

Ideanomics, Inc. Reports Q1 2022 Financial Results

- Revenues for the quarter ended March 31, 2022, were \$25.4 million

NEW YORK, Sept. 9, 2022 /PRNewswire/ -- Ideanomics (NASDAQ: IDEX) ("Ideanomics" or the "Company"), a global company focused on accelerating the commercial adoption of electric vehicles, announced today its first quarter 2022 operating results for the period ended March 31, 2022.

"In the first quarter, Ideanomics strengthened our product offerings and synergies across our subsidiaries highlighted by our closing of the Energica transaction," said Alf Poor, CEO of Ideanomics.

"We look forward to discussing how this and our other strategic investments will complement and accelerate our other businesses in addition to some of the exciting things that Ideanomics has planned for the rest of 2022 at our upcoming conference call."

Ideanomics First Quarter 2022 Operating Results

Revenue for the first quarter of 2022 was \$25.4 million compared to \$29.9 million in the first quarter of 2021, a decrease of \$4.5m or (15.2%). Revenue from the US in the first quarter of 2022 was \$11.8 million versus \$26.9 million in the first quarter of 2021, a decrease of \$15.1 million. This was mainly due to a decrease in revenue from Timios due to their previously disclosed cybersecurity issue.

Gross Profit

Gross profit for the first quarter of 2022 was \$0.02 million which represented a Gross Margin of 0.08%. Gross profit for the first quarter of 2021 was \$10.7 million.

Selected Business Updates and Highlights

- Acquired approximately 70% of Italian electric motorbike producer Energica
- Announced strategic investment with battery manufacturer InoBat
- Soletrac announced development of a North American dealer network
- Strengthened subsidiaries' management teams by hiring key leaders

Conference Call Information

As a reminder, the upcoming Conference Call will cover the fourth quarter and full-year 2021, in addition to the first quarter and second quarter 2022 results. Details are as follows: Ideanomics' management, including Alf Poor (Chief Executive Officer), Conor McCarthy (Chief Financial Officer), Robin Mackie (President of Ideanomics Mobility) and Tony Sklar (SVP of Investor Relations), will host a live conference call at 8:30 a.m. ET, Friday, September 9, 2022, to discuss the preliminary results. Time permitting, Ideanomics management will answer questions from the Say platform and during the live Q&A session. A replay of the earnings call will be available soon after the conclusion of the event.

To join the webcast, please visit the 'Events & Presentations' section of the Ideanomics corporate website (<http://www.ideanomics.com/>), or copy/paste this link: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=7uvVDWR3>

About Ideanomics

Ideanomics (NASDAQ: IDEX) is a global group with a simple mission: to accelerate the commercial adoption of electric vehicles. By bringing together vehicles and charging technology with design, implementation, and financial services, we provide solutions needed for the commercial world to commit to an EV future. To keep up with Ideanomics, please follow the company on social @ideanomicshq or visit <https://ideanomics.com>.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the federal securities laws. All statements other than statements of historical fact included herein are "forward-looking statements." These forward-looking statements are often identified by the use of forward-looking terminology such as "believes," "expects," or similar expressions, involve known and unknown risks and uncertainties, and include the statement regarding the completion of the business combination within a certain period of time, if ever. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, they do involve assumptions, risks, and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, such as risks related to: our ability to obtain necessary regulatory approvals and other risks and uncertainties disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, and similar disclosures in subsequent reports filed with the SEC, which are available on the SEC website at www.sec.gov. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these risk factors. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

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IDEANOMICS, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (USD in thousands)

	Three Months Ended	
	March 31, 2022	March 31, 2021
Revenue from sales of products (including from a related party of \$— and \$1 for the three months ended March 31, 2022 and 2021, respectively)	\$ 14,877	\$ 4,515
Revenue from sales of services	10,460	25,210
Other revenue	54	214
Total revenue	25,391	29,939
Cost of revenue from sales of products (including from a related party of \$— and \$4 for the three months ended March 31, 2022 and 2021, respectively)	15,738	4,318
Cost of revenue from sales of services	9,583	14,748
Cost of other revenue	50	160
Total cost of revenue	25,371	19,226
Gross profit	\$ 20	\$ 10,713
Operating expenses:		
Selling, general and administrative expenses	37,095	16,889
Research and development expense	1,014	10
Asset impairments	81	—
Change in fair value of contingent consideration, net	(131)	494
Litigation settlement	—	5,000
Depreciation and amortization	1,285	1,328
Total operating expenses	39,344	23,721

Loss from operations	(39,324)	(13,008)
Interest and other income (expense):		
Interest income	763	157
Interest expense	(579)	(574)
Loss on disposal of subsidiaries, net	(148)	(30)
Gain on remeasurement of investment	10,965	—
Other income (expense), net	191	(338)
Loss before income taxes and non-controlling interest	(28,132)	(13,793)
Income tax benefit	378	7,345
Equity in loss of equity method investees	(1,338)	(154)
Net loss	(29,092)	(6,602)
Net loss attributable to common shareholders	(29,092)	(6,602)
Net loss attributable to non-controlling interest	580	120
Net loss attributable to Ideanomics, Inc. common shareholders	\$ (28,512)	\$ (6,482)
Earnings (loss) per share		
Basic	\$ (0.06)	\$ (0.02)
Diluted	\$ (0.06)	\$ (0.02)
Weighted average shares outstanding:		
Basic	497,359,747	391,125,134
Diluted	497,359,747	391,125,134

IDEANOMICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (USD in thousands)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 170,757	\$ 269,863
Accounts receivable, net	3,393	3,338
Contract assets	2,649	2,772
Amount due from related parties	290	266
Available-for-sale securities	3,917	—
Notes receivable from related party	—	697
Notes receivable from third parties	56,212	54,907
Inventory	21,855	6,159
Prepaid expenses	26,068	20,015
Other current assets	4,703	4,490
Total current assets	289,844	362,507
Property and equipment, net	5,547	2,905
Intangible assets, net	89,583	42,546
Goodwill	75,754	16,161
Operating lease right of use assets	18,833	12,827
Long-term investments	23,073	35,588
Other non-current assets	1,537	903
Total assets	\$ 504,171	\$ 473,437
LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED STOCK, REDEEMABLE NON-CONTROLLING INTEREST AND EQUITY		
Current liabilities		
Accounts payable	\$ 16,181	\$ 6,674
Deferred revenue (including customer deposits of \$5,623 and \$3,163 as of March 31, 2022 and December 31, 2021, respectively)	8,370	5,392
Accrued salaries	6,473	8,957
Amount due to related parties	2,512	1,102
Other current liabilities	10,557	7,137
Current portion of operating lease liabilities	3,855	3,086
Current contingent consideration	722	648
Promissory note-short term	3,945	312
Convertible promissory note due to third-parties-short term	58,376	57,809
Total current liabilities	110,991	91,117
Promissory note-long term	1,850	—
Operating lease liability-long term	14,646	9,647
Non-current contingent consideration	145	350
Deferred tax liabilities	9,845	5,073
Other long-term liabilities	632	620
Total liabilities	138,109	106,807
Commitments and contingencies (Note 18)		
Convertible redeemable preferred stock and Redeemable non-controlling interest:		
Series A - 7,000,000 shares issued and outstanding, liquidation and deemed liquidation preference of \$3,500,000 as of March 31, 2022 and December 31, 2021	1,262	1,262
Equity:		
Common stock - \$0.001 par value; 1,500,000,000 shares authorized, 497,747,525 shares and 497,272,525 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	498	497
Additional paid-in capital	970,838	968,066
Accumulated deficit	(634,270)	(605,758)
Accumulated other comprehensive income	1,147	222
Total Ideanomics, Inc. shareholders' equity	338,213	363,027
Non-controlling interest	26,587	2,341
Total equity	364,800	365,368
Total liabilities, convertible redeemable preferred stock, redeemable non-controlling interest and equity	\$ 504,171	\$ 473,437

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited) (USD in thousands)

	Three Months Ended	
	March 31, 2022	March 31, 2021
Net loss	\$ (29,092)	\$ (6,602)
Other comprehensive loss, net of nil tax:		
Foreign currency translation adjustments	1,209	(693)
Comprehensive loss	(27,883)	(7,295)
Comprehensive loss attributable to non-controlling interest	296	433
Comprehensive loss attributable to Ideanomics, Inc. common shareholders	\$ (27,587)	\$ (6,862)

SOURCE Ideanomics

<https://investors.ideanomics.com/2022-09-09-Ideanomics,-Inc-Reports-Q1-2022-Financial-Results>