MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled "Selected Consolidated Financial Data" and the consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current plans, expectations, and beliefs, involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should review the sections titled "Special Note Regarding Forward-Looking Statements" for a discussion of forward-looking statements and "Risk Factors" for a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

Tingo International Holdings, Inc., a Delaware corporation (the "Company", "we" or "us"), was incorporated on January 10, 2020. We acquired our wholly owned subsidiary, Tingo Mobile, PLC, a Nigerian limited company ("Tingo Mobile"), in a share exchange with its shareholders effective February 23, 2020. 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. Tingo Mobile has developed a comprehensive ecosystem to support the agricultural sector, becoming a leading provider in Africa of such services. Our customers are highly engaged, and most are completely dependent on Tingo Mobile for the successful running and profitability of their farms. This has allowed us to maintain consistent number of customers totaling 9,344,000 for the years 2017, 2018 and 2019 respectively.

In Nigeria, our digital platform provides market access for farmers and cooperatives to sell their produce at either wholesale or retail levels achieving the best possible market price. We currently process over 500,000 transactions a day with a value of $8m USD and an average of $16 USD per transaction. These transactions cover the sale of produce (grain, corn, yam, beans, cassava etc.), settlement, brokerage, escrow and the organization of storage and logistics. The transactions are conducted with complete anonymity and all payments are sent and received from Tingo Mobile wallets giving us complete oversight of the transaction. To keep pace with the demands of an ever-expanding population, our platform also provides an access channel for extension services vital to developing the agricultural sector in Africa.

Outside Nigeria, through several virtual private network relationships, we provide cellular telecommunication services to many West and East African countries including Rwanda, Sierra Leone, Liberia and Ghana. Tingo Mobile has successfully distributed over 3 million Tingo-branded mobile devices for participants in these markets again focusing on the agricultural value chain. In markets outside of Nigeria, Tingo Mobile services extend only to the provision of cellular and data services

Key Business Metrics

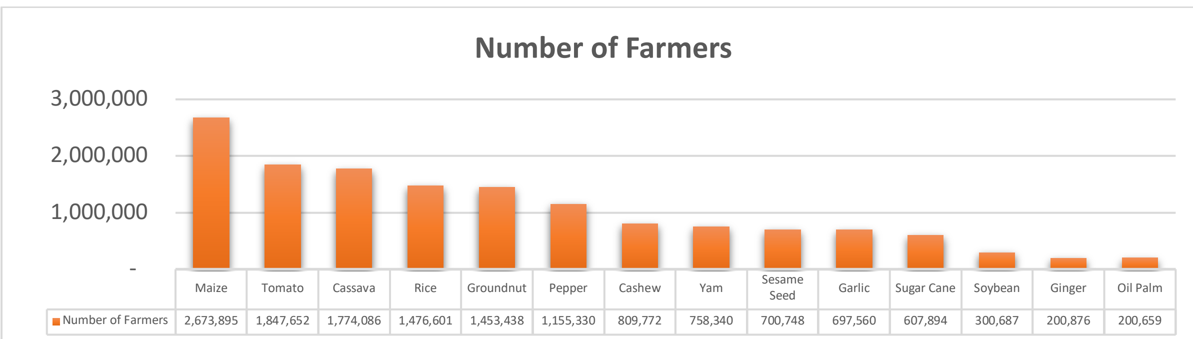
We review the following key business metrics to measure our performance, identify trends, formulate financial projections, and make strategic decisions. We are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies who may calculate similarly titled metrics in a different way.

Our Customers

	As at December 31,		As of June 30,	
	2018	2019	2019	2020
Subscribers (beginning of period)	9,344,000	9,344,000	9,344,000	9,344,000
Increase/(decrease) during period	-	-	-	-
Total (end of period)	9,344,000	9,344,000	9,344,000	9,344,000

We have maintained a consistent number of customers across the last 3-year cycle. We focus our efforts in supporting our customers who work in the agricultural sector. They are a mix of farmers (small holder and subsistence), and individuals who work in storage, transport and logistics across the entire agricultural value chain.

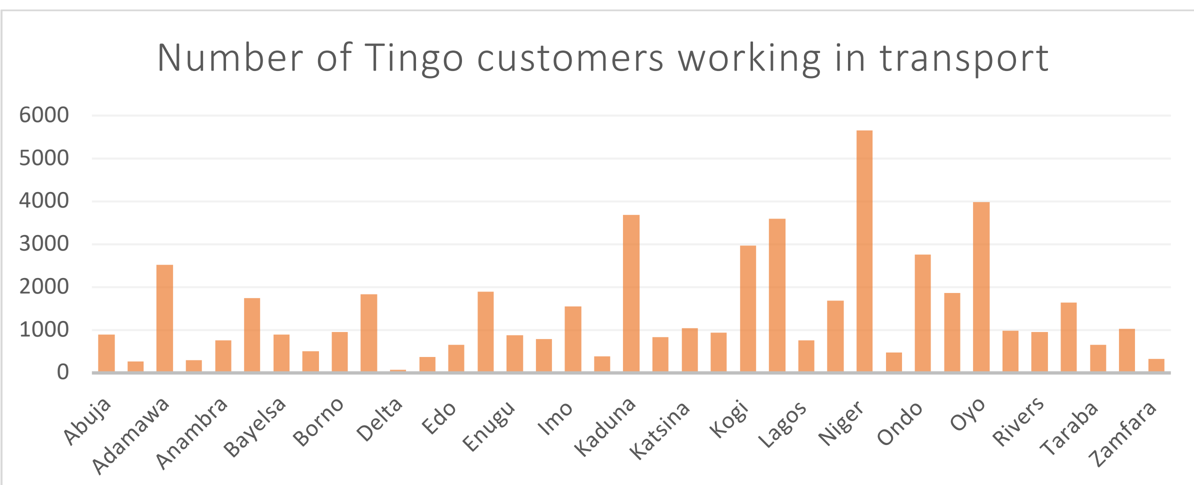
Below is a customer breakdown of farmers that details the specific produce they grow. This level of data allows us to specifically target them with offers and extension services that help to bolster their business and reduce post-harvest losses.



The table below adds further granularity by detailing the states in which our customers are located. Many of these farmers take a multiple produce approach to farming.

Produce Farmed	Number of Farmers	States
Maize	2,673,895	Niger, Kaduna, Taraba, Plateau, and Adamawa.
Tomato	1,847,652	Jigawa, Katsina, Zamfara, Sokoto, Kaduna, Bauchi, Gombe, Taraba, Kano.
Cassava	1,774,086	Imo, Ondo, Anambra, Kogi, Taraba, Cross River, Enugu, Ogun, Benue, Delta, and Edo.
Rice	1,476,601	Kebbi, Kano, Niger and Taraba
Groundnut	1,453,438	Niger, Kano, Kebbi, Sokoto, Katsina, Kaduna, Borno, Nasarawa, Bauchi, and Gombe States
Pepper	1,155,330	Kaduna, Kano, Jigawa, Katsina, Sokoto, Plateau and Bauchi states
Cashew	809,772	Enugu, Oyo, Anambra, Kogi, Osun, Abia, Ondo, Imo, Ekiti, Ebonyi, Kwara and Nassarawa.
Yam	758,340	Taraba, Benue, Niger and Nassarawa
Sesame Seed	700,748	Kano, Nasarawa, Jigawa and Benue, Kano, Katsina, Kogi, Gombe, Kwara and Plateau States.
Garlic	697,560	Kano, Kaduna, Kebbi, Bauchi, Katsina and Zamfara
Sugar Cane	607,894	Sokoto, Taraba, Niger, Kogi, Kwara and most northern states.
Soybean	300,687	Benue, Kaduna, Nasarawa, Kebbi, Kwara, Oyo, Jigawa, Borno, Bauchi, Lagos, Sokoto, Zamfara
Ginger	200,876	Kaduna, Gombe, Bauchi, Benue, Nassarawa.
Oil Palm	200,659	Cross River, Akwa Ibom, Bayelsa, Ogun, Rivers, Imo, Oyo, Abia, Edo, and Ogun

Some of our customers work in other areas of the agriculture value chain. Below is a chart which shows the number of our customers who work in transport and logistics, these numbers have been broken down by the state in which they are located.



Our Business

We operate and manage our business in three reportable segments—mobile handset sales, voice, and data services and our Nwassa platform. We identify our reportable segments based on the organizational units used by management to monitor performance and make operating decisions. See relevant notes to our consolidated financial statements included elsewhere in this prospectus for additional information regarding our reportable segments.

Mobile handsets Sales

Tingo has distributed over 21 million units of mobile handsets across Africa since 2013 with an additional 9 million to be delivered in November 2020. Tingo is well positioned to provide its installed base new phones every three years. The handsets are sold at an affordable price point and payments are spread over a 36-month period.

Each phone is pre-installed with Tingo Connect, a proprietary application which provides access to Tingo's financial services and agricultural ecosystem and embeds the customer into Tingo's ecosystem.

Tingo has capitalized on its long-standing relationship with Airtel and has tapped into its distribution network to sell mobile handsets to wholesale distributors in Africa. In H1 2020, 3.1 million phones were delivered under this agreement to a major distributor, with a further 4 million phones scheduled for delivery in H2 2020.

Tingo's handset production is outsourced to UGC Technologies; a manufacturing hub in China, but it is currently exploring the possibility of acquiring capacity to bring manufacturing in house.

Mobile Voice and Data Service

Through a Mobile Virtual Network agreement with Airtel, Tingo provides its customers with voice and data services.

Each month its customers receive 2,500 air time minutes, 10 free SMS text messages outside the Tingo network, 100 free SMS messages within the Tingo network and 500 GB data for a monthly access fee of USD $3.47 per month. This fee is shared with Airtel, of which Tingo's share (16%) equates to USD $0.56 per user per month.

Nwassa

Tingo's proprietary platform supports Nigeria's agricultural value chain with access to global markets and provides them with an array of agritech and fintech services:

- Tingo processes transactions with a daily value of over USD $8 million on its proprietary platform which provides its installed customer base with access to global agricultural markets for their crop. Farmers and cooperatives are also supported with packaging, warehousing, and cargo logistics
- Tingo provides its customers with digital wallet services, which enable them to send and receive domestic payments, monitor cash flow in real time and securely hold money
- Tingo provides 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 taken up by its customers, Tingo receives an introducer fee or commission. These are:
    - ✓ Utility bill payment, airtime sales and the commodity sales, Tingo receives a 4% commission
    - ✓ Insurance USD $0.28 per subscriber
    - ✓ Lending 2% commission on every loan taken

This is a sustainable business line as the commissions charged are substantially lower than users receive elsewhere as well as being a far more efficient method for managing, paying, or taking such services.

Components of our Operating Results

Cost of Revenue
Cost of revenue consists predominantly of phone manufacturing and distribution costs related to Mobile handsets.
In the first quarter 2020, we entered into an Original Equipment Manufacturing agreement with UGC Technologies.

Cost of revenue also includes exchange rate charges on wire transfers from Nigeria to China for supplier payments, customer service, certain employee compensation and benefits, hosting and cloud computing for our Nwassa platform, facility and office equipment costs, as well as amounts incurred to produce content for our farmers platform.

Sales and Marketing
Sales and marketing expenses primarily comprise employee compensation and benefits, events and trade shows, public relations, branding, consulting expenses, customer acquisition costs, and advertising.

General and Administrative

General and administrative expenses are comprised primarily of employee compensation and benefits for functions such as finance, accounting, analytics, legal, human resources, consulting fees, and other costs including facility and equipment costs. After this registration, we will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, NASDAQ listing fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees, and similar expenses. We also expect to recognize certain non-recurring costs as part of our transition to a publicly traded company, consisting of professional fees and other expenses. As part of our direct listing, these fees will be expensed in the period incurred and not deducted from net proceeds to the issuer as they would be in an initial public offering.

Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our revenue:

		Year Ended December 31,		Six Months ended June 30,	
		2018	2019	2019	2020
Revenue	$	517,788,064	520,894,518	260,126,688	544,838,975
Direct Cost		376,358,313	376,358,313	188,660,030	380,015,964
Gross Margin		141,429,751	144,536,205	71,466,658	164,823,011
Other Income		522,453	511,336	259,955	300,708
Operating Expenses:					
General Administrative Expense		6,934,301	7,481,279	3,206,734	3,356,369
Distribution Expense		160,448	166,379	94,716	97,661
Payroll Expense		2,400,657	2,163,151	1,083,262	1,081,683
Allowance for Bad Debt		29,669	-	-	9,159,736
Total Operating Expenses		9,525,075	9,810,809	4,384,712	13,695,449
Profit from Operations		132,427,129	135,236,731	67,341,901	151,428,270
Other Expense:					

Interest Expense	-	396,887	-	913,416
Bank Charges	918,592	957,781	500,359	667,257
Total Other Expense	918,592	1,354,668	500,359	1,580,673
Profit Before Income Taxes	131,508,537	133,882,063	66,841,542	149,847,597
Provision for Income Taxes	41,267,573	42,349,989	21,143,524	47,951,231
Net Profit after Tax, before Appropriation	$ 90,240,964	91,532,074	45,698,018	101,896,366

Comparison of the Years Ended December 31, 2018 and 2019

Revenue and Cost of Revenue

	Year Ended December 31,			
	2018	2019	$ Change	% Change
	(In thousands)			
Revenue	$517,788,064	520,894,518	3,106,454	0.6%
Cost of revenue	376,358,313	376,358,313	0	0%
Gross profit	$141,429,751	144,536,205	3,043,454	2.15%

For the FYE 2019, when compared to FYE 2018, revenue increased by $3,106,454 which represents a 0.6% growth year-on-year.

In general, revenues stayed relatively flat in 2018 and 2019 but are expected to see a spike of approximately 118% in 2020 driven mainly by additional revenue streams from our Nwassa platform and wholesale mobile phone sales. Our core installed base revenue remained flat and consistent with previous years.

There was no change in the cost of revenue between 2018 and 2019 financial years as the Company has been able to maintain the same level of cost despite a moderate level of revenue growth. This improved the gross profit of the business in 2019 by $3,043,454 or 2.15%.

Operating Expenses

	Year Ended December 31,			
	2018	2019	$ Change	% Change
Operating expenses:				
Distribution Expense	$ 160,448	166,379	5,931	3.7%
Payroll Expense	2,400,657	2,163,151	237,506	9.89%
General and administrative	6,934,301	7,481,279	546,978	7.89%
Allowance for bad debt	29,669	-	29,669	100%
Total operating expenses	$ 9,525,075	9,810,809	285,734	3%

Operating expenses are comprised primarily of payroll cost to employees, sales and marketing, consulting and audit fees and other general and administrative expenses that are wholly, reasonable, exclusive and necessary for our business. Despite the consistent growth in inflation rates in the countries where our business is operating, and also, given the increase in business activities in 2019 compared to 2018, the Company has been able to maintain moderate growth in operating cost to just about 3% year-on-year.

Cost optimization is one of the key strategies that management team adopts to protect and grow the wealth of the shareholders.

Comparison of the Six Months Ended June 30, 2019 and 2020

Revenue and Cost of Revenue

	Six Months Ended June 30,			
	2019	**2020**	**$ Change**	**% Change**
Revenue	$260,126,688	544,838,975	284,712,287	109%
Cost of revenue	188,660,030	380,015,964	191,355,934	101%
Gross profit	$ 71,466,658	164,823,011	93,356,353	131%

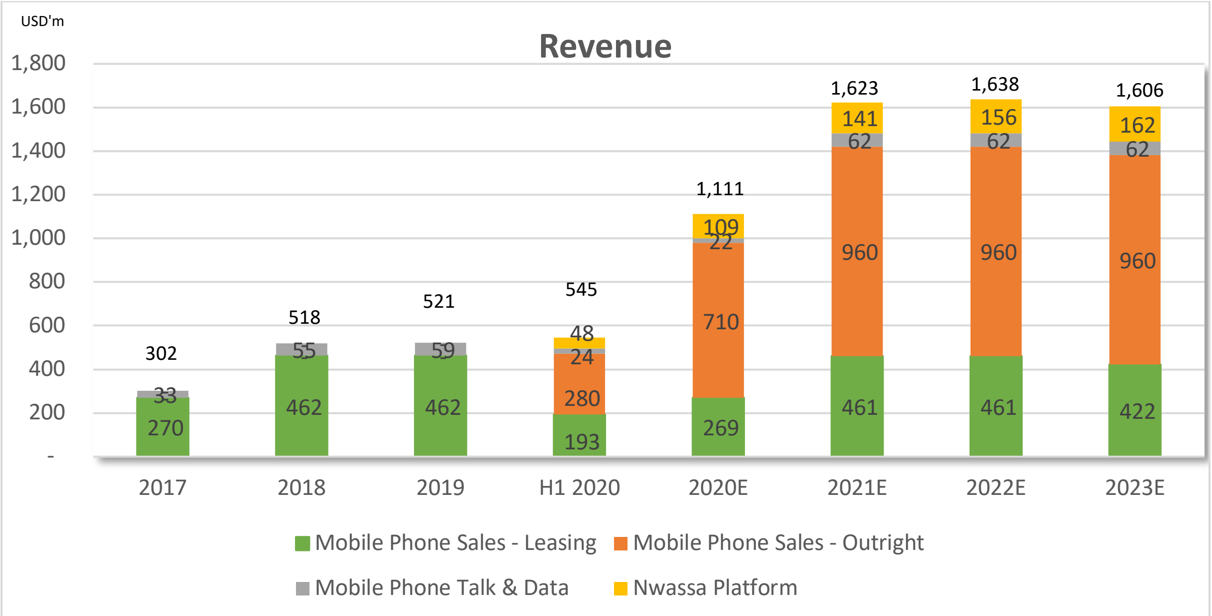
For the six-month period ending June 30, 2020 ("H1") when compared to the same period in 2019, revenue increased by $284,712,287 which represents 109% growth year-on-year. This increase was driven primarily through the addition of two new business lines; our Nwassa platform and the wholesale distribution of mobile devices. Nwassa contributed $48,000,000 to revenues during H1 which we are confident will continue to grow as we see greater adoption of the expanded platform throughout our installed customer base.

During H1 2020, wholesale mobile phone sales represented the most noteworthy source of increased revenue. During the second quarter, we made a lump sale of 3,100,000 units of our L463 Model mobile phones to Hakki Technologies which contributed $280,000,000 to our H1 revenues. We have a contract to deliver an additional 4,000,000 mobile phones in December 2020. Hakki Technologies will be our wholesale distribution partner throughout East Africa.

The 2020 revenue mix is expected to be sustained through 2023 and beyond, with wholesale mobile phone sales playing a significant role in generating increased revenue. We are forecasting increased demand at 9,000,000 additional mobile phone sales each year as well as a planned increase in the core installed base of our users within Nigeria.

In H1 2020, primarily due to the sale of mobile phone devices, cost of revenue increased by $191,355,934 which indicates an approximately 101% increase in cost over the same period in 2019.

Significantly, gross profit in H1 increased by $93,356,353 when compared to the same period in 2019 which represents a 131% growth in profitability. This increase in profitability should have a positive impact on our year end 2020 operating results.



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.

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).

Operating Expenses

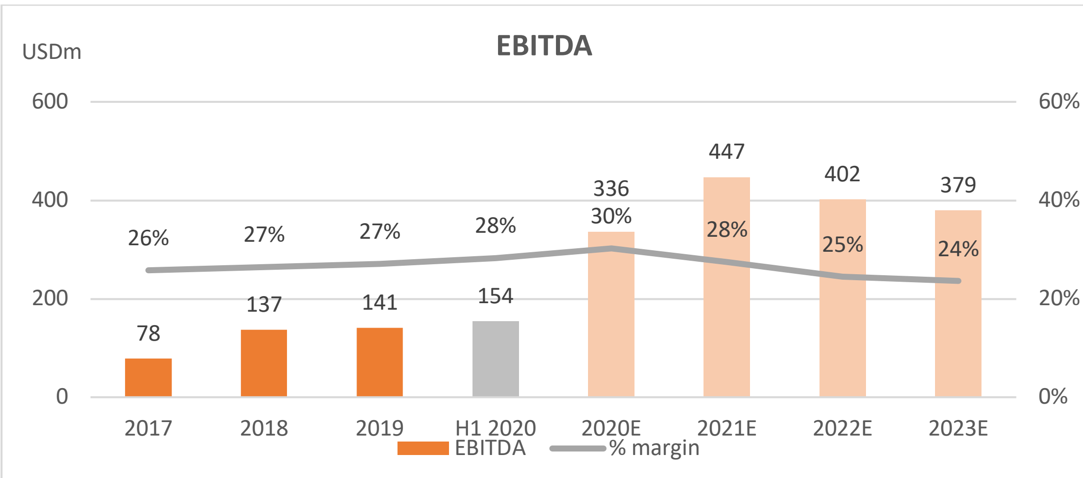
	Six Months Ended June 30,			
	2019	**2020**	**$ Change**	**% Change**
	(In thousands)			
Operating expenses:				
Distribution Expense	$ 166,379	97,661	68,718	41.3%
Payroll Expense	2,163,151	1,081,683	1,081,468	50.0%
General and administrative	7,481,279	3,356,369	4,124,910	55.14%
Allowance for bad debt	-	9,159,736	9,159,736	100%
Total operating expenses	$ 9,801,809	13,695,449	3,884,640	39.60%

A 39.6% increase in operating expenses in the period ended June 30, 2020, was triggered by a one-off provision for bad debts amounting to $9.2m which was recognized in H1 2020. During the half-year period, the general allowance was made on the total receivables as a provision with respect to the possible effect of COVID-19 on the Company's customers.

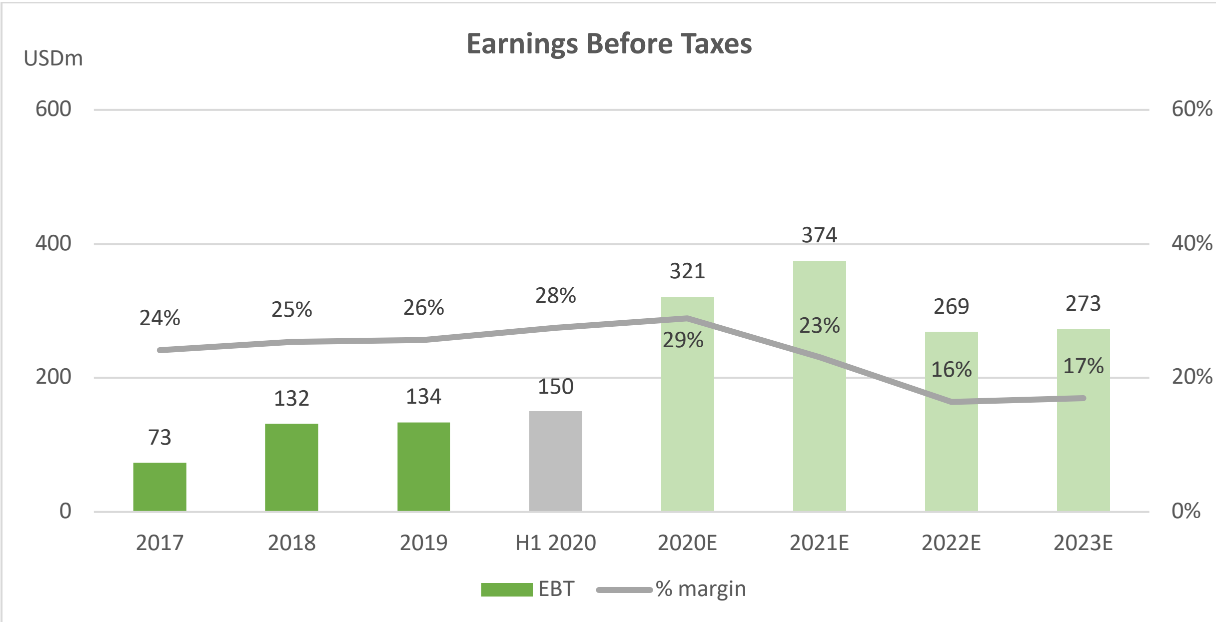
EBITDA

	Year Ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
EBITDA	137,922,367	141,247,801	70,076,066	153,847,568
As a percentage of revenue	27%	27%	27%	28%

For the period ended June 30, 2020 as compared to the same period in 2019, EBITDA significantly increased by $83,771,502 or 120%. By comparison, for the year ended December 31, 2019 as compared to 2018, EBITDA increased by $3,325,434 or 2%.



A 30% compound annual EBITDA growth over the period in the above graph was marked by a significant increase in 2020 due to the sale of wholesale mobile phones and expansion of our Nwassa platform. Both business lines, and in particular Nwassa, entail proportionally less direct costs than sales from the mobile phone leasing model. This results in approximately 3% incremental EBITDA margin in 2020.



Earnings before taxes over the 2017 to 2019 period showed a stable trend given a fairly fixed customer and product base. Profitability has grown in 2020 mainly due to Nwassa platform commissions and the wholesale sales of mobile phones. 2020 EBT is on track to grow 2.4x YoY.

Forecasted EBT growth post 2020 will be driven by further expansion in outright mobile phone sales, enhanced offerings and scaling of the Nwassa Platform, and an increase in the core leasing model through regional expansion.

Liquidity and Capital Resources

As of June 30, 2020, our principal sources of liquidity were our cash reserves which resulted in a net decrease in cash and cash equivalents of $161,595,990. Cash and cash equivalents are comprised of bank deposits and money market funds. Restricted cash consists of cash deposited with financial institutions.

Our future capital requirements, however, will depend on many factors, including the expansion of sales and marketing activities as well as the introduction of new and enhanced products and features. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. In the event that additional financing is required from outside sources, we may seek to raise additional funds at any time through equity, equity-linked arrangements, and debt.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year ended December 31		Six months ended June 30	
	2018	2019	2019	2020
Net cash (used)/generated in operating activities	$ 111,214,968	98,881,868	$ 52,123,456	$ (24,180,837)
Net cash (used)/generated in investing activities	$ (8,376,058)	(9,594,692)	$ (8,945,135)	$ (148,865,662)

Net cash (used)/generated in financing activities	$	(9,670,000)	(5,827,335)	$	-	$ 11,450,509
Net (decrease)/increase in cash and cash equivalents	$	93,168,910	83,459,840	$	43,178,321	$ (161,595,990)

Cash used in Operating Activities

Our largest source of operating cash is cash collections from subscriber subscriptions. Our primary uses of cash from operating activities are for employee-related expenditures, sales and marketing expenses.

During the year ended December 31, 2018, operating activities generated $111,214,968 in cash.

During the year ended December 31, 2019, operating activities generated $ 98,881,868 in cash.

During the period ended June 30, 2020, operating activities used $(24,180,837) in cash.

Overall, 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 as of June 30, 2020.

Accounting Ratios

Ratios	**2017**	**2018**	**2019**	**2020 (H1)**
Current Ratio	1.1:1	1.4:1	4.0:1	3.1:1
Fixed Assets Turnover	501%	831%	803%	259%
Total Debt to Assets Ratio	86%	70%	31%	29%
Return on Equity	0.38:1	0.42:1	0.30:1	0.34:1
Gross Profit Margin	27%	27%	28%	30%

Current Ratio: The company’s current ratio has been sufficiently high with substantial improvement year-on-year, particularly in 2019. The current ratio implies the company can comfortably offset its current liabilities with its current assets. The Group's current liability is sufficiently covered.

Fixed Assets Turnover: This ratio reveals how efficient Tingo has been at generating sales from its existing fixed assets. A higher ratio implies that management is using its fixed assets more effectively.

Total Debt to Assets Ratio: This shows the percentage of Tingo's assets that is financed with short- and long-term liabilities. The group was highly geared in 2017 and 2018 but was less geared in 2019 and H1 2020.

Return on Equity: This measures the ability of the company to generate profits from its shareholders investments in the company. The group's return on equity has been positive since inception. Also, there was an improvement in returns as of H1 2020.

Gross Profit Margin: This reveals how much gross profit Tingo Group earns in every unit of the company's revenue.

Indebtedness

As of June 30, 2020, our sole outstanding indebtedness represents the 20% short-term facility Tingo Mobile Plc obtained from Sterling Bank Plc which is planned to be fully liquidated by end of November 2020. This is a fully collaterised loan as the Company's property located at Lakowe, Lagos was used as a collateral for the facility. The outstanding sum as of reporting date is $5,711,646.

Off-Balance Sheet Arrangements

As of June 30, 2020, and December 31, 2019, we did not have any relationships with unconsolidated entities or financial partnerships, such as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other purposes.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily include:

Interest Rate Risk

We had cash and cash equivalents of $60,144,755 as of June 30, 2020 which consisted primarily of bank deposits. The cash and cash equivalents are held primarily for working capital purposes. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Currency Exchange Risk

The functional currency of our foreign subsidiaries is generally the Nigerian naira. Monetary assets and liabilities are remeasured using foreign currency exchange rates at the end of the period, and non-monetary assets are remeasured based on historical exchange rates. Gains and losses due to foreign currency are the result of either the remeasurement of subsidiary balances or transactions denominated in currencies other than the foreign subsidiaries' functional currency and are included in other income (expense), net in our statements of operations.

We have foreign currency exchange risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We have experienced and will continue to experience fluctuations in foreign exchange gains (losses) related to changes in foreign currency exchange rates. In the event our foreign currency denominated assets, liabilities, sales, or expenses increase, our results of operations may be more greatly affected by fluctuations in the exchange rates of the currencies in which we do business.

We do not currently engage in any hedging activity to reduce our potential exposure to currency fluctuations, although we may choose to do so in the future. A hypothetical 10% change in foreign currency exchange rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in Note 1 to our consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Business Combinations and Valuation of Goodwill and Other Acquired Intangible Assets

Upon acquiring a business, we estimate the fair value of assets acquired and liabilities assumed. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed.

The estimation of fair value requires significant judgment and the use of assumptions by management. Key assumptions made in making these estimates include, but are not limited to, estimating future cash flows, selecting discount rates, and selecting valuation methodologies. While we believe the assumptions and estimates we have made in the past have been appropriate, they are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. On the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in our consolidated statements of operations.

Stock-Based Compensation

We measure compensation expense for all stock-based payment awards, including stock options, RSUs, and RSAs, granted to employees, directors, and other service providers, based on the estimated fair value of the awards on the date of grant. The fair value of each stock option granted is estimated using the Black-Scholes option pricing model. Stock-based compensation is recognized on a straight-line basis, net of forfeitures, over the requisite service period.

Common Stock Valuations

The fair value of the common stock underlying our stock-based payment awards is determined by our board of directors, with input from management and reviews of third-party valuations which are performed at least quarterly to assist in determining the fair value calculations with the Black-Scholes option-pricing model. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. Prior to the listing of our Class A common stock on the NASDASQ, given the absence of a public trading market for our common stock, the valuations of common stock were determined in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, and our board of directors exercised reasonable judgment and considered numerous and subjective factors to determine the best estimate of fair value of our common stock, including the following factors:

- the results of contemporaneous valuations performed at periodic intervals by an independent valuation firm;
- the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the prices of our convertible preferred stock and common stock sold to investors in arms-length transactions or offered to investors through a tender offer;
- our actual operating and financial performance and estimated trends and prospects for our future performance;
- our stage of development;
- the likelihood of achieving a liquidity event, such as an initial public offering, direct listing, or sale of our company, given prevailing market conditions;
- the lack of marketability involving securities in a private company;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and future cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

For valuations after the completion of the listing of our Class A common stock on the Nasdaq Stock Market, our board of directors will determine the fair value of each share of underlying Class A common stock based on the closing price of our Class A common stock as reported on the date of grant.