



# Always in Front

Third Quarter 2019 Financial Results  
Conference Call



This presentation contains express or implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. federal securities laws. These forward-looking statements include, but are not limited to, those statements regarding the proposed timing for the closing of the transaction with GFH Intermediate Holdings Ltd., Global Fintech Holding Ltd. BNN Technology PLC, or BNN, Paragonex Ltd. and other third parties, and the belief that such transaction will create substantial value for MICT shareholders while also benefiting the merger partners, the proposed timing of the closing of the balance of the \$1.75 million funding, the expectation that following the merger, the company will have a strong balance sheet which will enable the Company to pursue a revenue acquisition program and to materialize significant fintech opportunities in China, that GFH expects over the coming months to implement its program to acquire substantial revenues through the acquisition of significant players in the sector, resulting in rapid growth and the contribution of significant profitability to the MICT group, the belief that the Company's strategic decision to change its business will contribute very positively to value creation for its present and future shareholders, and the expectation that, following the merger, the combination of strong cash reserves and abundant opportunities will facilitate substantial earnings growth potential for the Company. Such forward-looking statements and their implications involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. The forward-looking statements contained in this presentation are subject to other risks and uncertainties, including those discussed in the "Risk Factors" section and elsewhere in the Company's annual report on Form 10-K for the year ended December 31, 2018 and in subsequent filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

## **No Offer or Solicitation**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended. Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

## **Important Additional Information Will be Filed with the SEC**

In connection with the proposed acquisition, MICT intends to file a proxy statement on Schedule 14A and other relevant materials with the Securities and Exchange Commission, or SEC. Stockholders of MICT are urged to read MICT's proxy statement and all other relevant documents filed with the sec when they become available, as they will contain important information about the proposed transaction. A definitive proxy statement will be sent to MICT's stockholders seeking their approval of the proposed transaction. MICT's stockholders will be able to obtain these documents (when available) free of charge at the SEC's web site, <http://www.sec.gov>. In addition, they may obtain free copies of these by contacting MICT's Secretary, 28 West Grand Avenue, Suite 3, Montvale, NJ 07645

## Participants in Solicitation

MICT and its directors and executive officers, may be deemed to be participants in the solicitation of proxies for the special meeting of MICT's stockholders to be held to approve the proposed business combination. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of MICT's stockholders in connection with the proposed business combination will be set forth in the proxy statement/prospectus. You can find information about MICT's executive officers and directors in its Annual Report on Form 10-K for the year ended December 31, 2018.

- We believe our strategic decision to enter the fintech space through this acquisition agreement and \$25 M convertible note transaction will potentially increase shareholder value for MICT today and into the future.
- On November 7, 2019, MICT, Inc. signed an agreement for a \$25 million private placement of convertible notes, converting automatically (subject to certain closing conditions) at \$1.41 per share at the closing of an acquisition by the Company of Global Fintech Holdings Ltd (GFH), which acquired the ParagonEX Limited group of companies and the trading companies of BNN Technology PLC.
- Through its newly acquired profitable subsidiaries, GFH provides its platforms within the financial trading and Contracts for Difference (CFD) sectors in Europe, the Middle East, and Asia.
- Upon closing of the merger, the combined MICT group is expected to have a strong balance sheet with over \$25 million of cash, enabling the Company to pursue a revenue acquisitions program and to materialize significant fintech opportunities in China. The acquisition agreement amongst the companies is subject to certain closing conditions.

- During the third quarter, we successfully closed on a series of strategic transactions resulting in the receipt by the Company of a total of \$7.25 million, consisting of Series A convertible preferred stock and convertible notes.
- This \$7.25 million included, before expenses, \$5.25 million in Series A convertible preferred stock, and a \$2 million convertible note purchased by BNN Technology to replace MICT's existing creditor instruments on more favorable terms, plus applicable warrant coverage. BNN and MICT have the option to increase the amount of the note financing to \$3 million in the future.
- An additional \$1.75 million is expected through a Series A convertible preferred in the near future, resulting in an aggregate of \$9 million in proceeds to the Company.

- MICT's current voting interest in Micronet Ltd stands at 37.79%, therefore, based on U.S. GAAP rules, MICT no longer reports consolidated results due to reduced ownership of Micronet effective March 1, 2019. MICT's results for the nine months ended September 31, 2019 reported today reflect consolidated Micronet numbers for January 2019 and February 2019 only.
- Gross loss for MICT was \$0 for the three months ended September 30, 2019, compared to gross profit of \$54,000 for the three months ended September 30, 2018.
- Research and development (R&D) expense in the third quarter of 2019 was \$0, as compared to \$425,000 for the third quarter of 2018.
- Selling, general and administrative (SG&A) expense was \$501,000 in the third quarter of 2019, as compared to \$2.93 million in the third quarter of 2018.
- Net loss attributable to MICT was \$1,210,000 in the third quarter of 2019 as compared to a net loss of \$2,636,000 in the third quarter of 2018.

(In millions)



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

	Nine months ended September 30,		Three months ended September 30,	
	2019	2018	2019	2018
Revenues	\$ 477	\$ 12,897	\$ -	\$ 2,216
Cost of revenues	846	9,589	-	2,162
Gross profit (loss)	(369)	3,308	-	54
Operating expenses:				
Research and development	261	1,457	-	425
Selling and marketing	198	1,217	-	383
General and administrative	2,161	5,070	501	2,544
Amortization of intangible assets	20	652	-	214
Total operating expenses	2,640	8,396	501	3,566
Loss from operations	(3,009)	(5,088)	(501)	(3,512)
Share in investee losses	(771)	-	(366)	-
Net profit from loss of control	299	-	-	-
Financial expenses, net	(292)	(956)	(346)	(104)
Loss before provision for income taxes	(3,773)	(6,044)	(1,213)	(3,616)
Income (provision for taxes)	(5)	(566)	3	(562)
Net loss from continued operation	(3,778)	(6,610)	(1,210)	(4,178)
Net profit from discontinued operation (includes capital gain from disposal amounting to \$6,844)	-	4,894	-	-
Total net loss	(3,778)	(1,716)	(1,210)	(4,178)
Net loss attributable to non-controlling interests	(556)	(1,726)	-	(1,542)
Net profit (loss) attributable to MICT, Inc.	(3,222)	10	(1,210)	(2,636)
Earnings (loss) per share attributable to MICT, Inc.				
Basic and diluted loss per share from continued operation	\$ (0.30)	\$ (0.54)	\$ (0.11)	\$ (0.28)
Basic and diluted earnings per share from discontinued operation	-	0.54	-	-
Weighted average common shares outstanding:	10,583,496	9,107,034	11,009,532	9,342,155

*In Millions*

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Cash, cash equivalents and restricted cash	\$5.8 M	\$2.2 M
Trade account receivable, net	\$0 M	\$1.0 M
Bank & others debts	\$3.9 M	\$5.8 M
Net working capital	\$3.7 M	\$(0.6 M)
Stockholders' equity	\$2.9 M	\$1.0 M



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