TINGO INTERNATIONAL HOLDINGS, INC.

Audited Report and Financial Statement

For the period January 10th, 2020 to June 30th ,2020

TINGO INTERNATIONAL HOLDINGS, INC.

INDEX TO FINANCIAL STATEMENTS

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OLAYINKA OYEBOLA & CO.
Chartered Accountants

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Tingo International Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of **TINGO INTERNATIONAL HOLDINGS INC** (the "Company") as of June 30, 2020, the related statements of operations, changes in shareholders' equity and cash flows, for the period ended June 30, 2020, 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 June 30, 2020, and the results of its operations and its cash flows for the period ended June 30, 2020, in conformity with U.S. generally accepted accounting principles.

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 audits. 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 audits 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. Our audits 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 audits 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 audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the 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 financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

OLAYINKA OYEBOLA & CO.
(Chartered Accountants)

We have served as the Company's auditor since February 2020.
October 22nd, 2020

TINGO INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2020

ASSETS		June 30, 2020
Current Assets:		
Cash	$	60,144,755
Accounts Receivable (Net)		300,700,000
Other Asset		180,274
Inventory		451,414
		361,476,443
Total Current Assets		
Non-Current Assets:		
Property, Plant and Equipment (Net)		205,878,882
Intangible Asset		4,808,279
Total Non-Current Assets		210,687,161
Total Assets	$	572,163,604
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liability:		
Current Liabilities:		
Accounts payable	$	100,055,293
Other Payable		12,369,788
Accrued Income tax		47,951,231
Short Term Loan		5,711,646
Total Current Liabilities		166,087,958
Stockholders' Equity:		
Preferred Stock, \$(0.0001) par value, (50,000,000) shares authorized, no share issued		-
Common stock, \$(0.0001) par value, 500,000,000 shares of Class A shares authorized, and 137,480,000 issued.		13,748
Common stock, \$(0.0001) par value, 200,000,000 of Class B shares authorized, and 65,000,000 shares issued.		6,500
Accumulated Surplus		399,909,908
Additional Paid in Capital		6,145,490
Total Stockholders' Equity		406,075,646
Total Liabilities and Stockholders' Equity	$	572,163,604

The accompanying notes are an integral part of these financial statements.

TINGO INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2020

		June 30,2020
Revenue	$	544,838,975
Direct Cost		380,015,964
Gross Margin		164,823,011
Other Income		300,708
Operating Expenses:		
General Administrative Expense		3,356,369
Distribution Expense		97,661
Payroll Expense		1,081,683
Allowance for Bad Debt		9,159,736
Total Operating Expenses		13,695,449
Profit from operations		151,428,270
Other Expense:		
Interest Expense		913,416
Bank Charges		667,257
Total Other Expense		1,580,673
Profit Before Income Taxes		149,847,597
Provision for Income Taxes		(47,951,231)
Net Profit after Tax	$	**101,896,366**
Earnings per Share,	$	0.81
Weighted Average Shares Outstanding,		126,550,000

TINGO INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2020

	Common Stock		Additional Paid in Capital	Accumulated	
	Shares	Amount		Surplus	Total
Balance, January 10, 2020	-	$ -	-	$ 298,013,542	$ 298,013,542
Common Stock issued	202,480,000	20,248	-	-	20,248
Capital Reserve	-	-	6,145,490	-	6,145,490
Net profit for the period	-	-	-	101,896,366	101,896,366
Balance, June 30, 2020	**202,481,000**	**$ 20,248**	**6,145,490**	**$ 399,909,908**	**$ 406,075,646**

TINGO INTERNATIONAL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED JUNE 30, 2020

		June 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit after tax attributable to parent company	$	101,896,366
Tax Paid		-
Adjustments to reconcile net profit to net cash used in operation activities		
Depreciation		2,399,658
Amortization		686,897
		104,982,921
Changes in operating assets and liabilities:		
Inventory		145,742
Accounts Receivable		(186,466,051)
Other Assets		143,902
Accounts Payable and Accrued Expenses		57,012,649
Net Cash Used in Operating Activities		(24,180,837)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment		(148,865,662)
Net Cash Used in Investing Activities		(148,865,662)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional Paid in Capital		6,145,490
Short Term Loan		5,305,019
Net Cash Provided by Financing Activities		11,450,509
NET DECREASE IN CASH		(161,595,990)
CASH AT BEGINNING OF YEAR		221,740,745
CASH AT END OF YEAR	$	60,144,755
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest	$	913,416
Income taxes	$	-
NON CASH FINANCING ACTIVITIES:		
Common Stock Issued for Debt	$	-

The accompanying notes are an integral part of these financial statements

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Tingo International Holdings, Inc., a Delaware corporation (the ''Company'') was incorporated on January 10, 2020 and issued 46,550,000 shares of Class A Common Stock to the founders, initial directors, and management of the Company. The Company acquired its wholly-owned subsidiary, Tingo Mobile, PLC, a Nigerian limited company ("Tingo Mobile"), in a share exchange with Tingo Mobile shareholders effective February 23, 2020, and issued 10,930,000 shares of Class A Common Stock and 65,000,000 shares of Class B Common Stock to the shareholders of Tingo Mobile in the acquisition.

The Company, including its consolidated subsidiaries, is a communications company offering, through Tingo Mobile in Nigeria and 18 other African countries, personal communications services ("PCS") using GSM technology for subscribers within and outside of the agricultural sector that are designed to meet the needs of individual consumers and businesses.

Below is the breakdown of Tingo International Holdings Inc Class A shares.

Names	Date of Issued	No of shares Issued
Dozy Mmobuosi	January 21, 2020	10,000,000
Peter Baker	January 21, 2020	10,000,000
Wale Adebayo	January 21, 2020	5,000,000
Derrick Randall	January 21, 2020	5,000,000
Onyekachi Onubogu	January 21, 2020	5,000,000
Class A common stock issued to Directors and Management Consulting Compensation		
Olusegun Aganga	March 31, 2020	5,000,000
Dr Goodluck Ebele Jonathan	May 20, 2020	150,000
Reno Omokri	May 20,2020	100,000
Numir ja'afaru OFR mniYeriman Zazzau	May 20, 2020	100,000
Rory Bowen	May 20,2020	200,000
Lee Kasumba	May 20,2020	1,000,000
Dozy Mmobuosi	June 26, 2020	85,000,000
Shareholder of Tingo Mobile Plc	June 26, 2020	10,930,000
-Total		**137,480,000**

The following shares was used in acquisition of Tingo Mobile Plc

Tingo Mobile Plc	Class A Common Stock	10,930,000
Tingo Mobile Plc	Class B Common Stock	65,000,000
		75,930,000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The Group financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of consolidation
The consolidated financial statement comprises of the financial statement of Tingo International Holdings Inc (The Company) and the subsidiary Tingo Mobile Plc as of June 30, 2020.

Subsidiary - The Group consolidated financial statements include the assets, liabilities, equity, revenue, expenses and cash flows of the Company. A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Assessment of control is based on the substance of the relationship between the Company and the entity and includes consideration of both existing voting rights and, if applicable, potential voting rights that are currently exercisable and convertible. The operating results of subsidiaries acquired are included in the consolidated financial statements from February when control is acquired (typically the acquisition date). The operating results of subsidiaries that are divested during the year are included up to the date control ceased (typically the disposition date) and any difference between the fair value of the consideration received and the carrying value of a divested subsidiary is recognized in the consolidated income statements. Accounting policies of subsidiaries have been aligned with those of the Company where necessary.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the estimated useful lives of property and equipment. Actual results could differ from those estimates.

Concentrations of Credit Risk
The Company maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. The Company continually monitors its banking relationships and consequently has not experienced any losses in its accounts. Management believes the Company is not exposed to any significant credit risk on cash.

Cash Equivalents
The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company held cash and cash equivalents of $60,144,755

Labor Contracts
As of June 30, 2020, we employed approximately Three Hundred and Twenty-six (326) persons. Three (3) of them are Directors, while the rest are non-directors of the company.

Financing Activities During 2020
Apart from proceeds from sales we didn't receive any further funding from any other source during the period.

Credit Facilities
Generally, in 2020, we received no further financial assistance; neither did we enter into any revolving credit arrangement during the period in question.

Accounts Receivable
Management reviews accounts receivable periodically to determine if any receivables will potentially be uncollectible. Management's evaluation includes several factors including the aging of the accounts receivable balances, a review of significant past due accounts, economic conditions, and our historical write- off experience, net of recoveries. The Company includes any accounts receivable balances that are determined to be uncollectible, along with a general reserve, in its allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. During the quarter, general allowance of 3 percent was made on all account receivables to cushion the possible effect of Covid 19 on their customer. The Company's allowance for doubtful accounts was $9,300,000 as of June 30, 2020. However, from the provisions we made a bad debt charge of $9,159,736 to our operating statement in the period ending June 30, 2020.

We offer our customers the option to purchase certain wireless devices in installments over a specified period of time and, in many cases, once certain conditions are met, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled. As of June 30, 2020, gross equipment installment receivables was $310,000,000

The ageing analysis of the receivables that were past due but not impaired is given below.

	$
Up to 30 days	-
31 to 60 days	-
60-90 days	310,000,000
91to 180 days	-
181 days and above	-
Total	**310,000,000**

Property and Equipment

Property and equipment are carried at the lower of cost or net realizable value. All property and equipment with a cost of $5,000 or greater are capitalized. Major betterments that extend the useful lives of assets are also capitalized. Normal maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations. Property and equipment consist of prototypes, software, furniture and equipment, which are depreciated on a straight-line basis over their expected useful lives as follows.

Building	20 years
Motor Vehicle	5 years
Furniture & Fittings	5 years
Project in Progress	0 years
Office Equipment	5 years
Plant & Machinery	4 years

Advertising

The Company conducts advertising for the promotion of its services. In accordance with ASC Topic 720-35-25, advertising costs are charged to operations when incurred.

Cash Flows

We adopted, with retrospective application, ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" (ASU 2016-15). Under ASU 2016-15, we continue to recognize cash receipts on inventories, account receivables and other assets as cash flows from operations.

In the year 2020, we adopted, with retrospective application, ASU No. 2016-18, "Statement of Cash Flows (Topic 230) – Restricted Cash," (ASU 2016-18). The primary impact of ASU 2016-18 was to require us to include restricted cash in our reconciliation of beginning and ending cash and cash equivalents (restricted and unrestricted) on the face of our consolidated statements of cash flows.

The following table presents our results under our historical method and as adjusted to reflect ASU 2016-15 **(cash receipts on deferred purchase price)** and ASU 2016-18 **(restricted cash):**

	Cashflows			
	Historical Accounting Method	Effect of Adoption of ASU 2016-15	Effect of Adoption of ASU 2016-18	As Adjusted
For the period ended June 30, 2020				
Consolidated Statements of Cash Flows	$	$	$	$
Inventory	145,742	-	-	145,742
Accounts receivable	(186,466,051)	-	-	(186,466,051)
other assets	143,902	-	-	143,902
Accounts payable and accrued expenses	57,012,649	-	-	57,012,649
Cash provided by (used in) operating Activities	(24,180,837)	-	-	(24,180,837)
Cash, Cash equivalents and restricted cash, at the end of the quarter	60,144,755	-	-	60,144,755

Fair Value of Financial Instruments
The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximates the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at June 30, 2020.

Short-Term Debt and Other Financial Instruments

The carrying amounts and estimated fair values of our short-term debt, including current maturities, and other financial instruments, are summarized as follows:

	June 30, 2020	
	Carrying Amount	Fair value
	$	$
Notes and debentures	-	-
Commercial Paper	-	-
Bank borrowings	5,711,646	5,711,646
Capitalized leases	-	-
Investment securities	-	-

The carrying amount of debt with an original maturity of less than one year approximates fair value.

Financial assets and liabilities.

Financial assets

(a) Classification

The Company recognized a financial asset in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. The Company classifies financial assets into; Financial assets at fair value through profit or loss, Loans and receivables, Held-to-maturity financial asset and Available-for-sale financial assets.

(b) Recognition and measurement

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This include listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange NSE) and broker quotes from the Financial Markets Dealer Association. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regulatory occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid -offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the reporting date

.(i) Financial assets at fair value through profit or loss (FVTPL): Financial assets at fair value through profit or loss include 'financial assets held for trading' or 'assets designated as such on initial recognition'. Financial assets classified as 'held for trading' are acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss are investments the Company manages and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial assets included in this category are recognized initially at fair value and changes therein, including any interest or dividend income are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

(ii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: -those that the Company intends to sell immediately or in the short term, which are classified as held for trading, and those that the Company upon initial recognition designates as at fair value through profit or loss;-those that the Company upon initial recognition designates as available for sale; or-those that the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for in the statement of comprehensive income.

(iii) Held-to-maturity financial assets: Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, other than:-those that the Company upon initial recognition designates as at fair value through profit or loss; - those that the Company upon initial recognition designates as available for sale; or-those that meet the definition of loans and receivables. Interests on held to maturity investments are included in the statement comprehensive income and are reported as investment income. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognized in the statement of comprehensive income as 'Impairment losses on investment securities'. Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Financial liabilities

The Company's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value) and financial liabilities at amortized cost. Financial liabilities are derecognized when extinguished.

(i) Financial liabilities at fair value through profit or loss. This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Company as at fair value through profit or loss upon initial recognition. A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. The Company does not have any financial liability categorized as held for trading. Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'. The Company did not have any financial liabilities that meet the classification criteria at fair value through profit or loss and did not designate any financial liabilities as at fair value through profit or loss.

(ii) Other liabilities measured at amortized cost Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost are other liabilities and borrowings.

Financial Risk Management

Introduction and Overview of Company's Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and market risk (including foreign exchange risk, commodity price risk and interest rate risk. Risk management is carried out primarily by the treasury department in Tingo Mobile PLC. The treasury department identifies, evaluates, and manages financial risks in close co-operation with the company's operating units. Written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, and other price risk are approved by the board of directors.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash equivalents, deposits with banks and financial institutions, receivables from related parties as well and cash as credit exposures to the Company's customers.

The Company's financial instruments that are exposed to concentrations of credit risk relate primarily to cash receivable from customers on fees charged. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Carrying Amount	2020
	$
Cash and cash equivalents	60,144,755
Account Receivable	300,700,000
Other assets	11,578
	360,856,333

Cash and cash equivalents: The Company held cash and cash equivalents of $60,144,755 as at June 30, 2020 which represents its maximum credit exposure on these assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Liquidity GAP Analysis (Asset Liability) at 30th June, 2020

	Contractual Cash flows				
	On call	<1 year	2 - 5 years	> 5 years	Total
FINANCIAL ASSETS:					
Financial assets at fair value through profit or loss:					
Equity securities - Quoted	-	-	-	-	-
Loans and receivables					
Account Receivables	170,500,000	130,200,000	-	-	300,700,000
	170,500,000	130,200,000	-	-	300,700,000
Other financial assets					
Cash and cash equivalents	60,144,755	-	-	-	60,144,755
	-	-	-	-	-
Total financial assets	-	-	-	-	360,844,755
FINANCIAL LIABILITIES					
Other financial liabilities Trade and other payables Total	-	112,425,081	-	-	112,425,081
Financial Liabilities	-	112,425,081	-	-	112,425,081

The amounts disclosed in the tables above are the contractual undiscounted cash flows of the liabilities. The company's exposure to liquidity risk is minimal as at period end 2020.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities and derivative financial instruments.

(i) Currency risk. The Company has transactional currency exposures that arise from receipts and/or payments in currencies other than the respective functional currency. The Company manages this risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

The following significant exchange rates applied during

Average rate	Reporting date spot rate
2020	2020
$0.003	$0.003

(ii) Interest rate risk. Interest rate risk is the exposure of a Company's financial condition to adverse movements in interest rates which are likely to affect the Company's earnings and capital base. This includes any opportunity cost that might arise if the Company were to fix interest rates on its assets and/or liabilities in a falling or rising interest rate environment.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all areas of the Company's operations and are faced by all business entities. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

Timely reconciliations and monitoring of transactions

Compliance with all regulatory and other legal requirements

Documentation of controls and procedures and development of contingency plans

Periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified

Regular training and professional development

Capital Risk Management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to maximize returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

The gearing ratios as at June 30th, 2020 are as follows:

	2020
	$
Debt	5,711,646
To equity	406,075,646
Gearing ratio	0.014%

Derivative Financial Instruments:

Fair Value Hedging

We designate a fixed-to-floating interest rate swaps as fair value hedge. The purpose of these swaps is to manage interest rate risk by managing a mix of fixed-rate and floating-rate debt. These swaps involve the receipt of fixed-rate amounts for floating interest rate payments over the life of the swaps without exchange of the underlying principal amount. We would also designate some of foreign exchange contracts as fair value hedges. The purpose of these contracts is to hedge currency risk associated with foreign-currency-denominated operating assets and liabilities. Accrued and realized gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged. Unrealized gains on fair value hedges would be recorded at fair market value as assets, and unrealized losses would recorded at fair market value as liabilities. Changes in the fair value of derivative instruments designated as fair value hedges are offset against the change in fair value of the hedged assets or liabilities through earnings. In the First Quarter ended June 30, 2020, no ineffectiveness was measured on fair value hedges.

Cash Flow Hedging

We would designate our cross-currency swaps as cash flow hedges. We intend to enter into multiple cross-currency swaps to hedge our exposure to variability in expected future cash flows that would be attributable to foreign currency risk generated from the issuance of our foreign-denominated debt. These agreements include initial and final exchanges of principal from fixed foreign currency denominated amounts to fixed U.S. dollar denominated amounts, to be exchanged at a specified rate that is usually determined by the market spot rate upon issuance. They also include an interest rate swap of a fixed or floating foreign currency-denominated interest rate to a fixed U.S. dollar denominated interest rate. Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets, and unrealized losses are recorded at fair value as liabilities. For derivative instruments designated as cash flow hedges, the effective portion is reported as a component of accumulated OCI until reclassified into the consolidated statements of income in the same period the hedged transaction affects earnings. The gain or loss on the ineffective portion is recognized as “Other income (expense) – net” in the consolidated statements of income in each period. We evaluate the effectiveness of our cash flow hedges each quarter. In the Quarter ended June 30, 2020, no ineffectiveness was measured on cash flow hedges. Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately reclassified to “Other income (expense) – net” in the consolidated statements of income. Over the next 12 months, we do not expect to reclassify from accumulated OCI to interest expense due to the amortization of net losses on historical interest rate locks.

Net Investment Hedging

The gain or loss on the debt that is designated as, and is effective as, an economic hedge of the net investment in a foreign operation is recorded as a currency translation adjustment within accumulated other comprehensive income on the consolidated balance sheet.

Revenue Recognition
Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount:

(i) Identification of the promised goods in the contract
(ii) Determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract
(iii) Measurement of the transaction price, including the constraint on variable consideration.
(iv) Allocation of the transaction price to the performance obligations; and
(v) Recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company's performance obligations are transferred to customers at a point in time, typically upon delivery.

Revenue comprises of the fair value for smart phone devices, services and financial technology solutions.

We offer service-only contracts and contracts that bundle equipment used to access the services and/or with other service offerings. Some contracts have fixed terms and others are cancellable on a short-term basis (i.e., month-to-month arrangements).

Our subsidiary Tingo Mobile Plc now operates in 18 African countries and are currently working with 9.3 million farmers across the continent. We have focused our efforts in supporting them in 4 keyways:

- **Provision of technology:** Tingo Mobile provides the latest mobile phone handsets at an affordable price point and allow them to spread the cost across 36 months

- **Mobile network:** Tingo Mobile PLC's network operates in 18 countries across Africa, allowing to effective communicate both in and outside the agricultural ecosystem

- **Financial services:** Providing their installed customer base with access to:

    - Accounts, which enable them to send and receive domestic and international payments, monitor cash flow in real time and safely hold money.

    - Credit and lending product via third party providers, which enable them to invest in growing their business even in difficult periods

- **Nwassa platform:** Currently processing over 500,000 daily transactions, Nwassa is Tingo's proprietary platform which provides Africa's farmers with access to global markets to secure more competitive pricing for their crop. We have a select group of trusted partners who can assist smaller farmers and cooperatives with packaging, warehousing, and transporting, as well as up to date information from the global agricultural sector.

Revenue Categories

The following table sets forth reported revenue by category:
For the Quarter ended June 30, 2020

	TINGO MOBILE PLC
	$
Mobile Phone Sales	472,954,875
Mobile Talk & Data	24,041,036
Nwassa	47,843,064
Total Operating Revenue	**544,838,975**

During the first quarter ended 31st March 2020, the company made $154,108,131 from sales of mobile phone while $318,846,744 sales was made in the second quarter of the year 2020.
During the second quarter the company made a lump sale of 3,100,000 units of L463 Model of Mobile Phones to Hakki Technologies in Kenya. The balance of $ 110,411,136 represent s revenue generated for the last two instalments of the existing sales contract of 9.3 Million handset made in 2017 and from Nwassa.

Income taxes
The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Net Income per Common Share
Net income Earnings per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed by dividing net income by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented.

The Company's diluted earnings per share is the same as the basic earnings per share for the period ended June 30, 2020, as the inclusion of any potential shares would have had an anti-dilutive effect due to the Company generating a profit.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has an accumulated surplus of $399,909,908 at June 30, 2020, a net profit of $ 101,896,366 for the period ending June 30, 2020 and net cash used in operating activities of $(24,180,837) for the period ended June 30, 2020.

NOTE 4 – EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

Second Quarter Ended (June)	2020
Numerators ($)	
Numerator for earnings per share:	
Net Income after tax	101,896,366
Share based payment/stock dividend	-
Numerator for earnings per share	101,896,366
Denominators	
Denominator for earnings per share:	
Weighted average number of common shares outstanding	126,550,000
Share based payment/stock dividend	-
Denominator for earnings per share	126,550,000
Earnings per share attributable to:	
Tingo International Holdings Inc.	0.81

NOTE 5 – DIRECT COST

	$
Commission to cooperative agent	7,705,407
Cost of mobile phone sold	372,310,557
Total Operating Revenue	**380,015,964**

Direct cost represents the cost element associated with sales of mobile phones and commission to Co-operative societies. No direct cost is associated with revenue from Mobile Talk and Data.

NOTE 6 – ACQUISITIONS, DISPOSITIONS AND OTHER ADJUSTMENTS

Acquisitions

In February 2020, Tingo International Holdings completed the acquisition of Tingo Mobile Plc, a leader in mobile and financial solutions, whose major businesses encompass an array of some of the most respected brands.

Under this arrangement, 100 shares each of Tingo Mobile Plc. was exchanged for 1 share of common stock. After adjustment for shares consolidated by Tingo International Holdings Inc. through share-based payment arrangements Tingo International Holdings Inc. issued 75,930,000 shares to Tingo Mobile Plc., giving them total ownership of the company

The following table summarizes the preliminary estimated fair values of the Tingo Mobile Plc. assets acquired and liabilities assumed and related deferred income taxes as of the acquisition date:

Assets acquired:	$
Cash and Cash equivalent	221,740,745
Inventory	305,672
Accounts Receivable	4,535,203
Other Assets	324,176
Intangible Asset	5,495,176
Leased Asset	149,110,557
Property, Plant and Equipment	59,412,878
Total assets acquired	**440,924,407**
Liabilities assumed:	
Short Term loan	11,016,665
Deferred Tax Liability	42,349,989
Account Payable and accrued liability	56,864,472
Total liabilities assumed	**110,231,126**
Net assets acquired	**330,693,281**

These figures are subject to adjustments, which could be material. Any necessary adjustments will be finalized within one year from the date of acquisition. Substantially all the receivables acquired are expected to be collectible. We have not identified any material unrecorded pre-acquisition contingencies where the related asset or liability, or impairment is probable, and the amount can be reasonably estimated. Capital reserve is calculated as the difference between the acquisition date fair value of the consideration transferred and the fair value of the net assets acquired, and represents the future economic benefits that we expect to achieve as a result of the acquisition. Prior to the finalization of the purchase price allocation, if information becomes available that would indicate it is probable that unknown events had occurred and the amounts can be reasonably estimated, such items will be included in the final purchase price allocation.

These consolidated results reflect the adoption of ASC 606 for the quarter ended June 30, 2020. which is not on a comparable basis. Proforma data may not be indicative of the results that would have been obtained had these events occurred at the beginning of the periods presented, nor is it intended to be a projection of future results.

Dispositions

So far, we have made no significant account of disposals made to or by any of the subsidiaries.

NOTE 7 – INVENTORY

Inventory, which primarily consist of wireless devices and accessories, are clearly displayed separately on our consolidated balance sheets.
Inventory are valued at the lower of cost or net realizable value and were $451,414 at June 30, 2020.

NOTE 8 – ACCOUNT PAYABLE

Account Payables represent amount due to suppliers of mobile phone spares and accessories used in assembling of Mobile phone models T500 and L463. UGC Technologies China and Star Technologies China are our major suppliers. Our payment structure is flexible, with a minimum credit period of 6 (Six) months and a stretched-out payment over a period of two years after.

NOTE 9 – SHORT TERM LOAN

Short-term debt of Tingo International Holdings Inc. and its subsidiary, including bank loans and maturities, is summarized as follows;

Notes and Debentures		June 2020 $
Interest Rates	**Maturities**	
0.49% - 2.99%	-	-
3.00% - 4.99%	-	-
5.00% - 6.99%	-	-
7.00% - 9.99%	-	-
10.00% -20.00%	2019 – 2020	5,711,646
		5,711,646

1. In 2019, Tingo Mobile Plc added $12,200,000 in total debt from Sterling Bank Plc which is to be fully liquidated by November 2020. 7 blocks of warehouses at Lakowe, Lagos Nigeria sitting on 166 acres of land was used as collateral to complete the loan. Tingo International Holdings Inc. debt included flexible rate coupon with a weighted average rate of 20% Included in our "Short Term Loan" balance in the table above was the face value of the acquired debt from Tingo Mobile Plc. of $5,711,646.

   The facility was tied in financing "Cell on wheel", otherwise classified as project in progress and to augment working capital.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, except for assets acquired using acquisition accounting, which are initially recorded at fair value. The cost of additions and substantial improvements to property, plant and equipment is capitalized, and includes internal compensation costs for these projects. The cost of maintenance and repairs of property, plant and equipment is charged to operating expenses. Property, plant and equipment costs are depreciated using straight-line methods over their estimated economic lives. Accordingly, when a portion of their depreciable property, plant and equipment is retired in the ordinary course of business, the gross book value is reclassified to accumulated depreciation, and no gain or loss is recognized on the disposition of these assets.

Property, plant and equipment is reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. We recognize an impairment loss when the carrying amount of a long-lived asset is not recoverable.

The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset.

The liability for the fair value of an asset retirement obligation is recorded in the period in which it is incurred if a reasonable estimate of fair value can be made. In periods subsequent to initial measurement, we recognize period-to period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate. The increase in the carrying value of the associated long-lived asset is depreciated over the corresponding estimated economic life.
Property and equipment stated at cost, less accumulated depreciation consisted of the following:

		June 30, 2020
Land & Building	$	54,753,997
Motor Vehicle		255,895
Furniture & Fittings		75,543
Office Equipment		88,998
Project in Progress		158,887,415
Plant & Machinery		13,641,086
		227,702,934
Less: accumulated depreciation		(21,824,052)
Property and equipment, net	$	**205,878,882**

Depreciation expense for the period ended June 30, 2020 was $2,399,658.

Project in progress consist of investment in cell On-wheel. This is a rollout of broadband and mobile network enhancement across rural Nigeria. Upon completion, the company would commence depreciation charge.

Land and Buildings are further broken down as follows.

2. 7 blocks of warehouses at Lakowe, Lagos Nigeria sitting on 166 acres of land
3. 45 Hectares of Land at Lugbe, Abuja Nigeria.

Plant and Machineries made up of:

1. Phone assembly lines and machines, power generating plant.

Osas & Oseji a registered (Surveyors and Estate Valuers) in Nigeria is the main valuer for the purpose of valuing the land and buildings and valuation is done annually.

NOTE 11– INTANGIBLE ASSETS

	$
Balance at the beginning of the year	5,495,176
Addition during the period	-
	5,495,176
Amortization Charged during the period	(686,897)
Balance at the end of the year	**4,808,279**

This represents cost incurred on software development of mobile operating system and secure browser. This is Tingo's proprietory operating system and mobile/web browser. Designed to help our customers securely do financial transactions. This cost are amortized over 5 (Five) years, because on or before then we are expected to have significantly upgraded. For the periods ending June 30, 2020, the company incurred $0.

NOTE 12– FOREIGN CURRENCY TRANSLATION

Functional and presentation currency - The consolidated financial statements are presented in U.S. dollars, which is the presentation currency, the functional currency is Nigeria Naira. The exchange rate used for conversion is 360 Naira to a U.S dollar.

Foreign currency transactions - Foreign currency transactions are translated into the functional currencies of the Company's subsidiaries using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statements. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction. Non-monetary items carried at fair value are translated at the date the fair value is determined.

NOTE 13 – COMMON STOCK

During the period ended June 30, 2020, the Company issued 56,480,000 shares of class A common stock for total cash proceeds of $5,648.

NOTE 14– CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less. The carrying amounts approximate fair value. At June 30, 2020, we held $60,144,755 at bank and other cash equivalents. Of our total cash and cash equivalents, $60,144,755 resided in foreign jurisdictions, some of which is subject to restrictions on repatriation.

NOTE 15 – INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The provision for Federal income tax consists of the following at June 30:

	2020
Federal income tax benefit attributable to:	
Current Operations	$ 47,951,231
Less: valuation allowance	(-)
Net provision for Federal income taxes	$ 47,951,231

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act (the "Tax Act"). The Tax Act establishes new tax laws that affects 2018 and future years, including a reduction in the U.S. federal corporate income tax rate to 21% effective January 1, 2018.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

ASC Topic 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company's financial statements. Topic 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

NOTE 16 - SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) Management has performed an evaluation of subsequent events through the date that the financial statements were available to be issued and has determined that it have the following material subsequent events to disclose in these financial statements.

The outbreak of Coronavirus disease 2019 (COVID-19) is having a widespread impact on the global economy. As a result, the Company has evaluated the circumstances, risk exposures, and impact the outbreak has on the operation and financial reporting.

The outbreak of the virus affected the operation of the company in the following ways

1. Interruption in the production of mobile phones
2. Disruption in the supply chain
3. Unavailability of Labor
4. Closure of Facility and Warehouse

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