warrant Agreement (Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2021).</u></a>
5.1	<a href="#"><u>Opinion of Ellenoff Grossman &amp; Schole LLP (Incorporated by reference to our Registration Statement on Form S-3 (File No. 333-248602), filed with the Securities and Exchange Commission on September 4, 2020)</u></a>
5.2	<a href="#"><u>Opinion of Ellenoff Grossman &amp; Schole LLP (Incorporated by reference to our Registration Statement on Form S-3 (File No. 333-256209), filed with the Securities and Exchange Commission on July 7, 2021)</u></a>
5.3	<a href="#"><u>Opinion of Ellenoff Grossman &amp; Schole LLP (Incorporated by reference to our Registration Statement on Form S-1 (File No. 333-256209), filed with the Securities and Exchange Commission on July 7, 2021)</u></a>

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II-3

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<b>Number of Exhibits</b>	<b>Description</b>
10.1	<a href="#"><u>Amended and Restated 2012 Stock Incentive Plan, as amended to date (Incorporated by reference to Exhibit B to our Proxy Statement on Schedule 14A (File No. 001-35850) filed with the Securities and Exchange Commission on November 8, 2018) +</u></a>
10.2	<a href="#"><u>2014 Stock Incentive Plan (Incorporated by reference to Exhibit “C” to our Proxy Statement (File No. 001-35850), filed with the Securities and Exchange Commission on August 26, 2014) +</u></a>
10.3	<a href="#"><u>Amendment to 2014 Stock Incentive Plan (Incorporated by reference to Exhibit “A” to our Proxy Statement (File No. 001-35850), filed with the Securities and Exchange Commission on November 8, 2018) +</u></a>
10.4	<a href="#"><u>Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014, filed with the Securities and Exchange Commission on November 6, 2014).</u></a>
10.5	<a href="#"><u>Form of Primary Security Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2020).</u></a>
10.6	<a href="#"><u>Form of Primary Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2020).</u></a>
10.7	<a href="#"><u>Form of Securities Purchase Agreement, dated as of April 15, 2020, by and between the Company and the Purchasers listed therein (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 21, 2020).</u></a>
10.8	<a href="#"><u>Form of Exchange Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 10, 2020).</u></a>
10.9	<a href="#"><u>Form of Exchange Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 16, 2020).</u></a>
10.10	<a href="#"><u>Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020).</u></a>
10.11	<a href="#"><u>Form of Placement Agency Agreement (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020).</u></a>
10.12	<a href="#"><u>Form of Conversion Agreement (Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 18, 2020).</u></a>

10.13	<a href="#">2020 Equity Incentive Plan (Incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 18, 2020).</a>
10.14	<a href="#">Amendment to 2020 Equity Incentive Plan. (Incorporated by reference to our Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission on March 31, 2023)</a>

II-4

Number of Exhibits	Description
10.15	<a href="#">Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2021).</a>
10.16	<a href="#">Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2021).</a>
10.17	<a href="#">Employment Agreement by and between the Company and Darren Mercer (Incorporated by reference to Exhibit 10.17 to our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 31, 2023).</a>
10.18	<a href="#">Form of Loan Agreement (Incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 17, 2022).</a>
10.19	<a href="#">Letter of Friedman LLP (Incorporated by reference to Exhibit 10.19 to our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 31, 2023).</a>
10.20	<a href="#">Form of All Assets Debenture Agreement, between Tingo Foods PLC and Dozy Mmobuosi (Incorporated by reference to Exhibit 10.20 to our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 31, 2023).</a>
21.1*	<a href="#">List of Subsidiaries.</a>
23.1*	<a href="#">Consent of Brightman Almagor Zohar &amp; Co.</a>
23.2*	<a href="#">Consent of Friedman LLP.</a>
23.3*	<a href="#">Consent of Gries and Associates, LLC.</a>
23.4	<a href="#">Consent of Ellenoff Grossman &amp; Schole LLP (included in Exhibit 5.1).</a>
23.5	<a href="#">Consent of Ellenoff Grossman &amp; Schole LLP (included in Exhibit 5.2).</a>
23.6	<a href="#">Consent of Ellenoff Grossman &amp; Schole LLP (included in Exhibit 5.3).</a>
107*	<a href="#">Filing fee table.</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith

\*\* Furnished herewith

+ Indicates management contract or compensatory plan or arrangement.

II-5

## ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high

end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

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## II-6

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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## II-7

### SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melville, State of New York on this 2nd day of June, 2023.

**TINGO GROUP, INC.**

By: /s/ Darren Mercer  
Name: Darren Mercer  
Title: Chief Executive Officer

### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Berman his true and lawful attorney-

in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
By: <u>/s/ Darren Mercer</u> Darren Mercer	Chief Executive Officer (Principal Executive Officer)	June 2, 2023
By: <u>/s/ Kevin Chen</u> Kevin Chen	Chief Financial Officer (Principal Financial and Accounting Officer)	June 2, 2023
By: <u>/s/ Robert Benton</u> Director	Director	June 2, 2023
By: <u>/s/ Kenneth Denos</u> Kenneth Denos	Director	June 2, 2023
By: <u>/s/ Sir David Trippier, R.D., J.P., D.L.</u> Sir David Trippier, R.D., J.P.	Director	June 2, 2023
By: <u>/s/ John McMillan Scott</u> John McMillan Scott	Director	June 2, 2023
By: <u>/s/ John Brown</u> John Brown	Director	June 2, 2023

	Name	Ownership
1	Tingo Group, Inc.	A Delaware corporation- (MICT)
2	MICT Telematics ltd	100% owned by MICT inc
3	MICT Management ltd	100% owned by MICT Telematics ltd
4	MICRONET ltd	31.47% owned by MICT Telematics ltd
5	MICRONET INC	100% owned by MICRONET ltd
6	GFH Intermediate Holdings Ltd.	100% owned by MICT, Inc.
7	BI Intermediate (Hong Kong) Limited	100% owned by GFH Intermediate Holdings Ltd.
8	Magpie Securities Limited	100% owned by BI Intermediate (Hong Kong) Limited
9	Magpie Securities (Singapore) PTE. Ltd.	100% owned by BI Intermediate (Hong Kong) Limited
10	Mapie Securities (Australia) Pty Ltd.	100% owned by BI Intermediate (Hong Kong) Limited
11	Magpie Forex Limited (Hong Kong company)	100% owned by BI Intermediate (Hong Kong) Limited
12	Shenzhen Magpie Information Consulting Technology Co., Ltd.	100% owned by BI Intermediate (Hong Kong) Limited
13	Bokefa Petroleum and Gas Co. Ltd.	100% owned by BI Intermediate (Hong Kong) Limited
14	Shanghai Zhengzhong Energy Technology Co., Ltd.	100% owned by Bokefa Petroleum and Gas Co. Ltd.
15	Tianjin Dibao Technology Development Co. Ltd.	24% owned by Shanghai Zhengzhong Energy Technology Co., Ltd.. (76% VIE)
16	Tianjin Bokefa Technology Co., Ltd.	100% owned by Bokefa Petroleum and Gas Co. Ltd.
17	Beijing Fucheng Lianbao Technology Co., Ltd.	24% owned by Tianjin Bokefa Technology Co., Ltd. (76% VIE)
18	Beijing Yibao Technology Co	100% owned by Beijing Fucheng Lianbao Technology Co., Ltd
19	Beijing Fucheng Insurance Brokerage Co., Ltd	100% owned by Beijing Yibao Technology Co
20	Guangxi Zhongtong Insurance Agency Co., Ltd	60% owned by Beijing Yibao Technology Co
21	All Weather Insurance Agency Co., Ltd.	100% VIE by TIANJIN BOKEFA Technology Co., Ltd
22	Beijing All Weather Appraisal Co., Ltd.	99.583% owned by All Weather Insurance Agency Co., Ltd.
23	Tingo Group Holdings LLC	100% owned by MICT inc
24	MICT Fintech Limited (BVI)	100% owned by Tingo Group Holdings LLC
25	Tingo Mobile Limited (Nigeria)	100% owned by MICT Fintech Limited (BVI)
26	Tingo Mobile Ghana Limited (Ghana)	100% owned by Tingo Mobile Limited (Nigeria)

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the use in this Registration Statements on the Post-Effective Amendment No. 1 on Form S-3 to Form S-1 (File Nos. 333-248602 and 333-256209) of our report dated March 31, 2023, relating to the financial statements of Tingo Group, Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statements.

**/s/ Brightman Almagor Zohar & Co.**  
**Certified Public Accountants**  
**A Firm in the Deloitte Global Network**

Tel Aviv, Israel  
June 2, 2023



INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Tingo Group, Inc. (formerly known as MICT, Inc.) on Form S-1 of our report dated June 17, 2022, with respect to our audit of the consolidated financial statements of MICT, Inc. as of December 31, 2021 and for the year ended December 31, 2021, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

We resigned as auditors on October 3, 2022 and, accordingly, we have not performed any audit or review procedures with respect to any financial statements incorporated by reference for the periods after the date of our resignation.

/s/ Friedman LLP

Friedman LLP  
New York, NY  
June 2, 2023

## CONSENT OF REGISTERED INDEPENDENT PUBLIC ACCOUNTANTS

We hereby consent to the inclusion of our Auditors' Report, dated April 25, 2023, on the financial statements of Tingo, Inc. as of December 31, 2022 and 2021, and for the year then ended in the Post-Effective Amendment No. 1 on Form S-1 to Form S-3 (File Nos. 333-248602 and 333-256209) and the related prospectus. We also consent to the application of such report to the financial information in the Form 8-K/A Filing when such information is read in conjunction with the financial statements referred to in our report.

/s/ Gried & Associates, LLC  
Gries & Associates, LLC

Denver, Colorado  
PCAOB Firm #6778  
June 2, 2023

## Calculation of Filing Fee Tables

Form S-1  
(Form Type)Tingo Group, Inc.  
(Exact Name of Registrant as Specified in its Charter)**Table 1: Newly Registered and Carry Forward Securities**

Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered(1)	Proposed Maximum Offering Price Per Share	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
Newly Registered Securities											
Fees Previously Paid	Equity	Common stock par value \$0.001 per share, issuable upon exercise of warrant	457(c)	33,707,856(2)	\$ 2.67(3)	\$89,999,975.5(3)	\$ 11,681.9				
Fees Previously Paid	Equity	Common stock par value \$0.001 per share, issuable upon exercise of warrant	457(o)	8,000,000(4)	\$ 2.50(3)	\$ 20,000,000(3)	\$ 2,596				
Fees Previously Paid	Equity	Common stock par value \$0.001 per share, issuable upon exercise of warrant	457(o)	2,755,103(5)	\$ 1.495(6)	\$4,118,878.98(7)	\$ 449.37				
Total Offering Amounts							\$114,118,854				
Total Fees Previously Paid							\$ 14,727.27				
Total Fee Offsets							-				
Net Fee Due							-				

1. This registration statement also relates to such additional shares of Common Stock as may be issued in connection with a stock split, stock dividend, recapitalization, or similar transaction effected without receipt of consideration that increases the number of the registrant's outstanding shares of Common Stock, pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act").
2. Consists of 33,707,856 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the 2021 February Offering. These shares were previously included in Registration Statement No. 333-256209 for which all filing fees were paid.
3. The registration fee is calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act"). The proposed maximum aggregate offering price has been estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act.
4. Consists of 8,000,000 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the November 2020 Offering. These shares were previously included in Registration Statement No. 333-248602 for which all filing fees were paid.
5. Consists of 2,755,103 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to 12 accredited investors in the 2021 March Offering. These shares were previously included in Registration Statement No. 333-248602 for which all filing fees were paid.
6. The proposed maximum offering price has been estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act on the average of the high and low sales price of the common stock on the Nasdaq Capital Market on May 12, 2021.
7. Estimated solely for the purpose of calculating the registration fee under Rule 457(c) of the Securities Act.

**Table 3: Combined Prospectuses**

Security Type	Security Class Title	Amount of Securities Previously Registered(1)	Maximum Aggregate Offering Price of Securities Previously Registered	Form Type	File Number	Initial Effective Date
Equity	Common stock par value \$0.001 per share	33,707,856(2)	\$ 89,999,975.5(3)	S-3	333-248602	September 14, 2020
Equity	Common stock par value \$0.001 per share	8,000,000(4)	\$ 20,000,000(3)	S-3	333-248602	September 14, 2020
Equity	Common stock par value \$0.001 per share	2,755,103(5)	\$ 4,118,878.98(6)	S-3	333-256209	July 12, 2021

1. This registration statement also relates to such additional shares of Common Stock as may be issued in connection with a stock split, stock dividend, recapitalization, or similar transaction effected without receipt of consideration that increases the number of the registrant's outstanding shares of Common Stock, pursuant to Rule 416 of the Securities Act.
2. Consists of 33,707,856 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the 2021 February Offering. These shares were previously included in Registration Statement No. 333-248602 for which all filing fees were paid.
3. The registration fee is calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act"). The proposed maximum aggregate offering price has been estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act.
4. Consists of 8,000,000 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to investors in connection with the November 2020 Offering. These shares were previously included in Registration Statement No. 333-248602 for which all filing fees were paid.
5. Consists of 2,755,103 shares of Common Stock issued or issuable upon exercise of common stock purchase warrants that were originally issued to 12 accredited investors in the 2021 March Offering.
6. The proposed maximum offering price has been estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act on the average of the high and low sales price of the common stock on the Nasdaq Capital Market on May 12, 2021.

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