UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from __________ to __________

Commission File Number**: 001-39136**

HELBIZ, INC.

(Exact name of registrant specified in its charter)

Delaware	**84-3015108**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

32 Old Slip, New York, NY 10005
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(212) 588-0022**

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on which Registered
Class A Common Stock	HLBZ	Nasdaq Capital Market

Title of Each Class	Trading Symbol(s)	Name of Exchange on which Registered
Warrant	HLBZW	Nasdaq Capital Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes x No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☐ No x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

The aggregate market value of the voting securities held by non-affiliates of the registrant as of the last business day of the registrant’s most recently completed second fiscal quarter, June 30, 2022, was approximately $14,000,000 based upon the closing sale price of $0.65.

As of March 24, 2023, there were 278,468,103 shares of the registrant’s class A common stock, $0.00001 par value, outstanding, and 14,225,898 shares of the registrant’s Class B common stock, $0.00001 par value, outstanding.

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PART I

ITEM 1. BUSINESS

General

We provide innovative and sustainable transportation solutions that help people move seamlessly within cities.

Our journey began with e-scooters in Italy in 2018, and today we have evolved into a multi-modal micro-mobility ecosystem offering micro-mobility electric vehicles, while continuing to push boundaries, lead innovation and set new standards in our space. We are changing how people move from A-to-B, allowing users to unlock vehicles on demand with a tap of a button from their smartphone. From being an early mover in Italy and educating users on this new technology, we have today evolved into a multi-modal micro-mobility ecosystem.

We believe that cities should be for people and living and not for cars, congestion and pollution. We intend to do our part for a greener tomorrow and take responsibility for our environmental, societal and governance impact as we continue to make the cities we operate in more livable by connecting their residents with more frictionless, affordable, and convenient transportation alternatives. We pride ourselves on goal of becoming 100% carbon neutral and helping to shift behavior in our cities. We believe that the world is on the verge of a shift away from car ownership with people looking for alternative ways to travel with ease, beat congestion and benefit our planet.

Shared micro-mobility vehicles have the potential to transform how people move around cities and interact with existing infrastructure. We continue our effort to make Helbiz a natural extension of the current city infrastructure. This helps city planners transform their communities and integrate Helbiz services into the public transportation networks as a seamless and integrated door-to-door solution. Strengthening our intermodal offering and depth of our mobility ecosystem can not only help reduce the dependency on cars, whether private or taxi, but also drastically limit congestion and pollution and enhance well-being in our cities.

We have become an integrated part of our local communities. We offer our user base products and services other than our vehicles, from transit integration to home deliveries of meals cooked in our restaurant to media content on our app, to deepen our consumer relationship and experience, and intend to increase our offerings of new products and services. Through our recent acquisition of Wheels Labs, Inc., we now offer individuals the opportunities to rent on a monthly basis or to purchase our proprietary sit-down scooters, Wheels One.

In developing our business, our focus has always been operations and scalability first. Instead of scaling an unsustainable business like some of our competitors, our early investments were centered around our platform, infrastructure and creating the operational efficiencies necessary to grow our business globally. We have established a strong scalable network and technology infrastructure that powers millions of rides, users, and vehicles on a daily basis. We are levering our platform and reach to continue improve the efficiency and the quality of our offerings and deepen the relationship our users have with us.

We anticipate demand for our services will continue to grow as our multimodal offerings and verticals grow and deepen our influence, integration and impact in local markets. Our operational excellence, local collaboration, innovation focused execution and optimization has positioned us as one of the operational market leaders in the space continuing to push boundaries and technological advancements.

Our Advantage

In a fast-moving industry, we believe that we have proven our ability to adapt and evolve without jeopardizing the timing, quality, and quantity of the service through our agile and well-run structure.

Unlike many of our competitors, our approach in our early days was future-focused as opposed to generating short-term revenues and unsustainable growth. This approach, paired with our values, tools and teams, has put us in a position to operate in the micro-mobility market in a way that we believe our competitors cannot. We believe that, among other reasons, the future belongs to Helbiz based on the following strengths:

- *A well-known brand with deep market penetration*

  Since we began what we believe is Italy's first ever shared e-scooter rental in Milan in 2018, we have grown significantly, and we have become a substantial Italian micro-mobility operator, based on number of licenses and electric vehicles authorized. In the past two years we have expanded our presence in the U.S. market and currently have licenses to operate in more than 13 U.S. cities and universities. In August 2021, we became the first micro-mobility company to list on a major U.S. stock exchange.

- *A New Regulatory Landscape — that favors conscientious operators*

  The early days of the micro-mobility space was characterized by no licenses or regulations, favoring well-financed companies with the ability to dump tens of thousands of vehicles in every market without any concern on how to manage their fleets, utilizations or earnings. Companies burned significant funds to be able to maximize the quantity of vehicles and left broken and uncharged vehicles littered throughout the streets.

  Over the last few years, a drastic regulatory shift has occurred. Cities have put a cap on the number of micro-mobility operators in a city. To further prevent saturation and improve quality, many of the cities in which we operate have also capped the number of vehicles per micro-mobility provider. We believe that these caps level the playing field between operators by taking away funding as a competitive advantage and instead shifting the focus from quantity to quality of service in an open bidding — which favors conscientious operators with a core dedication to collaborating with the city granting the license.

  Quality of service has been our main focus since our inception. We solely rely on in-house teams for transparency and effective work.

- *A Global hyper local approach — our proven relationship with cities we operate in*

  We view each city or university in which we operate through the lens of a partnership between us and that city or university. By focusing on this partnership, we believe that we will be able to provide a sustainable solution to the city's or university's reliance on cars. We take a city-first approach to tailor the services that we offer and how we offer them. From our inception, we have been focused on serving cities the right way, guaranteeing, and upholding our high standards while maximizing utilization and vehicle distribution. We harness the global power and support of an extensive operational, technological and customer support team optimized for a hyper local approach that deeply connects with cities, communities, and customers on a daily basis. We have built a scalable and versatile platform focused on our ability to fully customize our offering in each individual market to cover the unique needs of every city or university. When we enter a market, we do so as a partner of the local municipality more than a service provider. We take ownership of the communities that we serve and aspire to seamlessly integrate within the existing infrastructure for long-term collaboration. The local quality focus approach sets us apart with customers and cities. We hire and train locally and mainly use dedicated in-house teams throughout operations to properly guarantee our service, reliability, and accountability down to the smallest detail while directly representing our company in the local communities every day. In a regulatory landscape that focus on quality and community, our approach, that is in direct contrast to many of our competitors' independent contractor model, has seen us gain favor of local municipalities.

- *Multiple activities generating revenues — Less dependent on operational income derived from our micro-mobility services*

  We have built our platform around several activities and initiatives that generate revenues such as co-branding, advertisement, partnerships, subscriptions, trips, meals and media content. This has allowed us to grow and optimize our business while being less dependent on operational income and maintaining service at an affordable price point in a competitive industry.

- *Cutting Edge Technology — Our proprietary technology platform*

  Our proprietary technology platform includes a custom-built ecosystem of tools, software and hardware for both our consumers and for our operations servicing our vehicles to promote transparency, integration and operational efficiencies. Our technology suite allows us to properly manage, scale, optimize and tailor our offering for each individual market and to rapidly launch new products to serve our cities and customers.

We also have a proprietary vehicle, Wheels One, a sit-down scooter, which we intend to continue to manufacture and rent on a monthly basis or sell to users.

- *An Exceptional Customer Experience*

  We have built our platform and experience around our customers from the beginning.

- *Use of Strategic Partnerships — to drive new users and increase adoption*

  To further enhance and grow our presence in local markets, we actively focus on partnering with local and national market leaders to expose our fleet and platform to millions of our partners' existing clients. We have formed partnerships with several players that allow us to tap into existing user bases to quickly boost ridership and credibility when entering new markets. In new markets, strong local partners also help us tap into existing governmental relationships to expedite license processes. Carefully chosen strategic partnerships help us escalate the ability to scale while significantly improving brand awareness and image, linking us to strong and reliable businesses.

- *An Innovative Multimodal Platform — broadened reach, value proposition and city integration*

  Our multimodal platform offers customers a variety of transportation options on-demand. In 2021, we launched e-mopeds and e-bikes in addition to our e-scooters, to serve different demographics and needs, and we are working on seamlessly integrating public transit to enable riders to optimize their trips across all available offering based on their criteria and preferences. We continue our effort to make Helbiz a natural extension of the current city infrastructure which helps city planners transform their communities and integrate Helbiz services into the public transportation networks of every city becoming a seamless and integrated door-to-door solution for our riders.

- *Our food preparation and delivery offering.*

  In July 2021, we launched Helbiz Kitchen, our service through which users can order food for delivery through our mobile app. We will capture all of the revenues from such orders by preparing the food to be ordered in a ghost kitchen and having it delivered by our own drivers using our e-vehicles. Our pilot ghost kitchen is in an approximately 21,500 square foot facility in Milan, Italy that provides six menus centered on pizzas, hamburgers, salads, poke, sushi and ice cream. In keeping with our ethos of providing eco-friendly offerings, our pilot ghost kitchen has an all-electric kitchen and uses biodegradable containers, utensils and packaging in our deliveries instead of plastics. In February 2023, we opened our first Helbiz Kitchen in the United States in Santa Monica, California with plans to open the second U.S. location in Los Angeles, California in the coming weeks.

- *Our in-house operations teams.*

  Unlike many other micro-mobility companies, we employ in-house operations teams in each market in which we operate rather than hiring outside third-party contractors to maintain our fleets. This operations team oversees all aspects of fleet maintenance, from charging and repairing to deploying each morning, redeploying throughout the day and picking up at night. We believe that this provides a higher quality of fleet maintenance and protects our brand by creating a uniform user experience no matter what city the user is in.

- *A visionary founder led company — Our management team.*

  We are led by a management team with experience in developing emerging growth companies. Several executive officers have years of experience in consumer-facing industries.

Our Market Opportunity

Societal, industrial, and technological changes are shifting how we move, and they are transforming the mass-transportation market. Transportation is among the largest household expenditures. We believe that we are in the early phase of capturing this opportunity and that use of our micro-mobility platform will, among other factors, continue to grow due to:

- *Increasing Urban Population*

  We believe that the trend of urbanization amongst young professionals is a large opportunity for the micro-mobility industry as it specifically addresses first- and last-mile transport and connects users with the existing infrastructure. For city dwellers, shared e-scooters represent a viable and affordable means of daily transportation. Several consequences resulting from urbanization, such as congested roadways, heightened carbon footprints and limited parking spaces, are directly mitigated by micro-mobility solutions. Over half of the world's population today lives in urban areas, according to United Nations Department of Economic and Social Affairs. With increasingly congested roadways and traffic speeds in many city centers averaging as little as 10 miles per hour, people are looking for transportation alternatives. Micro-mobility solutions offer people living in, and visiting, these cities potential benefits, including higher average speeds, less time spent waiting or parking, a lower cost of ownership, and the health benefits of being outdoors, among others.

- *The Rise of New First- and Last-Mile Options*

  From a consumer's perspective, first- and last-mile transportation in congested cities can be inconvenient and costly when using traditional modes of transportation such as mass transit or personal vehicles, as well as when using ride sharing. New shared transportation modes are drastically improving the consumer's experience, enabling riders to optimize across preferences including cost, comfort, and time.

  We believe these changes happening on a societal and technological level, are creating the foundation for a transportation shift and a reduction in car dependency in the long run that will be substituted with Transportation as a Service ("**TaaS**").

- *Popularity of On-Demand Services*

  Consumers have grown to love and appreciate having their world on demand and now expect to be able to access any product or service instantly on their terms and at their convenience. Older generations are transitioning and adopting to new technology faster than before, while younger generations are raised as digital natives. On-demand services are now an essential part of daily life and consumers prioritize intuitive and user-friendly platforms that make their lives easier.

- *Urban Planners are Addressing the Issue of Congestion*

  Micro-mobility is good for city planning, taking up less space for roads and parking, and complementing mass transit schemes while creating more connected communities. Cities are addressing the issue of how to deal with peak transportation demand. Limited capacity causes congestion and one solution is to allow micro-mobility to support transportation demand peaks. Modern urban planners are actively looking for providers of micro-mobility solutions, are increasingly dedicating lanes to certain micro-mobility vehicles and are repurposing car parking to micro-mobility spaces.

- *Increased Environmental Awareness*

  We believe that cities across the world and their residents are increasing their environmental awareness and actively taking steps to reduce their carbon footprint. As such, we believe that e-scooters, e-bicycles and e-mopeds, if approached in a sustainable, collaborative and safe manner with the cities where they operate, provide a feasible solution to this issue by replacing cars for first- and last-mile transport.

  E-vehicles are green, efficient, and cheap and people are becoming increasingly conscious of the impact that their day-to-day actions have on the environment. Furthermore, they provide individuals with an opportunity to reduce their carbon footprints. According to a 2019 article in the Financial Times, a micro-mobility vehicle has a carbon footprint per mile of 28g compared to 292g for a full-sized vehicle.

  In a world with scarce resources, we are devoted to make the best use of them. We believe that one of the most inefficient ways to go to point A to point B in a city is by car. Most of the car's energy is used to move the weight of the car itself and not the weight of its occupants.

- *Hyper-Vertical Super App Trend Provides an Opportunity to Enhance our Platform's Value*

  The hyper-vertical platform model, a variety of the super-app model adopted in Asia, focuses on covering the entire customer journey around a singular product or vertical. We see potential in the long term to gradually add services on top of our existing platform related to urban mobility that will enhance our customer experience when moving around cities and deepen the customers' engagement while creating added value across services.

Our Platform

Helbiz is built around four pillars: a growing and engaging network, cutting-edge technology, operational superiority and service focus.

A Growing and Engaging Network

Helbiz has developed a growing network of millions of riders, vehicles, trips, drivers and their underlying data, technology and infrastructure. The more trips, pickups or user interactions on our network, the more we are able to improve our network, optimize our operations and raise the quality of our services.

Our strategy is to leverage our fast and organic growth in the micro-mobility services to onboard customers with the intention of converting them to long-term platform users across verticals and with each additional offering, city, service or vertical aimed at increasing the value proposition and longevity of each user.

Cutting-Edge Technology

Seamlessly Integrated Ecosystem

Helbiz has built a cutting-edge ecosystem of tools, software and hardware for consumers, operations, and drivers to ensure complete transparency, integration and operational efficiencies. Instead of relying on a variety of limited third-party solutions, every tool we use is meticulously crafted in-house in conjunction with each other to create a symbiotic ecosystem that was specifically built around our operations, practices and needs. The result is a robust and highly functional framework with total operational control. Our main mobile platforms are our Helbiz app for consumers and our Helbiz Driver App for operational drivers managing our fleet. Both platforms are built on our proprietary "Core Platform Engine". To power our operations, we built a suite of operational tools including our Helbiz Drive App, warehouse and inventory management and analytics, prediction algorithms and dispatch engine. Our entire ecosystem is fully implemented and operational globally.

Core Platform Engine

- *Utilization & Prediction*

  Using real time and historical data, our technology helps us predict demand throughout the day and week to help us balance supply and demand and maintain optimal vehicle distribution and rebalancing. We believe that this leads to higher customer satisfaction while significantly minimizing operational costs.

- *Dispatching & Matching Engine*

  Our proprietary dispatch engine and algorithms overlook and manage our global fleet of operational drivers globally, autonomously sending tasks, priorities, and routes to each Driver in real-time. In each instance, our algorithms review and consider multiple variables including vehicles, batteries, drivers, warehouses, distances, traffic, locations, inventory as well as utilization prediction and current status. Our dispatch engine is automatically responding to alerts or customer issues dispatching the nearest driver. We designed this system to ensure driver productivity, efficiency and a seamless operation.

- *Geofencing*

  Using geofencing technology we can properly manage and remotely control our vehicles in accordance with government regulations. We implement a variety of virtual zones in our cities which automatically communicate with and control the setting of our vehicles to prevent clutter, irresponsible usage, and parking by controlling maximum speed, acceleration and disabling the throttle or the entering selected areas such as pedestrian zones or parks.

- *Parking Verifications*

  Using our proprietary technology, we are able to create virtual parking zones where customers are directed to pick up and leave our e-vehicles.

- *Streaming Technology.*

  Our Helbiz Live app integrates our proprietary technology for the front-end authentication process with that of third-party service providers like Comintech S.r.l., an Italian technology company involved in audiovisual distribution, which will manage the back-end processes like feeds collection, encoding, voiceover, the content management system and the content delivery network.

Payment Technologies

We have developed a strong and scalable payment infrastructure that includes a variety of trusted payment options serving a diverse and global demographic. Helbiz has integrated payments as a core part of our technology stack, to be able to continue to innovate and expand to broaden the offering and meet the demands of our users, in deep collaboration with strong payment partners from Stripe, Telepass, Tinaba, E-Pay and Alipay. The result is a flexible payment infrastructure that supports all types of users and their preferences from pre-paying to post-paying for each trip or service with any instrument/service of their choice, including credit cards, debit cards, HelbizCash, Telepass, Alipay and cash through local partners.

In 2019, Helbiz introduced HelbizCash, which is a closed-loop digital wallet allowing customers to add funds upfront, receive rewards and use funds for all services and offerings inside the current and future Helbiz ecosystem as it grows in return for benefits, rewards and incentives.

Operational Superiority

A robust and reliable driver network and infrastructure which ensures that vehicles are properly distributed, batteries charged and maintained is the foundation for the customer experience that we offer. We have built a flexible and scalable infrastructure to manage our fleets and drivers globally. Every city we operate in has a local on-ground operations team, drivers with extensive local knowledge and a global support system. Our service and platform are built around our operational experience gained over many years to get the operations right instead of rapidly and prematurely scaling. The long-term success, and profitability, of any micro-mobility operator is directly linked to the quality and efficiency of operations. For that reason, we meticulously built each technology tool used in our operations from scratch including warehouse and inventory management, the Helbiz Drivers App, our Dispatch Engine and management tools. All technology tools and platforms were built to work in conjunction with each other, and carefully selected and trained drivers.

- *A hyper-local approach, on a global scale*

  One of core values is to approach each new city in a hyper-local manner. We hire locals, learn from locals, partner with local companies and interact with communities as a local to properly serve each city the way it should be served. Knowing and interacting with the cities we operate in beyond offering a service is crucial for becoming an integrated part of the local community and our long-term operational success. On a global level, we have built a highly flexible infrastructure that allows our software teams to work with and easily adapt our platform to localized needs of municipalities as a partner, not a service provider. On a local level, we hire locals, who live and breathe the core values of their city, to run our operations where they live.

- *In-House drivers*

  We believe our early success, both with customers and regulators, is directly linked to our commitment to solely hire and utilize in-house teams for our on-ground operations or local partners for specific cities. Utilizing in-house teams or local partners, and not independent contractors like our competitors, allows us to properly train and oversee each worker/partners. To cities and regulators, it means we can provide consistent service, respond to issues in real time, be fully accountable, work hand in hand with regulators and have our workers as an extension of our brand in the communities without relying on unscreened third-party workers and the uncertainties that come with such.

- *Support System*

  The cornerstone of our company and experience is our highly-rated customer experience. We have invested and trained our own Micro-Mobility support center that supports our drivers. All drivers are trained in their individual cities, monitored during shifts and have access to our Operational Managers should they need additional help. A reliable service starts with the support system we can offer our teams on the ground.

Service Focus

We provide our services with a care and focus that we believe sets us apart in our journey to power movement at scale in a rapidly changing environment. Our experience is built around the frictionless interaction between our software, our hardware and our cities and relies on our key points: agility, simplicity, and continued innovation.

- *Experienced focused agility*

  We are built around a strong core software team that has built our software eco-system from scratch. We aim to provide services that are customer and city focused and have built a highly scalable and flexible infrastructure that allows our teams to rapidly release new features and offerings and adapt to local requirements and needs of local cities.

- *Intuitive simplicity*

  We believe the Helbiz experience and app should be an extension of oneself, seamlessly connecting you with your city in a natural and intuitive way. We transform complexities into a simple platform that is inviting and easy to use while remaining powerful and versatile.

- *Continuous Innovation*

  Our past and future success in a rapidly evolving industry relies on our ability to constantly research, innovate and optimize our vehicles, hardware, and operational tools. We have established a dedicated R&D department that is working directly with our manufactures to improve the riding and operational experience, increase vehicle lifespan and optimize profitability. With our focus on rapid and continuous innovation, Helbiz was among the first companies globally to integrate and utilize geofencing and parking verification technology throughout its operations.

Benefits of the Helbiz Mobility Platform

Key Benefits for Users

Across our mobile platforms and consumer offerings we strive to create an experience that becomes a seamless extension of the user, intuitively creating a convenient, affordable, and reliable experience when interacting with their city.

- *Convenience*

  We crafted the Helbiz app around efficient simplicity that allows a user to unlock their city with a touch of a button. We designed our proprietary technology to provide a convenient and frictionless user experience and well distributed, maintained and charged fleets across a variety of modes to suit the users' needs. We strive to reduce the friction of moving and to always ensure available vehicles in your vicinity that allow you to beat traffic with ease without the hassle of having to deal with congestion, parking, ownership or cash transactions.

- *Affordability*

  We believe everyone has the right to move freely on their own terms, and have the ability to optimize across cost, time and comfort. Our dockless e-vehicles enable customers to move and connect with their city at a low cost. For commuters and frequent riders, we introduced unlimited subscription plans in the third quart of 2020, allowing users to take unlimited 30-minute e-scooter and e-bike trips for a fixed monthly price, with affordability in mind.

- *Reliability*

  Our mission is to be reliable enough to the point where our customers do not need to rely on cars or other modes of transportation or to plan ahead of time. We strive to properly serve cities and maintain e-vehicle density to meet the demand in all areas so that users always have access to a charged vehicle when they need one. Reliability is essential and the reason that we solely rely on in-house teams and drivers in our cities for improved accountability, control and response time for the most reliable customer experience. We aim to continue to improve on our quality, service, offerings and hardware, while accurately optimizing our predict and utilization algorithms and software.

Key Benefits for Communities/Cities

We believe the foundation for our growth and one of the key indicators for our future success is the amount of positive impact we can generate throughout or local communities in the following ways:

- *Social*

  We connect people with their cities and communities, providing easy, fast, and reliable ways to get around directly eliminating the need for cars, private car ownership or parking. Our approach is community first and once we open a city, we engage to become an active part of the local community serving all groups, independent of socioeconomic status. Our Access Program offer discounted and free rides and subscriptions for students and low-income citizens ensuring their right to affordable transportation and freedom to move. Our Relief Rides Program, introduced in 2020, was established to provide free rides and support during national emergencies. During the early phases of COVID-19, we provided healthcare and essential workers in Italy and United States with unlimited free transportation to continue to serve our communities in a safe and reliable way during the lockdown. In April 2021, we offered up to 100,000 free rides on our e-bikes and e-scooters in the Italian cities in which we operate to people who need to go to approved facilities to receive their COVID-19 vaccinations.

- *Economic — Increased economic well-being and quality of life*

  One of the key elements determining the level of economic well-being is the access to transportation and freedom of movement. We are not only offering users flexible and alternative transportation alternatives but are also connecting them with existing transit networks. We pride ourselves on serving all communities in our cities and re-balance our fleet to maintain vehicle density throughout the communities to offer a reliable service at a fair price point. We improve the quality of transportation city wide, helping to reduce transportation inequality, as car-centric mobility networks often exclude lower socio-economic groups.

- *Environmental — Less congestion, less pollution, more life*

  We are bringing life back to our cities by reducing congestion and reducing carbon emissions and pollution all while shifting our dependency on car ownership to TaaS. This promotes the creation of cities designed for people and not cars.

- *Infrastructural — Increased value and connectedness of existing infrastructure*

  We are complementing existing city infrastructure and transport networks, directly increasing their value and connectedness, without requiring cities to spend vast number of resources on large scale public transport expansions with marginal return. We provide citizens with reliable alternatives that allows them to connect with the current transit networks where it was previously difficult. We are dedicated to improving upon our infrastructural impact and are exploring how to incorporate public transportation into our platform, to seamlessly be able to serve across multiple means of transportation within a single journey. For example, in the fourth quarter of 2020, we launched a partnership with Trenitalia, the largest train company in Italy, allowing users to purchase, store and redeem train tickets directly inside of the Helbiz platform. In addition to the direct benefits for the city and its citizens, we are helping to create lasting change and cities that are made for living.

Value Proposition for Advertisers

- *Unique Targeting — Interact with consumers and their environment on the go*

  On Helbiz, businesses have a unique opportunity to connect with potential customers through engaging and visual content. We know where all riding users are at all time and can specifically target them the exact second, they are near an advertiser's location, or any specified location, to create custom experiences that increase real life conversion and engagement with advertisements. Most people seeing an advertisement usually interact with them from the comfort of their home and not when they are on the move in the vicinity.

- *Valuable Audience — Reach a large conscientious demographic*

  Helbiz has a deep reach in the cities where it operates, with support from both government and citizens who are active supporters of our convenient, forward thinking and green initiatives. Through Helbiz, businesses can reach a large unique, savvy, and conscientious demographic when they want and where they want.

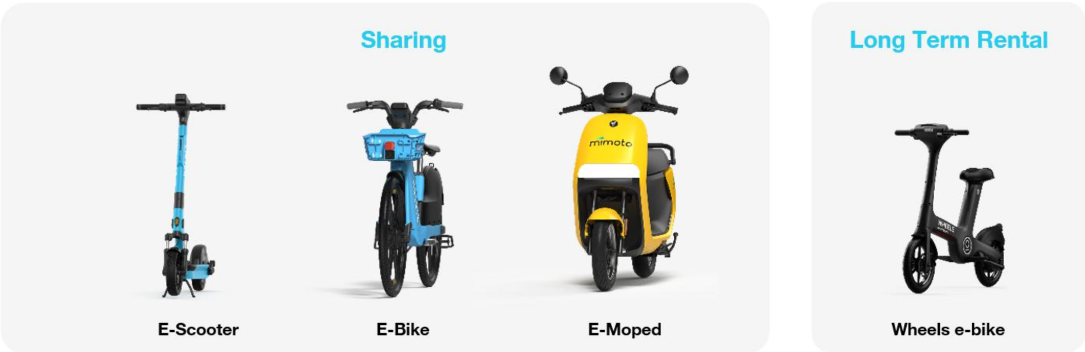
  Helbiz is still in the early stages of building our advertising product suite that fully extracts the value of the alignment between users and businesses, but we believe it will be a competitive advantage over the long term as we expand our tools and services.

- *Environmental — Support and align with a mission for a greener tomorrow*

  The growing importance of sustainability and carbon emissions has been one of the key trends in recent years. Communicating sustainability effectively ranks among the most important aspect of brand strategy across all industries. Helbiz allows businesses to seamlessly integrate into our platform and align with our mission with the ability to communicate their message through our well-respected platform.

Our Offerings and Products

Our multimodal platform offers our riders frictionless, efficient, and affordable access to a growing variety of transportation options.



- *E-Scooter, E-Bikes, E-Mopeds and Wheels e-Bikes*

  We have established a network of shared owned e-scooters, e-bikes (including Wheels) and e-mopeds in a number of cities serving the needs of a diverse demographic looking for affordable, efficient, green and more active alternatives for short trips. With our recent acquisition of Wheels, we broadened the types of vehicles available in our shared mobility service. The Wheels vehicle features a seated form factor, low center of gravity, 14-inch wheels to help navigate uneven pavement surfaces, and a first-of-its-kind integrated helmet system.

- *Wheels Long-Term Rental*

  Wheels offers a long-term rental option allowing riders to rent their own sit-down scooter for personal use. The subscription starts at $99 per month and can be canceled any time after return of the vehicle.

- *Public Transit*

  As a pilot program, we will offer integrated third-party public transit in a frictionless experience allowing users to purchase, store and redeem train tickets directly inside of the Helbiz platform. By integrating public transit into our own proprietary offerings, we will be able to create a more connected transportation network to seamlessly be able to serve across multiple means of transportation within a single journey. The result will be a more connected transportation network that complements current city infrastructure and increases convenience and the engagement of riders with our platform.

- *Streaming Content.*

  Starting in August 2021, we began providing media content to subscribers to Helbiz Unlimited, our offering that provides unlimited monthly use of our e-scooters and e-bikes for a fixed fee, and through other subscription models. We started streaming content in Italy with the 390 games per season of the Italian Serie B soccer league for the next three seasons, and we are looking to offer these games in other countries where we are present. We are exploring options to sell, reduce or discontinue portions of or all of our Helbiz Live business.

- *Food for delivery.*

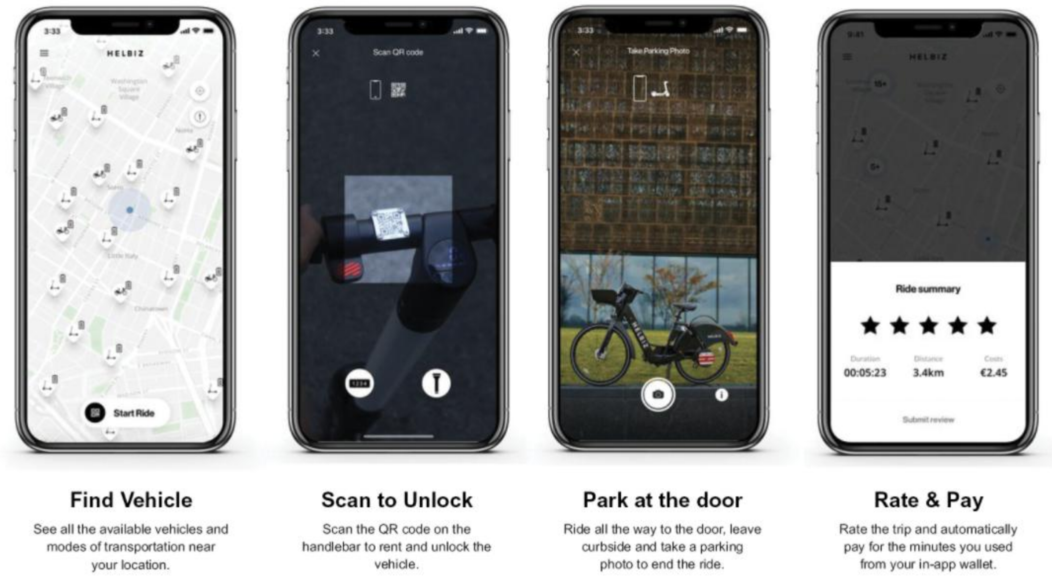
  In July 2021, we launched Helbiz Kitchen, our service through which users can order food that we prepare for delivery through our mobile app. We capture all the revenues from such orders by preparing the food that is ordered in a ghost kitchen and having it delivered by our own drivers using our e-vehicles. Our pilot ghost kitchen operates from an approximately 21,500 square foot facility in Milan, Italy that provides six menus centered on pizzas, hamburgers, salads, poke, sushi and ice cream. We recently opened our first ghost kitchen in the United States.

The Helbiz Rider Experience

Our mission is to reshape the transportation industry through innovative and sustainable mobility solutions to create cities made for living that solve the transportation needs of our riders and enable them to reach their destinations quickly, conveniently and affordably. This mission all starts with the Helbiz app, the core part of the Helbiz experience which intuitively connect our users with our vast network of vehicles and platforms. We are determined to provide our users with the best experience and have built a scalable infrastructure that allows us to rapidly add new features, options and platforms.

Our Rider App

The Helbiz app provides users the ability to get around and connect with their city through a variety of transportation modes The Helbiz app is designed to be lightning fast, intuitive, and frictionless enabling users to rent and ride with ease. Our typical rental process can be summarized in the four steps in the following graphics:



Additional app functionality includes the ability to book and reserve vehicles, briefly pause and lock a vehicle in ride, an extensive help toolkit and spoken, written and in-app support 24 hours per day in six languages. We are dedicated to continuing to improve our platform and features to continue to offer the best experience in the industry.

Subscription Plans

In addition to our pay-as-you-ride per minute ride structure, we also offer a subscription plan for riders on a monthly basis. We see our subscription plan as an important step toward providing a convenient transportation alternative that address our riders' preferences and budgets to make micro-mobility through Helbiz their commute of choice. Our subscription plan is purchased upfront and guarantees access to a set amount of time, and all subscriptions can be cancelled at any time.

Types of subscriptions include:

- *Wheels Long-Term Rental*

  Wheels offers a long-term rental option allowing riders to rent their own sit-down scooter for personal use. The subscription starts at $99 per month and can be canceled any time after return of the vehicle.

- *Helbiz Unlimited*

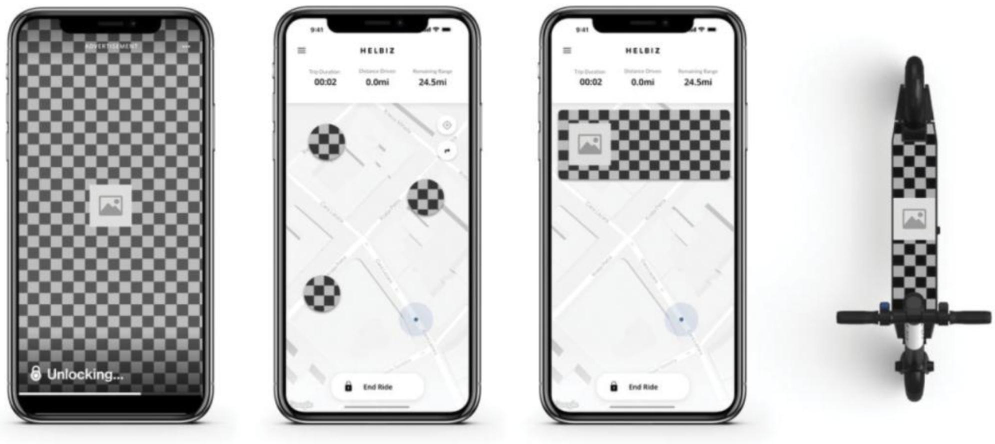
  Take 100 trips with each trip of maximum 30 minutes on our e-scooters and e-bikes on a monthly basis for a fixed price. Subscribers to Helbiz Unlimited will have access to our streaming content, which debuted in August 2021 and includes all 390 games per season of the Italian Serie B soccer league for the next three seasons, live and on demand streaming rights for up to four Major League Baseball games weekly, select games from the German football cup, select NCAA football games, select NCAA men's basketball games and other content. We have added and are looking to continue to add additional content, with a focus on sporting events, in the near future. Subscribers to Helbiz Unlimited will also not have to pay any delivery fees for the delivery of our food.

The Advertisement Experience

Helbiz users are always on the move and interacting with their local communities. Advertisers have the opportunity to put relevant content in front of them at every stage of this journey. Unlike other ad platforms, Helbiz interacts directly with consumers and their environment while they are on-the-go. We have understood this unique opportunity since our early days, but only begun to fully translate it into a value adding ad product suite in late 2020 as our reach and potential significantly increased.

A well-integrated and intelligent advertisement experience is one of the cornerstones that allow us to be less dependent on operational revenues and offer a more competitive service globally.

While we are actively working on expanding our offering and tools it currently includes:



- *Unlock advertisement*: which use Helbiz as a digital billboard to show a full screen video message every time a user unlocks a Helbiz vehicle globally, in a specific city or targeted area;

- *Location based advertisements:* which trigger advertisements when a user is in the vicinity of a specific location;

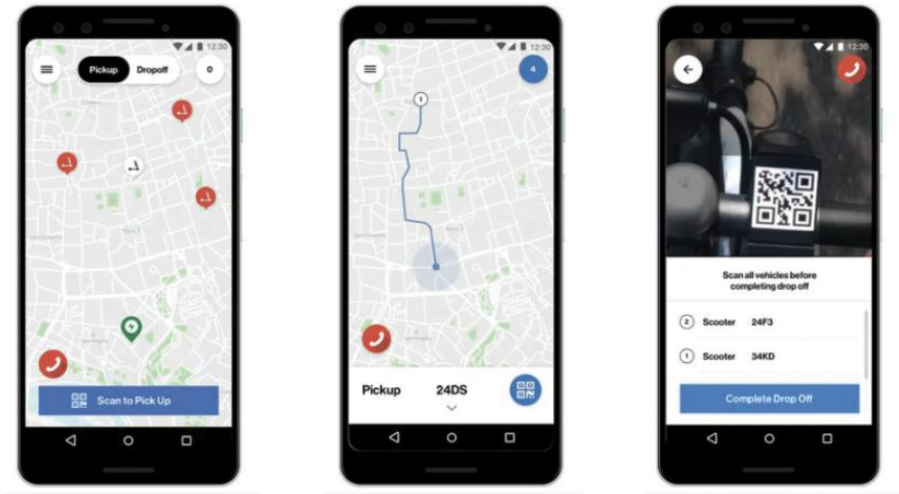
- *Map branding:* which enables companies to sponsor pins, parking spots or specific locations on the map; and

- *Vehicle co-branding:* which custom wraps our vehicles for a maximum-visibility, full-takeover campaign, paid per vehicle on a daily basis.

Field Operations Excellence

Along with vehicle quality and the user app experience, we aim to differentiate our shared mobility service through field operations. In each city in which we operate, our operation team ensures that our vehicles are properly distributed, charged, maintained and always ready to rent. In contrast to competitors who fully outsource field operations, resulting in uneven servicing quality and efficiency, Helbiz services each city with a combination of direct employees and some third-party outsourcing. This level of control is designed to help our operations meet the highest standards of consistency and efficiency.

We direct our field operators through our “Driver App”, which controls and directs the tasks assigned to the team. Our drivers simply tap ‘Start Shift’ inside the Helbiz Driver app to start a shift. Drivers will automatically start to receive tasks, on-screen instruction, and turn-by-turn navigation to handle their shift and objectives with ease. Every step of the way the driver is guided in an intuitive way to pick up and swap batteries and reposition and maintain vehicles. By tracking every movement, action, route, pickup and drop off, we have an overview of each city’s operation and are able to direct our support teams based on that overview.



Additional app functionality includes the ability to accept/decline tasks, access to real time vehicle data, a support kit and analytics.

Technology Infrastructure

We have assembled core product teams with a full-stack development model within a broad range of technical areas to help us power our technology platform and vehicles across the globe and the solve the challenges that arise from delivering reliable services in the physical world in real time. We are tech driven at our core and deploy technical innovations to optimize operations, increase oversight while improving our scalability. We have built a mobile first and platform agnostic suite within the micro-mobility space constituting of a series of proprietary tech platforms and drivers, including operational and analytical and optimizing and decision-making tools, that all operate in conjunction. Every individual component is built on top of our scalable tech stack that enables us to manage spikes in usage and rapidly launch new products, features and services.

We developed our platform for autonomy, scalability and high accountability. Our success in a fast-moving industry, and relationships with the cities we operate in, is directly linked to our flexibility and development velocity. We currently use third party, AWS, for cloud computing services to help us deliver and host our platform and quickly scale up our services to meet surges in demand and support any product changes we are introducing. We utilize multiple data centers located in the United States and Europe where redundant copies are stored and replicated reliably within each region.

Sales & Marketing

Helbiz is marketing its offering to users through brand advertising, direct marketing and fostering rapid adoption through on-street presence and strategic partnerships. We use a variety of broad campaigns from television ads to strategic joint partnerships with strong local brands to promote our platform and extend our service to existing loyal user bases. On a local street level, Helbiz is devoted to a vast amount of educational and community events where we and our engaging team foster deeper connections in the cities we operate in, while our vehicles act as moving billboards for organic user growth. Our direct marketing is made up of promotions, referrals and time-based incentives where we attract consumers through a tailored combination, depending in the city, of sponsored search, targeted social media, push & text notifications and email campaigns. As we grow, we are focused on optimizing and making our marketing & sales spend more effective in attracting high converting users and in encouraging cross vertical spending in a structured and measurable way to significantly enhance customer retention and lifetime value.

Helbiz Media

We formed Helbiz Media, our wholly-owned subsidiary dedicated to the acquisition and distribution of content over Helbiz Live, a new internally developed app that is separate from our micro-mobility app. From the start, Helbiz Live will be included in our monthly subscription: Helbiz Unlimited, our offering of unlimited monthly e-bike and e-scooter use for a fixed fee, and we may make it available through other subscription models. Helbiz Media's principal activities will include:

- *Acquiring content.* Helbiz Media is charged with acquiring the rights to stream media content on Helbiz Live, with a focus on acquiring the rights to broadcast sporting events. The first content that Helbiz Media has acquired, for the Italian territory, are approximately 390 regular season games in the Italian Serie B soccer league. League Serie B will take care of the TV productions of all matches and will provide the feeds to Helbiz Media. Helbiz Live expanded its content offering (i) in October 2021 by acquiring the rights to broadcast on its app in Italy two live soccer matches per day during the German Cup (*DFB-Pokal*) and highlights of each round of the German Cup as well as weekly highlights of NFL football games and other NFL branded content (ii) in November 2021 by partnering with ESPN to broadcast on its App in Italy (a) two NCAA college football games and two NCAA men's college basketball games per week, (b) 10 NCAA football bowl games, including the semifinals and finals and (c) 20 NCAA men's basketball tournament games, including the semi-finals and the finals and (iii) in March 2022 by acquiring the rights to stream live and on demand up to four Major League Baseball games weekly, in addition to all playoff games, for the next three seasons.

- *Distributing content*. Some of the content that we acquire the rights to broadcast in a specific territory may be coupled with the right to further distribute such content outside of that territory. For example, our right to broadcast the next three seasons of Serie B soccer games in Italy, includes the right to distribute and commercialize those rights outside of Italy. We intend to generate revenue from such distribution.

- *Advertising*. Helbiz Media will coordinate the sale of advertising for our micro-mobility business as well as Helbiz Live.

We are exploring options to sell, reduce or discontinue all or portions of our streaming operations.

Helbiz Kitchen

Helbiz Kitchen, is a delivery-only "ghost kitchen" restaurant concept that specializes in preparing healthy-inspired, high-quality, fresh, made-to-order meals. Users are able to order meals on our mobile App for delivery to their home, office or other desired location, and we will prepare and deliver such meals using our e-vehicles. We capture all of the revenue from the meal order and the delivery as there will be no middle person.

We launched Helbiz Kitchen in June 2021 with a pilot ghost kitchen in Milan, Italy. Our approximately 21,500 square foot facility in Milan offers six menus of dishes (pizza, hamburgers, poke, salads, sushi and ice cream) for 12 hours a day, seven days a week, and we intend to expand the variety of the menus and the hours of operation in the near future. We recently opened our first ghost kitchen in the United States.

Platform User Support

The cornerstone of our company and experience is our top-rated customer experience. We have invested and trained our own micro-mobility support center. Our support hub was established in Serbia and is today offering in-app, written, and spoken 24/7 support natively in six languages for customers and drivers around the globe.

Competition

We provide transportation services, particularly those in the urban micro-mobility category (generally, intra-city trips that less than five miles). As a result, we compete with other modes and providers of transport. For our e-scooter, e-bike and e-moped sharing services, this includes busses, subways, bicycles, cars, trains, motorcycles, scooters and walking, among other short-distance transportation modes.

Our services compete directly with many TaaS companies. The market for TaaS networks is intensely competitive and characterized by rapid changes in technology, shifting rider needs and frequent introductions of new service and offerings. We expect competition to continue, both from current competitors, who may be well-established and enjoy greater resources or other strategic advantages, as well as new entrants into the market, some of which may become significant competitors in the future. Our main competitors in the micro-mobility sharing market vary by market but include Lime, Lyft, Bird, Spin and Wind. We also compete with car sharing services such as Uber and Lyft, certain non-ridesharing TaaS network companies, public transportation, taxicab, and livery companies as well as traditional automotive manufacturers, such as BMW, which have entered the TaaS market, among others.

We believe the essential competitive factors in our market include the following:

- coverage and availability of access;
- scale of network;
- product design;
- ease of adoption and use;
- partnerships and integrations;
- branding;
- safety;
- innovation;
- regulatory relations; and
- prices.

Many of our competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets, established marketing relationships, access to larger customer bases and significantly greater resources for the development of their offerings. For additional information about the risks to our business related to competition, see our Risk Factors.

Strategy

We are one of the few established micro-mobility operators with a truly scalable infrastructure, deep engagement in our cities and a clear path to capture the opportunity of the fast-growing micro-mobility industry. We plan to leverage our strengths to outperform our competition with the following growth strategies:

- *Grow our Rider base.* We see significant opportunity to continue to grow our rider base. We strive to continue drive organic adoption by continued investments in fleet, brand, and consumer awareness. We also offer incentives for first time riders and referrals and plan to continue to grow our incentive programs to foster organic grow. Additionally, we seek to expand our offering beyond e-scooters, e-bikes, Wheels e-bikes and e-mopeds to properly serve all demographics in cities and increase the reach of our platform. Micro-mobility is an industry in its infancy, and Helbiz introduced this technology in Italy, which involved significant user education to shift engraved user behavior. As other slower adapting demographics gradually adopt micro-mobility and the growing percentage of the population who are born as digital natives become of age or increase their spending power, we believe we will benefit from a significant growth not only in rider base but lifetime value across verticals as well.

- *Increase penetration in our existing markets*. Although in Italy we are currently a market leader based on vehicles authorized and licenses obtained, we see room for further growth and plan to deploy new e-scooters, e-bikes and e-mopeds into both existing and new service areas in order to meet rising demand. Furthermore, we believe that there is significant opportunity for growth in the United States, as more cities are embracing shared shared-mobility services and municipalities with existing pilot programs and licensed services are ready for license renewals.

- *Continue expanding into new markets with optimal regulatory conditions and transportation infrastructure*. As authorities around the world begin to adopt acceptable rules and regulations surrounding dock-less e-scooter, e-bike and e-moped sharing, we plan to take advantage of our tech-driven platform, operational excellence and services to offer these cities a sustainable solution. Some of the largest cities and markets in the world have not established regulations to pave the way for these new forms of transit. We will continue to work closely with local regulators globally to unlock these markets and establish a long-term and sustainable relationship. We plan on targeting cities with established infrastructure.

- *Increase our use cases*. We intend to continue to expand our offerings and products to make Helbiz the transportation platform of choice for all demographics and use cases. We aim to offer product to simplify travel decision making, become a fully integrated A-to-B solution within existing transit network while expanding our subscription packages and B2B offerings among other things through centralized enterprise tools and bulk packages for universities and businesses, to offer, manage and cover transportation needs and of employees and students.

- *Expand multimodal offerings*. We continue our mission to make Helbiz the number one transportation ecosystem, and we believe that it is essential to address a wide range of transportation needs and preferences for an inclusive offering across demographics. We recently launched e-bikes and e-mopeds in addition to our e-scooters to serve a different demographic and are working on seamlessly integrating public transit to enable riders to optimize their trips across all available offerings based on their preferences.

- *Leverage our platform to launch new products*. We believe that we can continue to innovate, solve complex challenges and create platforms on top of our robust and scalable technological infrastructure to meet the localized needs of the mass market consumer, who is already using Helbiz daily, with new services from payments solutions, public transportation and food delivery. Being a high adoption consumer platform with deep penetration in core markets, we believe that we have a unique opportunity to extend our ecosystem and platform offering around the needs of our consumers leveraging our low customer acquisition costs to fuel long-term value and impact. Each platform offering increases the value of our overall platform, enables us to attract new platform users, deepens the individual engagement and retention within the platform while significantly boosting lifetime value across platform and platform loyalty. Our mission is to combine all offerings in a seamless platform meeting all localized needs of the mass market consumer on demand, beyond micro-mobility.

- *Grow rider ecosystem spend.* As we continue to grow our brand loyalty and offerings, products, use cases and customer experience, the stickiness of our customers increase, integrating Helbiz more into their daily lives and routines. We believe that this will grow their total ecosystem spend significantly over time.

- *Pursue strategic partnerships.* Our early success, despite much less funding than U.S. competitors, was among other things due to our hyper-local approach where we as a young company tailored our approach to the individual city while partnering with well-established companies with loyal customer bases, influence, and synergy to allow us to quickly harness brand awareness, capitalize on their existing reputation for rapid adoption. We intend to continue to pursue strategic synergetic partnerships to strengthen our brand, offering and market adoption.

- *Continued research and development to increase vehicle-level economics and user experience*. Our team is constantly developing new ideas for all facets of our business. From continued development on our mobile application to hardware development for our e-scooters, e-bikes and e-mopeds, we are actively pursuing ways to serve our customers and create a sustainable and profitable business. We have drastically increased lifespan of our entire fleet and the daily availability through 3 generations of vehicles and moving from built-in batteries to swappable batteries eliminating the need to pick up and charge the entire fleet every night allowing vehicles to remain on the street and operational.

- *Target non-traditional markets*. We believe that in the rush to compete in the micro-mobility market, many of our competitors have overlooked markets that might not be considered traditional consumers of micro-mobility services. These markets include hotels, amusement parks, convention halls, airports and other third parties that see a need to provide their customers with additional methods of short-distance transportation. We are exploring these markets and negotiating terms outside our conventional rental arrangements.

- *Expand our Helbiz Kitchen offering.* In July 2021, we launched Helbiz Kitchen, a delivery-only “ghost kitchen” restaurant concept that specializes in preparing healthy-inspired, high-quality, fresh, made-to-order meals, with the opening of our pilot ghost kitchen in Milan, Italy which we intend to follow with other ghost kitchens in the near future. We have opened our first ghost kitchen in the United States in February 2023 and intend to open the second in the coming weeks.

- *Invest in technology to strengthen platform and increase efficiency*. We plan to continue to invest in and develop our proprietary technologies and core platform drivers to optimize our operations, autonomy and scalability. These investments will allow us to continue to increase our efficiencies and lower our operational costs offering our riders an affordable and high-quality experience.

- *Grow Advertisement Opportunities*. We are continuing to grow our advertisement offering and integrations. As we rolled out in-app advertisement in 2020. We expect to be able to significantly grow our overall advertisement revenues as we roll out advertisement in all cities and combine it with additional and more complex advertisement types and dedicated advertisement management tools for enterprises.

Seasonality

Each city and region where we operate or intend to operate has unique seasonality, events and weather that can increase or decrease rider demand for our platform. We expect to experience different levels of seasonality in each market in which we operate, typically correlated to changes in the number of local residents and visitors. Ride volume can also be impacted by general trends in business or travel and tourism. Certain holidays can have an impact on ride volume on the holiday itself or during the preceding and subsequent weekends. In addition, rain, snow and cold weather tend to increase the demand for car-based transportation but reduce the demand for e-scooter, e-bike and e-moped rentals.

Intellectual Property

We generally rely on trademark, copyright and trade secret laws and employee and third-party non-disclosure agreements to protect our intellectual property and proprietary rights. We are currently in the process of pursuing trademark protection for our name and logos in the United States. Although we believe that our pending trademark applications will be granted by the United States Patent and Trademark Office, such trademarks might not be granted, might be challenged, invalidated, or circumvented or might not provide competitive advantages to us.

We also plan to rely on patents to protect our intellectual property and proprietary technology, to the extent feasible, and plan to consult with intellectual property counsel to determine what patents we may be able to file to protect our intellectual property. Wheels has already made strides in this area with a number of key innovations, such as our micro-controller technology that allows users to control all vehicle functions via Bluetooth, WiFi, and cellular networks. One of the unique features we have filed a patent for is a pedal-less bike body specifically designed for micro-mobility sharing use, which sets us apart from competitors and offers users a distinctive mode of transportation. Another important innovation is the electrical integration of helmets into the chassis of our Wheels devices, promoting safety, as the helmet can be unlocked and locked when the device is in use or not. To promote hygiene in our shared-use service, we have developed an anti-microbial film inside the helmets, enabling users to replace the film rather than reusing the previous customer's film. Furthermore, we hold patents on the use of gear motors to improve climb performance for hill climbs, providing a better experience for users in hilly terrain. As of the date of this annual report, we have filed a patent application in the United States for our smart parking technology (patent application number: 16/673,518). Although we believe that some of our technology may be patentable, such patents might not be granted, might be challenged, invalidated, or circumvented, or the rights granted thereunder or under licensing agreements might not provide competitive advantages to us. We believe that due to the rapid pace of technological innovation for technology, mobile, and internet products, our ability to establish and maintain a position of technological leadership in the ridesharing industry depends more on the skills of our development personnel than the legal protection afforded our existing technology.

Our success depends in part, upon our proprietary software technology and proprietary App. We have not yet protected our software through copyright or other regulatory measures. Our standard intellectual property confidentiality and assignment agreement with employees, consultants and others who participate in the development of our software might be breached, we might not have adequate remedies for any breach, or our trade secrets might not otherwise become known to or independently developed by competitors. Our efforts to protect our proprietary technology might not prevent others from developing and designing products or technology similar to or competitive with those of ours. Our success depends in part, on our continued ability to license and use third-party technology that is integral to the functionality of our products and App. This includes functions such as our payment gateway that we use for handling credit card payments, subscriptions and wallet top-ups (which we license through Stripe), interfacing with vehicles from certain suppliers (such as our license with Segway), hosting our server infrastructure (provided by Amazon Web Services) and hosting our data for analytics (provided by Google Cloud). An inability to continue to procure or use such technology likely would have a material adverse effect on our business, operating results or financial condition.

Our intellectual property is secured to a syndicated loan and security agreement entered into in 2021.

We do not intend to create or own any of the media content to be streamed on our Helbiz Live platform. Instead, we plan to license such content. We have acquired a three-year license to broadcast in Italy all 390 regular season games in the Italian Serie B soccer league. We will not own any of the intellectual property associated with such games, the league or the teams in the league.

Authorizations and licenses in force

We work closely with the cities where we operate to determine the local services we provide. This includes determining fleet size, deployment locations, hours of operation and pricing. After local operations begin, we revise these determinations using real-time data. We consider compliance with requirements around parking, deployment and redistribution, and rider education to be of the utmost importance. We operate in the following cities in the following countries.

Italy

We are a substantial operator in Italy in the micro-mobility environment. As of March 24, 2023, we hold licenses in 17 cities in Italy for up to 8,000 e-scooters and e-bikes. We currently provide, or are schedule to soon provide, e-scooter, e-bike and e-moped micro-mobility programs in the following areas of Italy:

eScooters, Italian Cities	Maximum Number of Vehicles	License Start	License Termination
Rome	2,500	September 2020	March 31, 2023
Naples	900	September 2020	May 31, 2023
Milan	750	December 2019	July 27, 2023
Turin	500	December 2019	July 27, 2023
Palermo	500	February 2021	*Waiting from City Authorities*
Catania	500	December 2021	December 31, 2023
Ravenna	350	August 2020	*Waiting from City Authorities*
Parma	300	September 2020	September 2, 2024
Pisa	300	September 2020	November 5, 2023
Fiumicino	250	June 2021	June 17, 2023
Modena	200	September 2020	September 30, 2024
Cesena	200	July 2020	July 27, 2023
Ferrara	200	February 2021	December 31, 2024
Collegno	150	March 2021	December 31, 2025
Rho	75	December 2022	November 3, 2025

eBikes, Italian Cities	Maximum Number of Vehicles	License Start	License Termination
Cesena	400	July 2020	July 27, 2023

eMopeds, Italian Cities	Maximum Number of Vehicles	License Start	License Termination
Milan	n/a	September 2020	n/a
Turin	n/a	September 2018	n/a
Florence	100	November 2021	November 1, 2026
Genoa	n/a	July 2019	n/a

United States

In 2019, we started our expansion to the United States. As of March 24, 2023, we hold 6 licenses, in 5 U.S. cities, additionally we operate with small fleet of Wheels vehicles in three University's campuses. We are currently in the application process for additional licenses and intend to continue to scale and implement our proven business model and platform from Europe across the United States. We currently provide e-scooter and e-bike micro-mobility programs in the following areas the United States:

eScooters, USA Cities	Maximum Number of Vehicles	License Start	License Termination
Los Angeles, California	6,000	Acquired from Wheels	April 7, 2023
Santa Monica, California	200	Acquired from Wheels	September 30, 2023
Miami Dade County, Florida	50	April 17, 2022	*Waiting from City Authorities*
Miami Lakes, Florida	150	November 3, 2021	*Waiting from City Authorities*
Orlando, Florida	700	Acquired from Wheels	July 7, 2023
Austin, Texas	1,750	Acquired from Wheels	June 1, 2023

Insurance

Although we pride ourselves on our commitment to safety, the sheer volume of users increases the likelihood or serious injury or property damage as a result of the use of our vehicles. To mitigate our exposure to liability from any such injuries or damage, we provide general liability insurance in the cities where we operate to cover third-party bodily injury or property damage resulting from one of our vehicles. The insurance does not cover instances where the user is at fault, but rather damages arising from faulty vehicles or maintenance issues. Additionally, such general liability insurance is required in the U.S. and Italian cities in which we operate and seek to operate.

Insurance in the micro-mobility industry is unique as it is a limited marketplace. There are only a handful of carriers that will write insurance for it and even less for multi city operators. We have our insurance policies with Apollo Underwriting Ltd. covering the U.S. market and Societa' Reale Mutua Assicurazione for the Italian market. These policies give us the ability to purchase coverage if and when we get permits for additional cities.

Partnerships

We believe that partnerships are a great way to offer our users services that we cannot provide on our own, provide our brand to greater exposure and expand our user base. We have focused our efforts to create partnerships in three industries in particular: the micro-mobility industry, the fintech industry and the entertainment industry.

Mobility Partnerships

Telepass

Our first major partnership was with Telepass, a leader in Southern European mobility services. By becoming our official partner and sponsor, Telepass provided us with more concrete and credible brand awareness in Italy. The partnership consists of a deep integration between our app and the Telepass Pay app where existing members of Telepass services are awarded exclusive deals to use our e-scooters. To emphasize our commitment to the partnership, we co-branded our Italian e-scooter and e-bike fleets with both the Helbiz and Telepass brand logos.

Pursuant to the agreement, Telepass will pay us a total of €50,000 for marketing opportunities provided by us and an additional €250,000 for the concession fee payable by us to the customer. In exchange, we will offer 50% discount to Telepass users on e-scooters and e-bikes.

Our partnership with Telepass is set to expire in December 2023. Telepass may terminate the agreement if there is material breach and we fail to cure such breach within 15 days from the date of a written notice from Telepass. Telepass also has the right to fully or partially withdraw from the agreement at any time.

Trenitalia

We have partnered with Italy's National Public Railway transportation provider, Trenitalia, to expand their riders' options of getting to and from train stations. Trenitalia provides us with dedicated parking areas outside of the major train stations in the Italian cities in which we currently operate. We provide promotions and discounts to Trenitalia users to use our vehicles before and/or after their journeys. Trenitalia has engaged in a vast marketing plan to advertise our services inside their train stations, inside train screens and magazines, inside dedicated tabs in their mobile app, and on their website. Reciprocally, we have committed to co-branding our Italian fleet with Trenitalia-dedicated graphics.

Pursuant to the agreement, we will provide Trenitalia users vouchers for free rides and discounts and such promotion will be advertised on Trenitalia's website, in certain trains and train station lounges and through jointly planned educational events around Italy. Our agreement with Trenitalia expires in May 2023. Either party can terminate the agreement with 60 days' prior written notice.

WeTaxi

We have partnered with WeTaxi, a leading taxi operator in Italy, to enable Helbiz users to book taxis directly from our app. Riders using the Helbiz app will see a maximum price when booking a taxi, which allows for easy planning. Furthermore, users can use multiple payment methods and book shared routes with friends. The partnership enables WeTaxi cab drivers and cab cooperatives to reach a younger target audience that does not normally use their service. WeTaxi states that is has about 6,000 drivers operating in 20 cities in Italy.

Helbiz & Wheels Google Maps

In late 2022 we completed the integration of Wheels vehicles onto the Google Maps platform, whereby our unique sit-down scooters appear on the map with the approximate price, estimated trip duration and optimized route to the traveler's desired destination. This collaboration expands on the previously-announced integration of Helbiz vehicles into Google Maps, expanding access to our efficient and sustainable transportation options. By using Google Maps, Helbiz users worldwide can find a nearby vehicle to quickly meet their first and last-mile needs, while also reducing traffic and pollution.

Yolo Insurance

Helbiz partnered with YOLO, Italy's first mover in insurtech, to launch Helbiz Insurance, a new suite of digital insurance solutions available directly from the Helbiz app. The insurance offerings available to Helbiz customers includes specific solutions to protect cyclists and their bicycles from risks, accidents, breakdowns, and any other unforeseen events that may occur during a trip. These innovative instant insurance solutions, created in collaboration with a leading insurance provider, are distinguished by the simplicity, customization options and speed of the purchasing process. Meant to be purchased on the go via the in-app wallet, riders will have temporary coverage for as little as one to a maximum of 30 days. YOLO Group, listed on the professional segment of Euronext Growth Milan, is one of the leading players in the Italian market for digital insurance services that allow underwriting on an on-demand and pay-per-use basis for products of major national and international insurance groups.

FinTech Partnership

E-Pay

November 2020, Helbiz signs an agreement with EPAY, part of the Euronet Group, to allow its user base to purchase In-App Wallet Credit in cash through a network of 51,650 physical stores in Italy, allowing potential users without a debit/credit card the ability to make use of our sustainable services. This network of physical points of sale, composed of Supermarkets (ex. Carrefour, Esselunga, Finiper, Penny Market), Libraries (ex. Feltrinelli, Mondadori), Tobacco stores, Electronic Stores and direct distributors, extends itself across the entire country easing access to the Helbiz micro-mobility services and to future parallels on which the company is currently working on.

The agreement is an open-ended agreement without terms between the Company and E-Pay. Helbiz will request a renegotiation of the agreement in June 2023 after three years of collaboration. Either party can terminate the agreement with a 30 days' prior written notice to the other party. Pursuant to the agreement, Helbiz will pay E-Pay a fixed Fee of €12,000 for the service, a maintenance fee of €1,000 on a monthly basis, and a distribution fee which is calculated as 10% of any transaction's face value.

Suppliers

We subcontract the manufacturing, assembly and testing of our vehicles to third-party suppliers mainly located in Asia. Our supply chain department is responsible for coordinating the relationship with the third-party suppliers and is constantly working with current manufactures in a collaborative effort to improve and optimize existing hardware, design, and build custom proprietary vehicles for custom needs while also looking for alternative manufacturers, solutions, and supply routes to ensure that we stay on the forefront of the rapid technological advancements in our industry.

The typical supply chain timeline requires on average three-months from manufacturing the e-vehicles, delivery to deploying in the relevant markets. The process depends on the typical supply lines running via sea, train and air. A mix of local suppliers and suppliers based in Asia, are responsible for providing us spare parts for our e-vehicles.

Overall, we depend upon a limited number of third parties to perform these functions, some of which are only available from single sources with which we have flexible contracts in place. In particular, we rely on:

- Stripe for the processing of customer payments;
- Segway Group for the supply of our electric fleet, excluding Wheels; and
- I-Walk for the supply of Wheels electric fleet.

Stripe

Pursuant to the agreement, the debit and credit cards service fees are calculated based on preceding month’s total card transaction volume. The service fees range from €0.01 to €0.02 per card payment. For example, if the net monthly card volume is €0 to €250,000, the fixed amount per payment card is €0.02; if the net monthly card volume is €500,000 to €1,250,000, the fixed amount per payment card is €0.015. The higher the monthly card volume, the lower the service fee.

Our agreement with Stripe expires in September 2023.

Segway

Pursuant to our agreements with Segway, we purchased approximately 7,000 e-scooters, in 2020. Segway charges a monthly fee for its licensed technology. An e-scooter is considered an active product for any month that is active at any time during that month. Segway also charges hourly technical support fees. In addition, Segway imposes minimum service fees. Our agreement with Segway will expire in May 2023 and is automatically renewable for another one year each, unless either party provides at least 60 days’ prior written notice stating the intent not to renew prior to the end of such term. Either party may terminate the agreement if the other party breaches any material terms of the agreement and does not cure the breach within 30 days after receiving written notice from the non-breaching party. Additionally, Segway may terminate the agreement if we breach our obligation to make payments, to comply with the restriction on use and resale of Segway’s products, the laws and other programs applicable to the use of Segway’s products, the license of Segway’s technology and software, privacy and data securities, and confidentiality and fails to cure such breach within 10 days after notice of breach from Segway. Segway may also terminate the agreement with 30 days’ prior written notice if Segway reasonably believes our operations create undue risks for Segway, the end users or other third parties or if Segway reasonably believes that any new laws or amendments to existing law makes the performance of the agreement unlawful or impracticable. Lastly, Segway may terminate the agreement immediately if we file for bankruptcy.

Employees

As of March 28, 2023, we have 284 full-time employees, no part-time employees. None of our employees are subject to a collective bargaining agreement, and we believe that our relations with our employees generally are good.

The following table sets out the number of our employees on a full-time and part-time basis:

Position	Employees
Management and administration	75
Operations	134
Customer Support	28
Technology/Research & Development	47
Total	**284**

Our business plan entails expanding our micro-mobility sharing services to multiple cities in the near term. As we expand our shared micro-mobility services and provide new services, our property needs will increase for office space, pick-up and drop-off locations and industrial space.

Material Agreements

In addition to our compensation agreements with management and other material agreements described elsewhere in this annual report, we have entered into the following material agreements under which we still have obligations or rights:

Loan and Security Agreement

On March 23, 2021, we entered into a Loan and Security Agreement (the "Loan and Security Agreement") and other related agreements with four institutional lenders. Under the terms of the Loan and Security Agreement, the aggregate principal amount of the loan was $15 million dollars and we received net proceeds of $11.9 million thereunder. We are required to pay back such loan and any accrued and unpaid interest thereon on December 1, 2023.

The loan carries interest at 9.2% per annum, which increases in the event of a default under the loan to 13.2%. The interest of the loan is due monthly, but no payments need be made directly by Helbiz during the first year as twelve months of interest payments were held in reserve and the first interest payments are paid from that reserve until it is reduced to zero. At closing, Helbiz was required to pay in advance an intellectual property insurance premium of 3.5% per annum (or part thereof).

In connection with the loan, Helbiz granted the lenders a security interest in certain intellectual property held by Helbiz, Inc. In the event of a default, the lenders may acquire that intellectual property to settle any amounts due under the loan.

Acquisition of Wheels Labs, Inc.

On November 18, 2022, we acquired all of the issued and outstanding shares of capital stock of Wheels Labs, Inc. ("Wheels"), and Wheels became our wholly-owned subsidiary when another wholly-owned subsidiary ("Merger Sub") merged with and into Wheels (the "Merger"). In connection with the Merger, we entered into an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement") on October 24, 2022 with Wheels and Merger Sub and an Escrow Agreement with Wheels, Merger Sub, an escrow agent and an authorized representative of certain security holders of Wheels.

Pursuant to the Amended Merger Agreement, in exchange for all of the outstanding share capital of Wheels, Merger Sub merged with and into Wheels and became our wholly-owned subsidiary. The following is a summary of the Amended Merger Agreement, and we suggest that you review the entire Agreement, which is attached as an exhibit to this Current Report, if you would like to have a deeper understanding of its terms.

Consideration

In exchange for all of the outstanding share capital of Wheels, we issued to security holders of Wheels approximately 6,751,823 Series A convertible preferred stock equal to six and ninety-nine hundredths (6.99%) of our total issued and outstanding common stock immediately prior to the Closing (as may be adjusted downwards pursuant to the terms and conditions of the Amended Merger Agreement). The Series A convertible preferred stock converted into 5,343,184 shares of the Company's Class A common stock upon the approval of the majority of the holders of the Company's common stock to allow for such issuance under Nasdaq Rule 5635 (the "Stockholder Approval").

Representations and Warranties

In the Amended Merger Agreement, we made certain representations and warranties (with certain exceptions set forth in the Amended Merger Agreement's disclosure schedules) relating to, among other things: (a) our and our subsidiaries proper corporate existence and similar corporate matters; (b) our proper corporate authorization in relation to the execution, delivery and enforceability of the Amended Merger Agreement and other transaction documents; (c) the non-contravening effect our performance under the Amended Merger Agreement will have in relation to our operations or compliance with related laws; (d) our capital structure; (e) brokers and finders fees; (f) intellectual property; (g) litigation; (h) our related party transactions; and (i) other customary representations and warranties.

In the Agreement, Wheels makes certain representations and warranties relating to, among other things: (a) proper corporate organization and similar corporate matters; (b) authorization, execution, delivery and enforceability of the Agreement and other transaction documents; (c) the non-contravening effect of Wheels' performance under the Agreement will have in relation to its operations or compliance with related laws; (d) no government authorization; (e) Wheels' capital structure; (f) required consents; (h) financial statements; (i) property and title to assets; (j) litigation; (k) contracts; (l) licenses and permits; (m) intellectual property; (n) related party transactions; and (o) other customary representations and warranties.

Serie B Licenses

On June 7, 2021, we entered into two agreements with Lega Nazionale Professionisti Serie B ("League Serie B") to acquire the rights to broadcast approximately 390 regular season soccer games in Serie B for the next three seasons, on a non-exclusive basis. Additionally, Helbiz Media has been appointed by the League Serie B as the exclusive distributor of the Serie B international media rights. Pursuant to the agreements with the League Serie B, Helbiz Media will commercialize such international rights on behalf of the League Serie B. Under these agreements, Serie B will take care of the TV productions of all matches and will provide the feeds to Helbiz Media. The agreements that we entered into with League Serie B for rights outside of Italy gives us the right to distribute the rights to third parties to broadcast the Serie B games outside of Italy, including Helbiz Media itself. We have guaranteed Serie B a minimum annual payment of €2.5 million (approximately $3 million) in connection with the distribution of the rights outside of Italy, and any amounts received after €2.5 million (approximately $3 million) will be divided among us and League Serie B.

The agreements that we entered into with Serie B for rights in Italy are non-exclusive rights. The rights to broadcast in Italy have been sold to two other over-the-top providers pursuant to agreements on the same terms as well as to one provider for terrestrial and/or cable and satellite broadcast. We are required to pay €12 million (approximately $14 million) per year in connection with these right

Convertible Debenture Securities Purchase Agreement

On October 12, 2021, we entered into a securities purchase agreement with an investor pursuant to which the investor agreed to purchase from us an aggregate of $30,000,000 worth of convertible notes.

We sold $15,000,000 worth of convertible notes on October 12, 2021, an additional $10,000,000 on or around October 27, 2021, and an additional $5,000,000 on or around November 10, 2021. The conversion price will the lesser of (i) $20.00 and (ii) 92.5% of the lowest VWAPs during the last five trading days immediately preceding the date of such conversion, but in no event will the conversion price be less than the applicable floor price. The floor price for the convertible notes range from $8.25 to $4.78.

Each of the convertible notes matures on one the one-year anniversary of its issuance date. The rate of interest on the convertible notes will be 5% per annum, which shall increase to 15% at any time that there is an uncured event of default.

If, after 90 days from issuance date of a convertible note, the daily VWAP of our common stock is less than the floor price for 10 trading days in a 15 consecutive trading-day period, that convertible note will become payable in equal monthly installments until the earlier of the date that (i) the 10 consecutive trading day VWAP exceeds the floor price or (ii) the floor price for the conversion price is reset to an amount that is equal to 85% of the closing bid price on the trading day prior to such reset, provided that such reset floor price is not greater than $10.00. Monthly payments will include principal, interest and a redemption premium equal to 20% of the principal amount being redeemed (the "Amortization Payments"). Amortization Payments will be reduced by any conversion since the payment of our prior Amortization Payment. On January 10, 2022, we reset the floor price on the $15,000,000 debenture from $10.00 to $4.78, and on February 2, 2022, we reset the floor price on our $10,000,000 debenture from $8.25 to $2.50.

We, in our sole discretion, may redeem in cash any and all amounts owed under the convertible notes prior to Maturity by providing the holder with five business days advance notice. In such a case, we would pay a redemption premium equal to 10% of the principal amount being redeemed.

As a commitment fee for the sale of the convertible notes, we agreed to issue to the purchaser 150,000 Commitment Shares.

As consideration for the sale of the convertible notes, we also issued the purchaser 1,000,000 warrants. The warrants are exercisable for five years at an exercise price of $20.00.

Under the terms of the convertible notes, the related warrants and the securities purchase agreement, the holder of the convertible notes may not convert the convertible notes or exercise the related warrants (i) to the extent (but only to the extent) it or any of its affiliates would beneficially own a number of shares of common stock which would exceed 4.99% of the total shares of common stock issued and outstanding as of the date of such conversion or exercise or (ii) if such conversion or exercise would cause more than 19.99% of the shares of common stock outstanding on October 12, 2021 to be issued.

The three convertible notes issued in 2021 have been fully converted into Class A common shares during the year ended December 31, 2022. In detail, the note holder converted $31 million (of which $30 million as principal and $1 million as interests) of the 2021 Convertible Notes into 38,230,442 Class A Common Shares.

On April 15, 2022, we entered into a Securities Purchase Agreement with the Selling Shareholder. Pursuant to the terms of that agreement, we:

- issued 150,000 shares of Class A common stock (the “2022 Commitment Shares”) to the Selling shareholder as a commitment fee;
- issued a convertible note to the Selling Shareholder in the principal amount of $6 million (as amended on May 17, 2022 and August 23, 2022, the “First 2022 Convertible Note”) on the date of such agreement;
- issued 500,000 warrants to the Selling Shareholder on the date of such agreement (the “April 2022 Warrant”); and
- issued a convertible note to the Selling Shareholder in the principal amount of $4 million (as amended on May 17, 2022 and August 23, 2022, the “Second 2022 Convertible Note”) on May 27, 2022;

In exchange for the issuances of the 2022 Commitment Shares, the April 2022 Warrant and the First 2022 Convertible Note, we received net proceeds from the Selling Shareholder of approximately $6 million and, in exchange for the issuance of the Second 2022 Convertible Note, we received net proceeds of $4 million. The 2022 Convertible Notes are convertible by the Selling Shareholder at the lower of $2.00 or 92.5% of the lowest daily VWAP of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date or other date of determination, provided that the conversion price may not be less than $0.25.

On August 9, 2022, we entered into the August 9, 2022 Securities Purchase Agreement with the Selling Shareholder. Pursuant to the terms of that agreement, we issued a convertible note to the Selling Shareholder in the principal amount of $3 million (as amended on August 23, 2022, the “Third 2022 Convertible Note”) on the date of such agreement;

In exchange for the issuance of the Third 2022 Convertible Note, we received net proceeds from the Selling Shareholder of approximately $3 million. The Third Convertible Note is convertible by the Selling Shareholder at the lower of $2.00 or 92.5% of the lowest daily VWAP of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date or other date of determination, provided that the conversion price may not be less than $0.25.

On August 23, 2022, we entered into the August 23, 2022 Securities Purchase Agreement with the Selling Shareholder. Pursuant to the terms of that agreement, we:

- issued a convertible note to the Selling Shareholder in the principal amount of $5 million (the "Fourth 2022 Convertible Note") on the date of such agreement;

- issued 500,000 warrants to the Selling Shareholder on the date of such agreement (the "August 2022 Warrant");

- agreed to issue a convertible note to the Selling Shareholder in the principal amount of $2.5 million (the "Fifth 2022 Convertible Note") within one day of the filing of the registration statement of which this prospectus forms a part); and

- agreed to issue a convertible note to the Selling Shareholder in the principal amount of $2.5 million (the "Sixth 2022 Convertible Note") within one day of the effectiveness of the registration statement of which this prospectus forms a part).

In exchange for the issuances of the August 2022 Warrant and the Fourth 2022 Convertible Note, we received net proceeds from the Selling Shareholder of approximately $5 million and, in exchange for the issuance of the Fifth 2022 Convertible Note and the Sixth 2022 Convertible Note, we expect to receive net proceeds of $5 million. The Fourth 2022 Convertible Note, the Fifth Convertible Note and the Sixth Convertible Note are (or will be upon issuance) convertible by the Selling Shareholder at the lower of $2.00 or 92.5% of the lowest daily VWAP of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date or other date of determination, provided that the conversion price may not be less than $0.25.

As of March 24, the 2022 convertible notes have been partially repaid of which a portion in cash for $3.7 million and a portion converted into Class A common shares. In detail, the note holder converted $14 million (of which $13.7 million as principal and $0.3 as interests) of the 2022 Convertible Notes into 73,330,067 Class A Common Shares.

SEPAs

On October 31, 2022, we entered into a Standby Equity Purchase Agreement (the "October SEPA") with YA II PN, Ltd. ("Yorkville"). Pursuant to the October SEPA, we shall have the right, but not the obligation, to sell to Yorkville up to $13,900,000 of its shares of Class A common stock, par value $0.00001 per share, at our request any time during the commitment period commencing on October 31, 2022 and terminating on the earliest of (i) the first day of the month following the 24-month anniversary of the October SEPA and (ii) the date on which Yorkville shall have made payment of any advances requested pursuant to the October SEPA for shares of our Class A common stock equal to the commitment amount of $13,900,000. Each sale we request under the October SEPA (an "Advance") may be for a number of shares of Class A common stock with an aggregate value of up to $13,900,000. The shares would be purchased at 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of our Class A common stock for the applicable date on the Nasdaq Capital Market as reported by Bloomberg L.P. during regular trading hours) in each of the three consecutive trading days commencing on the trading day following our submission of an Advance Notice to Yorkville, or 92.0% of the Option 2 Market Price, which is the VWAP of the pricing period set out in the Advance Notice and consented to by Yorkville. The purchase would be subject to certain limitations, including that Yorkville could not purchase any shares that would result in it owning more than 4.99% of our Class A common stock or any shares that, aggregated with any related transaction, would exceed 19.9% of all shares of common stock outstanding on the date of the October SEPA unless shareholder approval was obtained allowing for issuances in excess of such amount (the "Exchange Cap"). The Exchange Cap will not apply under certain circumstances, including to any sales of Class A common stock under the October SEPA that equal or exceed the Minimum Price (as defined in Nasdaq Listing Rule 5635(d)).

In addition, subject to the mutual consent of the Company and Yorkville, we may, from time to time, request pre-advance loans (each, a "Pre-Advance Loan") from Yorkville, in the aggregate not to exceed $13,900,000 and pursuant to the terms and conditions set forth in the October SEPA and the accompanying promissory note attached thereto. Pre-Advance Loans may be repaid with cash (including the proceeds of an Advance) or in shares of Class A common stock if the holder elects to convert the promissory note issued in connection with such Pre-Advance Loan.

In connection with the execution of the October SEPA, we agreed to pay a commitment fee of $278,000 as consideration for its irrevocable commitment to purchase the shares of Class A common stock upon the terms and subject to the satisfaction of the conditions set forth in the October SEPA. Such commitment fee is due within six months of the date of the October SEPA and may be paid in cash derived from an Advance under the October SEPA.

On January 24, 2023, we entered into a October SEPA with Yorkville (the “January SEPA”). Pursuant to the January SEPA, we have the right, but not the obligation, to sell to Yorkville up to $20,000,000 of shares of Class A common stock at our request any time during the commitment period commencing on January 24, 2023 and terminating on the earliest of (i) the first day of the month following the 24-month anniversary of the January SEPA and (ii) the date on which Yorkville shall have made payment of any advances requested pursuant to the January SEPA for shares of our Class A common stock equal to the commitment amount of $20,000,000. Each sale we request under the January SEPA (an “Advance”) may be for a number of shares of Class A common stock equal to the greater of: (i) an amount equal to 100% of the average daily traded amount of the shares during the five Trading Day immediately preceding the delivery of an Advance Notice, or (ii) 5,000,000 shares of common stock. The shares would be purchased at 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of our Class A common stock for the applicable date on the Nasdaq Capital Market as reported by Bloomberg L.P. during regular trading hours) in each of the three consecutive trading days commencing on the trading day following our submission of an Advance Notice to Yorkville, or 92.0% of the Option 2 Market Price, which is the VWAP during the period commencing upon receipt of such Advance Notice and ending on 4:00 p.m. on such day. An Advance with an Option 2 Market Price can only be selected with the consent of Yorkville. The purchase would be subject to certain limitations, including that Yorkville could not purchase any shares that would result in it owning more than 9.99% of our Class A common stock or any shares that, aggregated with any related transaction, would exceed 48,119,674, which amount is equal to 19.9% of all shares of common stock outstanding on the date of the January SEPA, unless shareholder approval was obtained allowing for issuances in excess of the Exchange Cap. The Exchange Cap will not apply under certain circumstances, including to the extent that (and only for so long as) the average price for all shares of Class A common stock purchased pursuant to the January SEPA shall equal or exceed the Minimum Price (as defined in Nasdaq Listing Rule 5635(d)).

In addition, subject to the mutual consent of the Company and Yorkville, we may, from time to time, request pre-advance loans from Yorkville, in the aggregate not to exceed $20,000,000 and pursuant to the terms and conditions set forth in the January SEPA and the accompanying promissory note attached thereto. Pre-Advance Loans may be repaid with cash (including the proceeds of an Advance) or in shares of Class A common stock if the holder elects to convert the promissory note issued in connection with such Pre-Advance Loan.

In connection with the execution of the January SEPA, we agreed to pay a commitment fee of $400,000 as consideration for its irrevocable commitment to purchase the shares of Class A common stock upon the terms and subject to the satisfaction of the conditions set forth in the January SEPA. Such commitment fee is due at the earlier of one month of the date of the January SEPA or the first takedown thereunder.

On March 8, 2023, we entered into a SEPA with Yorkville (the “March SEPA”, and together with the October SEPA and the March SEPA, the “SEPAs”). Pursuant to the March SEPA, we have the right, but not the obligation, to sell to Yorkville up to $50,000,000 of shares of Class A common stock at our request any time during the commitment period commencing on March 8, 2023 and terminating on the earliest of (i) the first day of the month following the 24-month anniversary of the March SEPA and (ii) the date on which Yorkville shall have made payment of any advances requested pursuant to the March SEPA for shares of our Class A common stock equal to the commitment amount of $50,000,000. Each sale we request under the March SEPA (an “Advance”) may be for a number of shares of Class A common stock equal to the greater of: (i) an amount equal to 100% of the average daily traded amount of the shares during the five Trading Day immediately preceding the delivery of an Advance Notice, or (ii) 5,000,000 shares of common stock. The shares would be purchased at 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of our Class A common stock for the applicable date on the Nasdaq Capital Market as reported by Bloomberg L.P. during regular trading hours) in each of the three consecutive trading days commencing on the trading day following our submission of an Advance Notice to Yorkville, or 92.0% of the Option 2 Market Price, which is the VWAP during the period commencing upon receipt of such Advance Notice and ending on 4:00 p.m. on such day. An Advance with an Option 2 Market Price can only be selected with the consent of Yorkville. The purchase would be subject to certain limitations, including that Yorkville could not purchase any shares that would result in it owning more than 9.99% of our Class A common stock or any shares that, aggregated with any related transaction, would exceed 48,119,674, unless shareholder approval was obtained allowing for issuances in excess of the Exchange Cap. The Exchange Cap will not apply under certain circumstances, including to the extent that (and only for so long as) the average price for all shares of Class A common stock purchased pursuant to the March SEPA shall equal or exceed the Minimum Price (as defined in Nasdaq Listing Rule 5635(d)).

In addition, subject to the mutual consent of the Company and Yorkville, we may, from time to time, request pre-advance loans from Yorkville, in the aggregate not to exceed $50,000,000 and pursuant to the terms and conditions set forth in the March SEPA and the accompanying promissory note attached thereto. Pre-Advance Loans may be repaid with cash (including the proceeds of an Advance) or in shares of Class A common stock if the holder elects to convert the promissory note issued in connection with such Pre-Advance Loan.

In connection with the execution of the March SEPA, we agreed to pay a commitment fee of $750,000 as consideration for its irrevocable commitment to purchase the shares of Class A common stock upon the terms and subject to the satisfaction of the conditions set forth in the March SEPA. Such commitment fee is due at the earlier of one month of the date of the March SEPA or the first takedown thereunder.

ITEM 1A. RISK FACTORS

Investing in our securities involves risks. Before you make a decision to buy our securities, in addition to the risks and uncertainties discussed above under "Forward-Looking Statements," you should carefully consider the specific risks set forth herein. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this Annual Report are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.

Risks Related to Our Business and Industry

Our limited operating history may make it difficult to evaluate the success of our business to date and to assess our future viability.

We were incorporated as a Delaware corporation in October 2015 for the purpose of becoming a seamless transportation and payment ecosystem for micro-mobility vehicle sharing. Since inception, we have devoted substantially all of our resources to building our intellectual property portfolio, planning our business, raising capital and providing general and administrative support for these operations. Further, we have only generated limited revenue to date and have no history of profitability. If we do not generate positive cash flow in a timely manner and attain profitability, we may not be able to remain in business. We are also subject to business risks associated with new business enterprises, including risks relating to the development and testing of our product, software, initial and continuing regulatory compliance, privacy and data storage matters, vendor manufacturing costs, product production and assembly, and the competitive and regulatory environments in the multiple regions in which we operate. We expect our financial condition and operating results to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history. In addition, as an early-stage company, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown circumstances. As we work to transition from initial start-up activities to commercial production and sales, it is difficult to forecast our future results, and we have limited insight into trends that may emerge and affect our business. The estimated costs and timelines that we have developed to achieve our growth projections are subject to inherent risks and uncertainties involved in the transition from a start-up company. Market conditions, many of which are outside of our control and subject to change, including general economic conditions, the impacts and ongoing uncertainties created by the COVID-19 pandemic, the war in Ukraine, fuel and energy prices, regulatory requirements and incentives, competition and the pace and extent of vehicle electrification generally, will impact demand for our business, prospects, financial condition and operating results.

We have realized significant operating losses to date and expects to incur losses in the future.

We have operated at a loss since inception, and these losses are likely to continue. Our net loss for the years ended December 31, 2022, and 2021 was $82 million and $72 million, respectively. We might not ever be profitable or generate sufficient profits to distribute dividends to our shareholders. Until we achieve profitability, we will have to seek other sources of capital to continue operations.

We will need additional capital to fund our operations, which, if obtained, could result in substantial dilution or significant debt service obligations. We may not be able to obtain additional capital on commercially reasonable terms, which could adversely affect our liquidity and financial position.

We expect that we will need to obtain additional financing, either through borrowings, private offerings, public offerings, or some type of business combination, such as a merger, or buyout to continue operating and to expand our business. We may be unable to acquire the additional funding necessary to expand our business as intended or even to continue operating. Accordingly, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell all or a portion of our assets, enter into a business combination, or reduce or eliminate operations. These possibilities, to the extent available, may be on terms that result in significant dilution to shareholders, in per share value and/or voting power, or that result in shareholders losing all of their investment in the Company.

If we are able to raise additional capital, we do not know what the terms of any such capital raising would be. In addition, any future sale of our equity securities would dilute the ownership and control of current equity holders and could be at prices substantially below our per share price in our initial public offering, at which our shares have previously been sold in the public market or at which our publicly traded warrants may be exercised.

Capital raises were the primary reason that the total outstanding shares at our class A common stock increased from 16,289,209 at December 31, 2021 to 278,468,103 at March 24, 2023. Our continued need for capital may result in such substantial dilution in the future. We may seek to increase cash reserves through the sale of additional equity or debt securities. The sale of convertible debt securities or additional equity securities could result in additional and potentially substantial dilution to shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity. In addition, our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties. Financing might not be available in amounts or on terms acceptable to us, if at all. Any failure to raise additional funds on favorable terms could have a material adverse effect on our liquidity and financial condition.

Issuance of shares of class A common stock pursuant to our SEPA or upon the exercise or conversion of options, warrants or convertible securities will further dilute the outstanding shares of shares of common stock and could adversely impact the price of our Class A common stock.

We have entered into SEPAs pursuant to which we could issue shares of class A common stock in materially large amounts. In the past six months, we have sold 128,125,000 shares of Class A common stock for approximately $21.3 million, and we may issue over $60 million of shares of Class A common stock pursuant to the existing SEPAs. Additionally, in 2021 and 2022, we converted approximately $43.8 million held by the counterparty to the SEPAs into approximately 106.4 million shares of Class A common stock. Any issuances of class A common stock pursuant to the SEPA or upon the conversion of outstanding convertible debt (totaling approximately $10.5 million as of March 24, 2023) or upon the exercise of outstanding warrants or options will dilute both your economic ownership and voting power. As a result, the per share price of our class A common stock may be adversely affected.

Our financial statements for the fiscal year ended December 31, 2022 include an explanatory paragraph from our auditor indicating that there is substantial doubt about our ability to continue as a going concern.

The auditor’s opinion accompanying our audited financial statements for the year ended December 31, 2022, include an explanatory paragraph indicating that there is substantial doubt about our ability to continue as a going concern as a result of recurring losses from operations and negative cash flows. Since inception, we have devoted substantially all of our resources to initiating our micro-mobility services in various cities, building our intellectual property portfolio, planning our business, raising capital and providing general and administrative support for these operations. We expect our financial condition and operating results to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We may evaluate various acquisition opportunities and strategic partnerships, including licensing or acquiring complementary services, intellectual property rights, technologies, media content or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of additional equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and marketing approvals; and
- Our inability to generate revenue from acquired technology and/or services sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

We have debts and may incur additional debts in the future. Our debt repayment obligations may limit our available resources and the terms of debt instruments may limit our flexibility in operating our business.

As of December 31, 2022, we had total outstanding notes and bonds in a principal amount of approximately $40.7 million, mostly comprised of unsecured loans from an Italian bank and institutional investors, funds provided under a Loan and Security Agreement and convertible debentures and notes issued to Yorkville. Subject to the limitations under the terms of our existing debt, we may incur additional debt, secure existing or future debt or refinance our debt. In particular, we may need to incur additional debts to fund our activities, and the terms of such financing may not be attractive.

Even if the holders of our convertible debentures convert all of those debentures into shares of common stock, we will use a substantial portion of our cash flows, cash on hand and/or capital raises to pay the principal and interest on our indebtedness. These payments will reduce the funds available for working capital, capital expenditures and other corporate purposes and will limit our ability to obtain additional financing for working capital or making capital expenditures for expansion plans and other investments, which may in turn limit our ability to implement our business strategy. Our debt may also increase our vulnerability to downturns in our business, in our industry or in the economy as a whole and may limit our flexibility in terms of planning or reacting to changes in our business and in the industry and could prevent us from taking advantage of business opportunities as they arise. Our business might not generate sufficient cash flow from operations and future financing might not be available in sufficient amounts or on favorable terms to enable us to make timely and necessary payments under the terms of our indebtedness or to fund our activities.

In addition, the terms of certain of our debt facilities subject us to certain limitations in the operation of our business, due to restrictions on incurring additional debt and encumbrances, carrying out corporate reorganizations, selling assets, paying dividends or making other distributions. Any debt that we incur or guarantee in the future could be subject to additional covenants that could make it difficult to pursue our business strategy, including through potential acquisitions or divestitures.

In November, 2022, we acquired all of the issued and outstanding shares of capital stock of Wheels Labs, Inc., and the combined company may not perform as we expect.

On November 18, 2022, we acquired all of the issued and outstanding shares of capital stock of Wheels Labs, Inc., which became our wholly-owned subsidiary when another wholly-owned subsidiary merged with and into Wheels. The combined company may not perform as we expect. Risks associated with the combined company include:

- integrating businesses is a difficult, expensive, and time-consuming process. Failure to integrate successfully our businesses with the business and operations of Wheels Lab, Inc. could lead to inefficiencies, the loss of staff, decreased revenue and ineffective marketing campaigns or research and development;

- the success of the combined company also depends upon relationships with third parties and any deterioration of the relationship with Wheels Labs, Inc.' licensees or suppliers could adversely affect the combined company's business, financial condition, and results of operations; and

- an underestimation of the liability to which Wheels is exposed. We based the consideration that we paid for Wheels upon, other factors, our estimate of Wheels's liability. If in the light of ongoing and new litigation involving Wheels this estimate proves to be incorrect, we could end up expending more funds to settle such liability (or to defend against it) than we had anticipated which could redirect our time and resources that would otherwise be used to progress our business.

If we breach covenants under our outstanding debts, we could be held in default under such loans, which could accelerate our repayment dates and result in the transfer of our intellectual property.

If we were to default on any of our debt, we could be required to make immediate repayment, other debt facilities may be cross-defaulted or accelerated, and we may be unable to refinance our debt on favorable terms or at all, which would have a material adverse effect on our financial position.

In addition, in connection with the $15 million loan under the Loan and Security Agreement entered into with various creditors on March 23, 2021, we granted the administrative agent for the lenders a security interest in our intellectual property. If we were to default and the administrative agent acquired our intellectual property, we could not continue our operations as currently carried out.

Risks Related to Our Business Operations

Risks to Our Micro-Mobility Business

The market for micro-mobility vehicle sharing is in an early stage of growth, and if such market does not continue to grow, grows more slowly than we expect or fails to grow as large as we expect, our business, financial condition and results of operations could be adversely affected.

The market for micro-mobility vehicle sharing is new and unproven, and it is uncertain whether demand for our services will continue to grow and achieve wide market acceptance. Our success depends on the willingness of people to widely adopt micro-mobility vehicle sharing. If the public does not perceive such sharing as beneficial, or chooses not to adopt it as a result of concerns regarding safety, affordability or for other reasons, whether as a result of incidents on our platform or on our competitors' platforms or otherwise, then the market for our micro-mobility sharing network may not further develop, may develop more slowly than we expect or may not achieve the growth potential we expect, any of which could adversely affect our business, financial condition and results of operations.

If we are unable to efficiently grow and further develop our network of shared vehicles and manage the related risks, our business, financial condition and results of operations could be adversely affected.

While some major cities have widely adopted micro-mobility vehicle sharing, new markets might not accept, or existing markets might not continue to accept, micro-mobility vehicle sharing, and even if they do, we might not be able to execute our business strategy. Even if we are able to successfully develop and implement our network of shared vehicles, there may be heightened public skepticism of this nascent service offering. In particular, there could be negative public perception surrounding micro-mobility vehicle sharing, including the overall safety and the potential for injuries occurring as a result of accidents involving an increased number of bikes, scooters and mopeds on the road. Such negative public perception may result from incidents on our platform or incidents involving competitors' offerings.

We use a limited number of external suppliers for our vehicles, and a continuous, stable and cost-effective supply of vehicles that meet our standards is critical to our operations. We expect to continue to rely on external suppliers in the future and might not be able to maintain our existing relationships with these suppliers and continue to be able to source our vehicles on a stable basis, at a reasonable price or at all.

The supply chain for vehicles exposes us to multiple potential sources of delivery failure or shortages. In the event that the supply of vehicles or key components is interrupted or there are significant increases in prices, our business, financial condition and results of operations could be adversely affected. Additionally, changes in business conditions, force majeure, governmental changes and other factors beyond our control or that we do not presently anticipate could also affect our suppliers' ability to deliver on a timely basis.

We incurred significant costs related to the design, purchase, sourcing and operations of our micro-mobility network and expect to continue incurring such costs as we expand our network of shared vehicles. The prices of our vehicles may fluctuate depending on factors beyond our control including market and economic conditions, tariffs and demand. Substantial increases in prices of these assets or the cost of our operations would increase our costs and reduce our margins, which could adversely affect our business, financial condition and results of operations.

Our vehicles or components thereof may experience quality problems or defects from time to time, which could result in decreased usage of our micro-mobility network. We might not be able to detect and fix all defects in our vehicles. Failure to do so could result in lost revenue, litigation or regulatory challenges, including personal injury or products liability claims, and harm to our reputation.

We envision expanding our current core business to include other sharing services. Failure to provide these additional services as envisioned or at all, could affect our growth prospects and operating results.

The revenue that we generate from our network of shared offerings may fluctuate from quarter to quarter due to, among other things, seasonal factors including weather. Our limited operating history makes it difficult for us to assess the exact nature or extent of the effects of seasonality on our network of shared offerings, however, we expect the demand for vehicle rentals to decline over the winter season and increase during more temperate and dry seasons. Any of the foregoing risks and challenges could adversely affect our business, financial condition and results of operations.

If we fail to cost-effectively attract new riders, or to increase utilization of our platform by existing riders, our business, financial condition and results of operations could be adversely affected.

Our success depends in part on our ability to cost-effectively attract new riders, retain existing riders and increase utilization of our platform by current riders. Our riders have a wide variety of options for transportation, including personal vehicles, rental cars, taxis, public transit and other ridesharing and bike and scooter sharing offerings. Rider preferences may also change from time to time. To expand our rider base, we must appeal to new riders who have historically used other forms of transportation or other micro-mobility sharing platforms. Our reputation, brand and ability to build trust with existing and new riders may be adversely affected by complaints and negative publicity about us, our offerings on our platform, or our competitors, even if factually incorrect or based on isolated incidents. Further, if existing and new riders do not perceive our vehicles to be reliable, safe and affordable, or if we fail to offer new and relevant offerings and features on our platform, we may not be able to attract or retain riders or to increase their utilization of our platform. As we continue to expand into new geographic areas and into other modes of transportation, we will be relying in part on referrals from existing riders to attract new riders, and therefore we must take efforts to ensure that existing riders remain satisfied with our offerings. If we fail to continue to grow our rider base, retain existing riders or increase the overall utilization of our platform by existing riders, our business, financial condition and results of operations could be adversely affected. Although we may grow our ride base in cities where we operate, if we do not enter new markets, fails to do so on the scale that we anticipate or loses permits to operate in those cities in which we currently offer micro-mobility services, the growth in our overall rider base may fall below our expectations. If we do not achieve sufficient utilization of our asset-intensive micro-mobility network, our business, financial condition and results of operations could be adversely affected.

We could be subject to claims from riders third parties that are harmed whether or not our platform is in use, which could adversely affect our business, brand, financial condition and results of operations.

We may become subject to claims, lawsuits, investigations and other legal proceedings relating to injuries to, or deaths of, riders, or third parties that are attributed to us through our offerings. With the acquisition of Wheels, we acquired potential liability to several proceedings that began prior to the acquisition or that may be brought in connection with events that occurred prior to our involvement with Wheels. We may be subject to personal injury claims whether or not such injury actually occurred as a result of activity on our platform. Regardless of the outcome of any legal proceeding, any injuries to, or deaths of, any riders or third parties could result in negative publicity and harm to our brand, reputation, business, financial condition and results of operations. Our insurance policies and programs may not provide sufficient coverage to adequately mitigate the potential liability we face, especially where any one incident, or a group of incidents, could cause disproportionate harm, and we may have to pay high premiums or deductibles for coverage and, for certain situations, we may not be able to secure coverage at all.

As we expand our micro-mobility network, we may be subject to an increasing number of claims, lawsuits, investigations or other legal proceedings related to injuries to, or deaths of, riders. Any such claims arising from the use of our vehicles, regardless of merit or outcome, could lead to negative publicity, harm to our reputation and brand, significant legal, regulatory or financial exposure or decreased use of our vehicles. Furthermore, certain assets and components we design, and manufacture could contain design or manufacturing defects, which could also lead to injuries or death to riders. We might not be able to detect, prevent, or fix all defects, and failure to do so could harm our reputation and brand or result in personal injury or products liability claims or regulatory proceedings. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

We will face significant market competition in the transportation industry.

Our micro-mobility sharing services compete with all other providers of short-distance transport including busses, subways, bicycles, cars, trams, motorcycles, mopeds, scooters and walking, among other transportation modes. Some of these modes of transport may be perceived as cheaper, more convenient, safer, healthier or more comfortable than using our vehicles.

In addition to competing with these other modes of transport, we more specifically competes with micro-mobility sharing platforms. If the cost, ease of use, safety or other perceived advantages of these platforms are deemed by significant portions of the public to be superior to our platform, we may not achieve a user base that is sufficient to achieve profitability. Our main competitors in the micro-mobility sharing market include Lyft, Lime and Bird. We also compete with bike sharing services like Spin, car sharing services such as Uber and Lyft, certain non-ridesharing “Transportation as a Service”, or “TaaS” network companies, taxicab and livery companies as well as traditional automotive manufacturers, such as BMW, which have entered the TaaS market, among others.

These competitors have greater financial, technical, marketing, research and development, manufacturing and other resources, greater name recognition, longer operating histories or a larger user base than we do. They may be able to devote greater resources to the development, promotion and sale of offerings and offer lower prices than us, which could adversely affect our results of operations. Further, they may have greater resources to deploy towards the research, development, and commercialization of new technologies, including e-scooters, e-bikes or e-scooters, or they may have other financial, technical or resource advantages. These factors may allow our competitors to derive greater revenue and profits from their existing user bases, attract and retain new riders at lower costs or respond more quickly to new and emerging technologies and trends. Our current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings. If we are unable to compete successfully, our business, financial condition and results of operations could be adversely affected.

We face intense competition and could lose market share to competitors, which could adversely affect our business, financial condition, and results of operations.

The market for TaaS networks is intensely competitive and characterized by rapid changes in technology, shifting rider needs and frequent introductions of new services and offerings. We expect competition to continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic advantages. If we are unable to anticipate or react to these competitive challenges, our competitive position could weaken, or fail to improve, and we could experience a decline in revenue or growth stagnation that could adversely affect our business, financial condition, and results of operations.

Our reputation, brand, and the network effects among riders on our platform are important to our success, and if we are not able to continue developing our reputation, brand and network effects, our business, financial condition, and results of operations could be adversely affected.

We believe that building a strong reputation and brand as a safe, reliable, and affordable platform and continuing to increase the strength of the network effects among riders on our platform are critical to our ability to attract and retain customers. The successful development of our reputation, brand and network effects will depend on a number of factors, many of which are outside our control. Negative perception of our platform or company may harm our reputation, brand, and networks effects, including as a result of:

- complaints or negative publicity about the company, riders, our offerings or our policies and guidelines, even if factually incorrect or based on isolated incidents;
- illegal, negligent, reckless or otherwise inappropriate behavior by users or third parties;
- a failure to offer riders competitive ride pricing;
- a failure to provide a range of ride types sought by riders;
- actual or perceived disruptions or defects in our platform, such as privacy or data security breaches, site outages, payment disruptions or other incidents that impact the reliability of our offerings;
- litigation over, or investigations by regulators into, our platform;
- users' lack of awareness of, or compliance with, our policies;
- changes to policies that users or others perceive as overly restrictive, unclear or inconsistent with our values or mission or that are not clearly articulated;
- a failure to detect a defect in our vehicles or other offerings;
- a failure to enforce our policies in a manner that users perceive as effective, fair and transparent;
- a failure to operate our business in a way that is consistent with our values and mission;
- inadequate or unsatisfactory user support service experiences;
- illegal or otherwise inappropriate behavior by our management team or other employees or contractors;
- negative responses by riders to new offerings on our platform;
- accidents, defects or other negative incidents involving riders on our platform;
- perception of our treatment of employees and our response to employee sentiment related to political or social causes or actions of management; or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry as a whole.

If we do not successfully develop our brand, reputation and network effects and successfully differentiate our offerings from competitive offerings, our business may not grow, we may not be able to compete effectively, and we could lose existing riders or fail to attract new riders, any of which could adversely affect our business, financial condition, and results of operations.

Any failure to offer high-quality user support may harm our relationships with users and could adversely affect our reputation, brand, business, financial condition, and results of operations.

Our ability to attract and retain riders depends in part on the ease and reliability of our offerings, including our ability to provide high-quality support. Users on our platform depend on our support organization to resolve any issues relating to our offerings, such as being overcharged for a ride or reporting a safety incident. Our ability to provide effective and timely support largely depends on our ability to attract and retain service providers who are qualified to support users and sufficiently knowledgeable regarding our offerings. As we expand our geographic reach and mobility sharing platforms, we will face challenges related to providing quality support services at scale. Any failure to provide efficient user support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, brand, business, financial condition, and results of operations.

Failure by us to deal effectively with fraud, theft and vandalism could harm our business.

We may in the future incur, losses from various types of fraud, including use of stolen or fraudulent credit card data or claims of unauthorized payments by a rider. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information or payment information and unauthorized acquisition or use of credit or debit card details, bank account information and mobile phone numbers and accounts. Under current credit card practices, we may be liable for rides facilitated on our platform with fraudulent credit card data, even if the associated financial institution approved the credit card transaction. Despite measures we have taken to detect and reduce the occurrence of fraudulent or other malicious activity on our platform, we cannot guarantee that any of our measures will be effective or will scale efficiently with our business. Any failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action and lead to expenses that could adversely affect our business, financial condition, and results of operations.

Additionally, because our vehicles are accessible to the public where they have last been parked or where we have decided to place them, they are vulnerable to harm from the public. Bad actors could decide to steal, vandalize, or otherwise harm or destroy our vehicles. For example, shared scooters and bikes have been burned or damaged in recent protests in France, and swappable batteries in shared vehicles have been targeted for theft for the black-market resale of their components. Any such damage or destruction to our vehicles could result in a loss of revenue and additional expenses to replace or repair the damaged vehicle.

We depend upon a limited number of third-party manufacturers to produce and test our products and to maintain our payment platform. Any disruptions in the operations of, or the loss of, any of these third parties could adversely affect our business.

We subcontract all of our manufacturing, assembly and testing of our vehicles. Our payment platform was developed by third parties. We depend upon a limited number of third parties to perform these functions, some of which are only available from single sources with which we do not have long-term contracts. In particular, we rely on:

- Stripe, Inc. for payment processing,
- Segway Group for supplying our fleet of electric vehicles, excluding Wheels' vehicle and
- I-Walk for Wheels' vehicles.

Our reliance on sole or limited source vendors involves risks. These risks include possible shortages of key components, product performance shortfalls, and reduced controls over delivery schedules, manufacturing capability, quality assurance, quantity, and costs, among others. For example, our roll out of e-bike services in the second half of 2020 was slowed by the failure of a third-party manufacturer to provide a sufficient supply of reliable e-bikes that met our operational standards. Our operations also may be harmed by lengthy or recurring disruptions at any of the facilities of our manufacturers. These disruptions may include, without limitation, labor strikes, work stoppages, fire, earthquake, flooding, or other natural disasters. These disruptions could cause significant delays in shipments until we are able to shift the products from an affected manufacturer to another manufacturer. The loss of a significant third-party manufacturer or the inability of a third-party manufacturer to meet performance and quality specifications or delivery schedules could harm our business.

Product liability claims could adversely affect our business.

The operation of the types of vehicles we offer, especially on or near roads, subjects their users to danger, and users of such vehicles have been seriously injured and even died as a result of their use. As we expand our micro-mobility network, we may be subject to an increasing number of claims, lawsuits, investigations, or other legal proceedings related to injuries to, or deaths of, riders of our vehicles or other offerings. We acquired potential liability for active personal injury claims against Wheels that had been initiated prior to our acquisition of Wheels. Any claims arising from the use of our offerings, regardless of merit or outcome, could lead to negative publicity, harm to our reputation and brand, significant legal, regulatory, or financial exposure or decreased use of our vehicles or other offerings. We might not be able to detect, prevent, or fix all defects, and failure to do so could harm our reputation and brand or result in personal injury or products liability claims or regulatory proceedings. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

Our vehicles may experience quality problems from time to time, which could result in product recalls, injuries, litigation, enforcement actions and regulatory proceedings, and could adversely affect our business, brand, financial condition, and results of operations.

Our vehicles may contain defects in their design, materials and construction or may be improperly maintained or repaired. These defects or improper maintenance or repair could unexpectedly interfere with the intended operations of the vehicles, which could result in injuries to riders. Failure to detect, prevent or fix defects or to properly maintain or repair vehicles could result in a variety of consequences including product recalls, injuries, litigation, enforcement actions and regulatory proceedings, among others. The occurrence of real or perceived quality problems or material defects in our current or future e-bikes, e-scooters and e-scooters could result in negative publicity, regulatory proceedings, enforcement actions or lawsuits filed against us, particularly if riders are injured. Even if injuries to riders are not the result of any defects in or the failure to properly maintain or repair our vehicles or other offerings, we may incur expenses to defend or settle any claims and our brand and reputation may be harmed. With the acquisition of Wheels, we have acquired liability that may have attached to Wheels prior to our acquisition of Wheels and of which we may not be fully aware. Any of the foregoing risks could also result in decreased usage of our network of shared transportation modes and adversely affect our business, brand, financial conditions, and results of operations.

Risks to Helbiz Live

We have never previously provided streaming media content offering.

We launched Helbiz Live, our streaming media content offering, in August 2021. We do not have a history of offering live or on-demand content and may not be successful in providing a platform that reliably provides such content in a high-quality format. Any such failures may lead to a demand for Helbiz Live below our projections and may ultimately prove fatal to us.

In connection with the launch of Helbiz Live, we have undertaken substantial obligations. We acquired the rights to broadcast on a non-exclusive basis in Italy, approximately 390 Serie B regular season games for the next three seasons at a cost of approximately €12 million per season, approximately $14 million. Additionally, Helbiz Media has been appointed by the League Serie B as exclusive distributor of the Series B international media rights and thanks to such agreement with the League Serie B, Helbiz Media will commercialize such international rights on behalf of the League Series B. The agreement includes a minimum sales requirement of €2.5 million per season, approximately $3 million, that Helbiz Media will guarantee to the League Series B. Any sales exceeding the €2.5 million, approximately $3 million, will be shared on a 50/50 basis between Helbiz Media and League Series B.

We may have overestimated the appeal of the Italian Serie B soccer league and the other content available on Helbiz Live and, as a result, may not acquire as many subscribers to Helbiz Live as we anticipate or generate the revenues that we anticipate from the distribution of the content or advertising in connection therewith. The operation of Helbiz Live will take capital and management’s time away from our core micro-mobility operations.

We may be unable to attract and retain visitors to Helbiz Live.

Our success in attracting subscribers to our media platforms, and our success in keeping these subscribers depends, in part, upon our continued ability to license high-quality, engaging and commercially valuable content and connect consumers with the formats and types of content that meet their specific interests. We may not be able to identify the desired variety and types of content in a cost-effective manner or meet rapidly changing consumer demand in a timely manner, if at all. Additionally, consumers may reject the format of our media platforms in favor of traditional cable or satellite television services or other “over-the-top” platforms. Any failure to identify and license high-quality, commercially valuable content could negatively impact user experiences and reduce subscribers, which could adversely affect our prospects, business, financial condition, or results of operations.

We may not be able to acquire new rights and licenses, or to retain our existing rights, on commercially viable terms.

We face competition for media content, especially that derived from sporting events, from a number of different current and potential sources, namely broadcasters, publishers, agencies and digital media companies. Increasing competition has resulted in, and will likely continue to result in, material increases in license fees payable to rights holders, particularly for rights to distribute live sports video.

Our competitors, particularly those that are more experienced or have greater financial resources than we do, may outbid us for licenses, or we may be unable to renew our licenses to broadcast the Serie B games on commercially favorable terms. We may also be unable to acquire media content, including sports rights, due to general price inflation in rights. In addition, existing content owners may decide to retain and commercialize their own media content, rather than license such content. The widespread adoption of this approach could materially reduce the number and quality media content that are available for licensing, which could increase competition for, and accordingly the prices of, such rights. If we are unable to expand our portfolio of media content or maintain or renew our existing licenses on commercially viable terms, we may face decreasing demand for Helbiz Live.

We face intense competition in streaming media.

The entertainment industry is intensely competitive as is the streaming media component of that industry. We compete for the public's attention with many other forms of live and on-demand entertainment including cinema, theater, in-person sporting events, television, satellite and cable and other over-the-top, or streaming, services. We have numerous competitors, some of the largest of which are large international traditional broadcast television networks (RAI), cable and satellite providers (SkyTV and ESPN) and over-the-top streaming providers (Amazon and NetFlix). Almost all of our television, satellite, cable and over-the-top competitors offer more and more varied media content than our offers.

As the cost of entry to the streaming industry is high and most of our competitors are well established, we do not have the same resources that they do to acquire new content with broad appeal. As a result, we will focus on acquiring streaming content that may be deemed more niche and with less of an appeal to a wider audience. We currently have rights to a limited amount of media content in Italy, all of which is soccer, and we may not be able to significantly expand or diversify our streaming content. Although we believe in the quality of the Serie B soccer games that we are licensed to broadcast in Italy on our app, we recognize that this is the second-tier soccer league in Italy and many people consider it to be less competitive than many other soccer leagues in Europe. It is unlikely that we can outbid our competitors in the near future for the rights to soccer games from leagues that are considered more competitive.

Helbiz Live will initially depend on the scheduling, broadcasting, and popularity of sporting events, as well as on the federations that regulate sporting events.

We have acquired the rights to broadcast in Italy certain sporting events including all soccer games played over several seasons in the Italian Serie B soccer league, certain soccer games to be played in the German Cup as well as highlights of each round of the German Cup, weekly highlights for NFL football games and other original content developed by the NFL, a select number of NCAA football games and playoffs, a select number of NCAA men's basketball games and playoff, and certain Major League Baseball games, and we intend to acquire the international rights to broadcast other sporting events. There may be periods in the year during which there are no sporting events available on our app, notably for a large portion of the summer, and other events that we acquire may be seasonal or occur at irregularly or at regular but infrequent intervals. The long-term cancellation, postponement or curtailment of significant sports events, due to, among other things, adverse weather conditions, terrorist acts, other acts of war or hostility or the outbreak of infectious diseases, or cancellation of, disruption to, or postponement of the live broadcasting of such sports events, due to contractual disputes, technical or communication problems, or the insolvency of a major broadcaster, may have a material adverse effect on our prospects, business, financial condition or results of operations.

Helbiz Live will initially depend on the popularity of Serie B, the German Cup, NFL highlights, NCAA football and men's basketball and Major League Baseball in Italy. This popularity could be tarnished by scandal such as 2006's Calciopoli match-fixing scandal in Italy's Serie A and Serie B. Negative publicity about potential fraud (including money laundering) and corruption in sports (including collusion and match-fixing) may affect the number of subscribers, our ability to distribute the rights to Serie B games outside of Italy to other broadcasting players or the willingness of advertisers and sponsors to advertise and sponsor such sporting events. This could have a material adverse effect on our prospects, business, financial condition, or results of operations.

Helbiz Live has contractual relationships with a number of third parties, which exposes us to counterparty risks.

We have contractual relationships with a number of third parties, including rights holders, content distribution networks and other suppliers, which exposes us to a range of counterparty risks.

Rights holders. Helbiz Live has procured and intends to procure additional rights, directly or indirectly, from the original rights holders, such as sports federations, leagues, tournaments, or other rights holders. If such rights holders procure, or it is alleged that they have procured, rights in an illegal or wrongful manner, we are exposed to the risk of reputational harm in connection with procuring such rights from them. We also face the risk that these entities will be unable to fulfil their obligations under our contracts with them.

Content distribution. We depend on Comintech, an Italian technology company focused on audiovisual distribution, for our global content delivery network (i.e., delivery of our content (live, VOD and HTTP) in a fast, secure, and reliable manner over the internet). If this third party's systems were to fail, we would not be able to stream our media content on our own systems, which would reflect unfavorably on our business reputation or otherwise negatively impact our prospects, business, financial position, or results of operation.

In addition, multiple third parties provide technical office space, rack hosting and technical services. Loss of service from these suppliers to our equipment may adversely impact our live feed delivery and VoD content distribution.

A material disruption in any of the foregoing providers' ability to provide the relevant services to Helbiz could have a material adverse impact on our prospects, business, financial condition, or results of operations.

We are exploring options to sell our operations run by Helbiz Live and may be unsuccessful in doing so.

In an effort to streamline our business and reduce operating losses, we are exploring options to sell our Helbiz business and our rights to content contained herein. If we do not make any such sales, we will have to choose discontinue such operations or to continue with such operations at a loss with an eye towards future profitability or a future sales or to discontinue such operations without any possibility of recuperating losses to date on such operations.

Risks Related to Helbiz Kitchen

We have never previously provided food or food delivery services.

We launched Helbiz Kitchen, a delivery-only "ghost kitchen" restaurant concept that specializes in preparing healthy-inspired, high-quality, fresh, made-to-order meals. We do not have a history of offering food or food delivery services and may not be successful in providing such services or expanding beyond Milan, Italy, our initial pilot city. Any such failures may lead to Helbiz Kitchen generating less revenue than we project and may ultimately prove fatal to Helbiz Kitchen.

In connection with the launch of Helbiz Kitchen, we have undertaken substantial obligations, including the lease of an approximately 21,500 square foot facility in Milan, Italy. We have also recently opened two new ghost kitchens in California and have entered into leases for facilities for those kitchens. We may have overestimated the appeal of our ghost kitchens and, as a result, may not generate as much revenue as we anticipate. The operation of Helbiz Kitchen will take capital and management's time away from our core micro-mobility operations.

Helbiz Kitchen will face competition, which could negatively impact our business.

The restaurant industry is intensely competitive, and we will compete with many well-established food service companies on the basis of product choice, quality, affordability, service and location. We expect competition to be intense because consumer trends are favoring limited service restaurants that offer healthy-inspired menu items made with better quality products, and many limited service restaurants are responding to these trends. With few barriers to entry, our competitors will include a variety of independent local operators, in addition to well-capitalized regional, national, and international restaurant chains and franchises, and new competitors may emerge at any time. Furthermore, delivery aggregators and food delivery services provide consumers with convenient access to a broad range of competing restaurant chains and food retailers, particularly in urbanized areas. We will also compete for qualified suitable ghost kitchen locations and management and personnel. Our ability to compete will depend on the success of our plans to attract initial consumers, expand our initial products, to effectively respond to consumer preferences and to manage the complexity of restaurant operations as well as the impact of our competitors' actions. In addition, Helbiz Kitchen's long-term success will depend on our ability to provide our customers' a satisfactory experience while ordering on the Helbiz app, receiving the deliveries, and eating the food prepared by Helbiz Kitchen. Some of Helbiz's competitors have substantially greater financial resources, higher revenues, and greater economies of scale than we do. These advantages may allow them to implement their operational strategies more quickly or effectively than we can or benefit from changes in technologies, which could harm our competitive position.

We could be subject to claims from consumers of the food produced by Helbiz Kitchen or from persons or property allegedly damaged by our delivery drivers, which could adversely affect our business, brand, financial condition, and results of operations.

We may become subject to claims, lawsuits, investigations, and other legal proceedings relating to injuries to, or deaths of, riders, or third parties that are attributed to food prepared by Helbiz Kitchen or delivered by our drivers. We may be subject to personal injury claims whether or not such injury actually occurred is related to us. Regardless of the outcome of any legal proceeding, any injuries to, or deaths of, any riders or third parties could result in negative publicity and harm to our brand, reputation, business, financial condition, and results of operations. Our insurance policies and programs may not provide sufficient coverage to adequately mitigate the potential liability we face, especially where any one incident, or a group of incidents, could cause disproportionate harm, and we may have to pay high premiums or deductibles for coverage and, for certain situations, we may not be able to secure coverage at all.

Changes in food and supply costs or failure to receive frequent deliveries of food ingredients and other supplies could have an adverse effect on our business, financial condition, and results of operations.

The profitability of Helbiz Kitchen will depend in part on our ability to anticipate and react to changes in food and supply costs, and our ability to maintain our menu depends in part on our ability to acquire ingredients that meet specifications from reliable suppliers. Shortages or interruptions in the availability of certain supplies caused by unanticipated demand, problems in production or distribution, food contamination, pandemics such as COVID 19, inclement weather or other conditions could adversely affect the availability, quality, and cost of our ingredients, which could harm our operations. This risk is aggravated by the war in Ukraine which will decrease the global supply of commodities, such as wheat and potash, for which a substantial portion are produced in Ukraine, Russia and Belarus. Any increase in the prices of the food products critical to the menus of Helbiz Kitchen could have a material adverse effect on our results of operations. Although we try to manage the impact that these fluctuations have on our operating results, we remain susceptible to increases in food costs as a result of factors beyond our control, such as general economic conditions, seasonal fluctuations, weather conditions, demand, food safety concerns, generalized infectious diseases, product recalls, fuel prices and other government regulations. Therefore, material increases in the prices of the ingredients most critical to our menu could adversely affect our operating results or cause us to consider changes to our product delivery strategy and adjustments to our menu pricing.

If any of Helbiz Kitchen's distributors or suppliers perform inadequately, or our distribution or supply relationships are disrupted for any reason, there could be a material adverse effect on Helbiz's business, financial condition, results of operations or cash flows. We may not be able to anticipate or react to changing food costs by adjusting our purchasing practices or menu prices, which could cause our operating results to deteriorate. If we cannot replace or engage distributors or suppliers who meet our specifications in a short period of time, that could increase our expenses and cause shortages of food and other items at our restaurants or their removal from menus. These potential changes in food and supply costs could have a material adverse effect on our business, financial condition, and results of operations.

The planned rapid increase in the number of ghost kitchens run by Helbiz Kitchen may make our future results unpredictable.

We initiated services out of our pilot ghost kitchen in Milan, Italy in June 2021 while in 2023 we launched US food locations in California. This growth strategy and the substantial investment associated with the development of each new ghost kitchen may cause our operating results to fluctuate unpredictably or have an adverse effect on our profits. In addition, we may find that our Helbiz Kitchen concept has limited appeal in new markets. Our ghost kitchens may not be successful, which could have a material adverse effect on our business, financial condition, and results of operations.

Food safety and quality concerns may negatively impact our business and profitability, our internal operational controls and standards may not always be met, and our employees may not always act professionally, responsibly and in our and our customers' best interests.

Incidents or reports of food-borne or water-borne illness or other food safety issues, food contamination or tampering, employee hygiene and cleanliness failures or improper employee conduct at our ghost kitchens could lead to product liability or other claims as could reckless driving by our delivery drivers. Such incidents or reports could negatively affect our brand and reputation as well as our business, revenues, and profits. Similar incidents or reports occurring at limited-service restaurants unrelated to us could likewise create negative publicity, which could negatively impact consumer behavior towards us.

Our internal controls and training might not be fully effective in preventing all food-borne illnesses. Some food-borne illness incidents could be caused by third-party food suppliers and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of food-borne illness in one of our ghost kitchens could negatively affect sales from all of our ghost kitchens if highly publicized.

A prolonged economic downturn could materially affect Helbiz Kitchen in the future.

The restaurant industry depends upon consumer discretionary spending. The recession from late 2007 to mid-2009 reduced consumer confidence to historic lows, impacting the public's ability and desire to spend discretionary dollars as a result of job losses, home foreclosures, significantly reduced home values, investment losses, bankruptcies and reduced access to credit, resulting in lower levels of customer traffic and lower average check sizes in fast casual restaurants that serve food similar to us. Many countries are again experiencing an economic downturn as a result of COVID-19, a condition that may be aggravated by the war in Europe. If the economies where we intend to operate ghost kitchens experience another significant decline, our business and results of operations could be materially adversely affected and may result in a deceleration of the number and timing of new ghost kitchen openings.

We intend to be locked into long-term and non-cancelable leases for our ghost kitchens and may be unable to renew leases at the end of their terms.

We expect that many of our ghost kitchen leases will be non-cancelable and typically have initial terms up to between 4 and 10 years and 1-3 renewal terms of 4 to 6 years each that we may exercise at our option. This is in line with our pilot ghost kitchen in Milan, Italy where we have a six-year lease with approximately €120,000 due in rent per year, approximately $141,000. Even if we close a ghost kitchen, we may be required to perform our obligations under the applicable lease, which could include, among other things, payment of the base rent, property taxes, insurance, and maintenance for the balance of the lease term. In addition, in connection with leases for ghost kitchens that we may operate, at the end of the lease term and any renewal period, be unable to renew the lease without substantial additional cost, if at all. Although we have a €1.4 million, approximately $1.7 million, option at the end of the lease to purchase the property that we lease for the ghost kitchen in Milan, we may not have the resources to exercise the option at the end of the lease. As a result, Helbiz may close or relocate the ghost kitchen, which could subject us to construction and other costs and risks.

General Risks to Our Business

We may become subject to claims, lawsuits, government investigations and other proceedings that may adversely affect our business, financial condition, and results of operations.

We may become subject to claims, lawsuits, arbitration proceedings, government investigations and other legal and regulatory proceedings in the ordinary course of business, including those involving personal injury, property damage, worker classification, labor and employment, anti-discrimination, commercial disputes, competition, consumer complaints, intellectual property disputes, compliance with regulatory requirements and other matters, and we may become subject to additional types of claims, lawsuits, government investigations and legal or regulatory proceedings as our business grows and as we deploy new offerings, including proceedings related to product liability or acquisitions, securities issuances or business practices.

For example, we were a defendant in a putative class action suit in New York relating to an initial coin offering of a crypto currency, the HBZ coin, conducted by HBZ Systems PTE Ltd. ("HBZ Systems") in early 2018. Although HBZ Systems has some common ownership with us, we consider it an unrelated party. Following the initial coin offering, HBZ Systems had entered into an arms'-length loan agreement pursuant to which we received a loan of $1,361,717 with a 9% interest rate per annum (as disclosed in our financial statements), fully repaid during 2021. Helbiz received no other funds from HBZ Systems.

As part of the loan agreement, Helbiz and HBZ Systems also entered into a Software Development and Service Agreement ("Software Development and Service Agreement"). Pursuant to the Software Development and Service Agreement, we agreed to design and create a shared mobility platform, integrate the HBZ coin as a payment method on that shared mobility platform, and integrate the purchasing and transfer of HBZ coins directly into the platform. By March 2019, we had provided all of the services required under the Software Development and Service Agreement and the HBZ coin had been successfully integrated into the platform. Ultimately, the efforts to create a viable long-term coin were unsuccessful. Despite our efforts, there was minimal adoption from customers of the HBZ coin. In light of the significant expenses associated with keeping the HBZ coin on the platform, in August 2019, we and HBZ Systems mutually agreed to remove the HBZ coin from the Helbiz platform.

Although this suit was dismissed with prejudice, plaintiffs appealed the dismissal, and in October 2021, the plaintiffs won their appeal to have the suit not dismissed. Defending this litigation required a substantial amount of funds and our management's time. The plaintiffs brought this action again in New York in March 2022.

The results of any such claims, lawsuits, arbitration proceedings, government investigations or other legal or regulatory proceedings cannot be predicted with certainty. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention and divert significant resources. Determining whether to maintain reserves for litigation and the amount of any such reserves is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines and penalties that could adversely affect our business, financial condition, and results of operations. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition, and results of operations. Furthermore, under certain circumstances, Helbiz has contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers.

A determination in, or settlement of, any legal proceeding, whether we are party to such legal proceeding or not, that involves our industry, could harm our business, financial condition, and results of operations. In addition, we may include arbitration provisions in our terms of service with the riders on our platform. These provisions are intended to streamline the litigation process for all parties involved, as arbitration can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration may become more costly for us, or the volume of arbitration could increase to a point where it becomes burdensome, and the use of arbitration provisions may subject us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. To minimize these risks to our reputation and brand, we may limit our use of arbitration provisions or be required to do so in a legal or regulatory proceeding, either of which could increase litigation costs and exposure.

Further, with the potential for conflicting rules regarding the scope and enforceability of arbitration on a jurisdictional basis, there is a risk that some or all of the arbitration provisions we use could be subject to challenge or may need to be revised to exempt certain categories of protection. If our arbitration agreements were found to be unenforceable, in whole or in part, or specific claims are required to be exempted from arbitration, we could experience an increase in costs to litigate disputes and the time involved in resolving such disputes, and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business, financial condition and results of operations.

If competitors acquire rights to our intellectual property, or to intellectual property that we license, it will be easier for those competitors to offer products similar to those of ours.

Although we own an array of proprietary technology that supplements and advances the technology, it may be possible for a third party to copy or otherwise obtain and use our technology without authorization, develop similar technology independently or design around the patents we own or licenses. If any of our patents fail to protect the relevant technology, it will be easier for competitors to offer products similar to us. In addition, effective copyright, trademark, and trade secret protection may be unavailable or limited in certain countries. Moreover, we may be required to license our intellectual property to third parties. Likewise, media content licensed by us could be illegally made available on other platforms which could drive down the demand for our Helbiz Live platform.

Failure to expand our business as envisioned could adversely affect our business.

We intend to expand our micro-mobility sharing platform to new cities, to offer additional types of shared vehicles and to offer additional micro-mobility options in our existing cities. The challenges involved in such expansions include the navigation of local and national rules and regulations to initiate such platforms, adjusting to the sensitivities of new distinct markets, increased capital requirements to build, stock and advertise such platforms and the staffing and maintenance for the continuation of such platforms. We also intend to expand the media content available on Helbiz Live. Quality media content may not be available at prices that we can reasonably afford. Additionally, following the opening of our pilot ghost kitchen in Milan, Italy in June 2021, we intend to expand the menus available at that pilot ghost kitchen and to open additional ghost kitchens in other cities. Failure to execute such expansions could harm our business, financial condition, and results of operations.

We depend on key personnel and may not be able to attract and retain qualified personnel necessary for the design, development, marketing, and sale of our services.

Our future success depends on the efforts of key personnel, especially Salvatore Palella, the Chief Executive Officer, Jonathan Hannestad, the Chief Operating Officer, and Giulio Profumo, the Chief Financial Officer. The loss of services of any key personnel may have an adverse effect on us. We might not be successful in attracting and retaining the personnel we require to develop and market our business and conduct operations. The loss of one or more of our key employees or inability to attract, retain and motivate qualified personnel could negatively impact our ability to design, develop, and sell our service.

If regional instability were to spread, our operations could be adversely affected

We conduct a substantial portion of our operations in Italy. In February 2022, Russia invaded Ukraine and the resulting war is ongoing. As a member of the North Atlantic Treaty Organization (“NATO”), if the war in Ukraine were to spread into a NATO country, Italy would be required, pursuant to the terms of NATO membership, to treat such action as an attack on its own territory. Any spread of the conflict in Ukraine to other European countries, especially NATO ones, could cause Italy to join such conflict. Such spread of the conflict could cause us to curtail or suspend our Italian operations, affect the commuting and spending patterns of our users or adversely affect the Italian economy.

We rely on third-party payment processors to process payments made by riders on our platform, and if we cannot manage our relationships with such third parties and other payment-related risks, our business, financial condition, and results of operations could be adversely affected.

We rely on a limited number of third-party payment processors to process payments made by the riders, subscribers, and users on our platform. If any of our third-party payment processors terminates their relationship with us or refuses to renew an agreement with us on commercially reasonable terms, we would need to find an alternate payment processor and may not be able to secure similar terms or replace such payment processor in an acceptable timeframe. Further, the software and services provided by third-party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions on our platform, any of which could make our platform less convenient and attractive to users and adversely affect our ability to attract and retain riders. Nearly all of our riders’, subscribers’ and users’ payments are made by credit card, debit card or through third-party payment services, which subject us to certain regulations and to the risk of fraud. We may in the future offer new payment options to riders that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from riders, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our offerings less convenient and attractive to riders. If any of these events were to occur, our business, financial condition and results of operations could be adversely affected.

Additionally, our payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain offerings to some users, be costly to implement or difficult to follow. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or the users on our platform violate these rules. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

We rely on other third-party service providers and if such third parties do not perform adequately or terminate their relationships, our costs may increase and our business, financial condition and results of operations could be adversely affected.

Our success depends in part on our relationships with other third-party service providers. For example, we relies on third-party encryption and authentication technologies licensed from third parties that are designed to securely transmit personal information provided by riders on our platform as well as Comintech S.r.l., which provide the content distribution system and content management system for Helbiz Live Further, from time to time, we may enter into strategic commercial partnerships in connection with the development of new technology, the provision of new or enhanced offerings for users on our platform and our expansion into new markets. If any of our partners terminates their relationship with us or refuses to renew their agreement with us on commercially reasonable terms, we would need to find an alternate provider, and may not be able to secure similar terms or replace such providers in an acceptable timeframe. We also rely on other software and services supplied by third parties, such as communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, are compromised or experience outages. Any of these risks could increase our costs and adversely affect our business, financial condition, and results of operations. Further, any negative publicity related to any of our third-party partners, including any publicity related to quality standards or safety concerns, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure.

We incorporate technology from third parties into our platform and has contracted to provide media content from third parties on Helbiz Live. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that the suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our platform containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our offerings, which could adversely affect our business, financial condition, and results of operations.

Our marketing efforts to help grow our business may not be effective.

Promoting awareness of our offerings is important to our ability to grow our business and to attract new riders, subscribers and users and can be costly. We believe that much of the growth in our rider, subscriber and user base will be attributable to our paid marketing initiatives. Our marketing efforts currently include referrals, affiliate programs, free or discount trials, partnerships, display advertising, television, billboards, radio, video, content, direct mail, social media, email, hiring and classified advertisement websites, mobile “push” communications, search engine optimization and keyword search campaigns. As we expand our geographic reach and mobility sharing platforms, begins to provide media content on Helbiz Live and launches Helbiz Kitchen, our marketing initiatives will become increasingly expensive and generating a meaningful return on those initiatives may be difficult. Even if we successfully increase revenue as a result of our paid marketing efforts, we may not offset the additional marketing expenses we incur.

If our marketing efforts are not successful in promoting awareness of our offerings or attracting new riders, subscribers, or users, or if we are not able to cost-effectively manage marketing expenses, our results of operations could be adversely affected. If marketing efforts are successful in increasing awareness of our offerings, this could also lead to increased public scrutiny of our business and increase the likelihood of third parties bringing legal proceedings against us. Any of the foregoing risks could harm our business, financial condition, and results of operations.

Our future success depends on our ability to keep pace with rapid technological changes that could make our current or future technologies less competitive or obsolete.

Rapid, significant, and disruptive technological changes continue to impact the industries in which we operate. Our competitors or others might develop technologies that are more effective than current or future technologies, or that render our technologies less competitive or obsolete. If competitors introduce superior Technologies or media content and Helbiz cannot make upgrades to our process to remain competitive, our competitive position, and in turn our business, revenues, and financial condition, may be materially and adversely affected. Further, many of our competitors may have superior financial and human resources deployed toward research and development efforts. We are relatively constrained financial and human resources may limit our ability to effectively keep pace with relevant technological changes.

We are subject to intense competition.

We currently face significant competition in our markets and expect that intense competition will continue. Our competes primarily based on:

- comprehensiveness of product solutions;
- product performance and quality;
- user interface;
- design and engineering capabilities;
- compliance with industry standards;
- time to market;
- cost;
- new product innovations;
- quality of proposed media content;
- quality of the food offered on Helbiz Kitchen and the ease of getting that food; and
- customer support.

This competition has resulted and is expected to continue to result in declining average selling prices for our products and services. We anticipate that additional competitors will enter our markets as a result of growth opportunities in wireless telecommunications, the trend toward global expansion by foreign and domestic competitors, technological and public policy changes and relatively low barriers to entry in selected segments of the industry.

Many of our current and potential competitors have advantages over us, including without limitation:

- existing royalty-free cross-licenses to competing and emerging technologies;
- longer operating histories and presence in key markets;

- access to in-house semiconductor manufacturing facilities;
- greater name recognition;
- access to larger customer bases;
- greater access to capital markets;
- extensive libraries of media content and rights to broadcast high-demand sporting events;
- multiple kitchens with in-house delivery operations; and
- greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

As a result of these factors, these competitors may be more successful than us. These competitors may have more established relationships and distribution channels. These competitors also have established or may establish financial or strategic relationships among themselves or with our existing or potential customers, resellers or other third parties. These relationships may affect customers' decisions. Accordingly, new competitors or alliances among competitors could emerge and rapidly acquire significant market share our detriment.

Risks Related to Our Intellectual Property

We will require intellectual property protection and may be subject to the intellectual property claims of others.

We rely on intellectual property for operation of our platform, including the operation of our mobile app, the renting of our vehicles, the tracking and maintenance of our vehicles, the receipt of payment for rentals and the rights to broadcast media content. If a third party challenges the continued use of such intellectual property or if we are unable to maintain licenses that we have for the use of such intellectual property, our competitive position could suffer. Notwithstanding our efforts to protect our use of the intellectual property, our competitors may independently develop or license similar or alternative technologies or products that are equal to or superior to us without infringing on any of our intellectual property rights.

If we are unable to protect our intellectual property rights or if our intellectual property rights are inadequate for our technology and products, our competitive position could be adversely affected.

Our commercial success depends in large part on our ability to obtain and maintain intellectual property protection in the United States and other countries with respect to proprietary technology that we use and license. We rely on trade secrets, patent, copyright and trademark laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. We will seek to protect our proprietary position by filing and prosecuting patent applications for utility patents in the United States and abroad related to our platform and products that are important to our business and, to the extent permitted by local law, also record our copyrights and trademarks and take such additional reasonable steps as are available to otherwise protect our trade secrets and other intellectual property.

Our business relies on our proprietary technology platform, but we have no patents or limited patent applications to protect the intellectual property underlying this platform. The steps we have taken to protect our proprietary rights and the steps that licensors take to protect intellectual property that we license may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, both inside and outside the United States. If we or such licensors are unable to obtain and maintain patent protection for technology and products that we use, or if the scope of the patent protection obtained is not sufficient, competitors could develop and commercialize platforms and products similar or superior to us, and our ability to successfully commercialize our platforms and products may be adversely affected. We are also possible that we will fail to identify patentable aspects of inventions made in the course of our development and commercialization activities until it is too late to obtain patent protection on them.

Because the issuance of a patent is not conclusive as to inventorship, scope, validity, or enforceability, issued patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in the loss of patent protection, the narrowing of claims in such patents or the invalidity or unenforceability of such patents, which could limit the ability to stop others from using or commercializing similar or identical technology, products, or platforms, or limit the duration of the patent protection for technology and products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing. Therefore, if we file one or more patent applications to protect our technology, we cannot be certain that we will be the first to make the technology claimed in the pending patent applications, or that we will be the first to file for patent protection of such technology.

Protecting against the unauthorized use of patented technology, trademarks and other intellectual property rights is expensive, difficult and may in some cases not be possible. In some cases, we may also be difficult or impossible to detect third-party infringement or misappropriation of our intellectual property rights, even in relation to issued patent claims or recorded copyrights or trademarks and proving any such infringement may be even more costly and difficult.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and patent protection could be reduced or eliminated for non-compliance with these requirements.

The United States Patent and Trademark Office, or U.S. PTO, and various foreign national or international patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. Periodic maintenance fees on any issued patent are due to be paid to the U.S. PTO and various foreign national or international patent agencies in several stages over the lifetime of the patent. While an inadvertent lapse can, in many cases, be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance may result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of patent rights include, but are not limited to, failure to timely file national and regional stage patent applications based on our international patent application, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we apply for patents but fail to maintain the patent applications or any issued patents covering our products, our competitors might be able to enter the market, which would have a material adverse effect on our business.

We may become subject to claims by third parties asserting that we or our employees have infringed or misappropriated their intellectual property or claiming ownership of what we regard as our own intellectual property.

Our commercial success depends upon our ability to develop, manufacture, market and sell our products, and to use our related proprietary technologies without violating the intellectual property rights of others. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products, including interference or derivation proceedings before the U.S. PTO. Third parties may assert infringement claims against us or third parties from whom we license intellectual property based on existing patents or patents that may be granted in the future. If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue commercializing our products. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Under certain circumstances, we could be forced, including by court order, to cease commercializing the applicable product candidate. In addition, in any such proceeding or litigation, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our platform and products or force us to cease some of our business operations, which could materially harm our business. Any claims by third parties that we or parties from whom we license intellectual property have misappropriated their trade secrets could have a similar negative impact on our business.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful, and have a material adverse effect on the success of our business.

Competitors may infringe upon patents we license or may acquire or misappropriate or otherwise violate our intellectual property rights, including our trade secrets, even if done inadvertently. To counter infringement or unauthorized use or disclosure, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Also, third parties may initiate legal proceedings against us to challenge the validity or scope of intellectual property rights we own or license. These proceedings can be expensive and time consuming. Many of our current and potential competitors have the ability to dedicate substantially greater resources to defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned or licensed by us is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that the patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, we could have a material adverse effect on the value our securities.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies to the fullest extent possible. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with current and former employees, consultants, manufacturers, vendors, and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, we cannot guarantee that we have executed these agreements with each party that may have or has had access to our trade secrets. Any party with whom we executed such an agreement may breach that agreement and disclose our proprietary information, including trade secrets, and we may not be able to obtain adequate or timely remedies for such breaches.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or completely unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they disclose such trade secrets, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third-party, our competitive position would be harmed.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, and defending patents on all of our products throughout the world would be prohibitively expensive. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may be able to export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as that in the United States. These products may compete with our products in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents or other intellectual property protection, particularly those relating to manufacturing, which could make it difficult for us to stop the infringement of any patents we obtain or the marketing of competing products in violation of our proprietary rights generally. As a result, proceedings to enforce patent rights in certain foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business and could be unsuccessful.

Various websites and apps are dedicated to illegally making copyrighted media content available to view free of charge on both a live and on-demand basis. Many of these websites and apps are located in jurisdictions where getting authorities to intervene and protect the owner or licensee of such illegally broadcast media content is a long process, if the process occurs at all. If the media content that we license is widely available free of charge, potential subscribers to Helbiz Live may instead choose to watch this content for free instead of paying us.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain a competitive advantage. The following examples are illustrative:

- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- Our competitors might conduct research and development activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- We may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

Risks Related to Government Regulation

Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure to comply with such laws and regulations could adversely affect our business, financial condition, and results of operations.

We are subject to a wide variety of laws in Europe, the United States, and other jurisdictions. Laws, regulations, and standards governing issues such as ridesharing, product liability, personal injury, text messaging, subscription services, intellectual property, consumer protection, taxation, privacy, data security, competition, terms of service, mobile application accessibility, and vehicle sharing are often complex and subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state, and local administrative agencies.

The ridesharing industry and our business model is relatively nascent and rapidly evolving. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented, and interpreted in response to the industry and related technologies. As we expand our business into new markets or introduces new offerings into existing markets, regulatory bodies or courts may claim that we or users on our platform are subject to additional requirements, or that we are prohibited from conducting business in certain jurisdictions, or that users on our platform are prohibited from using the platform, either generally or with respect to certain offerings.

Certain jurisdictions and governmental entities require us to obtain permits, pay fees or penalties or comply with certain other requirements to provide vehicle sharing offerings. These jurisdictions and governmental entities may reject our applications for permits or deny renewals, delay our ability to operate, increase their fees or charge new types of fees, any of which could adversely affect our business, financial condition, and results of operations. Additionally, many of the permits that we have received are for set periods of time and need to be renewed every one to two years. If governmental authorities were to revoke any permit that we had previously been granted or deny the renewal of any of our permits, our rider base and the associated revenues would decrease.

Regulatory bodies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business. Such regulatory scrutiny or action may create different or conflicting obligations on us from one jurisdiction to another.

The industry is relatively nascent and is rapidly evolving and increasingly regulated. We could be subject to intense and even conflicting regulatory pressure from national, regional, and municipal regulatory authorities. Adverse changes in laws or regulations at all levels of government or bans on or material limitations to our offerings could adversely affect our business, financial condition, and results of operations.

Our success, or perceived success, and increased visibility may also drive some businesses that perceive our business model negatively to raise their concerns to local policymakers and regulators. These businesses and their trade association groups, or other organizations may take actions and employ significant resources to shape the legal and regulatory regimes in jurisdictions where we may have, or seek to have, a market presence in an effort to change such legal and regulatory regimes in ways intended to adversely affect or impede our business and the ability of riders to utilize our platform.

Any of the foregoing risks could harm our business, financial condition, and results of operations.

Risks Related to Customer Privacy, Cybersecurity and Data

Any actual or perceived security or privacy breach could interrupt our operations and adversely affect our reputation, brand, business, financial condition, and results of operations.

Our business involves the collection, storage, processing and transmission of users' personal data and other sensitive data. An increasing number of organizations, including large online and off-line merchants and businesses, other Internet companies, financial institutions, and government institutions, have disclosed breaches of their information security systems and other information security incidents, some of which have involved sophisticated and highly targeted attacks. Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched, we may be unable to anticipate or prevent these attacks. Unauthorized parties may in the future gain access to our systems or facilities through various means, including gaining unauthorized access into our systems or facilities or those of our service providers, partners or users on our platform, or attempting to fraudulently induce our employees, service providers, partners, users or others into disclosing rider names, passwords, payment card information or other sensitive information, which may in turn be used to access our information technology systems, or attempting to fraudulently induce employees, partners or others into manipulating payment information, resulting in the fraudulent transfer of funds to criminal actors. In addition, users on our platform could have vulnerabilities on their own mobile devices that are entirely unrelated to our systems and platform but could mistakenly attribute their own vulnerabilities to us. Further, breaches experienced by other companies may also be leveraged against us. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. Certain efforts may be state-sponsored or supported by significant financial and technological resources, making them even more difficult to detect.

Although we use systems and processes that are designed to protect users' data, prevent data loss and prevent other security breaches, these security measures cannot guarantee security. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may be able to access our users' personal information and limited payment card data that are accessible through those systems. Employee error, malfeasance or other errors in the storage, use or transmission of personal information could result in an actual or perceived privacy or security breach or other security incident. Although we have policies restricting the access to the personal information we store, we may be subject to accusations in the future of employees violating these policies.

Any actual or perceived breach of privacy or security could interrupt our operations, result in our platform being unavailable, result in loss or improper disclosure of data, result in fraudulent transfer of funds, harm our reputation and brand, damage our relationships with third-party partners, result in significant legal, regulatory and financial exposure and lead to loss rider confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial condition and results of operations. Any breach of privacy or security impacting any entities with which our shares or discloses data (including, for example, third-party technology providers) could have similar effects. Further, any cyberattacks, or security and privacy breaches directed at our competitors could reduce confidence in the ridesharing industry as a whole and, as a result, reduce confidence in us.

Additionally, defending against claims or litigation based on any security breach or incident, regardless of their merit, could be costly and divert management's attention. Our insurance coverage might not be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition, and results of operations.

Changes in laws or regulations relating to privacy, data protection or the protection or transfer of personal data, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations relating to privacy, data protection or the protection or transfer of personal data, could adversely affect our business.

We receive, transmits and stores personally identifiable information and other data relating to the users on our platform. Numerous local, municipal, state, federal and international laws and regulations address privacy, data protection and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws, rules and regulations evolve frequently, and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. Changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer or disclosure, could greatly increase the cost of providing our offerings, require significant changes to our operations or even prevent us from providing certain offerings in jurisdictions in which we currently operate and in which we may operate in the future.

Further, as we continue to expand our geographic reach, our platform offerings and user base, we may become subject to additional privacy-related laws and regulations. Additionally, we have incurred, and may continue to incur, significant expenses in an effort to comply with privacy, data protection and information security standards and protocols imposed by law, regulation, industry standards or contractual obligations. In particular, with laws and regulations imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and expenses in an effort to do so.

Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that our practices, offerings or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. The failure, or the failure by third-party providers or partners, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access to, or use or release of personally identifiable information or other rider data, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing riders from using our platform or result in fines or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition and results of operations. Even if not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition and results of operations.

Systems failures and resulting interruptions in the availability of our website, applications, platform, or offerings could adversely affect our business, financial condition and results of operations.

Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware, or other events. Our systems also may be subject to break-ins, sabotage, theft, and intentional acts of vandalism, including by our employees. Some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in service as a result of systems failures and similar events.

We will likely experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our offerings. These events have resulted in, and similar future events could result in, losses of revenue. A prolonged interruption in the availability or reduction in the availability, speed or other functionality of our offerings could adversely affect our business and reputation and could result in the loss of users. Moreover, to the extent that any system failure or similar event results in harm or losses to the users using our platform, we may make voluntary payments to compensate for such harm or the affected users could seek monetary recourse or contractual remedies from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of users and unfavorable changes in or our failure to comply with existing or future laws governing the Internet and mobile devices.

Our business depends on users' access to our platform via a mobile device and the Internet. We may operate in jurisdictions that provide limited Internet connectivity, particularly as we expand internationally. Internet access and access to a mobile device are frequently provided by companies with significant market power that could take actions that degrade, disrupt, or increase the cost of users' ability to access our platform. In addition, the Internet infrastructure that we and users of our platform rely on in any particular geographic area may be unable to support the demands placed upon it. Any such failure in Internet or mobile device accessibility, even for a short period of time, could adversely affect our results of operations.

Moreover, we are subject to a number of laws and regulations specifically governing the Internet and mobile devices that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth and availability of the Internet and online offerings, require us to change our business practices or raise compliance costs or other costs of doing business. These laws and regulations, which continue to evolve, cover taxation, privacy and data protection, pricing, copyrights, distribution, mobile and other communications, advertising practices, consumer protections, the provision of online payment services, unencumbered Internet access to our offerings and the characteristics and quality of online offerings, among other things. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and brand and loss in business and result in proceedings or actions against us by governmental entities or others, which could adversely impact our results of operations.

We rely on mobile operating systems and application marketplaces to make our apps available to the riders, subscribers, and users on our platform, and if we do not effectively operate with or receive favorable placements within such application marketplaces and maintain high rider reviews, our usage or brand recognition could decline and our business, financial results and results of operations could be adversely affected.

We depend in part on mobile operating systems, such as Android and iOS, and their respective application marketplaces to make our apps available to riders, subscribers, and users on our platform. Any changes in such systems and application marketplaces that degrade the functionality of these apps or give preferential treatment to competitors' apps could adversely affect our platform's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit us from making our apps available, make changes that degrade the functionality of our apps, increase the cost of using our apps, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of our apps, overall growth in our riders, subscribers and user base could slow. For example, for several days in April 2020, Google Play removed our mobile app from their store out an abundance of caution for an alleged violation of Google Play's policies regarding COVID-19. During this time, our mobile app continued to function, but it was not available for download on phones operating on the Android system. Although we appealed this problem and resolved it without needing to change our app or business plan or issue any clarifying statements, any future problem of a similar nature or otherwise related to the foregoing risks could adversely affect our business, financial condition, and results of operations.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our app. Additionally, to deliver a high-quality app, we need to ensure that our offerings are designed to work effectively with a range of mobile technologies, systems, networks, and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance riders', subscribers' and users' experiences. If users of our platform encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, our business, financial condition, and results of operations could be adversely affected.

Defects, errors or vulnerabilities in our applications, backend systems or other technology systems and those of third-party technology providers could harm our reputation and brand and adversely impact our business, financial condition, and results of operations.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. The third-party software that we incorporate into our platform may also be subject to errors or vulnerability. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of users or loss of revenue and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of users on our platform, or otherwise result in a data breach as defined under various laws and regulations. We may need to expend significant financial and development resources to analyze, correct, eliminate or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects or vulnerabilities could adversely affect our business, financial condition and results of operations as well as negatively impact our reputation or brand.

We may be subject to theft, loss, or misuse of personal data about our employees, customers, or other third parties, which could increase our expenses, damage our reputation, or result in legal or regulatory proceedings.

Our business relies on the use of customer accounts linked to bank accounts or credit cards as well as tracking certain movements of our customers. The theft, loss, or misuse of personal data collected, used, stored, or transferred by us to run our business could result in significantly increased business and security costs or costs related to defending legal claims. Global privacy legislation, enforcement, and policy activity in this area are rapidly evolving and expanding, creating a complex regulatory compliance environment. Costs to comply with and implement these privacy-related and data protection measures could be significant. In addition, even our inadvertent failure to comply with federal, state, or international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others.

General Risks

A pandemic, epidemic, or outbreak of an infectious disease in the United States or worldwide, including the outbreak of the novel strain of coronavirus disease, COVID-19, could adversely affect our business.

If a pandemic, epidemic, or outbreak of an infectious disease occurs in the United States or worldwide or is extended through new variants, our business may be adversely affected. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain and rapidly changing. As of the date of this prospectus, the extent to which the COVID-19 pandemic may impact our business, results of operations and financial condition remains uncertain. Furthermore, because of our business model, the full impact of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods.

Adverse market conditions resulting from the spread of COVID-19 materially adversely affected our business and could continue to materially adversely affect our business and the value of our common stock. For example,

- for fear of spreading the virus further, several cities where we operate suspended micro-mobility services (including Miami which suspended the e-scooter services that we offered from March 2020 to October 2020); and
- We suspended our services in some cities (like our e-bike services in Washington, D.C. which have yet to resume) and had to delay the projected start of services in new markets.

Numerous state and local jurisdictions, including all markets where we operate, have imposed, and others in the future may impose, “shelter-in-place” orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Such orders or restrictions have resulted in largely remote operations at our headquarters, work stoppages among some vendors and suppliers, slowdowns and delays, travel restrictions and cancellation of events, among other effects, thereby significantly and negatively impacting our operations. Other disruptions or potential disruptions include restrictions on the ability of our personnel to travel; inability of our suppliers to manufacture goods and to deliver these to us on a timely basis, or at all; inventory shortages or obsolescence; delays in actions of regulatory bodies; diversion of or limitations on employee resources that would otherwise be focused on the operations of our business, including because of sickness of employees or their families or the desire of employees to avoid contact with groups of people; business adjustments or disruptions of certain third parties; and additional government requirements or other incremental mitigation efforts. The extent to which the COVID-19 pandemic impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity and spread of COVID-19 and the actions to contain COVID-19 or treat its impact, among others.

It is not currently possible to reliably project the direct impact of COVID-19 on our operating revenues and expenses. Key factors include the duration and extent of the outbreak in our service areas as well as societal and governmental responses. Further, as a result of the COVID-19 pandemic, we believe that we experienced slowed growth and a decline in new customer demand as operations were suspended or curtailed in some cities, the launch of services into new cities was delayed and commuters and tourists, key targets for our consumers, made less journey, and such slowed growth may continue or worsen. We believe that the continued severity of the COVID-19 pandemic has caused our ridership not to have grown as quickly as anticipated. If the COVID-19 pandemic worsens, especially in regions where we have offices or operations, our business activities originating from affected areas could be adversely affected. Disruptive activities could include business closures in impacted areas, further restrictions on our employees' and service providers' ability to travel, impacts to productivity if our employees or their family members experience health issues, and potential delays in hiring and onboarding of new employees. We may take further actions that alter our business operations as may be required by local, state, or federal authorities or that we determine are in the best interests of our employees. Such measures could negatively affect our sales and marketing efforts, sales cycles, employee productivity, or customer retention, any of which could harm our financial condition and business operations.

The COVID-19 pandemic could also cause our third-party data center hosting facilities and cloud computing platform providers, which are critical to our infrastructure, to shut down their business, experience security incidents that impact our business, delay, or disrupt performance or delivery of services, or experience interference with the supply chain of hardware required by their systems and services, any of which could materially adversely affect our business. Further, the COVID-19 pandemic has resulted in our employees and those of many of our vendors working from home and conducting work via the internet, and if the network and infrastructure of internet providers becomes overburdened by increased usage or is otherwise unreliable or unavailable, our employees', and our customers' and vendors' employees', access to the internet to conduct business could be negatively impacted. Limitations on access or disruptions to services or goods provided by or to some of our suppliers and vendors upon which our platform and business operations relies, could interrupt our ability to provide our platform, decrease the productivity of our workforce, and significantly harm our business operations, financial condition, and results of operations.

Our platform and the other systems or networks used in our business may experience an increase in attempted cyber-attacks, targeted intrusion, ransomware, and phishing campaigns seeking to take advantage of shifts to employees working remotely using their household or personal internet networks and to leverage fears promulgated by the COVID-19 pandemic. The success of any of these unauthorized attempts could substantially impact our platform, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately our business. Any actual or perceived security incident also may cause us to incur increased expenses to improve our security controls and to remediate security vulnerabilities.

The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry, or employee events; and the effect on our partners and supply chains, all of which are uncertain and cannot be predicted. Because of our business model, the full impact of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods. To the extent the COVID-19 pandemic adversely affects our business and financial results, we may also have the effect of heightening many of the other risks described in this "Risk Factors" section, including but not limited to those relating to cyber-attacks and security vulnerabilities, interruptions or delays due to third-parties, or our ability to raise additional capital or generate sufficient cash flows necessary to expand our operations.

Any global systemic political, economic, and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.

In recent times, several major systemic economic and financial crises negatively affected global business, banking, and financial sectors. Most recently, the COVID-19 pandemic has disrupted global supply chains and reduced U.S. G.D.P. significantly and led to unprecedented claims of unemployment. Additionally, fear of higher inflation has unsettled financial markets and, if such higher inflation materializes, global economic health could be jeopardized. These types of crises, including the prolonged decrease in economic growth or insolvency of major countries, could cause turmoil in global markets that often result in declines in electronic products sales from which we generate income through our products and services. For example, there could be knock-on effects from these types of crises on our business, including significant decreases in ridership of our devices; insolvency of key suppliers resulting in product delays; customer insolvencies; delays in, or the cancellation of, a portion or all of the Series B season; and counterparty failures negatively impacting our treasury operations. Any future systemic political, economic, or financial crisis could cause revenue for the ridesharing industry as a whole to decline dramatically, which could reduce our revenues. Further, in times of market instability, sufficient external financing may not be available to us on a timely basis, on commercially reasonable terms, or at all. If sufficient external financing is not available when needed to meet capital requirements, we may be forced to curtail our expansion, modify plans, or delay the deployment of new or expanded services until we obtain such financing. Thus, any future global economic crisis could materially and adversely affect our results of operations.

Our operational results could also be materially and adversely affected by natural disasters (such as earthquakes), shortages or interruptions in the supply of utilities (such as shortages in electricity caused by changes in governmental energy policy), in the locations in which we, or our customers or suppliers operate or by industrial accidents, fires or explosions.

The frequency and severity of natural disasters and severe weather has been increasing, in part due to climate change or systemic regional geological changes that manifest in damaging earthquakes. We have operations in locations subject to natural disasters, such as flooding, earthquakes, tsunamis, and droughts as well as interruptions or shortages in the supply of utilities, such as water and electricity, or access to land, air, or sea infrastructures, that could disrupt operations. Thus, if one or more natural disasters, shortage or interruptions to the supply of utilities (such as shortages in electricity caused by a nuclear-free energy policy) that results in a prolonged disruption to our operations or those of our customers or suppliers, or if any of our vendor facilities were to be damaged or cease operations as a result of an explosion or fire, it could reduce our ability to provide our services and may cause us to lose important customers, thereby having a potentially adverse and material impact on our operational and financial performance.

Risks Related to Our Common Stock and Organizational Structure

The price of our common stock likely will be volatile like the stocks of other early-stage companies.

The stock markets in general and the markets for early-stage stocks have experienced extreme volatility. The market for the common stock of smaller companies such as ours is characterized by significant price volatility when compared to the shares of larger, more established companies that trade on a national securities exchange and have large public floats, and we expect that our share price will be more volatile than the shares of such larger, more established companies for the indefinite future. In 2022, the closing price of our class A common stock on the Nasdaq Capital Market fluctuated between a high of $5.93 to a low of $0.114.

In addition to the factors discussed in this “Risk Factors” section, price declines in our common stock could also result from general market and economic conditions and a variety of other factors, including:

- adverse actions taken by regulatory agencies with respect to our products;
- announcements of technological innovations, patents or new products by our competitors;
- regulatory developments in the United States and foreign countries;
- any lawsuit involving us or our product candidates;
- announcements concerning our competitors, or the industry in which we compete in general;

- developments concerning any strategic alliances or acquisitions we may enter into;
- actual or anticipated variations in our operating results;
- changes in recommendations by securities analysts or lack of analyst coverage;
- deviations in our operating results from the estimates of analysts;
- our inability, or the perception by investors that we will be unable, to continue to meet all applicable requirements for continued listing of our common stock on the Nasdaq Capital Market, and the possible delisting of our common stock;
- sales of our common stock by our executive officers, directors and principal stockholders or sales of substantial amounts of common stock; and
- loss of any of our key management personnel.

In the past, following periods of volatility in the market price of a particular company's securities, litigation has often been brought against that company. Any such lawsuit could consume resources and management time and attention, which could adversely affect our business.

We have received letters from Nasdaq stating that we are not in compliance with their continued listing requirements, and we might not be able to regain compliance. If as a result of the non-compliance Nasdaq delists our Class A Common Stock, the liquidity and market price of our Class A Common Stock could decline or cease to exist.

Our Class A Common Stock is currently listed on the Nasdaq Capital Market. In order to maintain that listing, we must satisfy certain continued listing requirements. If we are deficient in maintaining the necessary listing requirements, our common stock may be delisted.

On June 10, 2022, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market ("Nasdaq") indicating we were not in compliance with their continued listing requirement that we maintain a market value for our shares of Class A Common Stock together with our publicly traded warrants in excess of $35 million. We only regained compliance with this listing requirement in February 2023. The market value of our listed securities has subsequently fallen below $35 million, and we may once again fail to meet this listing standard if the market value of our listed securities stays below the minimum value for the prescribed period of time.

We received a letter from Nasdaq in July of 2022 that we were not in compliance with no longer complies with its minimum bid price requirement for continued listing on the Nasdaq Capital Market. Nasdaq Listing Rule 5450(a)(1) requires listed securities to maintain a minimum bid price of $1.00 per share (the "Minimum Bid Price Requirement"), and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the Minimum Bid Price Requirement exists if the deficiency continues for a period of 30 consecutive trading days. We are in the process of holding a special meeting of our shareholders to enact a reverse stock split of our common stock as part of an effort laid out to Nasdaq to regain compliance with the Minimum Bid Price Requirement. We may be unsuccessful in getting the required shareholder approval for the proposed stock split or in satisfying the Minimum Bid Price Requirement following the stock split.

In January 2023, we received a letter from Nasdaq stating that it had determined we were not in compliance with Nasdaq Listing Rule 5260(a) due to our failure to hold an annual meeting of the shareholders within the twelve months following our fiscal year ended December 31, 2021. We have discussed a plan with Nasdaq to regain compliance under Nasdaq Listing Rule 5260(a) within the months following the date of this annual report.

These letters had no immediate effect on the listing of our Class A Common Stock on Nasdaq. However, if Nasdaq after the applicable compliance periods proceeds to delisting and we are not able to remedy the non-compliance, Nasdaq would delist our common stock from trading on its exchange. If we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on the OTCQB or the "pink sheets." If this occurs, we could face material adverse consequences, including:

- a limited availability of market quotations for our securities;

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

After a hearing with a hearing panel to discuss the letters mentioned above, we received two letters from the hearing panel discussing steps that we are to take in connection with regaining compliance with the listing standards. The hearings panel has instructed us to conduct a reverse stock split of our common stock prior to March 31, 2023 and to hold an annual shareholder meeting prior to May 31, 2023. Failure to take these actions by the prescribed dates would further jeopardize the continued listing of our Class A common stock on the Nasdaq Capital Market.

If we are delisted and are unable to have our securities quoted on the OTCQB or “pink sheets” or similar bulletin board, our shareholders would not be able to resell their securities in a public market.

We have broad discretion in the use of our existing cash, cash equivalents and may not use them effectively.

Our management will have broad discretion in the application of our existing cash, cash equivalents. Because of the number and variability of factors that will determine our use of our existing cash, cash equivalents and the net proceeds, their ultimate use may vary substantially from their currently intended use. Our management might not apply our cash resources in ways that ultimately increase the value of your investment. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest our cash resources in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders.

We have never paid dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

We have never declared or paid cash dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be our stockholders’ sole source of gain for the foreseeable future.

Sales of a substantial number of shares of our common stock in the public market by our existing stockholders could cause our stock price to decline.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock.

Our largest stockholder’s interests may differ from those of our public stockholders.

Approximately 37.2% of the voting power of our Common Stock is controlled, directly or indirectly, by our founder, Salvatore Palella. To our knowledge, no other stockholder owns more than 1% of our voting power. Mr. Palella has significant influence over corporate management and affairs, as well as matters requiring stockholder approval, and he is able to, subject to applicable law, participate in the election of the members of the Board of Directors and actions to be taken by us, including amendments to the Amended and Restated Certificate of Incorporation (assuming it is approved by the stockholders) and our Amended and Restated Bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets. The directors so elected will have the authority, subject to applicable rules and regulations, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. It is possible that the interests of this stockholder may in some circumstances conflict with the Company’s interests and the interests of our other stockholders. This could influence his decisions, including with regard to whether and when to dispose of assets and whether and when to incur new or refinance existing indebtedness. In addition, the determination of future tax reporting positions, the structuring of future transactions and the handling of any future challenges by any taxing authorities to the Company’s tax reporting positions may take into consideration this stockholder’s tax or other considerations, which may differ from the Company’s considerations or those of our other stockholders.

The dual class structure of our common stock will have the effect of concentrating voting power with our Chief Executive Officer and Founder, which will limit an investor's ability to influence the outcome of important transactions, including a change in control.

Shares of our Class B Common Stock have such number of votes per share equal to the lesser of ten (10) votes per share or such number of votes per share such that the total number of shares of our Class B Common Stock issued to the Founder represent, in the aggregate, no more than 60% of all of the then outstanding voting securities of the Company, while shares of our Class A Common Stock will have one vote per share. Upon the consummation of the Business Combination, Mr. Palella, the founder of Helbiz, holds all of the issued and outstanding shares of our Class B Common Stock. Accordingly, upon the consummation of the Business Combination, Mr. Palella holds approximately 60% of the voting power of our capital stock and is able to control matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Mr. Palella may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of the Company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of the securities, and might ultimately affect the market price of shares of our Class A Common Stock.

We cannot predict the impact that the dual class structure may have on the stock price of our Class A Common Stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. In July 2017, FTSE Russell and S&P Dow Jones announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. Beginning in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of our indices; however, in October 2018, MSCI announced its decision to include equity securities "with unequal voting structures" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices will not be investing in our stock. These policies are still fairly new, and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress these valuations compared to those of other similar companies that are included. Because of our dual class structure, we will likely be excluded from certain of these indexes and we cannot assure you that other stock indexes will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make shares of our Class A Common Stock less attractive to other investors. As a result, the market price of shares of our Class A Common Stock could be adversely affected.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our Class A Common Stock will depend on the research and reports that securities or industry analysts publish about us or our business. Currently, we do not have any analyst coverage and may not obtain analyst coverage in the future. In the event we obtain analyst coverage, we will not have any control over such analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our headquarter is located at 32 Old Slip, New York, New York. We also have offices in Milan (European headquarters), Los Angeles, California (Wheels headquarters) and Belgrade (Research and Development Office). We lease and maintain these offices; each of these offices is leased on terms that we consider market for their respective locations.

Additionally, in each area in which we operate we lease an industrial space for the storage, repair and charging of our vehicles, and we lease space in Milan, Italy for the operation of our ghost kitchen and will enter additional facilities for any additional ghost kitchens that we operate.

We do not currently own any real estate and do not intend to purchase any real estate in the near term.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in legal proceedings arising in the ordinary course of the business. There are currently no material legal proceedings against us or that have been against us, and we are not aware of investigations being conduct by a governmental entity into our company.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Class A Common Stock

Our Class A common stock is listed on the Nasdaq Capital Market under the symbol "HLBZ". The following table sets forth, for the periods indicated the high and low closing prices of our Class A common stock on the Nasdaq Capital Market as reported by Yahoo Finance.

	High Closing Price	Low Closing Price
Fiscal Year 2023 (quarter ended)		
March 31, 2023 (through March 24, 2023)	$ 0.426	$ 0.113
Fiscal Year 2022 (quarter ended)		
December 31, 2022	$ 0.421	$ 0.114
September 30, 2022	$ 1.610	$ 0.353
June 30, 2022	$ 3.360	0.650
March 31, 2022	$ 5.930	2.66

The last reported sales price for our shares of Class A common stock on the Nasdaq Capital Market as of March 22, 2023, was $0.117 per share. As of March 24, 2023, we had approximately 59 shareholders of record for our Class A common stock.

Publicly Traded Warrants

Certain of our warrants are listed on the Nasdaq Capital Market under the symbol “HLBZW”. The last reported sales price for our publicly traded warrants on the Nasdaq Capital Market as of March 22, 2023, was $0.053 per warrant.

Transfer Agent

The transfer agent for our Class A common stock and warrant agent for our publicly traded warrants is Continental Stock Transfer & Trust Company. The transfer agent and warrant agent’s telephone number and address is (212) 509-4000 and 1 State Street, 30th Floor, New York, NY. 10004.

Dividends

We have never declared or paid any cash dividends on our Class A common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business and do not anticipate paying any cash dividends on our common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend upon then existing conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, business prospects and other factors that the board of directors considers relevant.

Nasdaq Compliance

On June 10, 2022, we received a letter from the Listing Qualifications Department of Nasdaq indicating we were not in compliance with their continued listing requirement that we maintain a market value for our shares of Class A Common Stock together with our publicly traded warrants in excess of $35 million. We regained compliance with this requirement in February 2023.

On July 20, 2022, we received written notice from the Listing Qualifications Department of Nasdaq notifying us that, based on the closing bid price of our Class A Common Stock, for the last 30 consecutive trading days, we no longer comply with the minimum bid price requirement for continued listing on the Nasdaq Capital Market. Nasdaq Listing Rule 5450(a)(1) requires listed securities to maintain the Minimum Bid Price Requirement, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the Minimum Bid Price Requirement exists if the deficiency continues for a period of 30 consecutive trading days.

On January 4, 2023, we received written notice from the Listing Qualifications Department of the Nasdaq stating that Nasdaq determined we were not in compliance with Nasdaq Listing Rule 5260(a) due to our failure to hold an annual meeting of the shareholders within the twelve months following our fiscal year ended December 31, 2021 (the “Annual Meeting”). The Notice stated that the failure to hold the Annual Meeting served as an additional basis for Nasdaq to consider delisting our securities on the Nasdaq Capital Market in addition to the fact that the Panel would consider the lack of an Annual Meeting as a factor in rendering a determination regarding our continued listing on The Nasdaq Capital Market. The letter further stated that, pursuant to Nasdaq Listing Rule 5810(d), we should present our views to the Panel with respect to the delinquency in holding our Annual Meeting.

We held a hearing before a Nasdaq Hearings Panel (the “Panel”). Under the Nasdaq Listing Rules, the Panel has the discretion to grant a further extension not to exceed June 6, 2023. The Panel granted us provisional extensions provided that we demonstrate our ability to comply with an agreed upon plan for gaining compliance. Although the Panel could grant us additional extensions until June 2023, the Panel might not grant us any further extensions if we deviate from this plan. We might not ultimately regain compliance with all applicable requirements for continued listing on Nasdaq.

On January 17, 2023, we received a Letter of Reprimand (the “Letter”) from the Nasdaq Listing Qualifications staff (the “Nasdaq Staff”), relating to the Company’s inadvertent failure to comply with Nasdaq Rule 5605(c)(2), which requires that the company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must be an independent director as defined under, as defined by Nasdaq Rule 5605(a)(2). The letter noted that in November 2022, upon review of the Company’s public filings with the SEC and subsequent correspondences with the Company, Nasdaq Staff determined that only two independent directors had served on the Company’s audit committee since listing in August 2021.

As has been disclosed, in connection with the SPAC business combination, Ms. Kimberly Wilford, an independent director, was expected to serve as a member of the Audit Committee. However, following the business combination and listing on Nasdaq, Ms. Wilford ultimately declined to also serve on the Audit Committee. Following Nasdaq's determination of noncompliance, the Company took action to resolve the issue, and on December 19, 2022, the Company's board appointed a new independent director, Mr. Massimo Ponzellini.

The Letter indicates that because the Company's failure to comply did not appear to have been the result of deliberate intent to avoid compliance, the Company promptly acted to cure the deficiency and that the Company inadvertently violated the Listing Rules. The Nasdaq Staff believes it appropriate to close the matter by the issuance of the Letter. Accordingly, the matter is deemed to be closed.

Unregistered Sales of Equity Securities and Use of Proceeds

There have been no sales of unregistered equity securities that we have no previously disclosed in filings with the U.S. Securities and Exchange Commission.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of Helbiz's financial condition and results of operations together with its consolidated financial statements and the related notes. Some of the information contained in this discussion and analysis or set forth elsewhere, including information with respect to its plans and strategy for our business and related financing, includes forward-looking statements that involve risks, uncertainties and assumptions. You should read the "Forward-Looking Statements" and "Risk Factors" for a discussion of important 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.

The following discussion refers to the financial results of Helbiz, Inc., for the years ended December 31, 2022, December 31, 2021. For purposes of this following discussion the terms "we", 'our" or "us" or "the Company" and similar references refers to Helbiz and its affiliates. Except for per share data and as otherwise indicated, all dollar amounts set out herein are in thousands.

Overview

Helbiz, Inc. (and with its subsidiaries, where applicable, "Helbiz" or the "Company") was incorporated in the state of Delaware in October 2015 with headquarter in New York, New York. The Company is an intra-urban transportation company that seeks to help urban areas reduce their dependence on individually owned cars by offering affordable, accessible, and sustainable forms of personal transportation, specifically addressing first and last mile transport.

Founded on proprietary technology platforms, the Company's core business is the offering of electric vehicles in the sharing environment. Through its Mobility App, Helbiz offers an intra-urban transportation solution that allows users to instantly rent electric vehicles. Additionally, the Company is operating two other business lines: (i) acquisition, commercialization and distribution of media content including live sport events and (ii) food delivery services through a "ghost kitchen" concept.

The Company currently has a strategic footprint in growing markets with offices in New York, Los Angeles, Milan, and Belgrade, with additional operational teams around the world. The Company currently has electric vehicles operating in the United States and Europe.

2022 Wheels Business Combination

On November 18, 2022, Helbiz, Helbiz Merger Sub, Inc. a wholly owned subsidiary of Helbiz and Wheels Labs, Inc. ("Wheels"), entered into an Amended and Restated Agreement and Plan of Merger (the "Merger Agreement") for the sale and purchase (the "Business Combination") of the entire issued corporate capital of Wheels pursuant to which the equity holders of Wheels sold their capital stock in Wheels to Helbiz. The Business Combination closed on November 18, 2022. Wheels is an international group operating in the micro-mobility business by sharing e-vehicles through an IT platform.

2021 GreenVision Acquisition Corp. Business Combination

On August 12, 2021, Helbiz consummated a business combination, by and among a NASDAQ listed entity, GreenVision Acquisition Corp. (“GRNV”), and its subsidiary, Helbiz Holdings Inc. (name of Helbiz, Inc. as private Company, before August 12, 2021) and Salvatore Palella (as representative of the shareholders of Helbiz Holdings Inc.). On the Closing Date, GRNV changed its name to Helbiz, Inc. as the name of the entity surviving the business combination.

As a result of the aforementioned business combination, each Helbiz Holdings share issued and outstanding immediately prior to the business combination date was canceled and automatically converted into the right to receive 4.63 (the “conversion ratio”) GRNV shares of the respective class.

2021 MiMoto Smart Mobility S.r.l. Business Combination

On April 1, 2021 (“Business Combiantion date”), the Company acquired the entire equity interest of MiMoto Smart Mobility S.r.l. (“MiMoto”), a dockless e-moped sharing private company based in Milan, Italy.

Consolidated Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our net revenue for those periods. Percentages presented in the following tables may not sum due to rounding.

Comparison of the Year ended December 31, 2022, and 2021

The following table summarizes our consolidated results of operations for the year ended December 31, 2022, and 2021.

	Year ended December 31,	
	2022	2021
Net revenue	$ **15,538**	$ **12,834**
Operating expenses:		
Cost of revenues[1]	41,625	33,846
Research and development[1]	2,741	2,826
Sales and marketing[1]	8,712	10,875
General and administrative[1]	25,569	24,411
Impairment of goodwill and intangible assets	10,390	—
Total operating expenses	**89,037**	**71,958**
Loss from operations	**(73,499)**	**(59,124)**
Total non-operating expenses, net	(8,551)	(12,997)
Income taxes	(24)	150
Net Loss	$ **(82,074)**	$ **(71,971)**

	Year ended December 31,	
	2022	2021
Net revenue	100%	100%
Operating expenses:		
Cost of revenues(1)	268%	264%
Research and development(1)	18%	22%
Sales and marketing(1)	56%	85%
General and administrative(1)	165%	190%
Impairment of goodwill and intangible assets	67%	— %
Total operating expenses	573%	561%
Loss from operations	**(473)%**	**(461)%**
Total non-operating expenses, net	(55)%	(101)%
Income taxes	0%	0%
Net Loss	**(528)%**	**(562)%**

(1) Includes stock-based compensation for employees and services received, as follows

	Year Ended December 31,	
	2022	2021
Cost of revenue	$ 15	27
Research and development	161	415
Sales and marketing	278	1,468
General and administrative	2,856	5,469
Total stock-based compensation expenses	**$ 3,310**	**7,379**

Net Revenue

	Year ended December 31,		
	2022	2021	% Change
Mobility revenues	**$ 8,430**	**$ 9,907**	**(15)%**
Pay per ride	6,472	7,793	(17)%
Mobility Subscriptions	1,331	1,450	(8)%
Partnership fees	357	664	(46)%
Media revenues	**$ 6,507**	**2,770**	**135%**
Commercialization of Media Rights (B2B)	4,177	1,961	113%
Live Subscriptions (B2C)	1,740	307	467%
Advertising fees	590	502	18%
Other revenues	**$ 601**	**$ 156**	**285%**
Total Net revenues	**$ 15,538**	**$ 12,834**	**21%**

Total Net revenues increased by $2,704, or 21%, from $12,834 for the year ended December 31, 2021, to $15,538 for the year ended December 31, 2022. This increase was primarily driven by the increase in Media revenues and Other revenues, partially offset by the decrease in Mobility revenues.

Mobility revenues

Mobility revenues decreased by $1,477, or 15%, from $9,907 for the year ended December 31, 2021, to $8,430 for the year ended December 31, 2022.

The decrease in Pay-per Ride and Subscriptions revenues can be partially explained by a 16% reduction of trips between 2021 and 2022. The number of trips in 2022 dropped to 3,846,580 from 4,593,614 as a result of a decrease in operating cities during the year, partially offset by the addition of cities in which Wheels operates, which contributed only from November 18, 2022 to December 31, 2022.

The decrease in Pay-per Ride and Subscriptions revenues can also be partially explained by the Euro/U.S. Dollar exchange impact The general strengthening of the U.S. dollar against the Euro during the year ended December 31, 2022 compared to the same period in 2021 had an unfavorable impact on revenues. If we had translated mobility revenues using the prior year's monthly average exchange rates for our mobility revenues in Euro, our net mobility revenue for 2022 would have been $9,195. Using these constant rates, mobility revenues would have been $765, or 9%, higher than actual mobility revenue recorded for the year ended December 31, 2022.

Media revenues

During July 2021, the Company entered into a new business line: the international distribution and broadcasting of media content, including live sports events. Given that media business was launched in July 2021, the increase in Media revenues is mainly explained by the fact that 2022 was its first full year of activity.

Media Revenues are mainly composed of international commercialization and distribution of media content to media partners, in the Business to Business ("B2B") environment. In detail, the Company recorded revenues in connection with the commercialization of the rights to broadcast, outside of Italy, the Italian Lega Serie BKT football ("LNPB"). During the year ended December 31, 2022, the revenues recorded for those agreements amounted to $4,177, with an increase of $2,216, or 113%, from the $1,961 recorded for the year ended December 31, 2021.

Additionally, during 2022 we recorded $1,740 in Subscriptions revenues in connection with Helbiz Media's Business to Customer ("B2C") services, with an increase of $1,433 from the $307 recorded for the year ended December 31, 2021, and $590 in Advertising fees.

Cost of Revenue

	Year ended December 31,		
	2022	2021	% Change
Mobility - Cost of revenues	**$ 20,463**	**$ 22,762**	**(10)%**
Of which Amortization, Depreciation and write-off	*5,675*	*6,507*	(1)%
Of which lease of operating licenses	*—*	*2,750*	(100)%
Of which Stock-based Compensation	*15*	*27*	(44)%
Media - Cost of revenues	**$ 19,154**	**9,442**	**103%**
Of which content licensing	*19,038*	*9,415*	102%
Other - Cost of revenues	**$ 2,008**	**$ 1,642**	**22%**
Total - Cost of revenues	**$ 41,625**	**$ 33,846**	**23%**

Cost of Revenue increased by $7,779 or 23%, from $33,846 for the year ended December 31, 2021, to $41,625 for the year ended December 31, 2022. Such increase was primarily due to the full year impact of the media business which shows an increase of $9,712 or 103%.

Mobility cost of revenues shows a decrease of $2,299 or 10% mainly driven by the expiration on December 31, 2021, of the lease agreement for the DC operating license. The amortization, depreciation and write-off decreased by 13% or $832; this decrease is mainly driven by a decrease of loss on vehicle disposal and a decrease of depreciation expenses related to less US sharing licenses operated during the year ended December 31, 2022 compared to year ended December 31, 2021, and IT Platform fully amortized during 2021.

Impairment of assets

The decline in the Company's market capitalization, the reduction of operating e-mopeds, and the current adverse macroeconomic environment were the main impairment indicators. As a result, during the year ended December 31, 2022, the Company identified impairment indicators which indicate that the fair values of MiMoto assets were below their carrying values.

The table below shows the Impairment of assets composition for the year ended December 31, 2022.

	Year ended December 31,		
	2022	2021	% Change
Goodwill	$ 9,264	$ —	100%
Intangible assets	1,126	—	100%
Total Impairment of assets	**10,390**	**—**	**100%**

Research and Development

	Year ended December 31, 2022	Year ended December 31, 2021	% Change
Research and development	**$ 2,741**	**$ 2,826**	(3)%
Of which Stock-based Compensation	*161*	*415*	(61)%

Research and Development expenses decreased by $85 or 3%, from $2,826 for the year ended December 31, 2021, to $2,741 for the year ended December 31, 2022. Such decrease is driven by the decrease of stock based compensation.

Sales and Marketing

	Year ended December 31, 2022	Year ended December 31, 2021	% Change
Sales and marketing	**$ 8,712**	**$ 10,875**	(20)%
Of which Stock-based Compensation	*278*	*1,468*	(81)%

Sales and marketing expenses decreased by $2,163 or 20%, from $10,875 for the year ended December 31, 2021, to $8,712 for the year ended December 31, 2022. The decrease is mainly explained by: a) the decrease of $1,190 of stock based compensation associated with Sales and marketing employees and consultant, and b) expiration of consultancy agreements with communication and marketing providers which have not been renewed.

General and Administrative

	Year ended December 31, 2022	Year ended December 31, 2021	% Change
General and administrative	**$ 25,569**	**$ 24,411**	2%
Of which Stock-based Compensation	*2,856*	*5,469*	(48)%

General and Administrative expenses increased by $1,158 or 5%, from $24,411 for the year ended December 31, 2021, to $25,569 for the year ended December 31, 2022. Stock-based compensation registered a 48% decrease, from $5,469 for the year ended December 31, 2021, to $2,856 for the year ended December 31, 2022. Such decrease is compensated by the professional fees incurred for completing the business combination with Wheels Lab Inc. amounted to $1,069 and $1,566 related to higher D&O insurance coverage costs. In detail, the increase in D&O insurance costs is related to the full-year contribution for the year ended December 31, 2022 while for year ended December 31, 2021 the coverage started on August 12, 2021.

Total non-operating expenses, net

	Year ended December 31, 2022	Year ended December 31, 2021	% Change
Interest expenses, net	$ (7,141)	$ (4,291)	66%
Change in fair value of warrant liabilities	$ 1,456	$ (8,432)	(117)%
Loss on extinguishment of financial debts	(2,065)	—	100%
Other financial income (expenses), net	$ (801)	$ (274)	192%
Total non-operating expenses, net	**$ (8,551)**	**$ (12,997)**	**(34)%**

Interest expenses increased by $2,850, or 66%, from $4,291 for the year ended December 31, 2021, to $7,141 for the year ended December 31, 2022. Such increase is mainly driven by interest expenses recorded for Convertible Notes, entered in October 2021 and during 2022.

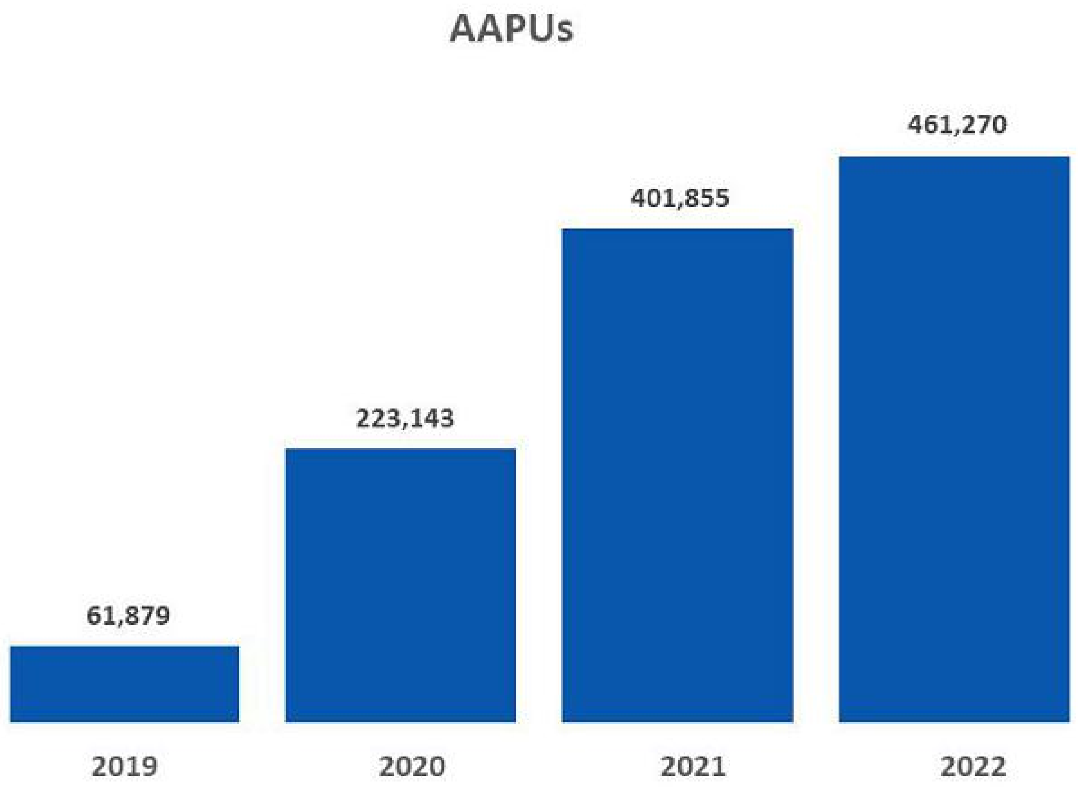
The amount recorded in 2022 for changes of Fair value adjustment is related to a gain of $1,456 recorded for a decrease in the fair value of liability warrants.

The amount recorded as Loss on extinguishment of financial debt is related to a convertible note amendment occurred in 2022, based on which the Parties agreed to materially change the terms and conditions of the original Convertible Note issued in October 2021. The Company considered the amendment as an extinguishment of the original Convertible Note. As a result, the debt discounts that was originally recorded, has been derecognized for $2,605.

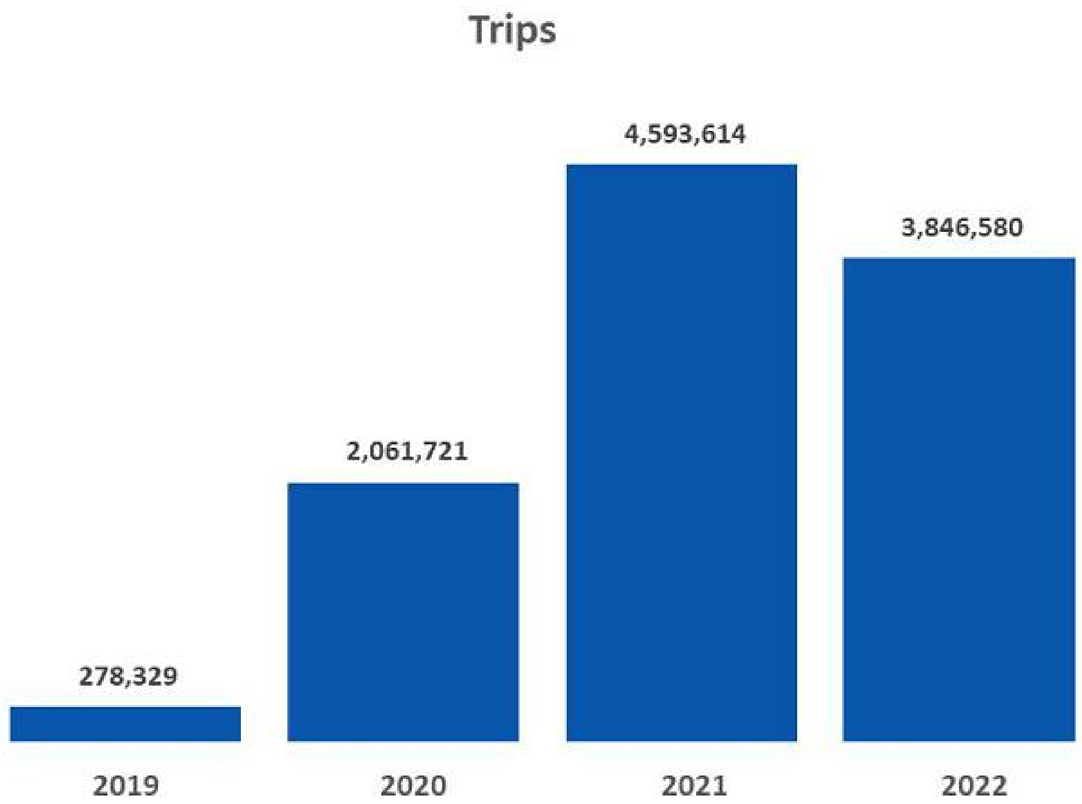
The amount recorded as Other financial income (expenses), net is mainly related to bank fees paid by the Company for foreign wires and realized and unrealized foreign exchange gains or losses. The increase is mainly related to higher amounts wired from Helbiz Inc to the European subsidiaries for sustain the media business.

Key Financial Measures and Indicators

Annual Active Platform Users ("AAPU"). We define AAPUs as the number of unique users who completed a ride on our Mobility platform at least once in a given year. While a unique user can use multiple product offerings on our platform in a given year, that unique user is counted as only one AAPU. We use AAPUs to assess the adoption of our platform and frequency of transactions, which are key factors in our penetration of the markets in which we operate.



Trips. We define Trips as the number of completed rides in a given year. To further clarify, a single-use Helbiz ride is recognized as a unique "Trip" upon completion of each ride. We believe that Trips is a useful metric to measure the scale and usage of our platform.



Active Markets. We track the number of active markets (cities). We believe that increasing the markets for expansion is fundamental to the success of our core business for the foreseeable future.

Italian licenses

We are a substantial operator in Italy in the micro-mobility environment, based on number of licenses awarded, and number of vehicles authorized. In either 2021 or 2022 or both years, we provided the following services in the following Italian cities:

- e-scooter services: Rome, Milan, Turin, Naples, Parma, Palermo, Collegno, Pisa, Modena, Ravenna, Latina, Pescara, Bari, Ferrara, Otranto, Fiumicino, Montesilvano, Cesena, Reggio Emilia, Parma, Frosinone, Catania, San Giovanni Teatino and Santarcangelo di Romagna.;
- e-bike services: Rome, Cesena, Latina, Ferrara and Turin; and
- e-mopeds services: Milan, Turin, Florence, Genova, Rimini, Tigullio, and Pescara.

United States licenses

In the fourth fiscal quarter of 2019, we started to expand operations to the United States with our electric sharing services. In 2021, we provided the following services in the following United States cities:

- e-scooter services: Washington (D.C.), Sacramento, (California), Santa Barbara (California), Alexandria (Virginia), Richmond (Virginia), Arlington (Virginia), Miami (Florida), Jacksonville (Florida), Miami Lakes (Florida), Atlanta (Georgia), Oklahoma City (Oklahoma), Waterloo (Iowa), Flint (Michigan) and Durham (North Carolina);
- e-bike services: Washington, D.C. and Atlanta, Georgia.

During the year ended December 31, 2022, we closed the operations in the following cities Atlanta (Georgia), Santa Barbara (California), Flint (Michigan), Oklahoma City (Oklahoma), and Richmond (Virginia), and we expanded the e-scooter business by opening in Orlando (Florida) and Charlotte (North Carolina). Additionally, in November 2022, following the acquisition of Wheels Labs, Inc., we expanded our electric sharing services to the following United States cities and university's campuses:

- Austin (Texas), Honolulu (Hawaii), Los Angeles (California), Santa Monica (California), University of Massachusetts (Massachusetts), Bowling Green (Kentucky), St. John University (New York).

Spain license

During the year ended December 31, 2022, we also started the sharing e-scooter operations in Alcalá de Henares (Spain).

Impact of COVID-19 to our Business.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. In response to the pandemic and corresponding health risks, we temporarily paused few operations to safeguard the health and safety of our customers and employees. After ensuring our fleets could operate safely and in compliance with local guidelines, we resumed all the market operations starting in the second quarter of 2020 with the expanded goal of providing an affordable transportation option to communities in need of socially distanced forms of transportation.

The COVID-19 pandemic reduced global travel and altered daily commutes, which significantly impacted demand for shared micro-mobility. We believe COVID-19 has accelerated the adoption of our offerings in some cities and created additional tailwinds for shared micro-mobility as people seek out socially distanced and environmentally conscious modes of transportation.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily with proceeds from outside sources of invested capital. We have had, and expect that we will continue to have, an ongoing need to raise additional cash from outside sources to fund our operations and expand our business. If we are unable to raise additional capital when desired, our business, financial condition and results of operations would be harmed. Successful transition to attaining profitable operations depends upon achieving a level of revenues adequate to support our cost structure.

As of December 31, 2022, our principal sources of liquidity were cash and cash equivalents of $429, excluding restricted cash. Cash and cash equivalents consisted of bank deposits in U.S. Dollar and Euro.

We collect the fees from riders using a third-party processing payment provider. In detail, we collect the fees between 2 to 5 days after the completion of the ride. We also collect charges and fees from partners for specific advertising or co-branding activities, within 30 days from the events. Additionally, Helbiz Media collects the fees from media partners within 60 days, for the international audiovisual rights.

We plan to continue to fund our operations and expansion plan through debt and equity financing, for the next twelve months. As a result, we decided to take the following actions during first three months of 2023:

- On January 24, 2023, the Company entered into a Standby Equity Purchase Agreement (“2023 January SEPA”) with YA II PN, Ltd. (“YA"). Pursuant to the 2023 January SEPA, the Company has the right, but not the obligation, to sell to YA up to $20,000 of its shares of Class A Common Stock at any time during the 24 months. To request a purchase, the Company would submit an Advance Notice to YA specifying the number of shares, it intends to sell. On March 8, 2023, we issued and sold a convertible promissory note (“2023 SEPA Note’) under the SEPA, with an aggregate principal amount of $4,500 to YA, a 10% original issue discount and September 15, 2023 as Maturity date.

- On March 8, 2023, the Company entered into another Standby Equity Purchase Agreement (“2023 March SEPA”) with YA II PN, Ltd. (“YA"). Pursuant to the 2023 March SEPA, the Company has the right, but not the obligation, to sell to YA up to $50,000 of its shares of Class A Common Stock at any time during the 24 months. To request a purchase, the Company would submit an Advance Notice to YA specifying the number of shares, it intends to sell. The terms, conditions and limitations are the same of the 2023 January SEPA.

We may be required to seek additional equity or debt financing. Our future capital requirements will depend on many factors, including our growth and expanded operations, including the new business lines. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all.

On March 10, 2023, the Federal Deposit Insurance Corporation (the "FDIC") took control of Silicon Valley Bank ("SVB") and created the National Bank of Santa Clara to hold the deposits of SVB after SVB was unable to continue its operations. On March 12, 2023, the FDIC, U.S. Department of the Treasury, and Board of Governors of the Federal Reserve System issued a joint press release stating that all depositors would have access to all of their money beginning on March 13, 2023.

On March 12, 2023, Signature Bank, was closed by the New York State Department of Financial Services and the FDIC. To protect depositors, the FDIC transferred all the deposits and substantially all of the assets of Signature Bank to Signature Bridge Bank, National Association (N.A), a full-service bank that operating under the FDIC. On March 19, 2023, the FDIC entered into a purchase and assumption agreement for substantially all deposits and certain loan portfolios of Signature Bridge Bank, N.A., by Flagstar Bank, National Association (N.A.), Hicksville, NY, a wholly owned subsidiary of New York Community Bancorp, Inc., Westbury, NY. Depositors of Signature Bridge Bank, N.A., other than depositors related to the digital banking business, will automatically become depositors of the assuming institution. All deposits assumed by Flagstar Bank, N.A., will continue to be insured by the FDIC up to the insurance limit.

As of March 28, 2023, we have access to our cash on deposit with SVB and Signature Bridge Bank. The loss of all or a significant portion of the amount we have deposited could adversely impact our operating liquidity and financial performance. In addition, if we are unable to access all or a significant portion of the amount we have deposited at financial institutions for any extended period of time, we may not be able to pay our operational expenses or make other payments until we are able to move our funds to accounts at one or more other banks, which process could cause a temporary delay in making payments to our vendors and employees and cause other operational challenges.

Cash Flows

The following table summarizes our cash flows activities.

	Year ended December 30,	
	2022	2021
	(in thousands)	
Net cash used in operating activities	$ (43,095)	$ (42,991)
Net cash used in investing activities	(6,540)	(11,697)
Net cash provided by financing activities	29,595	75,947
Effect of exchange rate changes	(475)	(797
Net (decrease) increase in cash, cash equivalents and restricted cash	**$ (20,515)**	**$ 20,462**

Operating Activities

During the year ended December 31, 2022, operating activities used $43,095 of cash, resulting from our net loss of $82,074, partially offset by non-cash expenses for $28,125 and net changes in operating assets and liabilities for $10,853. Non-cash expenses are mainly related to: (i) equity-based compensation for $3,310, (ii) impairment of assets for $10,390, (iii) depreciation, amortization, and loss on disposal of assets for $6,352, and (iv) non-cash interest expenses for $5,768, (v) loss on extinguishment of debts for $2,065, partially offset by (vi) changes in fair value of financial instruments for $1,465.

Net changes in operating assets and liabilities consisted primarily in the increase in accounts payable, accrued expenses and other current liabilities of $9,262 and the decrease in prepaid assets for $2,890, partially offset by an increase in accounts receivable and security deposits of $1,243.

Investing Activities

During the year ended December 31, 2022, investing activities used $6,540 of cash. In detail, we used $3,151 directly invested in our business expansion through the purchase of new electric vehicles to expand the operating fleet in several new cities, $3,167 invested in acquisition of new businesses to purchase Wheels Labs, Inc. (net of cash acquired), and $222 used for purchasing intangible assets such as operating licenses.

Financing Activities

During the year ended December 31, 2022, financing activities provided $29,595 of cash. The net proceeds from issuance of financial liabilities generated a positive cash flow of $31,660, partially offset by the repayment of existing financial liabilities for $5,489. In addition, the issuance of Common Stock generated net proceeds for $3,169.

Indebtedness

The following table summarizes our indebtedness as of December 31, 2022.

	Weighted Average Interest Rate	Maturity Date	December 31, 2022	December 31, 2021
Convertible debts, net	6%	2023	14,372	23,568
Secured loan, net	13%	2023	14,224	13,290
Unsecured loans, net	7%	Various	10,935	5,627
Warrants liabilities	N/A	—	84	1,596
Other financial liabilities	N/A	Various	802	1,045
Total Financial Liabilities, net			**40,418**	**45,126**
Of which classified as Current Financial Liabilities, net			***33,244***	***27,069***
Of which classified as Non-Current Financial Liabilities, net			***7,174***	***18,057***

The Company categorized as convertible debts the following instruments issued to YA II, Ltd. (the “Note holder”): a) three convertible notes issued in 2021 (“2021 Convertible notes”) under a Securities Purchase Agreement (the “2021 SPA”), b) six convertible notes issued in 2022 (“2022 Convertible notes”) under three Securities Purchase Agreements (the “2022 SPAs”), and c) a convertible promissory note issued on December 1, 2022 under a Standby Equity Purchase Agreement (“SEPA”) dated October 31, 2022 (“SEPA Convertible note”).

2021 Convertible notes

On October 12, 2021, the Company entered into a Securities Purchase Agreement (the “2021 SPA”) with the Note holder, pursuant to the terms of the 2021 SPA, the Company issued to the Note holder the followings: (i) 150,000 shares of Class A common stock as a commitment fee at closing date, (ii) a first 2021 convertible note in the principal amount of $15,000, at closing date, (iii) 1,000,000 Warrants to buy 1,000,000 Class A common shares with an exercise price of $20.00 per share, subsequently amended to $3.00, and a five-year expiration date, (iv) a second 2021 convertible note in the principal amount of $10,000, issued on October 27, 2021, and (v) a third 2021 convertible note in the principal amount of $5,000, issued on November 12, 2021. In exchange for the issuances of the commitment Shares, the three 2021 convertible notes and the warrants, the Company received from the Note holder proceeds of $30,000.

The 2021 convertible notes matured on the one-year anniversary date of the issuance and matured interest at a rate of 5% per annum. The 2021 convertible notes were convertible by the Note holder upon issuance. The conversion price was settled to be the lower of a fixed conversion price or 92.5% of the lowest daily volume-weighted average price of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date, provided that the conversion price may not be less than the Floor Price.

The 2021 convertible notes have been fully converted into Class A common shares during the year ended December 31, 2022. In detail, the note holder converted $31,007 (of which $30,000 as principal and $1,007 as accumulated interests) of the 2021 Convertible Notes into 38,230,442 Class A Common Shares.

2022 Convertible debts

During 2022, the Company entered into three Securities Purchase Agreements (the “2022 SPAs”) with YA II, Ltd. (the “Note Holder”), pursuant to the terms of the 2022 SPAs, the Company received from the Note holder cumulative proceeds for $23,000 and issued: (i) 150,000 shares of Class A common stock as a commitment fee, (ii) 1,000,000 Warrants to buy 1,000,000 Class A common shares with a five-year expiration date and with an exercise price of $3.00 per share for 500,000 Warrants and $2.00 per share for the remaining 500,000 Warrants, and (iii) six convertible notes (the “2022 Convertible notes”) with a one-year maturity date from issuance and 5% as annual interest rate.

The 2022 Convertible notes are convertible by the Note Holder upon issuance. The conversion price will be the lower of a Fixed Conversion Price or 92.5% of the lowest daily volume-weighted average price (“DVWAP”) of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date, provided that the conversion price may not be less than the Floor Price.

The 2022 convertible notes have been partially converted into Class A common shares during the year ended December 31, 2022. In detail, the note holder converted $12,778 (of which $12,485 as principal and $293 as accumulated interests) of the 2022 Convertible Notes into 68,145,671 Class A Common Shares.

SEPA Convertible Note

On December 1, 2022, the Company issued a Convertible Promissory Note (“SEPA Convertible Note” or “SEPA Note”) to the Note Holder pursuant to the SEPA dated October 31, 2022. The SEPA Note had a principal amount of $5,000 with 10% issuance discount, January 31, 2023, as maturity date, 0% as annum interest rate and 15% as annum default interest rate. The SEPA Note shall be convertible into shares of the Company’s Class A common shares at a Fixed Conversion Price fixed, $0.50.

The Company has the option to repay the SEPA Note in cash or by submitting Advance Notices under the SEPA entered in October 2022. The Company has also the option to redeem the SEPA Note, provided that the trading price of the Company’s Class A Common Shares is less than the Conversion Price fixed as $0.50.

The Note Holder has also the option to convert prior to the Maturity date, any portion of the outstanding and unpaid principal and interests amount into Class A shares of Common Stock at $0.50.

During December 2022, the Company partially repaid the SEPA Note for $790 through the issuance of SEPA Advance Notices.

Secured loan

On March 23, 2021, the Company entered into a $15,000 secured term loan facility with an institutional lender. The loan agreement has a maturity date of December 1, 2023, with a prepayment option for the Company after 12 months. At inception, the Company prepaid interest and an insurance premium of $2,783, while during the year ended December 31, 2022, the Company paid interest of $1,121.

Unsecured loans

Foreign unsecured loans

In 2020 and 2021, the Company, through one of its wholly-owned Italian subsidiaries, obtained long-term loans for Euro 5,500 (approximately $5,900). from a bank. Additionally, as a result of the business combination with MiMoto the Company inherited three unsecured long-term loans for cumulative $920. As of December 31, 2022, in line with the re-payment plan, the cumulative amount outstanding was $4,636. The Company recorded the loans between *Current* and *Non-Current Financial liabilities* based on the repayment terms.

2022 unsecured loans

On July 15, 2022, the Company issued an Unsecured Note to an investor in exchange for 2,000 Euro (approximately $2,133). The Unsecured Note has 6.75% as interest on annual basis, and July 15, 2027 as maturity date.

On July 12, 2022, the Company issued a Promissory Note to an investor in exchange for $2,000. The Promissory Note had 1.5% as interest rate on quarterly basis, and October 15, 2022 as original maturity date. The Company extended the maturity date to July 5, 2023, in exchange for a 50% increase in the interest rate during such extension.

Wheels unsecured debts

On November 18, 2022, as a result of the Business Combination with Wheels, the Company assumed the fair value of an unsecured loan amounted to $3,439. The loan assumed was in default under Wheels, as a result right after the Business Combination on November 18, 2022, the Company and the investor entered into a Loan Amendment which restructured the loan with the following terms and conditions:

- $1,439 of the amount outstanding converted into 6,256,652 Class A Common Shares, and
- $2,000, restructured with a new payment plan, Maturity date May 1, 2025, and annual interest rate of 12%.

Leases liabilities

We entered into various non-cancellable operating and finance lease agreements for office facilities, permit and brand licensing, e-mopeds leases, e-scooter leases, corporate vehicles' licensing, and corporate housing with lease periods expiring through 2024. These agreements require the payment of certain operating expenses, such as non-refundable taxes, repairs and insurance and contain renewal and escalation clauses. The terms of the leases provide for payments on a monthly basis and sometimes on a graduated scale.

Future annual minimum lease payments as of December 31, 2022, are as follows:

	Leases	
Year ended December 31,	**Operating**	**Finance**
2023	$ 1,314	$ 2,015
2024	351	60
2025	179	15
Thereafter	—	—
Total minimum lease payments	**$ 1,844**	**$ 2,090**
Less: Amounts representing interest not yet incurred		(16)
Present value of finance lease obligations		2,073
Less: Current portion		2,002
Long-term portion of finance lease obligations		71

Securities outstanding as of December 31, 2022

As of December 31, 2022, we had the following outstanding securities:

	December 31, 2022
Class A Common Shares	161,922,116
Class B Common Shares	14,225,898
Total Common Shares outstanding	**176,148,014**
Series A Convertible Preferred stock	6,751,823
Total Preferred Stock outstanding	**6,751,823**
Public Warrants (categorized as equity)	8,436,416
Convertible Note Warrants (categorized as equity)	2,000,000
GRNV Sponsor Warrants (categorized as liability)	1,400,000
2020 Stock Option Plan	7,344,627
2020 CEO Performance	600,000
2021 Omnibus Plan - Stock Options granted	206,250
2021 Omnibus Plan – Restricted Stocks granted	225,000
Total Warrants, Restricted Stocks and Stock Options outstanding	**19,487,293**

Common Shares and Preferred stocks

As of December 31, 2022, the Company's charter authorized the issuance of up to 285,774,102 shares of Class A common stock, $0.00001 par value per share, 14,225,898 of Class B common shares of common stock at $0.00001 par value per share, and 100,000,000 shares of preferred stock at $0.00001 par value per share.

Holders of shares of Class A Common Stock will be entitled to cast one vote per share and holders of shares of Class B Common Stock will be entitled to cast the lesser of (a) ten votes per share of Class B common stock or (b) such number of votes per share as shall equal the ratio necessary so that the votes of all outstanding shares of Class B Common Stock shall equal sixty percent (60%) of all shares of Class A Common Stock and shares of Class B Common Stock entitled to vote as of the applicable record date on each matter properly submitted to stockholders entitled to vote.

The holders of Convertible Preferred Stock Series A are not entitled to vote with the holders of the Company's Common Shares on any matters submitted to a vote of holders of the Company's Common Stock. Each holder of Series A Preferred Stock will have one vote per share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The Convertible Preferred Stock Series A shall be converted into Class A Common Shares upon the effectiveness of a Company's Stockholder Approval. The Conversion Rate was established as one Convertible Preferred Stock Series A for one Class A Common Shares, however Wheels failed to timely deliver Wheels Unaudited financial statements and the Conversion Rate has been adjusted to 1 Class A Common Shares for 1.26 Convertible Preferred Stock Series A. If the Company does not convert the Convertible Preferred Stock Series A into Class A Common Shares within five months from issuance the holders of the Convertible Preferred Stock Series A are entitled to receive a quarterly dividend equal to 3.75% of the VWAP of the Class A Common Stock on the Issuance Date. Based on the terms and conditions, the Company classified the Series A Convertible Preferred Stocks as temporary equity, recorded at fair value at issuance with no subsequent remeasurement.

Warrants

As of December 31, 2022, the Public Warrants outstanding are 8,436,416 with a strike price of $11.50. On September 23, 2021, the Public Warrants became exercisable for cash. The Public Warrants will expire five 5 years from the consummation of a Business Combination, occurred on August 12, 2021 or earlier upon redemption or liquidation.

As of December 31, 2022, the Warrants issued to YA in conjunction with convertible notes are 2,000,000 with a weighted average strike price of $2.75.

As of December 31, 2022, the Sponsor Warrants categorized as liability are composed by the 1,400,000 GRNV Sponsor Private Warrants, which have identical terms of the Public Warrants except for the fact that they are non-redeemable so long as they are held by the initial purchasers or their permitted transferees.

Stock Options

The Company has three equity compensation plans for the issuance of shares of Company's Class A common stock to employees, officers, and directors of the Company: the 2020 Equity Incentive Plan (2020 Plan), the 2020 CEO Performance Award, and 2021 Omnibus Incentive Plan (2021 Plan), which have all been approved by the Company's shareholders.

Standby Equity Purchase Agreement

On October 31, 2022, the Company entered into a Standby Equity Purchase Agreement ("SEPA") with YA pursuant to the SEPA, the Company has the right, but not the obligation, to sell to YA up to $13,900 of its shares of Class A Common Stock at any time during the 24 months. To request a purchase, the Company would submit an Advance Notice to YA specifying the number of shares, it intends to sell. The Advance Notice would state that the shares would be purchased at either:

(i) 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of Company's Class A common stock for the applicable date) in each of the three consecutive trading days commencing on the trading day following the Company's submission of an Advance Notice, or

(ii) 92.0% of the Option 2 Market Price, which is the VWAP of the pricing period set out in the Advance Notice and consented to by YA II PN, Ltd.

Any such sales would be subject to certain limitations, including that YA could not purchase any shares that would result in it owning more than 4.99% of the Company's Class A Common Stock, or any shares that, aggregated with any related transaction, would exceed 19.9% of all shares of common stock outstanding on the date of the SEPA unless shareholder approval was obtained allowing for issuances in excess of such amount.

During the year ended December 31, 2022, the Company delivered multiple Advance Notices for the sale of 23,100,000 Class A Common Shares, resulting in cumulative gross proceeds of $3,792 of which $790 have been used for partially repaid the SEPA Convertible Note.

Related Party Transactions

During the twelve months ended December 31, 2022, our majority shareholder and CEO has lent Helbiz funds on an interest-free basis for cumulative gross proceeds of $492. The amount has been repaid between a combination of cash for $237 and issuances of 527,425 Class A Common Shares for $254.

On November 18, 2022, Wheels Business Combination date, our majority shareholder and CEO purchased from a Wheels investor, a Wheels unsecured note for its principal amount $750. On November 22, 2022, our CEO converted the entire amount into 4,019,293 Class A Common Shares.

Contractual Obligations and Commitments

Media rights – Purchase Commitments

During 2021, the Company decided to enter into a new business line: the acquisition, commercialization and distribution of contents including live sport events to media partners and final viewers. In order to commercialize and broadcast media contents, the Company entered into non-cancellable Content licensing and Service agreements with multiple partners such as LNPB. These agreements require the payment of certain fees and contain renewal and escalation clauses. The terms of the agreements provide for payments on a periodical basis and on a graduated scale. The Company recognizes expense on a straight-line basis over the agreement period and has accrued for expense incurred but not paid.

Future annual minimum payments related to Media rights' agreements as of December 31, 2022, are as follows.

	Amount
Year ending December 31:	
2023	$ 25,249
2024	9,073
Thereafter	—
Total	**$ 34,322**

Litigation

On November 18, 2022, with the Wheels Business Combination the Company assumed various claims and legal proceedings that arise in the past for the ordinary course of Wheels business. In detail, Wheels has been named in various lawsuits related to use of Wheels's vehicles and in certain matters involving California Labor Code violations and the classification of individuals as independent contractors rather than employees.

The Company monitors developments in claims and legal proceedings that could affect the amount of the provisions for losses and the disclosures that have been reported in the Company's financial statements and makes adjustments to the provisions for losses and/or changes to its disclosures to reflect the impact of ongoing negotiations, settlements, rulings and the advice of legal counsel. Significant judgment is required to determine both the probability and the estimated amount of any potential losses and many of the legal proceedings are early in the discovery stage and unresolved. However, based on an assessment by the Company's legal counsel, the probability the Company will incur a loss is more likely than not for certain of these matters, and as of December 31, 2022, the Company has accrued as Other Current liabilities $2,710, for the estimated costs associated with resolving these matters. Refer to Note 15. Commitment and Contingencies to our consolidated financial statements included elsewhere in this prospectus, for further information.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with US GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in greater detail in Note 3, "Significant Accounting Policies and Use of Estimates" to our consolidated financial statements included elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

The Company generates its revenue from its two operating segments: Mobility and Media.

Mobility revenues are related to the offering of electric vehicles in the sharing environment. Through its Mobility App, Helbiz offers an intra-urban transportation solution that allows users to instantly rent electric vehicles. Those Mobility revenues are recorded in accordance with Accounting Standards Codification Topic 842 ("ASC 842").

Media revenues are related to the international distribution and broadcasting of media contents, including live sports events. The Company recorded Media revenues in accordance with Accounting Standards Codification Topic 606 ("ASC 606").

Mobility Revenues

Mobility revenues are recognized for rental and rental related activities where an identified asset, is transferred to the customer and the customer has the ability to control that asset in accordance with ASC 842.

The Company generates mobility revenues from its fleet of electric vehicles. The Company operates a fleet of sharing electric vehicles, comprised of both owned vehicles and vehicles leased from third-party leasing companies. In order to rent one of the Company's electric vehicle, a rider downloads the Mobility App and accepts the Terms of Conditions ("ToC"). The ToC defines the Company's offering, the fees charged, each party's rights and obligations and payment terms. After accepting the ToC, a rider selects and unlocks an electric vehicle, the rider has the right and the ability to control the selected electric vehicle for the desired term of the arrangement. As a result, the Company either leases or subleases the rented vehicle to the rider. The duration of the agreement varies between a single ride, for pay-per-ride agreement up to monthly for Helbiz Unlimited subscription. In all those agreements, the Company is the accounting lessor or sublessor, as applicable, in accordance with ASC 842.

Due to the short-term nature of those arrangements, the Company classifies these rentals as operating leases. The revenues generated from single-use rides are recognized upon completion of each ride, while revenues generated from mobility subscription are recognized evenly over the rental period, which is typically a month or less. The Company records deferred rent arising from prepayment of rides made by customers.

The Company has made an accounting policy election to not separate non-lease components from lease components, the entire consideration received from subscribers is treated as lease rental and therefore it is recognized on a straight-line basis.

Additionally, the Company made an accounting policy election not to gross up the revenue with the related taxes rather it is presenting the revenues after excluding the taxes (i.e., net of sales taxes and VAT). As a result, a liability is recorded upon completion of each ride for the related taxes.

Mobility revenues also includes an immaterial amount related to partnership and advertising revenues related to co-branding of the fleet and advertising on the Mobility App.

Media Revenues

Media Revenues are mainly composed by three sub-categories:

a) *Commercialization of Media rights (B2B)*
b) *Live Subscriptions (B2C)*
c) *Advertising fees*

a) *Commercialization of Media rights (B2B):* Media Revenues are mainly composed by international commercialization and distribution of media contents to media partners, in the Business to Business ("B2B") environment. In detail, the Company recorded revenues in connection with the commercialization of the rights to broadcast, outside of Italy, the Italian Lega Serie BKT football ("LNPB").

The Company applied the following steps to achieve the core principle of ASC 606.

1. *Identification of the Contract, or Contracts, with a Customer.* The Company has signed an agreement with each media partner who operates in the broadcast and media market.

2. *Identification of the Performance Obligations in the Contract.* The Company is responsible for delivering the media contents to the media partner. As a result, the Company identified only one performance obligation: the delivery of media contents to the media partner.

3. *Determination of the Transaction Price*. The Company analyzed the following criteria, using management judgement, to determine if the Company is acting as Principal or Agent in those transactions.

i) *Controlling the goods or services before they are transferred to customers*. The Company, in all active agreements, is the only part responsible for providing the service to the media partners. In detail, the Company obtained the media contents rights from LNPB and controlled the rights, before entering into agreements with media partners. Additionally, based on the service agreements, the Company is the only responsible for providing the media contents to the media partners.

ii) *Inventory Risk.* ASC 606 clarifies that an entity might have inventory risk in a service arrangement if it is committed to pay the service provider even if the entity is unable to identify a customer to purchase the service. As described in the criteria "*Controlling the goods or services before they are transferred to customers*" the Company obtained the audiovisual rights from LNPB before entering into agreements with media partners.

iii) *Discretion in establishing prices.* Based on the agreement with LNPB, the Company has full discretion in determining the price and payment terms.

The Company concluded that it acts as Principal in those service agreements as it obtained control over the media content rights, it has inventory risk, and it has discretion in establishing the prices. As result, the Company is entitled to recognize the gross selling price as transaction price.

In addition, the Company excludes all sales taxes and withholding taxes required by governmental authorities from the measurement of the transaction price.

4. *Allocation of the Transaction Price to the Performance Obligations in the Contract*. As explained above, 2. Identification of the Performance Obligations in the Contract, the Company determined that the contract contains only one performance obligation, as a result, there is no allocation of the transaction price.

5. *Recognition of Revenue when, or as, the Company Satisfies a Performance Obligation*. The Company identified one performance obligation: the delivery of media contents. Revenues are recognized ratably over the licensing period in conjunction with the distribution of the media contents to the media partners.

b) *Live subscriptions (B2C)*: For the broadcasting of the media contents, the Company is also present in the Business to Customer ("B2C") environment, through its entertainment App, Helbiz Live. In this environment, the Media subscriptions revenues are related to agreements with final customers. In detail, every time the customers accept the Terms of Conditions ("ToC"), included in the Helbiz Live App, and pay the monthly or annual fees the Company identified the presence of a formal agreement. The performance obligation related to the mentioned agreements is represented by the availability of the media contents to the final customer. As a result, in accordance with the principles described by ASC 606 "Revenue Requirements from Subscription Business", the Company recognizes revenues over time by measuring the progress of occurrence of the media contents, toward complete satisfaction of the performance obligation.

c) *Advertising Fees*: The advertising revenues are related to agreements with partners for advertising activities in the Company's entertainment App: Helbiz Live. Those fees are recognized as revenues on a straight-line basis over the contractual period with the partner, in line with the satisfaction of the related performance obligation. The Company is only responsible for fulfilling its obligation to provide a space in the Helbiz Live App, during the live contents.

Leases

The Company adopted ASC 842 as of January 1, 2022, using the modified retrospective approach. The Company elected to apply the transition method that allows companies to continue applying the guidance under the lease standard in effect at that time in the comparative periods presented in the consolidated financial statements and recognize a cumulative-effect adjustment to the opening balance of retained earnings on the date of adoption.

The Company elected the package of practical expedients available in the leasing transition guidance, and therefore did not reassess whether existing or expired contracts contain leases, lease classification, or initial direct costs. Additionally, the Company has elected the practical expedient to not separate lease and non-lease components for all of the Company’s leases. The Company also has elected the short-term lease exception for all classes of assets, and therefore does not apply the recognition requirements for leases of 12 months or less. Lease payments may be fixed or variable; however, only fixed payments are included in the Company’s lease liability calculation. For certain leases, the Company also applies a portfolio approach to account for right-of-use assets and lease liabilities that are similar in nature and have nearly identical contract provisions.

The Company determines if an arrangement is or contains a lease at contract inception by assessing whether the arrangement contains an identified asset and whether the lessee has the right to control such asset. The Company determines the classification and measurement of its leases upon lease commencement.

Lessee

The Company's leases include real estate property to support its operations, research and development equipment and electric vehicles used by riders to provide sharing services on the Mobility App. The Company records the right-of-use asset and lease liability at the present value of lease payments over the term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

When the discount rate implicit in the lease cannot be readily determined, the Company estimates its incremental borrowing rate to discount the lease payments based on information available. The Company determines its incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment.

Operating leases are included in right-of-use assets, operating lease liabilities current and non-current on the consolidated balance sheets. Lease costs for the Company's operating leases are recognized on a straight-line basis primarily within operating expenses over the lease term. Variable lease payments are recognized primarily in operating expenses in the period in which the obligation for those payments is incurred.

Finance leases are included in property, equipment, and deposits, net, and finance lease liabilities current and non-current on the consolidated balance sheets. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term in operating expenses on the consolidated statements of operations. The interest component of finance leases is recorded as interest expenses on the consolidated statements of operations and recognized using the effective interest method over the lease term.

Property, and Equipment

Property, and equipment consist of equipment, computers and software, furniture and fixtures, and rental electric vehicles including vehicles leased under finance leases. Property, and equipment are stated at cost less accumulated depreciation. Depreciation is computed using a straight-line method over the estimated useful life of the related asset. Depreciation for property and equipment commences once they are ready for our intended use. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the consolidated balance sheet and any resulting gain or loss is reflected in the consolidated statement of operations in the period realized.

The table below, shows the useful lives for the depreciation calculation using the straight-line method:

	Useful life
Equipment	5 years
Computers and Software	3 years
Furniture and fixtures	7 years
Rental e-Bikes	2 years
Rental e-Scooters	1 – 1.5 years
Rental e-Mopeds	4 years

Leasehold improvements are amortized on a straight-line basis over the shorter of the remaining term of the lease, or the useful life of the assets.

Business Combinations

We account for acquisitions of entities or asset groups that qualify as businesses using the acquisition method of accounting. In detail, the acquisition method required that the purchase price of the acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon 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 the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not subject to amortization but is tested for impairment on an annual basis during the fourth quarter or whenever events or changes in circumstances indicate the carrying value of the reporting unit may be in excess of its fair value. As part of the annual goodwill impairment test, the Company first performs a qualitative assessment to determine whether further impairment testing is necessary. If, as a result of its qualitative assessment, it is more-likely-than-not that the fair value of the Company’s reporting unit is less than its carrying amount, the quantitative impairment test will be required. Alternatively, the Company may bypass the qualitative assessment and perform a quantitative impairment test.

Intangible assets, net

Intangible assets are carried at cost and amortized on a straight-line basis over their estimated useful lives, which range from one to five years. Intangible assets resulting from the acquisition of entities are accounted for using the purchase method of accounting based on management’s estimate of the fair value of assets received.

Intangible assets, net is mainly composed by operating permits and licenses awarded or acquired by the Company, which allow the Company to operate operating the sharing business. The Company tests intangible assets for impairment whenever events or changes in circumstances (qualitative indicators) indicate that intangible assets might be impaired.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property, equipment, and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Such events and changes may include: significant changes in performance relative to expected operating results, changes in asset use, negative industry or economic trends, and changes in the Company’s business strategy. The Company measures the recoverability of these assets first by comparing the carrying amounts to the future undiscounted cash flows that the assets or the asset group are expected to generate. If such assets or asset groups are considered to be impaired, an impairment loss would be recognized if the carrying amount of the asset exceeds the fair value of the asset.

Fair Value of Financial Instruments and Fair Value Measurements

The Company determines the fair value of financial assets and liabilities using the fair value hierarchy established in the accounting standards. The hierarchy describes three levels of inputs that may be used to measure fair value, as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities.

Level 2— Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3— Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

The Company’s financial instruments include cash and cash equivalents, warrants, convertible debts, equity compensation, common stocks, temporary equity, promissory notes, and loans. Management believes that the carrying amounts of cash and cash equivalents, accounts payable, accounts receivable, and short-term debts approximate the fair value due to the short-term nature of those instruments. Embedded derivatives and certain warrants are classified as Level 3 in the fair value hierarchy as they are valued using significant unobservable inputs or data in inactive markets. We use a third-party valuation specialist to assist management in its determination of the fair value of its Level 3. These fair value measurements are highly sensitive to changes in these significant unobservable inputs and significant changes in these inputs would result in a significantly higher or lower fair value.

During the year ended December 31, 2022, certain warrants changed their classification in the fair value hierarchy for changes in the characteristics, from Level 3 to Level 1. Those warrants are now valued using the warrant price present in the active markets.

The fair value of the shares of common stock underlying the stock option and temporary equity have been historically determined by using a third-party valuation specialist to assist management in its determination. Management determines the fair value of the Company's common stock and temporary equity by considering a number of objective and subjective factors including: the valuation of comparable companies, sales of redeemable convertible preferred stock to unrelated third parties, the Company's operating and financial performance, the lack of liquidity of common stock, and general and industry specific economic outlook, amongst other factors.

Emerging Growth Company Status

Under the JOBS Act, an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an emerging growth company and have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (i) are no longer an emerging growth company, or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

Off-Balance Sheet Arrangements

Helbiz did not have, during the periods presented, and it does not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission.

Recently Issued Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 3 to our consolidated financial statements included elsewhere in this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Year Ended December 31, 2022 and 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Helbiz, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Helbiz, Inc. (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders’ deficit and cash flows for each of two years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has experienced recurring operating losses and negative cash flows from operating activities since its inception and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Explanatory Paragraph – Changes in Accounting Principles

ASU No. 2016-02

As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for leases in 2022 due to the adoption of Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842), as amended, effective January 1, 2022, using the modified retrospective approach.

ASU No. 2020-06

As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for convertible instrument in 2022 due to the adoption of ASU No. 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40), effective January 1, 2022, using the modified retrospective approach.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our 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.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2021.

New York, NY
March 28, 2023

HELBIZ, INC.

Consolidated Balance Sheets

(in thousands, except share and per share data)

		December 31, 2022	December 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents		$ 429	$ 21,143
Account receivables		1,345	451
Prepaid media rights		2,366	2,758
VAT receivables		3,054	2,992
Prepaid and other current assets		4,051	4,680
Total current assets		**11,245**	**32,025**
Goodwill		13,826	10,696
Property, equipment and deposits, net		9,237	7,616
Intangible assets, net		3,267	2,075
Right of use assets		2,872	—
Other assets		707	1,212
TOTAL ASSETS		**$ 41,154**	**$ 53,623**
LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable		$ 14,359	$ 8,110
Account payable related to media rights		7,732	2,426
Accrued expenses and other current liabilities		8,885	3,806
Deferred revenues		3,047	1,585
Operating lease liabilities		1,463	—
Finance lease liabilities		2,002	—
Short term financial liabilities, net		33,244	27,069
Total current liabilities		**70,732**	**42,996**
Other non-current liabilities		362	419
Operating lease liabilities		1,719	—
Finance lease liabilities		71	—
Non-current financial liabilities, net		7,174	18,057
TOTAL LIABILITIES		**$ 80,058**	**$ 61,472**
Commitments and contingencies	*Note 15*		
CONVERTIBLE PREFERRED STOCK			
Series A Convertible Preferred Stock, $0.0001 par value; 8,000,000 shares authorized at December 31, 2022; 6,751,823 issued and outstanding at December 31, 2022.		**$ 945**	**$ —**
STOCKHOLDERS' DEFICIT			
Preferred Stock, $0.0001 par value; 100,000,000 shares authorized at December 31, 2022; 6,751,823 issued and outstanding at December 31, 2022 as Series A Convertible Preferred Stock.			
Class A Common stock, $0.00001 par value; 285,774,102 shares authorized and; 161,922,116 and 16,289,209 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively.		152,996	101,454
Class B Common stock, $0.00001 par value; 14,225,898 shares authorized, issued and outstanding at December 31, 2022 and December 31, 2021.		—	—
Accumulated other comprehensive loss		(2,904)	(621)
Accumulated deficit		(189,942)	(108,682)
Total stockholders' deficit		**$ (39,850)**	**$ (7,849)**
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		**$ 41,154**	**$ 53,623**

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

HELBIZ, INC.

Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except share and per share data)

	Year Ended December 31,	
	2022	2021
Revenue	**$ 15,538**	**$ 12,834**
Operating expenses:		
Cost of revenues	41,625	33,846
Research and development	2,741	2,826
Sales and marketing	8,712	10,875
General and administrative	25,569	24,411
Impairment of goodwill and intangible assets	10,390	—
Total operating expenses	**89,037**	**71,958**
Loss from operations	**(73,499)**	**(59,124)**
Non-operating income (expenses), net		
Interest expense, net	(7,141)	(4,291)
Loss on extinguishment of financial debts	(2,065)	—
Change in fair value of warrant liabilities	1,456	(8,432)
Other financial income (expenses), net	(801)	(274)
Total non-operating expenses, net	**(8,551)**	**(12,997)**
Income tax benefit (expense)	(24)	150
Net loss	**$ (82,074)**	**$ (71,971)**
Deemed Dividends and Deemed Dividends equivalents	$ —	**$ (490)**
Net loss attributable to common stockholders	**$ (82,074)**	**$ (72,461)**
Net loss per share attributable to common stockholders, basic and diluted	**$ (1.25)**	**$ (2.91)**
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	65,760,991	24,862,600
Net loss	$ (82,074)	$ (71,971)
Other comprehensive (loss) income, net of tax:		
Changes in foreign currency translation adjustments	$ (2,283)	$ (657)
Net loss and comprehensive income, excluded Deemed Dividends	**$ (84,357)**	**$ (72,628)**

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

HELBIZ, INC.

Statements of Convertible Preferred Stock and Stockholders' Deficit

(in thousands, except share and per share data)

		SERIES B – CONVERTIBLE PREFERRED STOCK	Class A Common Stock		Class B Common Stock		Subscription Receivables	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	TOTAL STOCKHOLDERS' DEFICIT
			Shares	Amount	Shares	Amount				
Balance at January 1, 2021	—	**4,040**	**20,359,154**	**24,872**	**—**	**—**	**(4,033)**	**(36,221)**	**36**	**(15,346)**
Exchange of Class A Common Stock to Class B Common Stock		—	(14,225,898)	—	14,225,898	0	—	—	—	—
Issuance of common shares – for Sale	—	—	127,116	923	—	—	—	—	—	923
Share based compensation - for Issuance of Common Shares		—	5,720	73	—	—	—	—	—	73
Issuance of common stock – MiMoto Smart Mobility S.r.l. Acquisition		—	1,057,740	10,389	—	—	—	—	—	10,389
Issuance of common stock – Exercise of Warrants		—	1,904,739	22,864	—	—	—	—	—	22,864
Issuance of common stock – for settlement of Lease		—	177,827	1,747	—	—	—	—	—	1,747
Issuance of common stock – Commitment shares for Convertible Notes issuance		—	150,000	1,598	—	—	—	—	—	1,598
Issuance of Warrants - in conjunction with Convertible Notes issuance		—	—	2,245	—	—	—	—	—	2,245
Share based compensation - for Convertible Note issuance		—	25,000	256						256
Beneficial conversion features (BCF) - for Convertible Notes issuance		—	—	4,187	—	—	—	—	—	4,187
Settlement of Subscription Receivables		—	—	—	—	—	4,033	—	—	4,033
Share based compensation		—	405,506	7,379	—	—	—	—	—	7,379
Dividends and dividend equivalents for Preferred Stockholders		490	—	—	—	—	—	(490)	—	(490)
Issuance of common stock – for Conversion of Series B Convertible Redeemable Preferred Stocks		(4,530)	1,313,754	4,530	—	—	—	—	—	4,530
Reverse recapitalization and issuance of PIPE units		—	4,988,551	20,392	—	—	—	—	—	20,392
Changes in currency translation adjustment		—	—	—	—	—	—	—	(657)	(657)
Net loss		—	—	—	—	—	—	(71,971)	—	(71,971)
Balance at December 31, 2021	—	**—**	**16,289,209**	**101,454**	**14,225,898**	**—**	**—**	**(108,682)**	**(621)**	**(7,849)**

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

	SEIRES A CONVERTIBLE PREFERRED STOCK	Class A Common Stock		Class B Common Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	TOTAL STOCKHOLDERS' DEFICIT
		Shares	Amount	Shares	Amount			
Balance at January 1, 2022	**$ —**	**16,289,209**	**$ 101,454**	**14,225,898**	**$ —**	**$ (108,682)**	**$ (621)**	**$ (7,849)**
Issuance of common shares – for Conversion of Convertible Notes	—	106,376,113	43,785	—	—	—	—	43,785
Reclassification of bifurcated embedded conversion option pursuant to the adoption of accounting pronouncement ASU 2020-06	—	—	(4,187)	—	—	816	—	(3,371)
Issuance of Warrants	—	—	790	—	—	—	—	790
Issuance of common shares – Commitment shares for Convertible Notes issuance	—	150,000	399	—	—	—	—	399
Issuance of common shares – for legal services rendered in connection with issuance of convertible notes	—	450,000	451	—	—	—	—	451
Issuance of common shares – for Advance Notices under SEPA	—	23,100,000	3,169	—	—	—	—	3,169
Issuance of common shares – for legal services rendered in connection with SEPA	—	1,176,471	220	—	—	—	—	220
Issuance of common shares - for Settlement of Account Payables	—	1,257,892	770	—	—	—	—	770
Issuance of common shares - for Settlement of Financial Liabilities	—	10,803,370	2,443	—	—	—	—	2,443
Issuance of common shares - for Settlement of Payroll Liabilities	—	1,854,642	335	—	—	—	—	335
Issuance of Series A Preferred Stock - for Wheels business combination	945	—	—	—	—	—	—	—
Reclassification of Liability warrants to Equity Warrants	—	—	56	—	—	—	—	56
Share based compensation	—	464,419	3,310	—	—	—	—	3,310
Changes in currency translation adjustment	—	—	—	—	—	—	(2,283)	(2,283)
Net loss	—	—	—	—	—	(82,074)	—	(82,074)
Balance at December 31, 2022	**$ 945**	**161,922,116**	**$ 152,996**	**14,225,898**	**—**	**$ (189,942)**	**(2,904)**	**(39,850)**

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

HELBIZ, INC.

Consolidated Statements of Cash Flows

(in thousands, except share and per share data)

	Year Ended December 31, 2022	2021
Operating activities		
Net loss	$ **(82,074)**	$ **(71,971)**
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,158	6,640
Loss on disposal of assets	193	378
Non-cash interest expenses	5,768	3,576
Change in fair value of warrant liabilities	(1,465)	8,432
Loss on extinguishment of debts	2,065	—
Share-based compensation	3,310	7,379
Impairment losses	10,390	—
Other non-cash items	—	1,490
Amortization of right-of-use assets	1,706	—
Changes in operating assets and liabilities:		
Prepaid and other current assets	2,890	(8,887)
Other assets	(348)	(536)
Accounts receivable	(894)	(293)
Accounts payable	7,733	6,967
Accrued expenses and other current liabilities	1,529	3,733
Other non-current liabilities	(57)	101
Net cash used in operating activities	**(43,095)**	**(42,991)**
Investing activities		
Purchase of property, equipment, and deposits	(3,151)	(9,366)
Purchase of intangible assets	(222)	(347)
Acquisition of business, net of cash acquired	(3,167)	(1,984)
Net cash used in investing activities	**(6,540)**	**(11,697)**
Financing activities		
Proceeds from issuance of financial liabilities, net	32,265	49,157
Repayment of financial liabilities	(5,489)	(3,054)
Proceed from exercise of warrants	—	7,631
Proceeds from issuance of financial liabilities, to related party – Officer	492	2,010
Repayment of financial liabilities, to related party – Officer	(237)	(2,010)
Proceeds from settlement of Subscription receivables	—	4,033
Proceeds from sale of Class A common shares, net	3,169	923
Proceeds from Business Combination and PIPE financing	—	20,281
Payments of offering costs and underwriting discounts and commissions	(605)	(3,024)
Net cash provided by financing activities	**29,595**	**75,947**
Increase (decrease) in cash and cash equivalents, and restricted cash	(20,040)	21,259
Effect of exchange rate changes	(475)	(797)
Net increase (decrease) in cash and cash equivalents, and restricted cash	(20,515)	20,462
Cash and cash equivalents, and restricted cash, beginning of year	21,252	790
Cash and cash equivalents, and restricted cash, end of year	$ 737	$ 21,252
RECONCILIATION OF CASH, CASH EQUIVALENT AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEET		
Cash and cash equivalents	429	21,143
Restricted cash, included in Other current assets	276	—
Restricted cash, included in Other assets, non-current	32	109
Total cash and cash equivalents, and restricted cash	737	21,252
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest, net	$ 1,375	$ 666
Income taxes, net of refunds	$ 28	$ 28
Non-cash investing & financing activities		
Convertible debts converted into Common Shares	$ 43,785	$ —
Issuance of common shares – for settlement of Lease	—	1,747
Issuance of common shares – for settlement of financial liabilities	2,443	12
Issuance of common stock – MiMoto Smart Mobility S.r.l. Business Combination	—	10,389
Issuance of common shares – for Preferred share conversion	—	4,530

Issuance of common stock – Commitment shares for Convertible Notes issuance	399	1,854
Issuance of common stock – Legal services for Convertible Notes issuance	451	—
Issuance of Warrants - in conjunction with Convertible Notes issuance	790	2,245
Beneficial conversion features (BCF) - for Convertible Notes issuance	—	4,187
Issuance of common shares – Exercise of Warrant Derivative Liabilities, Fair Value	—	15,233
Derecognition of Beneficial conversion features (BCF) - for adoption of ASU 2020-06	4,187	—
Issuance of Class A common shares (PIPE units) - for settlement of Promissory Notes	—	5,000
Issuance of Series A Convertible Preferred Stocks	945	—
Adoption of ASU 842 – Recognition of ROU Assets and liabilities	4,273	—

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

1. Description of Business and Basis of Presentation

Description of Business

Helbiz, Inc. and Subsidiaries, ("Helbiz" or the "Company") was incorporated in the state of Delaware in October 2015 with its headquarter in New York, New York. The Company is an intra-urban transportation company that seeks to help urban areas reduce their dependence on individually owned cars by offering affordable, accessible, and sustainable forms of personal transportation, specifically addressing first and last mile transport.

Founded on proprietary technology platforms, the Company's core business is the offering of electric vehicles in the sharing environment. Through its Mobility App, Helbiz offers an intra-urban transportation solution that allows users to instantly rent electric vehicles. Additionally, the Company is operating two other business lines: (i) acquisition, commercialization and distribution of media content including live sport events, and (ii) food delivery services through a "ghost kitchen" concept.

The Company currently has a strategic footprint in growing markets with offices in New York, Los Angeles, Milan, and Belgrade, with additional operational teams around the world. The Company currently has electric vehicles operating in the United States and Europe.

Recent event

On November 18, 2022, Helbiz, Helbiz Merger Sub, Inc. a wholly owned subsidiary of Helbiz and Wheels Labs, Inc. ("Wheels"), entered into an Amended and Restated Agreement and Plan of Merger (the "Merger Agreement") for the sale and purchase (the "Business Combination") of the entire issued corporate capital of Wheels pursuant to which the equity holders of Wheels sold their capital stock in Wheels to Helbiz. The Business Combination closed on November 18, 2022. Wheels is an international group operating in the micro-mobility business by sharing e-vehicles through an IT platform. Refer to Note 4. Business Combination, for further information.

Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of the Company and its wholly- owned subsidiaries. All intercompany balances and transactions have been eliminated.

The Company uses the U.S. dollar as the functional currency. For foreign subsidiaries where the U.S. dollar is the functional currency, gains, and losses from remeasurement of foreign currency balances into U.S. dollars are included in the consolidated statements of operations. For the foreign subsidiary where the local currency is the functional currency, translation adjustments of foreign currency financial statements into U.S. dollars are recorded to a separate component of accumulated other comprehensive loss.

2. Going Concern and Management's Plans

The Company has experienced recurring operating losses and negative cash flows from operating activities since its inception. To date, these operating losses have been funded primarily from outside sources of invested capital. The Company had, and may potentially continue to have, an ongoing need to raise additional cash from outside sources to fund its expansion plan and related operations. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure. These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

The Company plans to continue to fund its operations and expansion plan through debt and equity financing. Debt or equity financing may not be available on a timely basis on terms acceptable to the Company, or at all.

The accompanying consolidated 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 and, as such, the financial statements do not include any adjustments relating to the recoverability and classification of recorded amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. Significant Accounting Policies and Use of Estimates

Use of Estimates

The preparation of financial statements in conformity with US GAAP generally requires management to make estimates and assumptions that affect the reported amount of certain assets, liabilities, revenues, and expenses, and the related disclosure of contingent assets and liabilities. Specific accounts that require management estimates include determination of fair values of private company stock, warrant and financial instruments, purchase price allocation for business combinations, useful lives of intangible assets, property and equipment and valuation allowance for deferred income taxes.

Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer, Salvatore Palella, is the Company's CODM. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

For the year-ended December 31, 2022, and 2021, the Company has determined to have operated in two operating segments, Mobility and Media. During the years ended December 31, 2022, and 2021, the Company generated revenues in US and Europe and as of December 31, 2022, and 2021, the Company had material assets located outside of the United States, primarily in Italy.

Revenue Recognition

The Company generates its revenue from its two operating segments: Mobility and Media.

Mobility revenues are related to the offering of electric vehicles in the sharing environment. Through its Mobility App, Helbiz offers an intra-urban transportation solution that allows users to instantly rent electric vehicles. Those Mobility revenues are recorded in accordance with Accounting Standards Codification Topic 842 ("ASC 842").

Media revenues are related to the international distribution and broadcasting of media contents, including live sports events. The Company recorded Media revenues in accordance with Accounting Standards Codification Topic 606 ("ASC 606").

Mobility Revenues

Mobility revenues are recognized for rental and rental related activities where an identified asset, is transferred to the customer and the customer has the ability to control that asset in accordance with ASC 842.

The Company generates mobility revenues from its fleet of electric vehicles. The Company operates a fleet of sharing electric vehicles, comprised of both owned vehicles and vehicles leased from third-party leasing companies. In order to rent a Company's electric vehicle, a rider downloads the Mobility App and accepts the Terms of Conditions ("ToC"). The ToC defines the Company's offering, the fees charged, each party's rights and obligations and payment terms. After accepting the ToC, a rider selects and unlocks an electric vehicle, the rider has the right and the ability to control the selected electric vehicle for the desired term of the arrangement. As a result, the Company either leases or subleases the rented vehicle to the rider. The duration of the agreement varies between a single ride, for pay-per-ride agreement up to monthly for Helbiz Unlimited subscription. In all those agreements, the Company is the accounting lessor or sublessor, as applicable, in accordance with ASC 842.

Due to the short-term nature of those arrangements, the Company classifies these rentals as operating leases. The revenues generated from single-use rides are recognized upon completion of each ride, while revenues generated from mobility subscription are recognized evenly over the rental period, which is typically a month or less. The Company records deferred rent arising from prepayment of rides made by customers.

The Company has made an accounting policy election to not separate non-lease components from lease components, the entire consideration received from subscribers is treated as lease rental and therefore it is recognized on a straight-line basis.

Additionally, the Company made an accounting policy election not to gross up the revenue with the related taxes rather it is presenting the revenues after excluding the taxes (i.e., net of sales taxes and VAT). As a result, a liability is recorded upon completion of each ride for the related taxes.

Mobility revenues also includes an immaterial amount related to partnership and advertising revenues related to co-branding of the fleet and advertising on the Mobility App.

Media Revenues

Media Revenues are mainly composed by three sub-categories:

a) *Commercialization of Media rights (B2B)*

b) *Live Subscriptions (B2C)*

c) *Advertising fees*

a) *Commercialization of Media rights (B2B):* Media Revenues are mainly composed by international commercialization and distribution of media contents to media partners, in the Business to Business ("B2B") environment. In detail, the Company recorded revenues in connection with the commercialization of the rights to broadcast, outside of Italy, the Italian Lega Serie BKT football ("LNPB").0

The Company applied the following steps to achieve the core principle of ASC 606.

1. *Identification of the Contract, or Contracts, with a Customer.* The Company has signed an agreement with each media partner who operates in the broadcast and media market.

2. *Identification of the Performance Obligations in the Contract.* The Company is responsible for delivering the media contents to the media partner. As a result, the Company identified only one performance obligation: the delivery of media contents to the media partner.

3. *Determination of the Transaction Price*. The Company analyzed the following criteria, using management judgement, to determine if the Company is acting as Principal or Agent in those transactions.

i) *Controlling the goods or services before they are transferred to customers*. The Company, in all active agreements, is the only part responsible for providing the service to the media partners. In detail, the Company obtained the media contents rights from LNPB and controlled the rights, before entering into agreements with media partners. Additionally, based on the service agreements, the Company is the only responsible for providing the media contents to the media partners.

ii) *Inventory Risk.* ASC 606 clarifies that an entity might have inventory risk in a service arrangement if it is committed to pay the service provider even if the entity is unable to identify a customer to purchase the service. As described in the criteria "*Controlling the goods or services before they are transferred to customers"* the Company obtained the audiovisual rights from LNPB before entering into agreements with media partners.

iii) *Discretion in establishing prices.* Based on the agreement with LNPB, the Company has full discretion in determining the price and payment terms.

The Company concluded that it acts as Principal in those service agreements as it obtained control over the media content rights, it has inventory risk, and it has discretion in establishing the prices. As result, the Company is entitled to recognize the gross selling price as transaction price.

In addition, the Company excludes all sales taxes and withholding taxes required by governmental authorities from the measurement of the transaction price.

4. *Allocation of the Transaction Price to the Performance Obligations in the Contract*. As explained above, 2. Identification of the Performance Obligations in the Contract, the Company determined that the contract contains only one performance obligation, as a result, there is no allocation of the transaction price.

5. *Recognition of Revenue when, or as, the Company Satisfies a Performance Obligation*. The Company identified one performance obligation: the delivery of media contents. Revenues are recognized ratably over the licensing period in conjunction with the distribution of the media contents to the media partners.

b) *Live subscriptions (B2C)*: For the broadcasting of the media contents, the Company is also present in the Business to Customer ("B2C") environment, through its entertainment App, Helbiz Live. In this environment, the Media subscriptions revenues are related to agreements with final customers. In detail, every time the customers accept the Terms of Conditions ("ToC"), included in the Helbiz Live App, and pay the monthly or annual fees the Company identified the presence of a formal agreement. The performance obligation related to the mentioned agreements is represented by the availability of the media contents to the final customer. As a result, in accordance with the principles described by ASC 606 "Revenue Requirements from Subscription Business", the Company recognizes revenues over time by measuring the progress of occurrence of the media contents, toward complete satisfaction of the performance obligation.

c) *Advertising Fees*: The advertising revenues are related to agreements with partners for advertising activities in the Company's entertainment App: Helbiz Live. Those fees are recognized as revenues on a straight-line basis over the contractual period with the partner, in line with the satisfaction of the related performance obligation. The Company is only responsible for fulfilling its obligation to provide a space in the Helbiz Live App, during the live contents.

Other revenues

The Company also generated revenues from food delivery offerings, which are recognized as revenues on a straight-line basis over the contractual period, in line with the satisfaction of the related performance obligations, as defined in ASC 606.

Cost of revenues

Cost of revenues primarily consists of operative costs related to the Mobility and Media offerings.

- Costs incurred in connection to Mobility offerings include but is not limited to: personnel-related costs both internal and external, credit card processing fees, battery charging costs, electric vehicles repair and maintenance costs, van and warehouses under operating leases, data center and networking expenses, software expenses directed related to the operations such as AWS, ride insurance costs, depreciation and write-off of rental vehicles, amortization and expenses related to the obtainment of operating licenses and other direct costs.

- Costs incurred in connection to Media offerings includes contents licensing, access costs, licensing and credit cards processing fees.

Research and development

Research and development expenses primarily consist of personnel-related compensation costs for employees in engineering and product development, both internal and external. Such expenses include costs related to the Company's technology initiatives, as well as expenses associated with ongoing improvements to existing products and platforms. Research and development expenses are expensed as incurred.

Sales and marketing

Sales and marketing expenses primarily consist of advertising expenses, business development expenses, customer support costs, product marketing costs, personnel-related compensation costs and depreciation and write-off expense of customer relationship acquired. Sales and marketing costs are expensed as incurred.

General and administrative

General and administrative expenses primarily consist of personnel-related compensation costs, professional service fees, D&O insurance, lease expenses for offices and corporate houses, depreciation and amortization expenses of fixed and intangible assets other than rental vehicles or related to them, and other corporate costs.

Income Taxes

Deferred income taxes are recorded for the expected tax consequences of temporary differences between the tax basis of assets and liabilities for financial reporting purposes and amounts recognized for income tax purposes. The Company periodically reviews the recoverability of deferred tax assets recorded on the consolidated balance sheet and provides valuation allowances as deemed necessary to reduce such deferred tax assets to the amount that will, more likely than not, be realized. A full valuation allowance was recorded against the deferred tax assets as of December 31, 2022, and 2021.

Income tax expense consists of taxes currently payable and changes in deferred tax assets and liabilities calculated according to local tax rules.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence for each jurisdiction including past operating results, estimates of future taxable income and the feasibility of ongoing tax planning strategies. In the event that the Company changes its determination of the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to income tax expense in the period in which such determination is made.

The amount of deferred tax provided is calculated using tax rates enacted at the balance sheet date. The impact of tax law changes is recognized in periods when the change is enacted.

A two-step approach is applied in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement.

The Company’s policy is to recognize interest and penalty expenses associated with uncertain tax positions as a component of income tax expense in the Consolidated statements of operations and comprehensive loss. As of December 31, 2022, and 2021, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts have been recognized in the Company’s consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with the fair value recognition and measurement provisions of U.S. GAAP, which requires compensation cost for the grant-date fair value of stock-based awards to be recognized over the requisite service period. The Company accounts for forfeitures when they occur. The fair value of stock-based awards, granted or modified, is determined on the grant date at fair value, using appropriate valuation techniques.

Service-Based Awards

The Company records stock-based compensation expense for service-based stock options and restricted stock on a straight-line basis over the requisite service period. For stock options with only service-based vesting conditions, the Company utilizes Black-Scholes option-pricing model as valuation model, which incorporates the following assumptions:

- *Expected term*: it represents the period of time that the options are expected to be outstanding and is estimated using the midpoint between the requisite service period and the contractual term of the option.

- *Risk-free interest rate*: based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term.

- *Expected dividend yield:* the Company has not paid and does not anticipate paying dividends on common stock, as a result is 0.0%.

For restricted stock, granted under the employee stock purchase plan, subject only to a service condition for vesting, the Company measures the awards based on the market price of its common stock at the grant date.

Performance-Based Awards

The Company has granted common stock that vest upon the satisfaction of a performance condition. The performance-based conditions generally are satisfied upon achieving specified performance targets, such as our financial or operating metrics, and/or the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain specific liquidation or change in control transactions, or (ii) an initial public offering ("IPO"). The Company records stock-based compensation expense for performance-based equity awards only if performance-based conditions are considered probable to be satisfied.

Market-Based Awards

We have granted stock options that vest only upon the satisfaction of all the following conditions: service-based conditions, performance-based conditions, and market-based conditions. The performance-based condition is satisfied upon achieving specified performance targets, such as the occurrence of a qualifying event, as described above for performance-based awards. The market-based conditions are satisfied upon the achievement of specified Company's market valuations.

The Company records stock-based compensation expense for market-based equity awards such as stock options on an accelerated attribution method over the requisite service period. We determine the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit service-based period, using the longer of the two service periods as the requisite service period.

Concentration of Credit Risk

Cash and cash equivalents, restricted cash are potentially subject to credit risk concentration. Cash and cash equivalents and restricted cash consist of cash deposits which typically exceed insured limits and are placed with international financial institutions. The Company has not experienced any material losses related to these concentrations during the periods presented.

Cash and Cash Equivalents

The Company maintains cash in bank deposits in different currencies, mainly the U.S. Dollar and Euro.

Foreign Currency

The Company has operations in foreign countries whose functional currency is the local currency. All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated at the average exchange rate applicable during the period. Translation gains and losses are included as a component of accumulated other comprehensive loss in stockholders' equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in other income and expenses in the accompanying consolidated statements of operations and comprehensive loss when incurred.

Leases

The Company adopted ASC 842 as of January 1, 2022, using the modified retrospective approach. The Company elected to apply the transition method that allows companies to continue applying the guidance under the lease standard in effect at that time in the comparative periods presented in the consolidated financial statements and recognize a cumulative-effect adjustment to the opening balance of retained earnings on the date of adoption.

The Company elected the package of practical expedients available in the leasing transition guidance, and therefore did not reassess whether existing or expired contracts contain leases, lease classification, or initial direct costs. Additionally, the Company has elected the practical expedient to not separate lease and non-lease components for all of the Company's leases. The Company also has elected the short-term lease exception for all classes of assets, and therefore does not apply the recognition requirements for leases of 12 months or less. Lease payments may be fixed or variable; however, only fixed payments are included in the Company's lease liability calculation. For certain leases, the Company also applies a portfolio approach to account for right-of-use assets and lease liabilities that are similar in nature and have nearly identical contract provisions.

The Company determines if an arrangement is or contains a lease at contract inception by assessing whether the arrangement contains an identified asset and whether the lessee has the right to control such asset. The Company determines the classification and measurement of its leases upon lease commencement.

Lessee

The Company's leases include real estate property to support its operations, research and development equipment and electric vehicles used by riders to provide sharing services on the Mobility App. The Company records the right-of-use asset and lease liability at the present value of lease payments over the term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

When the discount rate implicit in the lease cannot be readily determined, the Company estimates its incremental borrowing rate to discount the lease payments based on information available. The Company determines its incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment.

Operating leases are included in right-of-use assets, operating lease liabilities current and non-current on the consolidated balance sheets. Lease costs for the Company's operating leases are recognized on a straight-line basis primarily within operating expenses over the lease term. Variable lease payments are recognized primarily in operating expenses in the period in which the obligation for those payments is incurred.

Finance leases are included in property, equipment, and deposits, net, and finance lease liabilities current and non-current on the consolidated balance sheets. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term in operating expenses on the consolidated statements of operations. The interest component of finance leases is recorded as interest expenses on the consolidated statements of operations and recognized using the effective interest method over the lease term.

Property, and Equipment

Property, and equipment consist of equipment, computers and software, furniture and fixtures, and rental electric vehicles including vehicles leased under finance leases. Property, and equipment are stated at cost less accumulated depreciation. Depreciation is computed using a straight-line method over the estimated useful life of the related asset. Depreciation for property and equipment commences once they are ready for our intended use. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the consolidated balance sheet and any resulting gain or loss is reflected in the consolidated statement of operations in the period realized.

The table below, shows the useful lives for the depreciation calculation using the straight-line method:

	Useful life
Equipment	5 years
Computers and Software	3 years
Furniture and fixtures	7 years
Rental e-Bikes	2 years
Rental e-Scooters	1 – 1.5 years
Rental e-Mopeds	4 years

Leasehold improvements are amortized on a straight-line basis over the shorter of the remaining term of the lease, or the useful life of the assets.

Vehicle Deposits

Vehicle Deposits consist of capital advances made in connection to purchase orders submitted to vehicle's manufacturers. The Company analyzed the nature of the deposits and classified as non-current assets the deposits expected to be converted into fixed assets, such as new Mobility vehicles.

Acquisitions

The Company accounts for acquisitions of entities or asset groups that qualify as businesses using the acquisition method of accounting. In detail, the acquisition method required that the purchase price of the acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon 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 the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not subject to amortization but is tested for impairment on an annual basis during the fourth quarter or whenever events or changes in circumstances indicate the carrying value of the reporting unit may be in excess of its fair value. As part of the annual goodwill impairment test, the Company first performs a qualitative assessment to determine whether further impairment testing is necessary. If, as a result of its qualitative assessment, it is more-likely-than-not that the fair value of the Company's reporting unit is less than its carrying amount, the quantitative impairment test will be required. Alternatively, the Company may bypass the qualitative assessment and perform a quantitative impairment test.

Intangible assets, net

Intangible assets are carried at cost and amortized on a straight-line basis over their estimated useful lives, which range from one to five years. Intangible assets resulting from the acquisition of entities are accounted for using the purchase method of accounting based on management's estimate of the fair value of assets received.

Intangible assets, net is mainly composed by operating permits and licenses awarded or acquired by the Company, which allow the Company to operate operating the sharing business. The Company tests intangible assets for impairment whenever events or changes in circumstances (qualitative indicators) indicate that intangible assets might be impaired.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property, equipment, and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Such events and changes may include: significant changes in performance relative to expected operating results, changes in asset use, negative industry or economic trends, and changes in the Company's business strategy. The Company measures the recoverability of these assets first by comparing the carrying amounts to the future undiscounted cash flows that the assets or the asset group are expected to generate. If such assets or asset groups are considered to be impaired, an impairment loss would be recognized if the carrying amount of the asset exceeds the fair value of the asset.

Fair Value of Financial Instruments and Fair Value Measurements

The Company determines the fair value of financial assets and liabilities using the fair value hierarchy established in the accounting standards. The hierarchy describes three levels of inputs that may be used to measure fair value, as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities.

Level 2— Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3— Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

The Company's financial instruments include cash and cash equivalents, warrants, convertible debts, equity compensation, common stocks, temporary equity, promissory notes, and loans. Management believes that the carrying amounts of cash and cash equivalents, accounts payable, accounts receivable, and short-term debts approximate the fair value due to the short-term nature of those instruments. Embedded derivatives and certain warrants are classified as Level 3 in the fair value hierarchy as they are valued using significant unobservable inputs or data in inactive markets. We use a third-party valuation specialist to assist management in its determination of the fair value of its Level 3. These fair value measurements are highly sensitive to changes in these significant unobservable inputs and significant changes in these inputs would result in a significantly higher or lower fair value.

During the year ended December 31, 2022, certain warrants changed their classification in the fair value hierarchy for changes in the characteristics, from Level 3 to Level 1. Those warrants are now valued using the warrant price present in the active markets.

The fair value of the shares of common stock underlying the stock option and temporary equity have been historically determined by using a third-party valuation specialist to assist management in its determination. Management determines the fair value of the Company's common stock and temporary equity by considering a number of objective and subjective factors including: the valuation of comparable companies, sales of redeemable convertible preferred stock to unrelated third parties, the Company's operating and financial performance, the lack of liquidity of common stock, and general and industry specific economic outlook, amongst other factors.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance. The assessment considers whether the warrants are freestanding financial instruments, meet the definition of a liability, and whether the warrants meet all of the requirements for equity classification, including whether the warrants are indexed to the Company's own common shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and subsequently remeasured at each balance sheet date thereafter.

Financial Liabilities

The Company accounts Financial Liabilities between Current and Non-current liabilities based on the re-payment terms and conditions.

At the issuance of each financial instrument the Company evaluates the presence of: embedded derivatives, other instruments issued in conjunction of the financial transactions such as warrants. In case the Company identified more than one financial instrument or embedded derivatives, the Company allocates the gross proceeds, at issuance date. For subsequent measurement of embedded derivatives and warrants classified as liability the Company followed the applicable authoritative guidance which required subsequent adjustments of the instruments at fair value with impact on the Consolidated Statement of Operations.

Net Loss Per Share Attributable to Common Stockholders

The Company follows the two-class method when computing net loss per common share when shares are issued that meet the definition of participating securities. The two-class method determines net income (loss) per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company's redeemable convertible preferred stock contractually entitles the holders of such shares to participate in dividends but does not contractually require the holders of such shares to participate in the Company's losses.

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, net of shares of common stock held in escrow account. The diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period. For periods in which the Company reports net losses, diluted net loss per common share attributable to common stockholders is the same as basic net loss per common share attributable to common stockholders, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Accounting Pronouncement Adopted in the Current Year

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The lease assets and liabilities to be recognized are both measured initially based on the present value of the lease payments. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This update is effective for annual periods beginning January 1, 2022, and interim periods beginning January 1, 2023, with early adoption permitted. The Company adopted this standard as of January 1, 2022, using the modified retrospective approach which allowed the Company to initially apply the new lease standard at the adoption date. Under the modified retrospective approach, comparative periods are presented in accordance with previous standards and do not include any retrospective adjustments to reflect the adoption of ASC 842. In detail, the Company elected to apply the transition method that allows companies to continue applying the guidance under the lease standard in effect at that time in the comparative periods presented in the consolidated financial statements and recognize a cumulative-effect adjustment to the opening balance of retained earnings on the date of adoption. The Company elected the package of transition provisions available for expired or existing contracts, which allowed the Company to carryforward the historical assessments of (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. In the condensed consolidated balance sheet as of January 1, 2022, the adoption of this new guidance resulted in:

- an increase of $4,273 to the total assets to reflect the recognition of Right of Use assets for operating leases, and

- an increase of $4,273 to the total liabilities to reflect the recognition of operating leases liabilities.

- The adoption did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

The Company also applied the Standard for recording rental revenues included in Mobility revenues. The impact of adoption of this standard over Mobility revenues on our condensed consolidated financial statements was not material.

In August 2020, the FASB issued ASU No. 2020-06, “Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging— Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity”, which simplifies the accounting for convertible instruments by eliminating the requirement to separate embedded conversion features from the host contract when the conversion features are not required to be accounted for as derivatives under Topic 815, Derivatives and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. By removing the separation model, a convertible debt instrument will be reported as a single liability instrument with no separate accounting for embedded conversion features. This new standard also removes certain settlement conditions that are required for contracts to qualify for equity classification and simplifies the diluted earnings per share calculations by requiring that an entity use the if-converted method and that the effect of potential share settlement be included in diluted earnings per share calculations. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Effective January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective approach. In the condensed consolidated balance sheet, the adoption of this new guidance resulted in:

- an increase of $3,371 to the total carrying value of the convertible notes to reflect the full principal amount of the convertible notes outstanding net of issuance costs,

- a reduction of $4,187 to additional paid-in capital to remove the equity component separately recorded for the beneficial conversion features associated with the convertible notes, and

- a cumulative-effect adjustment of $816 to the beginning balance of accumulated deficit as of January 1, 2022.

In May 2021, the FASB issued ASU 2021-04, Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options, (“ASU 2021-04”) which clarifies the accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. Specifically, ASU 2021-04 requires the issuer to treat a modification of an equity-classified warrant as an exchange of the original warrant. The difference between the fair value of the modified warrant and the fair value of the warrant immediately before modification is then recognized as an issuance cost or discount of the related transaction. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted. Effective January 1, 2022, we adopted ASU 2021-04 on a prospective basis. The impact of adoption of this standard on our condensed consolidated financial statements was not material.

Accounting Pronouncements Issued but Not Yet Adopted

In March 2022, the FASB issued ASU 2022-02, Troubled Debt Restructurings and Vintage Disclosures. This ASU eliminates the accounting guidance for troubled debt restructurings by creditors that have adopted ASU 2016-13, Measurement of Credit Losses on Financial Instruments. This ASU also enhances the disclosure requirements for certain loan refinancing and restructurings by creditors when a borrower is experiencing financial difficulty. In addition, the ASU amends the guidance on vintage disclosures to require entities to disclose current period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of ASC 326-20. The ASU is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. Adoption of the ASU would be applied prospectively. Early adoption is also permitted, including adoption in an interim period. This ASU is currently not expected to have a material impact on our consolidated financial statements.

In June 2022, the FASB issued ASU No. 2022-03, “Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions”, which clarifies guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security to contractual restrictions that prohibit the sale of an equity security and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. This new standard will be effective for the Company for fiscal years beginning after December 15, 2023, including interim periods within that fiscal year, with early adoption permitted. The Company is currently assessing the impact of adopting this standard on the consolidated financial statements.

In September 2022, the FASB issued ASU 2022-04, “Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations,” which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose sufficient information about the program. The amendments do not affect the recognition, measurement or financial statement presentation of obligations covered by supplier finance programs. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, except for the amendment on roll-forward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The Company is currently assessing the impact of adopting this standard on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13—Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU requires an entity to use a current expected credit loss methodology to measure impairments of certain financial assets and to recognize an allowance for its estimate of lifetime expected credit losses. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. Early adoption is permitted. The Company is currently assessing the impact of adopting this standard on the consolidated financial statements.

4. Business Combination

Wheels Lab Inc – 2022 Business Combination

On November 18, 2022 (“Business Combination date”), the Company acquired 100% of the equity interest of Wheels Lab, Inc. (“Wheels”), Wheels is an international group operating in the micro-mobility business by sharing e-vehicles through an IT platform. The business combination is expected to contribute to the growth of the Company’s core business through the offering of an additional type of micro-mobility vehicle to riders.

The acquisition of Wheels has been accounted for as a business combination. The purchase price of the acquisition has been estimated to $4,145; composed by:

- $945 which represents the total fair value of the 6,751,823 Series A Convertible Preferred Stocks issued to Wheels shareholders, and

- $3,200 paid in cash to Wheels during the due diligence phase.

The fair value of the Company’s Series A Convertible Preferred Stocks issued to Wheels shareholders have been estimated assuming two scenarios:

a) conversion of the Series A Convertible Preferred Stocks into Company’s common shares within four months. The result of this scenario is a function of the Company’s common shares fair value and the conversion rate, and

b) Series A Convertible Preferred Stocks not converted into Class A Common Shares for the first twelve months after issuance. In this scenario, the fair value has been estimated through an option pricing method backsolve calculation.

The Company assigned a 95% probability to scenario a) and 5% to scenario b). Fair value measurements are highly sensitive to changes in these inputs; significant changes in these inputs would result in a significantly higher or lower fair value.

Valuation Assumptions for Purchase Price Allocation

Company's valuation assumptions used to estimate the acquired assets and assumed liabilities require significant estimates, especially with respect to intangible assets, property and equipment, legal contingencies and deferred taxes. In determining the fair value of intangible assets acquired, the Company must make assumptions about the future performance of the acquired businesses, including among other things, the forecasted revenue growth attributable to the asset groups and projected operating expenses inclusive of expected synergies, future cost savings, and other benefits expected to be achieved by combining the businesses acquired with the Company. The intangible assets acquired are primarily comprised of government relationships and trade names and trademarks. The Company utilized widely accepted income-based, market-based, and cost-based valuation approaches to perform the preliminary purchase price allocations.

The estimated fair value of the government relationships is determined using the multi-period excess earnings method and the estimated fair value of the trade names and trademarks is determined using the relief from royalty method. Both methods require forward looking estimates that are discounted to determine the fair value of the intangible asset using a risk-adjusted discount rate that is reflective of the level of risk associated with future estimates associated with the asset group that could be affected by future economic and market conditions.

The fair value measurement of the assets and liabilities is based on significant inputs not observable in the market and thus represent a Level 3 measurement. The Company utilized a discounted cash flow method, with a discount rate of 14.4%. The following table summarizes the allocation of the fair value of the assets acquired and liabilities assumed, prepared with the assistance of a valuation specialist, at the Business Combination date.

Government relationships	$	2,400
Rental vehicles		1,126
Trade name and trademarks		900
Other current assets		535
Right of use assets under operating leases		274
Cash and cash equivalents		33
Total identifiable assets acquired	**$**	**5,268**
Trade payables		(4,592)
Financial liabilities		(4,736)
Accrued expenses and other current liabilities		(1,660)
Legal contingencies – Refer to Note 15 Commitment and contingencies		(2,060)
Sales tax payables		(1,306)
Deferred revenues		(322)
Short-term operating lease liability		(274)
Total Liabilities assumed	**$**	**(14,950)**
Goodwill		**13,826**
Total acquisition fair value consideration	**$**	**4,145**

Business combination costs amounted to $1,069 are related to legal and financial advisor costs. Based on their nature, the Company recorded the costs in general and administrative expenses in the consolidated statements of operations.

Goodwill - not deductible for tax purpose – included in the Mobility segment, is primarily attributable to: a) assembled workforce which represents the presence of a skilled employee base who possesses expertise in the micromobility environment that are important for the expansion plan and , b) expected operating synergies and monetization opportunities arising from the business combination, including the ability to obtain further licenses in the electric sharing environment in Europe and United States and gain efficiencies with the combined use of know-how, technology, and existing processes.

Government relationships and Trade name and trademarks accounted as Intangible Assets are amortized on a straight-line basis over their estimated useful life 3 years. Government relationships represent the operating e-vehicle sharing agreements with municipalities, entered by Wheels in previous years. Trade name and trademarks represent the values of the Wheels name and brand recognized by customers and the value of the patents associated with the Wheels vehicles.

Assumed legal contingencies are related to lawsuits for the usage of Wheels's vehicles and for violations of the California Labor Code for the classification of individuals as independent contractors rather than employees. At the business combination date, the Company has determined that the range of the potential loss on such contingencies is $0 to $3,264 and the probable and reasonable estimable negative outcomes on such contingencies was $2,060, based on settlements already entered, rulings and the advice of legal counsel. Significant judgment is required to determine both the probability and the estimated amount of any potential losses and many of the legal proceedings are early in the discovery stage and unresolved.

The results of operations for the acquired business have been included in the consolidated statements of operations for the period after the Business Combination date, November 18, 2022. Revenues and Net Loss of Wheels included in the Company's consolidated statement of operations from the acquisition date through December 31, 2022, are as follows.

	From November 18, 2022, to December 31, 2022
Revenues	$ 286
Net Loss	(1,628)

MiMoto Smart Mobility S.r.l. – 2021 Business Combination

On April 1, 2021 ("Acquisition date"), the Company acquired the entire equity interest of MiMoto Smart Mobility S.r.l. ("MiMoto"), a dockless e-moped sharing private company based in Milan, Italy. The acquisition was expected to contribute to the growth of the Company's core business through the offering of e-moped solution to riders.

The acquisition of MiMoto has been accounted for as a business combination. The purchase price of the acquisition has been estimated to $12,544 (paid in 1,057,740 shares of the Company's Class A common stock, and $2,155 in cash). The fair value of the Company's Common Stocks issued to MiMoto shareholders have been estimated assuming a "Public Company scenario". The Company assigned a 100% probability to the mentioned scenario. The Company valued the estimated equity value at listing date using a discount rate, derived from the capital asset pricing model ("CAPM"). On April 1, 2021, the discount rate applied was 7.4% and the equity value estimate was driven from the trading price of GRNV stock and expected conversion ratio with Helbiz common shares. Fair value measurements are highly sensitive to changes in these inputs; significant changes in these inputs would result in a significantly higher or lower fair value.

The following table summarizes the allocation of the fair value of the assets acquired and liabilities assumed, prepared with the assistance of a valuation specialist, at the Closing Date, April 1, 2021.

Government relationships	$ 1,870
Customer relationships	887
Other current Assets	169
Cash and cash equivalents	168
Security Deposits	143
Property and Equipment	111
Account Receivables	62
Other non-current Assets	11
Total identifiable assets acquired	**$ 3,421**
Deferred tax liabilities	(184)
Financial liabilities	(920)
Other liabilities	(928)
Total Liabilities assumed	**$ (2,032)**
Goodwill	**11,155**
Total acquisition consideration	**$ 12,544**

Acquisition costs were immaterial and are included in general and administrative expenses in the consolidated statements of operations.

Goodwill - not deductible for tax purpose - was primarily attributable to the expected synergies and monetization opportunities arising from the acquisition, including the ability to obtain further licenses in the electric sharing environment and gain efficiencies with the use of MiMoto's know-how, technology, and existing processes.

Government relationships and Customer relationships accounted as Intangible Assets were amortized on a straight-line basis over their estimated useful life, 3 years. Government relationships represent the operating e-mopeds sharing agreements with municipalities, entered by MiMoto in previous years. Customer relationships represent the customer based owned by MiMoto through its platform.

The results of operations for the acquired business have been included in the consolidated statements of operations for the period after the Company's acquisition of MiMoto: April 1, 2021.

Revenues and Net Loss of MiMoto included in the Company's consolidated statement of operations from the acquisition date through December 31, 2021, are as follows.

	For the period April 1, 2021, to December 31, 2021
Revenues	$ 804
Net Loss	(1,470)

Pro forma combined results

Pro forma consolidated revenues and earnings for the twelve months ended December 31, 2022, and December 31, 2021, calculated as if Wheels and MiMoto had been acquired as of January 1, 2021, are as follows:

	(unaudited) Year Ended December 31,	
	2022	2021
Revenues	$ 21,196	$ 22,773
Net Loss	(111,484)	(106,120)

The pro forma adjustments reflect the transaction accounting adjustments, in accordance with U.S. GAAP. No autonomous entity adjustments have been identified and recorded as pro forma adjustments. Additionally, the pro forma adjustments do not reflect management's adjustments for potential synergies and dis-synergies. The pro forma combined financial statements do not necessarily reflect what the combined results of operations would have been had the acquisition occurred on the dates indicated. In detail, the pro forma adjustments are mainly related to the amortization of Customer and Government relationships and trade name and trademarks. They also may not be useful in predicting the future results of operations of the combined company. The actual results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

GreenVision Acquisition Corp. – Reverse Merger

On August 12, 2021 (the "Closing Date"), the business combination between Helbiz and GRNV was closed. In connection with the execution of the business combination GRNV closed a PIPE Investment by entering into subscription agreements with investors for an aggregate of 2,650,000 GRNV units at $10.00 per unit, amounted to $26.5 million of gross proceeds, of which proceeds $5 million was in the form of cancelation of Helbiz Holdings Inc. promissory notes. Each unit consisted of one Class A Common Stock and a warrant to purchase one Class A Common Stock exercisable at $11.50.

As a result of the aforementioned business combination, each Helbiz Holdings share, and stock option issued and outstanding immediately prior to the business combination date were canceled and automatically converted into the right to receive 4.63 (the "conversion ratio") GRNV shares or stock options of the respective class.

The business combination was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded. Based on the analysis performed, GRNV is treated as the "acquired" company for financial reporting purposes. This determination was based primarily on Helbiz Holdings having the ability to appoint a majority of the initial Board of the combined entity, Helbiz Holdings' senior management comprising the majority of the senior management of the combined company, and the ongoing operations of Helbiz Holdings comprising the ongoing operations of the combined company. Accordingly, for accounting purposes, the business combination was treated as the equivalent of Helbiz issuing shares for the net assets of GRNV, accompanied by a recapitalization.

The following table summarizes the Company's net assets acquired through the consummation of the business combination on August 12, 2021.

Cash and cash equivalents	$	20,281
Subscription receivable – PIPE Investment in the form of cancelation of Helbiz Holdings promissory notes		5,000
Prepaid expenses and other current assets		739
Liability Warrants		(1,958)
Liabilities toward Helbiz		(570)
Accounts payable and accrued expenses		(54)
Net Asset Acquired, excluding Helbiz transaction costs	**$**	**23,438**
Helbiz transaction costs		**(3,046)**
Net Asset Acquired from the business combination		**20,392**

The Liabilities assumed by Helbiz as result of the business combination were mainly related to the Warrants classified as Liabilities and amounted to $1,958 on August 12, 2021. The Warrant liabilities are composed of the following:

(a) 2,100,000 Private Warrants issued to GRNV Sponsors ("GRNV Sponsor Private Warrants"). Each Private Warrant is exercisable to purchase one share of Class A common stock at an exercise price of $11.50 per share. At the closing date, the fair value of these Private Warrants recorded as a liability were $1,829.

(b) 287,500 Private Warrants issued to GRNV's underwriter, I-Bankers Securities, Inc. ("GRNV Underwriter Private Warrants"). Each Private Warrant is exercisable to purchase one share of Class A common stock at an exercise price of $12.00 per share. At the closing date, the fair value of the 287,500 Private Warrants recorded as liability was $129.

5. Revenue Recognition

The table below shows the revenues breakdown for the year ended on December 31, 2022, and on December 31, 2021.

	Year Ended December 31,			
	2022		2021	
Mobility Revenues (ASC 842)	**$**	**8,430**	**$**	**9,907**
Pay per ride		6,742		7,793
Mobility Subscriptions		1,331		1,450
Partnerships fees		357		664
Media Revenues (ASC 606)	**$**	**6,507**	**$**	**2,770**
Commercialization of Media rights (B2B)		4,177		1,961
Live subscriptions (B2C)		1,740		307
Advertising fees		590		502
Other Revenues (ASC 606)	**$**	**601**	**$**	**156**
Total Revenues	**$**	**15,538**	**$**	**12,834**

The table below shows the Deferred revenues roll-forward from January 1, 2021, to December 31, 2021, and from January 1, 2022, to December 31, 2022.

Deferred Revenues		**January 1, 2021**		**Additions**		**2021 Revenues**		**FX rate Adj**		**December 31, 2021**
Mobility		146		4,048		(2,996)		4		1,202
Media		—		383		—		—		383
Total	**$**	**146**	**$**	**4,431**	**$**	**(2,996)**	**$**	**4**	**$**	**1,585**

Deferred Revenues		**January 1, 2022**		**Additions**		**Wheels Business combination**		**2022 Revenues**		**FX rate Adj**		**December 31, 2022**
Mobility		1,202		2,757		322		(2,417)		(89)		1,775
Media		383		7,539		—		(6,507)		(142)		1,272
Other		—		24		—		(24)		—		—
Total	**$**	**1,585**	**$**	**10,320**	**$**	**322**	**$**	**(8,948)**	**$**	**(231)**	**$**	**3,047**

Deferred revenues related to prepaid customer wallet will be recorded as Mobility Revenues when riders will take a ride or make a subscription, while deferred revenues related to Media will be mainly recorded as Revenues in the first six months of 2023.

6. Prepaid Media rights

Prepaid Media rights are composed by media rights to commercialize and broadcast sport events (live and highlights). The table below shows the Prepaid Media rights roll-forward from January 1, 2021, to December 31, 2021, and from January 1, 2022, to December 31, 2022.

Prepaid Media rights	January 1, 2021	Additions	2021 COGS	FX rate Adj	December 31, 2021
Media rights	—	10,806	(8,053)	5	2,758
Total	$ —	**$ 10,806**	**$ (8,053)**	**$ 5**	**$ 2,758**

Prepaid Media rights	January 1, 2022	Additions	2022 COGS	FX rate Adj	December 31, 2022
Media rights	2,758	13,550	(13,767)	(175)	2,366
Total	**$ 2,758**	**$ 13,550**	**$ (13,767)**	**$ (175)**	**$ 2,366**

7. VAT Receivables

VAT Receivables amounted to $3,054 and $2,992 as of December 31, 2022, and 2021, respectively. VAT receivables are mainly related to the Italian VAT (22%), recorded by Media business, in conjunction with the invoices received for the content licensing. VAT receivables will be collected or offset with other tax liabilities within the year ended December 31, 2023.

8. Goodwill

The table below shows the Goodwill roll-forward from January 1, 2021, to December 31, 2021, and from January 1, 2022, to December 31, 2022.

	January 1, 2021	Business Combination	Impairment	FX rate Adj	December 31, 2021
MiMoto Goodwill	—	11,155	—	(459)	10,696
Wheels Goodwill	—	—	—	—	—
Total	$ —	**$ 11,155**	$ —	**$ (459)**	**$ 10,696**

	January 1, 2022	Business Combination	Impairment	FX rate Adj	December 31, 2022
MiMoto Goodwill	10,696	—	(9,264)	(1,432)	—
Wheels Goodwill	—	13,826	—	—	13,826
Total	**$ 10,696**	**$ 13,826**	**$ (9,264)**	**$ (1,432)**	**$ 13,826**

MiMoto Impairment

In September 2022, the Company identified impairment indicators which indicate that the fair values of MiMoto assets, related to the e-mopeds business, were below their carrying values. The decline in the Company's market capitalization and the reduction of operating e-mopeds were the main impairment indicators. As of September 30, 2022, the Company completed a quantitative impairment test for the Mobility reporting unit, comparing the estimated fair value of the reporting unit to its carrying value, including goodwill and intangible assets. As a result, the Company impaired the carrying value of MiMoto Goodwill of $9,264 and MiMoto Intangible assets of $1,126, which are included within Impairment of assets in the consolidated statements of operations for the twelve months ended December 31, 2022.

As part of the Company's impairment analysis, the fair value of the reporting unit was determined using the income approach. The determination of the fair value of the Company's reporting units requires management to make a number of estimates and assumptions, which include, but are not limited to: the projected future business and financial performance of the Company's reporting unit; forecasts of revenue, operating income, depreciation, amortization, and capital expenditures; discount rates; terminal growth rates; and consideration of the impact of the current adverse macroeconomic environment. Although the Company believes its estimates of fair value are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such estimates.

Wheels Goodwill

On November 18, 2022, the Company completed a business combination with Wheels. As a result of the business combination the Company identified a Goodwill which is primarily attributable to the expected operating synergies and monetization opportunities arising from the business combination, including the ability to obtain further licenses in the electric sharing environment in Europe and United States and gain efficiencies with the combined use of know-how, technology, and existing processes.

9. Property, equipment and deposits, net

Property, equipment and deposits, net consist of the following:

	December 31, 2022	December 30, 2021
Sharing electric vehicles	$ 15,128	$ 9,348
Of which under finance lease agreements	*3,260*	—
Furniture, fixtures, and equipment	1,411	1,100
Of which under finance lease agreements	*177*	—
Computers and software	1,045	1,020
Leasehold improvements	714	730
Total property and equipment, gross	**18,298**	**12,198**
Less: accumulated depreciation	(12,136)	(7,510)
Total property and equipment, net	**$ 6,162**	**$ 4,688**
Vehicle deposits	3,075	2,928
Total property, equipment and deposits, net	**$ 9,237**	**$ 7,616**

The following table summarizes the loss on disposal and depreciation expenses recorded in the consolidated statement of operations for the years ended on December 31, 2022, and 2021.

	Year Ended December 31,	
	2022	2021
Cost of revenues	$ 4,932	$ 5,627
Research & Development	44	—
General & administrative	439	291
Total depreciation and loss on disposal expenses	**$ 5,416**	**$ 5,918**

The Cost of revenues for the year ended December 31, 2022, amounted to $4,932 includes $1,699 related to depreciation expenses for sharing vehicles leased by the Company under finance lease agreements.

10. Intangible assets, net

Intangible assets consist of the following:

	December 31, 2022	December 31, 2021
Government Relationships	2,400	1,804
Trade name and trademarks	900	—
Customer Relationships	—	855
Licenses	126	639
Other Intangible assets	87	63
Total Intangible assets, Gross	**$ 3,513**	**$ 3,361**
Less: accumulated amortization	(246)	(1,286)
Total Intangible assets, net	**$ 3,267**	**$ 2,075**

The following table summarizes the amortization expenses and impairment recorded in the consolidated statement of operations, for the years ended on December 31, 2022, and 2021.

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cost of revenues	$ 743	$ 880
Impairment of goodwill and intangible assets	1,126	—
Sales & marketing	192	215
General & administrative	2	6
Total Amortization and Impairment expenses	**$ 2,063**	**$ 1,101**

11. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

	December 31, 2022	December 31, 2021
Legal contingencies – refer to Note 15 Commitments and Contingencies	$ 2,710	$ —
Payroll liabilities	2,693	2,496
Accrued expenses	2,369	1,310
Sales tax payables	1,113	—
Total accrued expenses and other current liabilities	**$ 8,885**	**$ 3,806**

Payroll liabilities and Accrued expenses presented in the table above are related to the normal course of business, while Sales tax payables and Legal accruals are mainly related to liabilities arise from prior periods by Wheels. In detail, Sales tax payables are related to settlement agreements made by Wheels with multiple US states under which the Company is required to make monthly payments within the next 12 months.

12. Fair value measurements

The following tables summarize the fair value hierarchy of the Company's financial liabilities measured at fair value on a recurring basis as of December 31, 2022, and December 31, 2021. In detail, the conditions underlying the Warrant liabilities changed during the year ended December 31, 2022, for the filing of a Registration Statement covering the underlying Class A common shares of the mentioned warrants. As a result, the Company changed the fair value category of the Warrant liabilities from Level 3 to Level 1, for the presence of an active market.

			December 31, 2022			
	Fair Value	Warrants outstanding	Total	Level 1	Level 2	Level 3
Warrants liabilities	$ 0.06 each	1,400,000	$ 84	$ 84	$ —	$ —
Total			**$ 84**	**$ 84**	$ —	$ —

			December 31, 2021			
	Fair Value	Warrants outstanding	Total	Level 1	Level 2	Level 3
Warrants liabilities	$ 0.76 each	2,100,000	$ 1,596	$ —	$ —	$ 1,596
Total			**$ 1,596**	$ —	$ —	**$ 1,596**

As of December 31, 2021, the fair value of each Warrant liabilities amounted to $0.76, was determined using the Black-Scholes option-pricing model with the following assumptions.

	December 31, 2021
Remaining term (in years)	4.62
Expected volatility	40%
Risk-free interest rate	1.2%
Expected dividend yield	— %

The following tables summarize the fair value hierarchy of the Company's financial assets measured at fair value on a recurring basis as of December 31, 2022; no assets measured at fair value on a recurring basis were identified as of December 31, 2021.

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Embedded derivative – Optional redemption for SEPA Note	$ 50	$ —	$ —	$ 50
Total	**$ 50**	$ —	$ —	**$ 50**

As of December 31, 2022, the fair value of the embedded derivative was estimated as $50, using a binominal model which is a lattice based discrete-time model with the following assumptions.

	December 31, 2022	December 31, 2021
Credit risk adjusted rate	*12%*	*— %*
Expected volatility	*158%*	*— %*
Risk-free interest rate	*4%*	*— %*
Expected dividend yield	*— %*	*— %*

Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

13. Current and Non-current financial liabilities, net

The Company's Financial liabilities consisted of the following:

	Weighted Average Interest Rate	Maturity Date	December 31, 2022	December 31, 2021
Convertible debts, net	6%	2023	14,372	23,568
Secured loan, net	13%	2023	14,224	13,290
Unsecured loans, net	7%	Various	10,935	5,627
Warrants liabilities	N/A	—	84	1,596
Other financial liabilities	N/A	Various	802	1,045
Total Financial Liabilities, net			**40,418**	**45,126**
Of which classified as Current Financial Liabilities, net			***33,244***	***27,069***
Of which classified as Non-Current Financial Liabilities, net			***7,174***	***18,057***

The table below shows the amounts recorded as *Interest expense, net* on the statements of operations for the years ended on December 31, 2022, and December 31, 2021:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Convertible debts	$ (4,423)	$ (2,063)
Secured loan	(2,055)	(1,342)
Unsecured loans	(548)	(854)
Other interest (income) expenses	(115)	(32)
Total Interest expenses, net	**$ (7,141)**	**$ (4,291)**

The Company categorized as convertible debts the following instruments issued to YA II, Ltd. (the "Note holder"): a) three convertible notes issued in 2021 ("2021 Convertible notes") under a Securities Purchase Agreement (the "2021 SPA"), b) six convertible notes issued in 2022 ("2022 Convertible notes")under three Securities Purchase Agreements (the "2022 SPAs"), and c) a convertible promissory note issued on December 1, 2022 under a Standby Equity Purchase Agreement ("SEPA") dated October 31, 2022 ("SEPA Convertible note"). See below for further information regarding the three types of convertible debts.

2021 Convertible notes

<u>*Original terms and conditions*</u>

On October 12, 2021 ("closing date"), the Company entered into a Securities Purchase Agreement (the "2021 SPA") with the Note holder, pursuant to the terms of the 2021 SPA, the Company issued to the Note holder the followings: (i) 150,000 shares of Class A common stock as a commitment fee, at closing date (ii) a first 2021 convertible note in the principal amount of $15,000, at closing date (iii) 1,000,000 Warrants to buy 1,000,000 Class A common shares with an exercise price of $20.00 per share, subsequently amended to $3.00, and five years as expiration date, (iv) a second 2021 convertible note in the principal amount of $10,000, issued on October 27, 2021, and (v) a third 2021 convertible note in the principal amount of $5,000, issued on November 12, 2021. In exchange for the issuances of the commitment Shares, the three 2021 convertible notes and the warrants, the Company received from the Note holder proceeds of $30,000.

The 2021 convertible notes matured on the one-year anniversary date of the issuance and matured interest at a rate of 5% per annum.

The 2021 convertible notes were convertible by the Note holder upon issuance. The conversion price was settled to be the lower of a fixed conversion price or 92.5% of the lowest daily volume-weighted average price of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date, provided that the conversion price may not be less than the Floor Price.

<u>*Initial recognition*</u>

At the issuance dates of the 2021 Convertible Notes, the Company separated the 2021 Convertible Notes into liability and equity components.

In detail, at the issuance of the convertible notes, the Company determined the fair value of:

(i) 1,000,000 warrants issued. The fair value of each warrant was $2.64, and it is based on the following assumptions: risk free rate 1.08%, volatility 48% and remaining term 5.00 years;

(ii) 150,000 commitment shares issued. The fair value of each share was $10.65, based on the closing price of Company's common stock at the issuance date; and

(iii) 2021 Convertible Notes fair value has been approximated with their principal amount, $30,000 due to the short term.

At inception, the Company allocated the gross proceeds between the 2021 Convertible Note and the warrants - classified as equity component with no subsequent re-measurement - based upon their relative fair values. Additionally, the Company recorded the following debt discounts related to the 2021 Convertible notes:

a) A beneficial conversion feature embedded ("BCF") in the Convertible Notes, amounted to $4,186. The BCF has been determined by its intrinsic value at closing date, bifurcated from the host liability, and accounted as equity with no subsequent re-measurement. The BCF has been subsequently derecognized, refer to paragraph ASU 2020-06;

b) The fair value of the 150,000 commitment shares, amounted to $1,598. It also represents an equity component recorded at closing date with no subsequent re-measurement; and

c) Issuance costs mainly related to legal fees, amounted to $466 ($210 cash and $256 issuance of common shares).

The difference between the principal amounts of the Convertible Notes and the liability components ("debt discount") have been amortized to interest expense over the contractual term of the notes.

Amendments

On April 15, 2022, and on May 17, 2022, the Company amended certain terms of the 2021 Convertible Notes and related 1,000,000 Warrants previously issued under the 2021 SPA. In detail, the main amended terms were the Fixed Conversion Price from $20.00 to $3.00 and the Floor Price settled as $0.25 for all the 2021 Convertible notes.

The Company considered the amendments as an extinguishment of the original 2021 Convertible Notes. As a result, the net carrying values of the original 2021 Convertible Notes have been derecognized and the amended 2021 Convertible Notes have been recorded at their fair values on the date of the amendment. On April 15, 2022, the fair value of the amended 2021 Convertible Notes have been estimated as the principal amounts and accrued interests and unpaid interests.

The difference between the two amounts, amounted to $2,065 which represents the debt discounts on April 15, 2022, has been recorded in the statements of operations as *Loss on extinguishment of debt.*

The amendment of the strike price for the 1,000,000 Warrants, modified from $20.00 to $3.00 did not generate any impact on the consolidated financial statement ended December 31, 2022.

ASU 2020-06

Effective January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective approach, under this new guidance the BCF does not require bifurcation from the host liability. As a result, on January 1, 2022, the Company derecognized the BCF from the condensed combined balance sheet. In detail, the interest expense that arose from the amortization of the debt discount related to the BCF during 2021, amounting to $816, has been recognized as a cumulative adjustment to accumulated deficit at the transition date. Additionally, the remaining BCF debt discount balance at the transition date, amounted to $3,371 and the equity amount originally recorded at the issuance date $4,187 for the BCF, have been derecognized on the transition date.

Conversions

The 2021 convertible notes have been fully converted into Class A common shares during the year ended December 31, 2022. In detail, the note holder converted $31,007 (of which $30,000 as principal and $1,007 as accumulated interests) of the 2021 Convertible Notes into 38,230,442 Class A Common Shares.

2022 Convertible debts

Original terms and conditions

During 2022, the Company entered into three Securities Purchase Agreements (the “2022 SPAs”) with YA II, Ltd. (the “Note Holder”), pursuant to the terms of the 2022 SPAs, the Company received from the Note holder cumulative proceeds for $23,000 and issued: (i) 150,000 shares of Class A common stock as a commitment fee, (ii) 1,000,000 Warrants to buy 1,000,000 Class A common shares with five-year expiration date, and with an exercise price of $3.00 per share for 500,000 Warrants and $2.00 per share for the remaining 500,000 Warrants, and (iii) six convertible notes (the “2022 Convertible notes”) with one-year maturity date from issuance, 5% as annual interest rate and 15% as default interest rate.

The 2022 Convertible notes are convertible by the Note Holder upon issuance. The conversion price will be lower of a Fixed Conversion Price or 92.5% of the lowest daily volume-weighted average price (“DVWAP”) of the Class A Common Stock during the five consecutive trading days immediately preceding the conversion date, provided that the conversion price may not be less than the Floor Price.

The Company is required to pay a redemption premium in two circumstances: a) if the Company redeems the convertible notes prior to maturity; or b) if after the issuance, the DVWAP is less than the Floor Price for five consecutive trading days. In case event b) occurred the Company is required to make monthly payments which shall be in an amount equal to the sum of (i) the principal amount outstanding divided by the number of such monthly payments until maturity, (ii) a redemption premium of 10% of such principal amount and (iii) accrued and unpaid interest hereunder as of each payment date. The Company obligation to make monthly payments will cease if after the occurrence of event b) the daily VWAP is greater than the Floor Price for a period of 10 consecutive trading days. The circumstance b) has been partially waived by the note holder in November 2022, refer to paragraph below.

Initial recognition

At the issuance dates of the 2022 Convertible notes, the Company separated the 2022 Convertible notes into liability and equity components. In detail, at the issuance of the 2022 convertible notes, the Company determined the fair value of:

(i) 500,000 warrants issued on April 15, 2022. The fair value of each warrant was $1.34, and it is based on the following assumptions: risk free rate 2.79%, volatility 60% and remaining term 5.00 years;

(ii) 150,000 commitment shares issued on April 15, 2022. The fair value of each share was $2.66, based on the closing price of Company's common stock at the issuance date;

(iii) 500,000 warrants issued on August 23, 2022. The fair value of each warrant was $0.39, and it is based on the following assumptions: risk free rate 3.18%, volatility 71% and remaining term 5.00 years; and

(iv) The six convertible notes fair value has been approximated with their principal amount, $23,000 due to the short term.

The Company allocated the gross proceeds between the 2022 Convertible Note - classified as Current liability - and the warrants - classified as equity component with no subsequent re-measurement - based upon their relative fair values. The Company also recorded the following debt discounts.

a) Debt discount for the 2022 Convertible Note issued on April 15, 2022, amounted to $850 composed by: (i) the fair value of 150,000 commitment shares, amounted to $399, which represents an equity component recorded on April 15, 2022, with no subsequent re-measurement, and; (ii) issuance costs related to legal fees, amounted to $451 ($155 cash and $296 issuance of common shares).

b) Debt discount for 2022 Convertible Note issued on August 23, 2022, amounted to $315 composed by issuance costs related to legal fees, amounted to ($160 cash and $155 issuance of common shares).

The difference between the principal amounts of the 2022 Convertible Notes and the liability components ("debt discount") is amortized to interest expense over the contractual term of the notes.

Amendments

Based on the 2022 SPAs, and the amendments that occurred on May 17, 2022, on August 23, 2022, on November 10, 2022, and on December 1, 2022, the Fixed Conversion Price and the Floor Price have been adjusted to $0.50 and $0.25 for all the outstanding 2022 Convertible Notes, except for two 2022 Convertible Notes with principal amount of $10,000 for which the November 10, 2022 amendment adjusted the Floor Price to $0.15.

On November 10, 2022, the note holder agreed to waive until January 15, 2023 (Limited Waiver Agreement), its right to receive any monthly payments that may become due as a result of the market price of the Class A common stock falling below the Floor Price, for the 2022 Convertible Notes, except for two Convertible Notes with Floor Price adjusted to $0.15

In connection with the Limited Waiver Agreement, the Company entered into a Security Agreement with the note holder pursuant to which, the Company agreed to secure the 2022 Convertible Debts by granting to YA II PN, Ltd. a security interest to all of our property existing at the time of the Security Agreement or acquired thereafter (the "Collateral"). The security interest in the Collateral, excluding that portion that is subject to the Secured Loan, is a first priority security interest.

Conversions

The 2022 convertible notes have been partially converted into Class A common shares during the year ended December 31, 2022. In detail, the note holder converted $12,778 (of which $12,485 as principal and $293 as accumulated interests) of the 2022 Convertible Notes into 68,145,671 Class A Common Shares. As a result of the mentioned re-payments on December 31, 2022, the Company has $10,686 outstanding as principal and accumulated interests, partially offset by debt discounts amounted to $331.

SEPA Convertible Note

Original terms and conditions

On December 1, 2022, the Company issued a Convertible Promissory Note ("SEPA Convertible Note" or "SEPA Note") to the Note Holder pursuant to the SEPA dated October 31, 2022. The SEPA Note had a principal amount of $5,000 with 10% issuance discount, January 31, 2023 as maturity date, 0% as annum interest rate and 15% as annum default interest rate. The SEPA Note shall be convertible into shares of the Company's Class A common shares at a Fixed Conversion Price fixed, $0.50.

The Company has the option to repay the SEPA Note through the following or a combination of the two:

- repay in cash the SEPA Note on or before the Maturity date,

- repay the SEPA Note by submitting one or a series of Advance Notices under the SEPA entered in October 2022, on or before the Maturity date.

The Company has also the option to redeem the SEPA Note ("redemption option"), provided that the trading price of the Company's Class A Common Shares is less than the Conversion Price fixed as $0.50.

The Note Holder has also the option to convert prior to the Maturity date, any portion of the outstanding and unpaid principal and interests amount into fully paid and nonassessable Class A shares of Common Stock in accordance with the Fixed Conversion Price.

Initial recognition

At issuance date, the Company recorded the SEPA Note as follow.

	December 1, 2022
SEPA Note principal amount	$ 5,059
Debt issuance discount	(500)
Embedded derivative – Optional redemption	(59)

In detail, the Company identified an embedded derivative related to the optional redemption and accounted it as a freestanding derivative, with subsequent changes in fair value recorded in the statement of operations. As of December 31, 2022, the Company presented the SEPA Note netted of the bifurcated embedded derivative.

The debt issuance discount has been amortized to interest expense over the contractual term of the notes.

Repayment

During December 2022, the Company partially repaid the SEPA Note for $790 through the issuance of SEPA Advance Notices. As a result of the mentioned re-payments on December 31, 2022, the Company has $4,260 outstanding as principal, partially offset by debt discounts amounted to $193 and embedded derivative $50.

Secured loan

On March 23, 2021, the Company entered into a $15,000 secured term loan facility with an institutional lender. The loan agreement has a maturity date of December 1, 2023. At inception, the Company prepaid interest and an insurance premium for $2,783, while during the year ended December 31, 2022, the Company paid interests for $1,121.

The Company is in dispute with respect to the interest paid in November 2022. In detail, the Company paid the November interests within 3 Business days of the due date in accordance with the agreement, however the lender believes that $50 were due as default interest for the month of November. The Company continues to have dialogue with respect to the settlement of this matter with the lender. The Company has continued to pay their interest in December through the date of the financial statement in accordance with the original terms of the loan agreement without applying the default interest rate. The Secured loan is due as of December 31, 2023 and the Company has not received any correspondence from the lender with respect to acceleration of the principal.

As of December 31, 2022, and December 31, 2021, the Company accounted the loan as *Short term financial liabilities, net*, and *Non-Current Financial liabilities, net*, respectively. As of December 31, 2022, the Company has $15,000 outstanding as principal, partially offset by debt discounts amounted to $776.

Unsecured loans

Foreign unsecured loans

In 2020 and 2021, the Company, through one of its wholly-owned Italian subsidiaries, obtained long-term loans for Euro 5,500 (approximately $5,900). from a bank. Additionally, as a result of the business combination with MiMoto the Company inherited three unsecured long-term loans for cumulative $920. As of December 31, 2022, in line with the re-payment plan, the Company has $4,818 outstanding as principal and accumulated interests, partially offset by debt discounts amounting to $182. The Company recorded the loans between *Current* and *Non-Current Financial liabilities* based on the repayment terms.

2022 unsecured loans

On July 15, 2022, the Company issued an Unsecured Note to an investor in exchange for 2,000 Euro (approximately $2,133). The Unsecured Note has 6.75% as interest on annual basis, and July 15, 2027 as maturity date. As of December 31, 2022, the Company has $2,200 outstanding as principal and accumulated interests.

On July 12, 2022, the Company issued a Promissory Note to an investor in exchange for $2,000. The Promissory Note had 1.5% as interest rate on quarterly basis, and October 15, 2022 as original maturity date. The Company extended the maturity date to July 5, 2023, in exchange for a 50% increase in the interest rate during such extension. As of December 31, 2022, the Company has $2,069 outstanding as principal and accumulated interests.

Wheels unsecured debts

On November 18, 2022, as a result of the Business Combination with Wheels, the Company assumed the fair value of an unsecured loan amounted to $3,439. The loan assumed was in default under Wheels, as a result right after the Business Combination on November 18, 2022, the Company and the investor entered into a Loan Amendment which restructured the loan with the following terms and conditions:

- $1,439 of the amount outstanding converted into 6,256,652 Class A Common Shares, and

- $2,000, restructured with a new payment plan, Maturity date May 1, 2025, and annual interest rate of 12%.

As of December 31, 2022, the Company has $2,030 outstanding as principal and accumulated interests.

Liability warrants

The tables below show the warrant liabilities roll-forward from January 1, 2021, to December 31, 2021, and from January 1, 2022, to December 31, 2022.

	January 1, 2021	Issuance (fair value) on August 12, 2021	Change in fair value	Exercise (fair value)	December 31, 2021
2020 Warrant Purchase Agreement	6,439	—	4,128	(10,567)	—
GRNV Underwriter's Warrants	—	129	4,537	(4,666)	—
GRNV Sponsor Private Warrants	—	1,829	(233)	—	1,596
Total Warrant liabilities	**$ 6,439**	**$ 1,958**	**$ 8,432**	**$ (15,233)**	**$ 1,596**

	January 1, 2022	Change in fair value	Reclassification to Equity	December 31, 2022
GRNV Sponsor Private Warrants	1,596	(1,456)	(56)	84
Total Warrant liabilities	**$ 1,596**	**$ (1,456)**	**$ (56)**	**$ 84**

GRNV Sponsor Private Warrants

The Company assumed 2,100,000 GRNV Sponsor Private Warrants on August 12, 2021, as a result of the business combination with GRNV. The mentioned warrants are identical to the Public Warrants underlying the Units sold in the GRNV Initial Public Offering and PIPE transaction, except for the following: they will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. In detail, if the GRNV Sponsor Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the GRNV Sponsor Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. Based on the above non-redeemable feature, GRNV Sponsor Private Warrants are accounted as liability.

During the year ended December 31, 2022, one of the initial purchasers holding 700,000 GRNV Sponsor Private Warrants sold its warrants. As a result, the fair value of the 700,000 GRNV Sponsor Private Warrants were reclassified to equity.

14. Leases

Operating leases

The Company has operating leases for office spaces, warehouse facilities, corporate houses, and certain company vehicles. The leases have remaining lease terms of one month to 4 years.

The table below presents the operating lease-related assets and liabilities recorded on the consolidated balance sheets.

	December 31,	
Operating leases	**2022**	**2021**
Assets		
Right-of-use Assets under operating leases	$ 2,873	—
Liabilities		—
	$ 1,464	—
Non-current Operating leases liabilities	1,719	—
Total Operating lease liabilities	**$ 3,183**	—

The table below presents the operating lease remaining lease terms and discount rate applied.

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term (years)	*2.78*	—
Weighted-average discount rate	*8.93%*	— %

The table below presents the impact on the statement of operations related to the operating leases for the year ended December 31, 2022, including expenses related to lease agreements with an initial term of 12 months or less. Amounts presented for the year ended December 31, 2021, have been recorded under ASC 840.

	December 31, 2022	December 31, 2021
Cost of revenues	1,604	1,360
General and administrative	1,190	1,093
Total Operating lease expenses	**$ 2,794**	**$ 2,453**

Finance leases

During the year ended December 31, 2022, the Company entered into various non-cancellable finance lease agreements for 3,750 eScooters and R&D equipment with financial institutions. As of December 31, 2022, the remaining lease terms vary between two months to two years.

The table below presents the finance lease-related assets and liabilities recorded on the consolidated balance sheets.

Finance leases	December 31, 2022	December 31, 2021
Assets		
Sharing vehicles leased gross	$ 3,260	—
R&D equipment leased gross	177	—
Accumulated Depreciation	(1,743)	—
Total property and equipment related to finance leases, net	**$ 1,694**	—
Liabilities		—
Current finance leases liabilities	$ 2,002	—
Non-current finance leases liabilities	71	—
Total finance lease liabilities	**$ 2,073**	—

The table below presents the finance lease remaining lease terms and discount rate applied.

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term (years)	*0.38*	—
Weighted-average discount rate	*8.30%*	— %

The table below presents the impact on the statement of operations related to the finance leases for the year ended December 31, 2022, and December 31, 2021.

	December 31,	
	2022	2021
Cost of revenues – Depreciation	1,699	—
Cost of revenues – Write-off	27	—
Research & Development – Depreciation	44	—
Total Operating expenses related to finance leases	**$ 1,770**	$ —
Interests expenses	117	—
Total Non - Operating expenses related to finance leases	**$ 117**	$ —

	Leases	
Year ended December 31,	Operating	Finance
2023	$ 1,314	$ 2,015
2024	351	60
2025	179	15
Thereafter	—	—
Total minimum lease payments	**$ 1,844**	**$ 2,090**
Less: Amounts representing interest not yet incurred		(16)
Present value of finance lease obligations		2,073
Less: Current portion		2,002
Long-term portion of finance lease obligations		71

15. Commitments and Contingencies

Media rights – Purchase Commitments

During 2021, the Company entered into a new business line: the acquisition, commercialization and distribution of contents including live sport events to media partners and final viewers. In order to commercialize and broadcast media contents, the Company entered into non-cancellable Content licensing and Service agreements with multiple partners such as LNPB. These agreements require the payment of certain fees and contain renewal and escalation clauses. The terms of those agreements provide for payments on a periodical basis and on a graduated scale. The Company recognizes expense on a straight-line basis over the agreement period and has accrued for expense incurred but not paid.

As of December 31, 2022, the Company has $7,732 recorded as Account Payable related to media rights. The amount is related to invoices received by media vendors for the aforementioned Content licensing and Service agreements.

Future annual minimum payments related to Media rights' agreements as of December 31, 2022, are as follows. All the agreements are in Euro, in order to calculate the future annual minimum payments, the Euro payments are exchanged in Dollar using the 2022 average exchange rate.

	Amount
Year ending December 31:	
2023	$ 25,249
2024	9,073
Total	**$ 34,322**

Litigation

The Company is from time to time involved in legal proceedings, claims, and regulatory matters, indirect tax examinations or government inquiries and investigations that may arise in the ordinary course of business. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages.

The Company records a liability when the Company believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be estimated, the Company discloses the possible loss in the consolidated financial statements. The Company reviews the developments in contingencies that could affect the amount of the provisions that have been previously recorded. The Company adjusts provisions and changes to disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount of any potential losses and many of the legal proceedings are early in the discovery stage and unresolved.

As of December 31, 2022, the Company concluded that certain losses on litigations were probable and reasonable estimable; as a result, the Company recorded $2,710 as Accruals for legal contingencies, included in *Other Current liabilities*. The amount is composed by $2,060 assumed from Wheels Business Combination occurred on November 18, 2022 of which $824 related to settlement agreements already entered by Wheels, and $650 related to a settlement agreement entered by Helbiz.

For the $2,060 assumed from Wheels no material changes occurred from Business Combination to March 28, 2023, and no amount has been recorded on the Consolidated statement of operations for the year ended December 31, 2022. In detail, Wheels has been named in various lawsuits related to the use of Wheels's vehicles in US cities and in certain matters involving California Labor Code violations and the classification of individuals as independent contractors rather than employees. The range of loss for the Wheels legal contingencies accrued is between $824 to $3.3 million which represents the range between the amount already settled with the counterparts and the amount claimed deducting insurance coverage.

During the year ended December 31, 2022, the Company also recorded expenses for $650 related to a settlement agreement entered with an early-stage investor. The settlement agreement established ten monthly payments of $65 each from March 31, 2023 to December 31, 2023.

The Company is also involved in certain claims where the losses are not considered to be reasonably estimable or possible; for these claims the range of potential loss is between 0 to $200.

16. Common Stock

As of December 31, 2022, the Company's charter authorized the issuance of up to 285,774,102 of Class A common shares of common stock at $0.00001 par value per share, 14,225,898 of Class B common shares of common stock at $0.00001 par value per share, 100,000,000 shares of preferred stock at $0.0001 par value per share.

Holders of shares of Class A Common Stock will be entitled to cast one vote per share and holders of shares of Class B Common Stock will be entitled to cast the lesser of (a) ten votes per share of Class B common stock or (b) such number of votes per share as shall equal the ratio necessary so that the votes of all outstanding shares of Class B Common Stock shall equal sixty percent (60%) of all shares of Class A Common Stock and shares of Class B Common Stock entitled to vote as of the applicable record date on each matter properly submitted to stockholders entitled to vote.

The holders of Convertible Preferred Stock Series A are not entitled to vote with the holders of the Company's Common Shares on any matters submitted to a vote of holders of the Company's Common Stock. Each holder of Series A Preferred Stock will have one vote per share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The Convertible Preferred Stock Series A shall be converted into Class A Common Shares upon the effectiveness of a Company's Stockholder Approval. The Conversion Rate was established as one Convertible Preferred Stock Series A for one Class A Common Shares, however Wheels failed to timely deliver Wheels Unaudited financial statements and the Conversion Rate has been adjusted to 1 Class A Common Shares for 1.26 Convertible Preferred Stock Series A. If the Company does not convert the Convertible Preferred Stock Series A into Class A Common Shares within five months from issuance the holders of the Convertible Preferred Stock Series A are entitled to receive a quarterly dividend equal to 3.75% of the VWAP of the Class A Common Stock on the Issuance Date. Based on the terms and conditions, the Company classified the Series A Convertible Preferred Stocks as temporary equity, recorded at fair value at issuance with no subsequent remeasurement.

17. Standby Equity Purchase Agreement

On October 31, 2022, the Company entered into a Standby Equity Purchase Agreement ("SEPA") with YA II PN, Ltd. Pursuant to the SEPA, the Company has the right, but not the obligation, to sell to Yorkville up to $13,900 of its shares of Class A Common Stock at any time during the 24 months. To request a purchase, the Company would submit an Advance Notice to YA II PN, Ltd. specifying the number of shares, it intends to sell. The Advance Notice would state that the shares would be purchased at either:

(i) 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of Company's Class A common stock for the applicable date) in each of the three consecutive trading days commencing on the trading day following the Company's submission of an Advance Notice, or

(ii) 92.0% of the Option 2 Market Price, which is the VWAP of the pricing period set out in the Advance Notice and consented to by YA II PN, Ltd.

Any such sales would be subject to certain limitations, including that YA II PN, Ltd could not purchase any shares that would result in it owning more than 4.99% of the Company's Class A Common Stock, or any shares that, aggregated with any related transaction, would exceed 19.9% of all shares of common stock outstanding on the date of the SEPA unless shareholder approval was obtained allowing for issuances in excess of such amount.

At inception the Company did not identify any day one impact for the SEPA agreement except for the legal fees incurred. On October 31, 2022, the Company recorded a debt amounted to $278 for Commitment fees to be paid to YA II PN, Ltd and legal fees amounted to $345. The mentioned legal and Commitment fees have been recorded as reduction of Additional Paid in Capital in conjunction with the first Common Shares issued for the first SEPA Advance Notice.

During the year ended December 31, 2022, the Company delivered multiple Advance Notices for the sale of 23,100,000 Class A Common Shares, resulting in cumulative gross proceeds of $3,792 of which $790 have been used for partially repaid the SEPA Convertible Note.

18. Equity warrants

As of December 31, 2022, the Company has the following outstanding warrants classified as equity component: 8,436,416 Public Warrants and 2,000,000 Convertible Note Warrants.

The tables below show the equity warrant roll-forward from January 1, 2021, to December 31, 2021, and from January 1, 2022, to the year ended December 31, 2022.

	Options Outstanding, number of shares		Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)
As of January 1, 2021	—		—	—
Issued	1,000,000	$	20.00	5.00
Assumed from GRNV	8,400,000		11.50	5.00
Exercised	(663,584)		11.50	—
As of December 31, 2021	**8,736,416**	**$**	**12.47**	**4.53**
Issued	1,000,000	$	2,50	5.00
Reclassified from Liability warrants	700,000		11.50	3.62
Exercised	—		—	—
As of December 31, 2022	**10,436,416**	**$**	**9.82**	**3.71**

19. Share based compensation

The Company has three equity compensation plans for the issuance of shares of Company's Class A common stock to employees, officers, and directors of the Company: the 2020 Equity Incentive Plan (2020 Plan), the 2020 CEO Performance Award, and 2021 Omnibus Incentive Plan (2021 Plan), which have all been approved by the Company's shareholders.

These plans provide for the issuance of incentive stock options ("ISOs"), nonqualified stock options ("NSOs"), SARs, restricted stock, RSUs, performance-based awards, and other awards.

The following table summarizes the Company's shares of Class A common stock reserved for future issuance as of December 31, 2022, no Class B common stocks have been reserved for issuance.

	December 31, 2022
Remaining shares available for future issuance under 2021 Omnibus Incentive Plan	389,129

2020 Equity Incentive Plan

On April 1, 2020, the Company adopted the 2020 Equity Incentive Plan (2020 Plan) under which the Company may issue options to purchase its common stock to selected employees, officers, and director of the Company. Upon original approval, the Company reserved 1,600,000 shares of the Company's common stock for issuance under the 2020 Plan. Under the 2020 Plan, nonqualified stock options are to be granted at a price that is not less than 100% of the fair value of the underlying common stock at the date of grant. Stock options vest between 25% and 50% on the first anniversary of the date of grant and ratably each month over the ensuing 36-month period. The maximum term for stock options granted under the 2020 Plan might not exceed ten years from the date of grant. The entire 2020 Plan has been granted by previously hired employees, officers, and Director.

On August 12, 2021, the 2020 Plan has been assumed by GRNV and the 1,600,000 options to buy 1,600,000 Helbiz Holding's Class A common shares became 7,409,701 options to buy shares of Helbiz' s (GRNV) Class A Common Shares, the conversion has been made using the Conversion ratio.

2020 CEO Performance Award

On April 1, 2020, the Company adopted the 2020 CEO Performance Award under which the Company issued options to purchase its Class A common stock to its CEO and Founder. The Company reserved 600,000 shares of the Company's common stock for issuance under the 2020 CEO Performance Award. Under the 2020 CEO Performance Award, nonqualified stock options are granted at IPO price. The Company considers August 12, 2021, as the Grant Date for the 600,000 stock options issued under the Plan.

The CEO Performance Awards vests upon the satisfaction of all three of the following conditions: (i) a service condition, (ii) a market condition, and (iii) a performance condition. The service condition is satisfied over a period of ten years. The performance condition is considered satisfied on August 12, 2021, with the business combination with GRNV. The market condition will be satisfied in 20 different tranches, with each related to a certain Market capitalization Milestone. The lowest tranche is $500,000 the highest is $100,000,000. No shares under the CEO Performance Award are considered vested as of the Company's listing.

2021 Omnibus Incentive Plan

On August 12, 2021, the Company adopted the 2021 Omnibus Incentive Plan (2021 Plan) under which the Company may issue equity incentives to selected employees, officers, and director of the Company. The 2021 Plan permits the grant of Incentive Stock Options, Non-statutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

Under the 2021 Plan, stock options are to be granted at a price that is not less than 100% of the fair value of the underlying common stock at the date of grant. Awards for employee vest 25% on the first anniversary of the date of grant and ratably each month over the ensuing 36-month period. Awards for independent board member vest ratably each quarter over the ensuing 4-quarter period. The maximum term for stock options granted under the 2021 Plan might not exceed ten years from the date of grant.

Upon original approval, the Company reserved 839,129 shares of the Company's Class A common stock for issuance under the 2021 Plan.

Common Stocks issued outside equity incentive Plans - in exchange for services rendered

During the twelve months ended December 31, 2022, and December 31, 2021, the Board of Directors approved the issuance of Class A Common Shares to Company's third-party consultants in exchange for professional services rendered. The summary of Class A common shares issued to consultants and the related fair value at issuance is as follows.

	Number of Class A Common Shares	Weighted Average Fair value
As of January 1, 2021		
Granted	436,226	$ 10.02
Vested and issued	(436,226)	$ 10.02
Canceled and forfeited	—	—
As of December 31, 2021	—	—
Granted	2,090,891	$ 0.48
Vested and issued	(2,090,891)	$ 0.48
Canceled and forfeited	—	—
As of December 31, 2022	—	—

A portion of the mentioned Common Shares issued during 2022 and 2021: 1,626,471 and 30,720, respectively, are related to: Company's SEC legal counsel for legal services rendered in conjunction with the issuance of the 2022 Convertible Debts and SEPA. The Company allocated the fair value of the Common Shares issued to the mentioned consultants, as discount of the gross proceeds received for the Convertible debt and SEPA. The fair value of those Common shares was $671 and $329, for the year ended December 31, 2022, and December 31, 2021, respectively.

The remaining 464,420 Common Shares issued during the twelve months of 2022 and the 405,506 issued during the twelve months of 2021 have been recorded in the consolidated statements of operations, based on the services rendered.

Stock Options

The summary of stock option activities for all the Company's Equity incentive plans is as follows.

	Options Outstanding, number of shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
As of January 1, 2021	7,409,701	$ 2.16	9.25	$ 25,868
Granted	825,000	8.14		
Exercised	—	—		
Canceled and forfeited	(50,197)	2.16		
As of December 31, 2021	**8,184,504**	**2.76**	**8.29**	**$ 24,507**
Granted	—	—		
Exercised	—	—		
Canceled and forfeited	(33,627)	6.53		
As of December 31, 2022	**8,150,877**	**2.80**	**7.14**	*$* —
Of which Vested as of December 31, 2022	***6,132,084***			

The aggregate intrinsic values disclosed in the above table is based on the difference between the exercise price of the stock option and the fair value of the Company's common stock of $0.13 and $5.49 per share as of December 31, 2022, and 2021, respectively.

Restricted Common Stock

During 2021, we have granted restricted common stocks to a newly hired officer; the vesting is based on service condition. The following table summarizes the activity related to our restricted common stock for the years ended December 31, 2022, and December 31, 2021.

	Number of Shares	Weighted-Average Grant-Date Fair Value per Share
As of January 1, 2021	—	—
Granted	225,000	$ 7.78
Vested	—	—
Canceled and forfeited	—	—
Unvested Restricted common stock as of December 31, 2021	**225,000**	**$ 7.78**
Granted	—	—
Vested	(118,750)	—
Canceled and forfeited	—	—
Unvested Restricted common stock as of December 31, 2022	**106,250**	**$ 7.78**

Stock-Based Compensation Expense

Stock-based compensation expense is allocated based on (i) the cost center to which the award holder belongs, for employees, and (ii) the service rendered to the Company, for third-party consultants. The following table summarizes total stock-based compensation expense by account for the years ended December 31, 2022, and 2021.

	Year Ended December 31,	
	2022	2021
Cost of revenue	$ 15	27
Research and development	161	415
Sales and marketing	278	1,468
General and administrative	2,856	5,469
Total stock-based compensation expense	**$ 3,310**	**7,379**

Upon Company's GRNV business combination occurred on August 12, 2021, the performance condition related to stocks issued to third-party consultants was met and $3,415 of stock-based compensation expense was recognized related to these awards.

The weighted-average grant-date fair values of stock options with only a service condition granted to employees in the year ended December 31, 2021, was $2.11 per share, no stock options have been granted during 2022. The fair value of stock options was determined using the Black-Scholes option-pricing model with the following weighted-average assumptions.

	December 31,	
	2022	2021
Expected term (in years)	—	2.5
Expected volatility	— %	53.0%
Risk-free interest rate	— %	0.10%
Expected dividend yield	— %	— %

The weighted-average grant-date fair value of performance awards with market-based targets in the year ended December 31, 2021, was $2.07 per share. There were no performance awards with market-based targets granted in the year ended December 31, 2022. The fair value of performance awards with market-based targets granted was determined using a Monte Carlo model with the following weighted-average assumptions.

	December 31,	
	2022	2021
Intrinsic timing for vesting (in years)	—	8.25
Risk-free interest rate	— %	0.82%
Expected volatility	— %	66.8%
Trading days per year	—	251
Expected dividend yield	— %	— %

Based on the above, the cumulative fair value of the 20 tranches of the performance awards with market-based targets was estimated at the date of grant, to be $1,245.

20. Income Taxes

The components of loss before income taxes consist of the following.

	December 31,			
	2022		2021	
United States	$	(41,342)	$	(45,256)
Foreign		(40,708)		(26,865)
Total	**$**	**(82,050)**	**$**	**(72,121)**

The components of the provision (benefit) for income taxes consist of the following.

	December 31,			
	2022		2021	
Current:				
Federal	$	—	$	—
State		—		—
Foreign		24		28
Total		**24**		**28**
Deferred:				
Federal		—		—
State		—		—
Foreign		—		(178)
Total		**—**		**(178)**
Provision (benefit) for income taxes	**$**	**24**		**(150)**

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows.

	December 31,	
	2022	2021
Income tax provision at statutory rate	21%	21%
State income taxes, net of federal benefit	3%	3%
Foreign tax differential	2%	1%
Change in fair value of warrants	0%	(2)%
Goodwill Impairment	(3)%	—
Other adjustments	0%	0%
Change in valuation allowance	(23)%	(22)%
Effective tax rate	0.03%	0.21%

The components of the Company's net deferred tax assets and liabilities are as follows.

	December 31,	
	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	$ 76,640	$ 23,514
Accruals and reserves	674	12
Research & development	1,026	—
Lease liability	230	—
Stock Compensation	1,633	1,353
Total deferred tax assets	**80,203**	**24,879**
Deferred tax liabilities:		
Intangibles	(564)	(161)
Fixed assets	(447)	(581)
Right of use assets	(198)	—
Total deferred tax liabilities	**(1,209)**	**(742)**
Net deferred tax assets	$ 78,994	$ 24,137
Valuation Allowance	(78,994)	(24,137)
Ending Balance	**$ —**	**$ —**

Assessing the realizability of deferred tax assets requires the determination of whether it is more-likely-than-not that some portion or all the deferred tax assets will not be realized. In assessing the need for a valuation allowance, the Company considered all sources of taxable income available to realize deferred tax assets, including the future reversal of existing temporary differences, forecasts of future taxable income, and tax planning strategies. Based on the weight of available evidence, which includes the Company's historical cumulative net losses, the Company recorded a full valuation allowance. The valuation allowance increased by $54,855 and $16,121 as of the years ended December 31, 2022, and 2021, respectively. $36,388 of the increase in valuation allowance relates to the Wheels Labs Inc. acquisition.

As of December 31, 2022, the Company has net operating loss carryforwards for federal and state income tax purposes of approximately $234,183 and $205,882, respectively. As of December 31, 2021, the Company has net operating loss carryforwards for federal and state income tax purposes of approximately $58,495 and $56,915, respectively. Of the total federal net operating loss carryforwards, $233,627 do not expire, and the remaining carryforwards begin to expire in 2036 if not used prior to that time. The Company has income tax NOL carryforwards related to international operations of approximately $63,148 which do not expire. Utilization of the net operating loss carryforwards may be subject to a substantial annual limitation due to ownership changes that may have occurred previously or that could occur in the future, as provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state provisions. Such annual limitation could result in the expiration of net operating losses and credits before their utilization.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. As of December 31, 2022, and 2021, there were no unrecognized tax benefits. The Company recognizes accrued interest and penalties as income tax expense. No amounts were accrued for the payment of interest and penalties as of December 31, 2022, and 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position in the next year.

The Company is subject to income taxes in the federal, various state and foreign jurisdictions and is generally open for examination from the year ended December 31, 2019, forward.

The Tax Cuts and Jobs Act of 2017 ("TCJA") amended Section 174 to require capitalization of all research and developmental ("R&D") costs incurred in tax years beginning after December 31, 2021. These costs are required to be amortized over five years if the R&D activities are performed in the U.S., or over 15 years if the activities were performed outside the U.S. The Company capitalized approximately $4,002 of R&D expenses incurred as of December 31, 2022.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. The CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. In addition, under the CARES Act, employers may defer deposits of the employer’s share of Social Security tax due and payments of the tax imposed on wages paid during the payroll tax deferral period which begins on March 27, 2020, and ends December 31, 2020. As a result, the Company deferred deposits during the payroll tax deferral period.

On August 16, 2022, the Inflation Reduction Act ("IRA") was signed into law in the United States. Among other provisions, the IRA includes a 15.0% corporate minimum tax rate applied to certain large corporations and a 1.0% excise tax on corporate stock repurchases made after December 31, 2022. We do not expect the IRA to have a material impact on our consolidated financial statements.

21. Net Loss Per Share

Net income (loss) per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

The following table sets forth the computation of basic and diluted net loss per share.

	Year Ended December 31,	
	2022	**2021**
Net loss adjusted for Deemed Dividends and Deemed Dividends equivalents	$ (82,074)	$ (72,461)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	65,760,991	24,862,600
Net loss per share attributable to common stockholders, basic and diluted	**$ (1.25)**	**$ (2.91)**

The following potentially dilutive outstanding shares (considering a retroactive application of the conversion ratio) were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period.

	Year Ended December 31,	
	2022	**2021**
2020 Equity Incentive Plan	7,344,627	7,359,504
Public Warrants	8,436,416	7,736,416
Convertible debts*	51,163,288	3,328,359
Convertible Notes Warrants	2,000,000	1,000,000
Liability Warrants	1,400,000	2,100,000
Class B Common Shares - Held in escrow for indemnification purpose	—	1,600,000
2020 CEO Performance Award	600,000	600,000
2021 Omnibus Plan	312,500	450,000
Common Stocks to be issued outside equity incentive Plans	648,843	—
Net loss per share attributable to common stockholders, basic and diluted	**71,905,674**	**24,174,279**

* *The number of Common Shares presented is based on the principal plus accumulated interests outstanding as of 12.31.2022 divided by the Floor Price $0.25 for 2022 Convertible notes and $0.50 fixed Conversion rate for the SEPA Convertible Note.*

22. Segment and geographic information

We determine our operating segments based on how the chief operating decision maker (“CODM”) manages the business, allocates resources, makes operating decisions, and evaluates operating performance.

As of December 31, 2022 and 2021, the Company has three operating and reportable segments; of which one named Helbiz Kitchen is considered not material and included in All Other.

Segment	Description
Mobility	Mobility offering allow consumer to move around the city using green and electric vehicles as scooters, bikes and mopeds. Mobility also includes partnership and sponsorship agreements.
Media	Commercialization of media rights to professional partner (B2B) and contents offerings allow consumer to watch live events on the App Helbiz Live (B2C).
All Other	All Other are mainly related to delivery offerings and a licensing agreement.

Our segment operating performance measures are segment Revenue and Cost of Revenue. The CODM does not evaluate operating segments using asset information and, accordingly, we do not report asset information by segment. The following table provides information about our segments and a reconciliation of the total segment Revenue and Cost of revenue to loss from operations:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue		
Mobility	$ 8,430	$ 9,907
Media	6,507	2,770
All Other	601	156
Total segment revenues	**$ 15,538**	**$ 12,834**
Operating expenses:		
Cost of revenues		
Mobility	(20,463)	(22,762)
Media	(19,154)	(9,442
All Other	(2,008)	(1,642
Total Cost of revenues	**$ (41,625)**	**$ (33,846)**
Reconciling Items:		
Research and development	(2,741)	(2,826)
Sales and marketing	(8,712)	(10,875)
General and administrative	(25,569)	(24,411)
Impairment of Assets	(10,390)	—
Loss from operations	**$ (73,499)**	**$ (59,124)**

Revenue by geography is based on where the trip was completed, or media contents occurred. The following table set forth revenue by geographic area for the years ended December 31, 2022 and December 31, 2021.

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue		
Italy	$ 13,355	$ 10,045
United States	2,183	2,789
Total Revenues	**$ 15,538**	**$ 12,834**

Long-lived assets, net includes property and equipment, intangible assets, goodwill, and other assets. The following table set forth long-lived assets, net by geographic area as of December 31, 2022, and December 31, 2021.

	December 31, 2022	December 31, 2021
Italy	$ 5,575	$ 17,905
United States	23,669	3,337
All other countries	665	184
Total long lived assets	**$ 29,909**	**$ 21,426**

23. Related Party Transactions

During the twelve months ended December 31, 2022, our majority shareholder and CEO has lent Helbiz funds on an interest-free basis for cumulative gross proceeds of $492. The amount has been repaid between a combination of cash for $237 and issuances of 527,425 Class A Common Shares for $254.

On November 18, 2022, Wheels Business Combination date, our majority shareholder and CEO purchased from a Wheels investor, a Wheels unsecured note for its principal amount $750. On November 22, 2022, Helbiz Inc CEO converted the entire amount into 4,019,293 Class A Common Shares .

During May and June 2021, our majority shareholder and sole director has lent Helbiz, funds on an interest-free basis for cumulative gross proceeds of $2,010 through Promissory Notes. On August 16, 2021, the Company repaid CEO Promissory Notes.

24. Subsequent Events

The Company has determined, for recognition or disclosure in these financial statements, the following material subsequent events.

Usage of 2022 SEPA and repayment of SEPA Convertible Note

From January 1, 2023, to January 20, 2023, the Company delivered Advance Notices for the sale of 59,825,000 Class A Common Shares, resulting in cumulative gross proceeds of $10,107, of which $4,210 was used for fully repaid the SEPA Convertible Note.

On January 20, 2023, the 2022 SEPA was terminated as a result of Advance Notices requested by the Company for shares of Class A common stock equal to the commitment amount of $13,900.

2023 January SEPA

On January 24, 2023, the Company entered into a second Standby Equity Purchase Agreement ("2023 January SEPA") with YA II PN, Ltd. ("YA"). Pursuant to the 2023 January SEPA, the Company has the right, but not the obligation, to sell to YA up to $20,000 of its shares of Class A Common Stock at any time during the 24 months. In connection with the execution of the 2023 January SEPA, the Company agreed to pay a commitment fee of $400 as consideration for YA irrevocable commitment to purchase the shares of Class A common stock. To request a purchase, the Company would submit an Advance Notice to YA specifying the number of shares, it intends to sell. The Advance Notice would state that the shares would be purchased at either:

(i) 95.0% of the Option 1 Market Price, which is the lowest VWAP (the daily volume weighted average price of Company's Class A common stock for the applicable date) in each of the three consecutive trading days commencing on the trading day following the Company's submission of an Advance Notice, or

(ii) 92.0% of the Option 2 Market Price, which is the VWAP of the pricing period set out in the Advance Notice and consented to by YA.

Each sale requested under the 2023 January SEPA (an "Advance") may be for a number of shares of Class A common stock equal to the greater of: (i) an amount equal to 100% of the average daily traded amount of the shares during the five Trading Day immediately preceding the delivery of an Advance Notice, or (ii) 5,000,000 shares of common stock.

The purchase would be subject to certain limitations, including that YA could not purchase any shares that would result in it owning more than 9.99% of our Class A common stock or any shares that, aggregated with any related transaction, would exceed 48,119,674, which amount is equal to 19.9% of all shares of common stock outstanding on the date of the 2023 January SEPA, unless shareholder approval was obtained allowing for issuances in excess of the Exchange Cap.

In addition, subject to the mutual consent, the Company may request pre-advance loans, in the aggregate not to exceed $20,000. Pre-Advance Loans may be repaid with cash (including the proceeds of an Advance) or in shares of Class A common stock if the holder elects to convert the promissory note issued in connection with such Pre-Advance Loan.

From January 24, 2023, to date, the Company delivered Advance Notices for the sale of 45,200,000 Class A Common Shares, resulting in cumulative gross proceeds of $7,402.

2023 SEPA Note

On March 8, 2023, we issued and sold a convertible promissory note ("2023 SEPA Note') under the 2023 January SEPA, with an aggregate principal amount of $4,500 to YA, a 10% original issue discount and September 15, 2023 as Maturity date.

Interest shall not accrue on the outstanding principal balance of the 2023 SEPA Note unless and until there is an event of default, upon the occurrence of which, interest shall accrue at a rate of 15% per year until collected in full. Any repayments in cash carries a 5% redemption premium. The holder may convert the 2023 SEPA Note into Class A Common Shares at a conversion price of $0.50 any time prior to the Maturity date, provided that there may be no such conversion if such conversion would cause YA to beneficially own more than 4.99% of Company's outstanding Common Shares.

At any time that there is an outstanding balance owed under the 2023 SEPA Note, YA may require the Company to deliver Advance Notices pursuant to the 2023 January SEPA for the issuance and sale of Common Stock at the Conversion Price in order to offset amounts owed to YA under the 2023 SEPA Note. In addition, while there is an outstanding balance owed under the 2023 SEPA Note, the Company may redeem portions or all amounts of that outstanding balance so long as notice is provided to YA.

2022 Convertible Note repayment

The Company partially repaid the 2022 Convertible Note for $3,701, the amount includes principal, accumulated interests and 10% redemption premium.

Additionally, on January 23, 2023, YA converted $1,296 of the 2022 Convertible Notes into 5,184,396 of Class A Common Shares.

2023 March SEPA

On March 8, 2023, the Company entered into a third Standby Equity Purchase Agreement ("2023 March SEPA") with YA II PN, Ltd. ("YA"). Pursuant to the 2023 March SEPA, the Company has the right, but not the obligation, to sell to YA up to $50,000 of its shares of Class A Common Stock at any time during the 24 months. In connection with the execution of the 2023 March SEPA, the Company agreed to pay a commitment fee of $750 as consideration for YA irrevocable commitment to purchase the shares of Class A common stock. To request a purchase, the Company would submit an Advance Notice to YA specifying the number of shares, it intends to sell. The terms, conditions and limitations are the same of the 2023 January SEPA.

From March 8, 2023, to date, no Advance Notice has been delivered to YA.

Series B Convertible Preferred Stocks – Related party purchase

On March 8, 2023, Helbiz Inc Board of Directors approved the creation of a new series of preferred stock: Series B Preferred Stock. the Company is authorized to issue 3,000 shares of Series B Preferred Stock. The Series B has no voting rights, except that each share of Series B is entitled to 80,000 votes at a shareholder meeting on whether to enact a reverse stock split. Holder of Company's Series B is required to vote any proposal for a reverse stock split on a "mirrored" basis. This means that the Series B holder is required to cast their votes "For" and "Against" each such proposal in the same proportions as the holders of Company's Class A Common shares eligible and voting at the Special Meeting cast their votes, in the aggregate. For example, if a holder of Series B Preferred Stock is entitled to cast 80,000 votes on a reverse stock split proposal, and the holders of Company's Class A Common shares eligible and voting cast their ballots 90% "For" the proposal and 10% "Against," the Series B Preferred Stockholder's 80,000 votes are required to be cast 72,000 votes "For" and 8,000 votes "Against." Immediately upon the approval of a reverse stock split, the shares of Series B Preferred Stock will be redeemed for $0.01 per share.

On March 13, 2023, the Company entered into a subscription agreement with Salvatore Palella, Helbiz Inc CEO, pursuant to which he agreed to purchase 3,000 shares of our Series B Preferred Stock for an aggregate purchase price of five hundred dollars.

Series A Convertible Preferred Stocks

On February 28, 2023, the 6,751,823 Series A Convertible Preferred Stock outstanding have been converted into 5,343,184 shares of the Company's Class A common stock upon the approval of the majority of the holders of the Company's Class A common stock that allowed for such issuance.

New York store – lease agreement

On March 15, 2023, the Company entered into a 5-years lease agreement for a store located at 500 Broome Street, New York, NY. The cumulative lease commitment for the 5 years term is $916.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

We have not had any disagreements with our accountants or auditors that would need to be disclosed pursuant to Item 304 of Regulation S-K promulgated under the Securities Act of 1933.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. Based on such evaluation, due to a material weakness in internal control over financial reporting described below, our principal executive officer and principal financial officer concluded our disclosure controls and procedures (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) were not effective as of such date to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Material Weakness

Our management's conclusion that our disclosure controls and procedures were ineffective was due to the identification of a material weakness in our internal control over financial reporting in connection with the preparation of our year-end Financial Statements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected on a timely basis. Our management identified the following material weakness in our internal control over financial reporting:

- We have insufficiently designed and operating controls surrounding the accounting policies and controls, including standardized reconciliation schedules to ensure the company's books and records are maintained in accordance with GAAP.

Notwithstanding the identified material weakness, management believes that the consolidated financial statements included in this Form 10-K present fairly, in all material respects, our consolidated financial position, consolidated results of operations, and consolidated cash flows as of and for the periods presented in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

Our internal control over financial reporting has not changed during the fourth quarter covered by this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers

The following table sets forth certain information regarding Helbiz's executive officers as of the date of this annual report.

Name	Age	Position	Held Position Since
Salvatore Palella	35	Chief Executive Officer, Chairman	October 2015
Giulio Profumo	34	Chief Financial Officer	October 2018
Jonathan Hannestad	28	Chief Operating Officer	February 2019
Matteo Mammi	47	Helbiz Media Chief Executive Officer	May 2021

Salvatore Palella, Chief Executive Officer. Mr. Palella has served as our Chief Executive Officer and the sole member of our board of directors since 2015. Mr. Palella, a serial entrepreneur, founded Helbiz in 2015, at the age of 29, with a mission to solve the first- and last-mile transportation problem of cities around the world through an innovative and scalable transportation rental platform designed for the sharing economy. Originally from Acireale, Italy, Mr. Palella began his career in the fast-food industry in the United Kingdom, and then moved to Milan at age 17 to study at Università Cattolica del Sacro Cuore. At the age of 19, he founded his first business, a company that specialized in the production and distribution of vending machines for fresh-squeezed orange juice.

Giulio Profumo, Chief Financial Officer. Mr. Profumo has served as our Chief Financial Officer since October 2018. Prior to joining Helbiz, Mr. Profumo worked at Rothschild & Co. in Mergers and Acquisitions Advisory from June 2017 to July 2018. From June 2015 to April 2017, Mr. Profumo served as an investment banking analyst at Citigroup Inc. Prior to Citigroup, Mr. Profumo held multiple roles at Huawei Technologies including Corporate Development Manager and Telecommunications Financial Analyst. Mr. Profumo holds a Master's Degree in Finance from LUISS Guido Carli University.

Jonathan Hannestad, Chief Operating Officer. Mr. Hannestad has served as our Chief Operating Officer since February 2019. Prior to Helbiz, Mr. Hannestad co-founded and served various roles within smaller tech-startups in addition to being Creative Director at Pierce Media & Entertainment.

Matteo Mammì, Helbiz Media Chief Executive Officer. Mr. Mammì joined the company as Chief Executive Officer of Helbiz Media, on May 17, 2021. Mr. Mammì is a senior executive with 20 years of experience in Sports, Media and Telecommunication industries with a strong international network in such environments. Prior to joining Helbiz, he worked in senior executive roles for Sky Italy (Senior Vice President), IMG (Vice President) and Mediapro. Additionally, he served as Senior advisor to multiple media groups and private equity funds such as CVC Capital Partners, Fremantle and Aser Media. Mr. Mammì holds a MBA from Profingest (Bologna, Italy) and holds a Degree in Literature from Universita La Sapienza (Rome, Italy).

Helbiz Board of Directors

Our Board of Directors consists of five members, Salvatore Palella, Giulio Profumo, Guy Adami, Massimo Ponzellini and Lee Stern. Mr. Palella is our Chairman.

Each of our directors serves for a term of one year ending on the date of the subsequent annual meeting of stockholders following the annual meeting at which such director was elected. Notwithstanding the foregoing, each director is to serve until his successor is elected and qualified or until his death, resignation or removal. Our Board appoints our officers and each officer is to serve until his successor is appointed and qualified or until his or her death, resignation or removal.

Set forth below is biographical information related to each of our independent directors. Biographical information for Mr. Palella and Mr. Profumo is provided above under "*Management – Executive Officers*" in this annual report. Each of Mr. Palella and Mr. Profumo were appointed to the Board of Directors effective August 12, 2021.

Lee Stern, age 70, was appointed to the Board of Directors effective November 27, 2020. Mr. Stern has an accomplished career with over 25 years of providing debt solutions to middle market companies and expertise across multiple industries and as of April 26, 2021, he will join Centre Lane Partners, LLC as a Managing Director. Since April 2021 Mr. Stern has been a managing director of Centre Lane Partners. From 2014 to April 2021, Mr. Stern served as Managing Director of Monroe Capital LLC, responsible for origination of both sponsor and non-sponsor transactions. Prior to Monroe, Mr. Stern was a Managing Director at Levine Leichtman Capital Partners from 2012 to 2013, and was formerly a Director and founding member of Kohlberg Kravis Roberts & Co's mezzanine debt business from 2009 to 2012. Prior to KKR, Mr. Stern was a Managing Director at Blackstone/GSO Capital Partners from 2005 to 2009, responsible for senior and mezzanine investments. Prior to Blackstone, he was a founding employee of a Nasdaq public company Technology Investment Capital Corp. from 2002 to 2005. From 1985 to 2002, Mr. Stern worked for Drexel Burnham Lambert, Kidder, Peabody & Co., Nomura Securities International, Inc., and Thomas Weisel Partners. Mr. Stern holds a B.A. degree from Middlebury College and an M.B.A. from the Wharton School of the University of Pennsylvania.

Guy Adami, age 58. Mr. Adami was appointed to the Board of Directors effective August 12, 2021. He is an original member of CNBC's Fast Money. He is currently the Director of Advisor Advocacy at Private Advisor Group in Morristown, New Jersey. Private Advisor Group is comprised of a network of nearly 600 advisors with assets approaching $17B. He has held numerous key leadership roles in the financial services industry. He began his career at Drexel Burnham Lambert in 1986 and was quickly promoted to Vice President and head gold trader at the firm. In 1996, he joined Goldman Sachs as their head gold trader and one of the many proprietary traders within the Fixed Income Currency and Commodity division. In the spring of 2000, Adami joined the U.S. Equities division of Goldman Sachs where he was put in charge of the firm's Industrial/Basic Material group. Mr. Adami is the Vice Chairman of the NJ Chapter of The Leukemia and Lymphoma Society, who named him their "Man of the Year" in 2015. He also sits on the national board of Invest in Others, and Big Brothers Big Sisters.

Massimo Ponzellini, age 73. Mr. Ponzellini is the General Manager of Kalrock Capital Management Ltd based in London (U.K.), Mr. Ponzellini was the Director General of Wegaplast, a leading company in the molding of plastic materials, and President of Energy-Glass, specializing in designing, creating, and commercialization of architectural elements for the production of renewable energy. From May 2007 to May 2012, he was Chairman of Impregilo SpA, a multinational general contractor with over 17,000 employees and a total portfolio of 25.1 billion euros. From December 2006 to April 2012, he also held the position of vice president of INA Assitalia SpA. Mr. Ponzellini's career began in 1971 as managing director of Typography Composers Graphic Industries. In 1978, he became an assistant to Romano Prodi, the Minister of Industry and Commerce. From 1980 to 1981, he was the director delegate of S.I., a society of studies of industrial economics. From 1981 to 1982, he was the Director General of Nomisma. In 1983, he moved to IRI where until 1986, he was in charge of the restructuring and privatization of the Strategy and Studies Department. From 1986 to 1990, he was the director delegate of Sofin S.p.A, an investment holding company controlled by IRI. From 1990 to 1994, he was a member of the European Bank for Reconstruction and Development (EBRD) as director of operations. In 1994 he moved to the European Investment Bank (EIB), where he remained until 2003 as Vice President and Managing Director for Credit and Finance. From 2002 to 2006, he served as Vice President and Chief Executive Officer of Patrimonio dello Stato S.p.A. From 2006 to 2007, he served as managing director of the Istituto Poligrafico e Zecca Dello Stato, and from 2009 to 2011, he was the president of Banca Popolare of Milan. He was a Director of Banca Nazionale del Lavoro, Alitalia, Finmeccanica, Terna, and the Higher Institute for Transport. (ISTRA). Mr. Ponzellini was the President of the European Center for Public Enterprises and of the Bormio Foundation 2005. He lectured on Finance at the Bocconi University in Milan and the Luiss University in Rome. He was also the Director of the Teatro Alla Scala Foundation in Milan, a member of the Executive Committee and of the Board of Directors of the European Institute of Oncology (IEO), member of the Board of Assonime. He is a member of the Finance and Budget Committee of the Governorate of Vatican City State. He is the Honorary Vice President of the European Investment Bank (EIB). He is also a Founding Partner of Planet Finance, created to support developing populations through microfinance. Since 1996 he has been a Knight of the Grand Cross of the Order of Merit of the Italian Republic.

Board Diversity Matrix

Pursuant to the Nasdaq's Board Diversity Rules, below is the Company's board diversity matrix outlining diversity statistics regarding our Board.

Board Diversity Matrix as of March 24, 2023

Total Number of Directors	5			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity		5		
Directors		5		
Part II: Demographic Background				
White		5		
African American or black				
Alaskan Native or American Indian				
Asian				
Hispanic or Latinx				
Native Hawaiian or Pacific Islander				
Two or more races or ethnicities				

Director Independence and Financial Experts

Under the rules of the Nasdaq Stock Market, a majority of our board members must qualify as independent directors Our independent directors are Lee Stern, Massimo Ponzellini and Guy Adami. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Any affiliated transactions will be on terms no less favorable to us than could be obtained from independent parties. Our board of directors will review and approve all affiliated transactions with any interested director abstaining from such review and approval.

Mr. Stern qualifies as an "audit committee financial expert" as defined under the rules and regulations of the SEC.

Board Leadership Structure

The Board believes that it should maintain the flexibility to select the Chairman of the Board and adjust its board leadership structure from time to time. Mr. Palella is currently serving as both Helbiz's Chief Executive Officer and the Chairman of the Board. The Board determined that having its Chief Executive Officer also serve as the Chairman of the Board provides it with optimally effective leadership and is in its best interests and those of its stockholders. Mr. Palella founded and has led Helbiz since its inception. The Board believes that Mr. Palella's strategic vision for the business, his in-depth knowledge of our operations, the mobility industry, and his experience serving as the Chairman of the Board and Chief Executive Officer since Helbiz's inception make him well qualified to serve as both Chairman of the Board and Chief Executive Officer.

Role of the Board in Risk Oversight

One of the key functions of the Board is informed oversight of our risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management will take to monitor and control such exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements. Our compensation committee also assesses and monitors whether our compensation plans, policies and programs comply with applicable legal and regulatory requirements. Our nominating and corporate governance committee monitors the effectiveness of our governance guidelines.

Board Committees

In August 2021, the Board established an audit committee, a compensation committee and a nominating committee, each of which have the composition and responsibilities described below. Members will serve on these committees until their resignation or until otherwise determined by the Board. Each committee operates under a charter previously approved by the Board. Copies of each charter are posted on the Corporate Governance section of our website at helbiz.com. Our website and the information contained on, or that can be accessed through, our website is not deemed to be incorporated by reference in, and is not considered part of, this annual report.

Audit Committee

Our audit committee consists of Lee Stern, Massimo Ponzellini and Guy Adami. Mr. Lee Stern serving as audit committee chairperson. The Board has determined that Lee Stern and Guy Adami each meet the requirements for independence and financial literacy under the current Nasdaq listing standards and SEC rules and regulations, including Rule 10A-3. In addition, the Board has determined that Lee Stern qualifies as an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K promulgated under the Securities Act. This designation does not impose any duties, obligations, or liabilities that are greater than are generally imposed on members of the audit committee and the Board. The audit committee is responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and overseeing the performance of the independent registered public accounting firm;
- reviewing and discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and that firm, our interim and year-end operating results;
- reviewing our financial statements and critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls;
- developing procedures for employees to submit concerns anonymously about questionable accounting, internal accounting controls, or audit matters;
- overseeing our policies on risk assessment and risk management;
- overseeing compliance with our code of business conduct and ethics;
- reviewing related party transactions; and
- approving or, as permitted, pre-approving all audit and all permissible non-audit services (other than de minimis non-audit services) to be performed by the independent registered public accounting firm.

The audit committee operates under a written charter, which satisfies the applicable rules of the SEC and the listing standards of Nasdaq, and which is available on our website. All audit services to be provided to us and all permissible non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm will be approved in advance by the audit committee.

Compensation Committee

Our compensation committee consists of Lee Stern, Massimo Ponzellini and Guy Adami. Mr. Ponzellini is the chairperson of the compensation committee. The Board has determined that the composition of the compensation committee will meet the requirements for independence under the current Nasdaq listing standards and SEC rules and regulations. Each member of the committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act. The compensation committee is responsible for, among other things:

- reviewing, approving and determining, or making recommendations to the Board regarding, the compensation of our executive officers, including the Chief Executive Officer;
- making recommendations regarding non-employee director compensation to our full Board of Directors;
- administering our equity compensation plans and agreements with our executive officers;
- reviewing, approving and administering incentive compensation and equity compensation plans; and
- reviewing and approving our overall compensation philosophy.

The compensation committee operates under a written charter, which satisfies the applicable rules of the SEC and the listing standards of Nasdaq, and which is available on our website.

Nominating Committee

Our nominating and corporate governance committee consists of Lee Stern, Massimo Ponzellini and Guy Adami. Mr. Guy Adami is the chairperson of the nominating and corporate governance committee. The Board has determined that the composition of the nominating and corporate governance committee will meet the requirements for independence under the current Nasdaq listing standards and SEC rules and regulations. The nominating and corporate governance committee is responsible for, among other things:

- identifying, evaluating and selecting, or making recommendations to the Board regarding nominees for election to the Board of Directors and its committees;
- considering and making recommendations to the Board regarding the composition of the Board of Directors and its committees;
- developing and making recommendations to the Board regarding corporate governance guidelines and matters;
- overseeing our corporate governance practices;
- overseeing the evaluation and the performance of the Board and individual directors; and
- contributing to succession planning.

The nominating and corporate governance committee operates under a written charter, which satisfies the applicable rules of the SEC and the Nasdaq listing standards and is available on our website.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is or has been at any time one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board or compensation committee (or other Board of Directors committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of any entity that has one or more executive officers serving as a member of the Board or compensation committee.

Code of Ethics

The Board has adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The code of ethics codifies the business and ethical principles that govern all aspects of our business. We did not waive any provisions of the code of business ethics during the year ended December 31, 2020. We have previously filed our form of code of ethics as an exhibit to our registration statement in connection with our initial public offering. You may review our code of ethics by accessing our public filings at the SEC's web site at *www.sec.gov*. In addition, a copy of the code of ethics will be provided without charge upon request to us in writing.

Limitation on Liability and Indemnification of Directors and Officers

The Certificate of Incorporation limits our directors' liability to the fullest extent permitted under the "DGCL". The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Delaware law and the Bylaws provide that we will, in certain situations, indemnify our directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment, or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, we entered into separate indemnification agreements with our directors and officers. These agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of our directors or officers or any other company or enterprise to which the person provides services at our request.

We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe these provisions in the Certificate of Incorporation, Bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or control persons, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 11. EXECUTIVE COMPENSATION

Introduction

We are an emerging growth company, as defined in the JOBS Act. As an emerging growth company, we will be exempt from certain requirements related to executive compensation, including, but not limited to, the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

This section provides an overview of Helbiz's executive compensation programs, including a narrative description of the material factors necessary to understand the information disclosed in the summary compensation table below.

For the year ended December 31, 2022, Helbiz's named executive officers ("Named Executive Officers" or "NEOs") were:

- Salvatore Palella, Chief Executive Officer;
- Giulio Profumo, Chief Financial Officer;
- Jonathan Hannestad, Chief Operating Officer;

The objective of Helbiz's compensation program is to provide a total compensation package to each NEO that will enable Helbiz to attract, motivate and retain outstanding individuals, align the interests of our executive team with those of our equity holders, encourage individual and collective contributions to the successful execution of our short- and long-term business strategies and reward NEOs for performance.

Compensation of Directors and Executive Officers

The following table presents information regarding the total compensation (excluding equity based compensation reported) awarded to, earned by, and paid to the named executive officers of Helbiz for services rendered to Helbiz in all capacities for the years indicated.

Name and Principal Position	Year	Salary ($)	Bonus ($)	All other Compensation ($)	Total ($)
Salvatore Palella,	2022	$ 919,516	$ 745,572	$ 350,340 (1)	$ **2,015,428** (5)
Chief Executive Officer	2021	917,443	1,742,218	298,181 (1)	**2,957,841** (2)
Giulio Profumo,	2022	318,105	—	84,554(1)	**402,659**(4)
Chief Financial Officer	2021	200,554	59,600	67,863(1)	**328,017**
Jonathan Hannestad	2022	267,123	—	33,485 (3)	**300,608**
Chief Operating Officer	2021	281,828	29,998	— (3)	**311,826**

(1) This amount relates to health insurance and housing expenses provided under their employment agreements.

(2) Excludes any foregone interest on amounts that we had lent our Chief Executive Officer.

(3) Mr. Hannestad's annual salary has been paid in Euro. The table shows the amount translated in Dollar using the average exchange rate for the year 2021: 1.1827 Euro/Dollar and for the year 2022: 1.0530 Euro/Dollar.

(4) A portion of Mr. Profumo's annual salary has been paid in Class A shares. He converted $11,175 of Net Salary into 51,498 Class A Common Shares. Additionally, the annual bonus of $60,000 has not been paid, yet.

(5) A portion of Mr. Palella's annual compensation has been paid in Class A shares. He converted $373,682 of Net Salary into 2,219,810 Class A Common Shares.

Employment Arrangements with Named Executive Officers

Salvatore Palella

On April 1, 2020, we entered into an employment agreement with Salvatore Palella with a term expiring on April 1, 2025.

The agreement is subject to automatic renewal for a five-year term unless either party provides written notice not to renew no later than 180 days prior to the end of the then current or renewal term.

Pursuant to the terms and provisions of the agreement: (a) Mr. Palella is appointed as our Chief Executive Officer and will undertake and perform the duties and responsibilities normally and reasonably associated with such office; (b) we shall pay to Mr. Palella an annual salary of $900,000; (c) we shall pay Mr. Palella the following bonuses: (i) $500,000 when the Company becomes publicly traded, (ii) $35,000 for each city in which the Company launches mobility operations in, (iii) $50,000 for each city in which the Company launches food delivery services, and (iv) $250,000 when the Company starts a fintech business line per region; (d) we shall pay the housing costs up to $25,000 per month; (e) we shall provide Mr. Palella with health insurance coverage with a national health insurance company; (f) Mr. Palella shall have five days of sick leave per calendar year; and (g) Mr. Palella shall have 20 paid vacation days per calendar year. Additionally, we paid to Mr. Palella an extra annual bonus of $285,000 for the Company's annual performance.

On April 1, 2020, we entered into two non-qualified stock-option agreements with Mr. Palella.

- Under the 2020 Plan, Mr. Palella awarded 1,484,721 stock options (considering the conversion ratio of 4.63 applied in the reverse merger), of which 742,435 vested on April 1, 2021, and 20,619 will vest every month after the twelve-month anniversary for 36 months.

- Under the CEO Performance Award, Mr. Palella awarded 600,000 options to purchase our Class A common stock. We consider the grant date of the Award, August 12, 2021. The Award vests upon the satisfaction of the market conditions. In detail, the market conditions will be satisfied in 20 different tranches, with each related to a certain Market capitalization Milestone. The lowest tranche is $500 million the highest is $100 billion; each of the twenty tranches has 30,000 options to buy 30,000 Class A common shares. As of December 31, 2022, none of the tranches have been vested.

Giulio Profumo

On March 2, 2020, we entered into an employment agreement with Giulio Profumo with a term expiring on March 2, 2023, automatically renewed for another three-years.

Either party can terminate the agreement providing a written notice 180 days prior to the termination. Pursuant to the terms and provisions of the agreement, (a) Mr. Profumo is appointed as our Chief Financial Officer and will undertake and perform the duties and responsibilities normally and reasonably associated with such office; (b) we shall pay to Mr. Profumo an annual salary of $100,000, which amount shall increase to $298,000 once the Company becomes a public company; (c) at the Company's discretion, we may award an annual bonus of up to 25% of the annual base compensation based on Mr. Profumo's performance and other factors; (d) we shall pay a housing allowance of up to $6,000 per month; (e) we shall provide Mr. Profumo with health insurance coverage with a national health insurance company; (e) Mr. Profumo shall have five days of sick leave per calendar year; and (f) Mr. Profumo shall have 20 paid vacation days per calendar year.

On April 1, 2020, we entered into a non-qualified stock-option agreement with Mr. Profumo awarding him 693,327 stock options (considering the conversion ratio of 4.63 applied in the reverse merger), of which 346,793 vested on April 1, 2021, and 9,626 will vest every month after the twelve-month anniversary for 36 months.

Jonathan Hannestad

On March 1, 2021, we entered into a new employment agreement with Jonathan Hannestad, as amended on July 1, 2021, for taking into consideration his transfer in Italy under Helbiz Italia S.r.l.

Pursuant to the terms and provisions of the agreement: (a) Mr. Hannestad is appointed as our Chief Operating Officer and will undertake and perform the duties and responsibilities normally and reasonably associated with such office; (b) we shall pay to Mr. Hannestad an annual salary of 220,000 Euro (approximately $250,000); (c) we shall provide Mr. Hannestad with health insurance coverage; Mr. Hannestad shall have five days of sick leave per calendar year; and (f) Mr. Hannestad shall have 15 paid vacation days per calendar year.

The employment is at will. We may terminate the employment of Mr. Hannestad under the agreement at any time and for any reason not prohibited by law, with or without cause, without notice.

On April 1, 2020, we entered into a non-qualified stock-option agreement with Mr. Hannestad awarding 768,963 stock options (considering the conversion ratio of 4.63 applied in the reverse merger), of which 384,556 vested on April 1, 2021, and 10,678 will vest every month after the twelve-month anniversary for 36 months.

Outstanding Equity Awards at 2022 Fiscal Year-End for Executive Officers of Helbiz

The following table sets forth information as of December 31, 2022 relating to outstanding equity awards for each of our executive officers and our director:

Outstanding Equity Awards at Year End Table

Name	Number of Securities Underlying Unexercised Options (exercisable)	Number of Securities Underlying Unexercised Options (unexercisable)	Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date
Salvatore Palella – 2020 Plan	1,175,435	0	309,286	$ 2.16	4/1/2030
Salvatore Palella – 2020 CEO Performance Award	600,000	0	600,000	$ 8.14	4/1/2030
Giulio Profumo – 2020 Plan	548,938	0	144,389	$ 2.16	4/1/2030
Jonathan Hannestad – 2020 Plan	608,793	0	160,170	$ 2.16	4/1/2030

Director Compensation

Following completion of the Business Combination, the Compensation Committee determined the type and level of compensation, for those persons serving as members of the Board of Directors. During 2022, each of the two independent directors of the Board received a cash compensation of $85,000. The annual compensation for each independent Directors comprised of a cash retainer of $85,000 and an award of options to purchase 75,000 shares of Class A Common Stock under the 2021 Omnibus Plan, vesting quarterly in equal amounts and exercisable at $10.00. Helbiz reimburses its non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending board of director and committee meetings.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of our Common Stock as of March 24, 2023 for:

- each of our directors and Named Officers;
- all directors and executive officers as a group; and
- each person who is known to us to own beneficially more than 5% of its Common Stock.

Beneficial ownership is determined according to the rules of the Commission, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. In computing the number of shares of Common Stock beneficially owned by a person and the percentage ownership, the Company deemed outstanding shares of its Common Stock subject to options and warrants held by that person that are currently exercisable or exercisable within 60 days of the Closing Date. The Company did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

The number of shares of our Common Stock outstanding on the Record Date was 292,694,001, of which 278,468,103 were shares of Class A common stock and 14,225,898 were shares of Class B common stock.

Name and Address of Beneficial Owner[(1)]	Amount and Nature of Beneficial Ownership	Approximate Percentage of Equity Position of Outstanding Shares	Approximate Percentage of Voting Position of Outstanding Shares[(2)]
Directors and Executive Officers			
Salvatore Palella	28,330,983	9.6%	37.2%
Jonathan Hannestad	651,505	*	*
Giulio Profumo	638,940	*	*
Matteo Mammi	143,750	*	*
Lee Stern	105,000	*	*
Guy Adami	75,000	*	*
Massimo Ponzellini	0	*	*
All directors and executive officers as a group (7 individuals)	**29,945,178**	10.1%	37.2%

(1) Unless otherwise indicated, the business address of each of the individuals is the address of Helbiz, Inc., 32 Old Slip, New York, New York 10005.

(2) Holders of shares of Class A Common Stock are entitled to cast one vote per share and holders of shares of Class B Common Stock will be entitled to cast the lesser of (a) ten votes per share of Class B common stock or (b) such number of votes per share as shall equal the ratio necessary so that the votes of all outstanding shares of Class B Common Stock shall equal sixty percent (60%) of all shares of Class A Common Stock and shares of Class B Common Stock entitled to vote as of the applicable record date on each matter properly submitted to stockholders entitled to vote. The only person who holds Class B Common Stock is Salvatore Palella. Salvatore Palella also owns the outstanding shares of Series B Preferred Stock that are entitled to 80,000 votes per share, but only on the Stock Split Proposal and only on a “mirrored” basis.

* Denotes less than one (1%) percent.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Other than employment and other agreements set out elsewhere in this annual report, the following summarizes those of transactions since January 1, 2022 to which we have been a participant in which the amount involved exceeded or will exceed $63,000, and in which any of our directors, executive officers or beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described in the section entitled "*Executive Compensation*." Described below are certain other transactions with our directors, executive officers and stockholders.

During the twelve months ended December 31, 2022, our majority shareholder and CEO has lent Helbiz funds on an interest-free basis for cumulative gross proceeds of $492. The amount has been repaid between a combination of cash for $237 and issuances of 527,425 Class A Common Shares for $254.

On November 18, 2022, Wheels Business Combination date, our majority shareholder and CEO purchased from a Wheels investor, a Wheels unsecured note for its principal amount $750. On November 22, 2022, Helbiz Inc CEO converted the entire amount into 4,019,293 Class A Common Shares.

During the twelve months ended December 31, 2022, our majority shareholder and CEO accepted to convert portion of his salaries and bonuses amounted to $0.3 million into 1,803,144 Class A Common Shares.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth fees billed to us by our independent auditors for the years ended December 31, 2022 and 2021 for (i) services rendered for the audit of our annual consolidated financial statements and the review of our quarterly consolidated financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of our consolidated financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

SERVICES	**2022**	**2021**
Audit fees	$ 700	$ 1,632
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total fees	$ 700	$ 1,632

Audit fees and audit related fees represent amounts billed for professional services rendered for the audit of our annual consolidated financial statements and the review of our interim consolidated financial statements. Before our independent accountants were engaged to render these services, their engagement was approved by our Directors.

PART IV

ITEM 15. EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENTS SCHEDULE

The following exhibits are filed as part of this registration statement. Exhibit numbers correspond to the exhibit requirements of Regulation S-K.

Exhibit No.	Description
2.1	Merger Agreement and Plan of Reorganization dated February 8, 2021 by and among, Helbiz, Inc., Salvatore Palella as Representative of the Shareholders of the Helbiz, Inc., GreenVision Acquisition Corp. and GreenVision Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on February 8, 2021)*
2.2	First Amendment dated April 8, 2021 to Merger Agreement and Plan of Reorganization (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on April 9, 2021)*
3.1	Amended and Restated Certificate of Incorporation of Helbiz, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on August 13, 2021)*
3.2	Certificate of Designation for Series A Preferred Stock, dated November 17, 2022 (incorporated by reference to Exhibit 10.2 to the current report on Form 8-K filed on November 25, 2022)
3.3	Certificate of Designation of Preferences, Rights, and Limitations of Series B Preferred Stock filed on March 13, 2023 (incorporated by reference to Exhibit 3.1 to the current report on Form 8-K filed on March 13, 2023)
4.1	Specimen Public Warrant Certificate (incorporated by reference to Exhibit 4.3 to Helbiz's registration statement on Form S-1 filed on October 21, 2019)*
4.2	Warrant Agreement between Continental Stock Transfer & Trust Company and Helbiz (incorporated by reference to Exhibit 4.5 to Helbiz's registration statement on Form S-1 filed on October 21, 2019)*
4.3	Convertible Promissory Note dated as of December 1, 2022 between Helbiz, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 4.1 to the current report on Form 8-K filed on December 1, 2022)
4.4	Convertible Promissory Note dated as of March 8, 2022, between the Company and YA II PN, Ltd. (incorporated by reference to Exhibit 4.1 to the current report on Form 8-K filed on March 13, 2023)
10.1	Form of Subscription Agreement by and among GreenVision Acquisition Corp. and certain institutional and accredited investors (incorporated by reference to Exhibit 10.1 to Helbiz's current report on Form 8-K filed on March 11, 2021)*
10.2	Form of Registration Rights Agreement, dated as of August 12, 2021, by and among GreenVision Acquisition Corp and certain shareholders of Helbiz Holdings (incorporated by reference to Annex B of the Definitive Proxy Statement filed on July 26, 2021)*
10.3	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 to the Registrants Current Report on Form 8-K, filed on August 13, 2021)*
10.4	Form of warrant to PIPE Investors (incorporated by reference to Exhibit 10.2 to Helbiz's current report on Form 8-K filed on March 11, 2021)*
10.5	GreenVision Acquisition Corp. 2021 Omnibus Incentive Plan (incorporated by reference to Annex D of the Definitive Proxy Statement filed on July 26, 2021)*
10.6	Form of Indemnification Escrow Agreement (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K, filed on August 13, 2021)*
10.7	Form of Convertible Debenture issued pursuant to the SPA (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on October 18, 2021)*
10.8	Form of Warrant issued under the SPA (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on October 18, 2021)*
10.9	Employment Agreement of Salvatore Palella, dated April 1, 2020 (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on Form S-1, filed on October 27, 2021)*
10.10	Employment Agreement of Giulio Profumo, dated March 2, 2020 (incorporated by reference to Exhibit 10.11 to the Registrant's registration statement on Form S-1, filed on October 27, 2021)*
10.11	Securities Purchase Agreement, dated April 15, 2022, between the Company and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on April 15, 2022)
10.12	Securities Purchase Agreement, dated August 15, 2022, between the Company and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on August 15, 2022)
10.13	Securities Purchase Agreement, dated August 23, 2022, between the Company and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on August 23, 2022)
10.14	Agreement and Plan of Merger, dated October 24, 2022, by and among Helbiz, Inc. Helbiz Merger Sub Inc., and Wheels Labs, Inc. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on October 28, 2022)
10.15	Standby Equity Purchase Agreement, dated October 31, 2022, by and between Helbiz, Inc. and YA II PN, Ltd.(incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on October 31, 2022)
10.16	Security Agreement, dated November 10, 2022, among YA II PN, Ltd. and the debtors named therein (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on November 14, 2022)
10.17	Amended and Restated Agreement and Plan of Merger, dated November 18, 2022, by and among Helbiz, Inc. Helbiz Merger Sub Inc., and Wheels Labs, Inc. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on November 25, 2022)

10.17	Amended and Restated Agreement and Plan of Merger, dated November 18, 2022, by and among Helbiz, Inc. Helbiz Merger Sub Inc., and Wheels Labs, Inc. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on November 25, 2022)
10.18	Supplemental Agreement dated as of December 1, 2022 to the Standby Equity Purchase Agreement dated as of October 31, 2022 between Helbiz, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on December 1, 2022)
10.19	Standby Equity Purchase Agreement, dated January 24, 2023, by and between Helbiz, Inc. and YA II PN, Ltd.(incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on January 17, 2023)
10.20	Standby Equity Purchase Agreement, dated March 13, 2023, by and between Helbiz, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed on March 13, 2023)
21.1	List of subsidiaries of Helbiz, Inc.
23.1	Consent of Marcum LLP
24.1	Powers of Attorney (the signature page to this registration statement)
31.1	Certification of Principal Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)*
31.2	Certification of Principal Accounting Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350*

* Previously filed and incorporated herein by reference

ITEM 16. FORM 10-K SUMMARY

We have elected not to provide a summary of the information provided in this annual report on Form 10-K.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Helbiz, Inc.

Date: March 28, 2023	By:	/s/ Salvatore Palella
	Name:	Salvatore Palella
	Title:	President, Chief Executive Officer

SIGNATURES

Each person whose signature appears below constitutes and appoints Salvatore Palella and Giulio Profumo, jointly and severally, his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Lorenzo Speranza Lorenzo Speranza	Chief Accounting Officer	March 28, 2023
/s/ Salvatore Palella Salvatore Palella	Chairman of the Board and Chief Executive Officer	March 28, 2023
/s/ Giulio Profumo Giulio Profumo	Chief Financial Officer and Director	March 28, 2023
/s/ Lee Stern Lee Stern	Director	March 28, 2023
/s/ Massimo Ponzellini Massimo Ponzellini	Director	March 28, 2023
/s/ Guy Adami Guy Adami	Director	March 28, 2023

Exhibit 21.1

Entity name (jurisdiction)

Helbiz, Inc. (Delaware)

Helbiz Holdings, Inc. (Delaware)

Micromobility.com Retail LLC (New York)

Helbiz Kitchen, Inc. (Delaware)

Wheels Labs, Inc (Delaware)

Wheels Labs Operations, Inc. (California)

JJC Imports, LLC (Delaware)

Helbiz OK LLC (Oklahoma)

Helbiz DC LLC (District of Columbia)

Helbiz Racing LLC (Delaware)

Helbiz FL LLC (Delaware)

Helbiz CA LLC (Delaware)

Helbiz NC LLC (Delaware)

Helbiz VA LLC (Virginia)

Helbiz AZ LLC (Arizona)

Helbiz Illinois LLC (Illinois)

Helbiz GA LLC (Delaware)

Helbiz IN LLC (Indiana)

Helbiz IA LLC (Iowa)

Helbiz BC Operations, Inc. (Canada)

MiMoto Smart Mobility S.r.l. (Italia)

Helbiz Australia PTY LTD (Australia)

Helbiz Europe Ltd (Ireland)

Helbiz Italia S.r.l. (Italia)

Helbiz Media Italia S.r.l. (Italia)

Helbiz Kitchen Italia S.r.l. (Italia)

Helbiz France SaS (France)

Wheels France SaS (France)

Wheels Labs Sweden AB (Sweden)

Helbiz Operations Spain S.L. (Spain)

MYGO MOVILIDAD S.L. (Spain)

Helbiz Portugal Lda (Portugal)

Trapeze Velvet, Unipessoal Lda (Portugal)

Helbiz DOO (Serbia)

Helbiz Delivery DOO Beograd (Serbia)

Helbiz U.K. Ltd (United Kingdom)

Wheels Labs Limited (United Kingdom)

Wheels Labs GmbH (Switzerland)

Wheels Labs GmbH I.GR (Germany)

Wheels Labs GmbH (Austria)

Wheels Labs Belgium (Belgium)

Prossedi SP. Z 0.0. (Poland)

Wheels Labs Netherlands Holding B.V. (Netherlands)

Wheels Labs Netherlands Transportation B.V. (Netherlands)

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Helbiz, Inc. on Form S-3 File Nos. 333-267783 of our report dated March 28, 2023, which includes an explanatory paragraph as to the Company's ability to continue as a going concern with respect to our audits of the consolidated financial statements of Helbiz, Inc. as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021, which report is included in this Annual Report on Form 10-K of Helbiz, Inc. for the year ended December 31, 2022.

Our report on the consolidated financial statements refers to a change in the method of accounting for leases effective January 1, 2022, due to the adoption of Accounting Standards update ("ASU") No. 2016-02, *Leases (Topic 842), as amended*, and a change in the method of accounting for convertible instruments effective January 1, 2022, due to the adoption of ASU No. 2014-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20)* and *Derivatives and Hedging – Contracts in Entity's Own Equity* (Subtopic 815-40), effective January 1, 2022.

/s/ Marcum LLP

Marcum LLP
New York, NY
March 28, 2023

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Salvatore Palella, certify that:

1. I have reviewed this annual report on Form 10-K of Helbiz, Inc. for the year ended December 31, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

/s/ Salvatore Palella

Salvatore Palella
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Giulio Profumo, certify that:

1. I have reviewed this annual report on Form 10-K of Helbiz, Inc. for the year ended December 31, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:: March 28, 2023

/s/ Giulio Profumo
Giulio Profumo
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Helbiz, Inc. (the "Company") on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Salvatore Palella, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Dated:: March 28, 2023

/s/ Salvatore Palella
Salvatore Palella
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Helbiz, Inc. (the "Company") on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Giulio Profumo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Dated:: March 28, 2023

/s/ Giulio Profumo

Giulio Profumo
Chief Financial Officer