

TINGO GROUP, Inc.
CONSOLIDATED BALANCE SHEETS
(In Thousands, except Share and Par Value Data)

	December 31,	December 31,
	<u>2022</u>	<u>2021</u>
ASSETS		
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	<u>5,828</u>	<u>7,865*</u>
Total current assets	531,176	127,497
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	<u>735</u>	<u>1,481</u>
Total long-term assets	1,151,182	50,314
Total assets	\$ 1,682,358	\$ 177,811

TINGO GROUP, Inc.
CONSOLIDATED BALANCE SHEETS
(In Thousands, except Share and Par Value Data)

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
LIABILITIES TEMPORARY EQUITY AND EQUITY		
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	<u>192,594</u>	<u>4,914</u>
Total current liabilities	265,395	25,390
Long term loan	377	-
Long term operating lease liability	905	691
Deferred tax liabilities	89,597	3,952
Accrued severance pay	<u>50</u>	<u>56</u>
Total long-term liabilities	90,929	4,699
Commitment and Contingencies (Note 18)	-	-
Temporary equity		
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	<u>770,644</u>	<u>144,100</u>
Non-controlling interests	<u>2,355</u>	<u>3,622</u>
Total stockholders' equity	<u>772,999</u>	<u>147,722</u>
Total liabilities, temporary equity and stockholders' equity	<u>\$ 1,682,358</u>	<u>\$ 177,811</u>

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	<u>64,792</u>	<u>9,220</u>
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	<u>76,584</u>	<u>47,116</u>
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	<u>\$ (47,069)</u>	<u>\$ (36,428)</u>
Loss per share attributable to TINGO GROUP:		
Basic and diluted loss per share	\$ (0.36)	\$ (0.32)
Weighted average common shares outstanding:		
Basic and diluted	<u>129,345,764</u>	<u>112,562,199</u>

Non-GAAP Financial Measures

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

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

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

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

- **Amortization of acquired intangible assets** - We are required to amortize the intangible assets, included in our GAAP financial statements, related to the Transaction and the Acquisition. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization are unique to these transactions. The amortization of acquired intangible assets are non-cash charges. We believe that such charges do not reflect our operational performance. Therefore, we exclude amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre- and post-transaction operating results.
- **Stock-based compensation** is share based awards granted to certain individuals. They are non-cash and affected by our historical stock prices which are irrelevant to forward-looking analyses and are not necessarily linked to our operational performance.
- **Expenses related to the purchase of a business** - These expenses relate directly to the purchase of the Tingo Mobile transaction and consist mainly of legal and accounting fees, insurance fees and other consultants. We believe that these expenses do not reflect our operational performance. Therefore, we exclude them to provide investors with a consistent basis for comparing pre- and post-Mobile Business purchase operating results.
- **Expenses related to settlement agreement** - These expenses relate directly to the settlement agreement with Maxim and Sunrise. More information can be found in the legal proceeding part.

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

	Year ended December 31.	
	(Dollars in Thousands, other than share and per share amounts)	
	2022	2021
GAAP net loss attributable to TINGO GROUP, Inc.	\$ (47,069)	\$ (36,428)
Amortization of acquired intangible assets	5,590	2,925
Stock-based compensation	6,615	10,580
Expenses related to purchase of a business	9,574	-
One time expenses relates to settlement agreement	143	303
Income tax effect of above non-GAAP adjustments	(1,543)	(773)

Total Non-GAAP net loss attributable to TINGO GROUP, Inc.	\$	(26,690)	\$	(23,393)
Non-GAAP net loss per diluted share attributable to TINGO GROUP, Inc.	\$	(0.21)	\$	(0.20)
Weighted average common shares outstanding used in per share calculations		129,345,764		112,562,199
GAAP net loss per diluted share attributable to TINGO GROUP, Inc.	\$	(0.36)	\$	(0.32)
Weighted average common shares outstanding used in per share calculations		129,345,764		112,562,199