

Ideanomics, Inc. Reports Q2 Financial Results

- Revenues for the quarter ended June 30, 2022, were \$34.2 million
- Launched Ideanomics Energy increasing our services and offerings
- Energica launched new bike Experia in addition to Energica Inside

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 second quarter 2022 operating results for the periods ended June 30, 2022.

"In the second quarter Ideanomics was able to demonstrate our growing EV businesses, highlighted by our strong revenue growth at both Energica and Solectrac. Their new facility in Sonoma will allow us to produce more tractors in response to demand. Additionally, Energica announced its newest bike, the 'Experia', in addition to Energica Inside. These developments will enable us to continue to drive the revenue growth these businesses are experiencing," said Alf Poor, CEO of Ideanomics.

Selected Business Updates and Highlights

- Solectrac opened new CA facility, ramping out production capacity
- Energica Day at Nasdaq in Times Square, NY
- Energica expanded their lineup by revealing 'Experia' a new green tourer electric motorcycle
- US Hybrid announced near-zero emission natural gas-powered hybrid powertrain for drayage and long-haul trucks
- Energica Launched Energica Inside to help accelerate industry shift to EV
- Introduced Ideanomics Energy; signed first customer agreement with Coast Counties Peterbilt
- InoBat and Ideanomics announced plans to build R&D and battery production facility in Indiana

Ideanomics Second Quarter 2022 Operating Results

Revenue for the second quarter was \$34.2 million, demonstrating strong year-over-year growth highlighted by Ideanomics' growing EV business. Revenue from the US in the second quarter of 2022 was \$14.4 million versus \$25.0 million in the second quarter of 2021, a decrease of \$10.6 million due to lower revenues at Timios, but was offset with significant growth in revenues at both our Energica and Solectrac brands. We expect global revenues from EV to continue to grow as we incorporate Energica into our product offerings and our worldwide customer base expands.

Gross Profit

Gross profit for the second quarter was \$1.5 million, which represented a Gross Margin of 4.4%. Gross profit for the second quarter of 2021 was \$9.0 million.

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 the completeness of 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		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue from sales of products (including from a related party of \$—, \$— and \$—, \$1, for the three and six months ended June 30, 2022 and 2021, respectively)	\$ 24,534	\$ 6,957	\$ 39,411	\$ 11,472
Revenue from sales of services	9,589	22,794	20,049	48,004
Other revenue	79	\$ 376	133	\$ 590
Total revenue	34,202	30,127	59,593	60,066
Cost of revenue from sales of products (including from a related party of \$4 and \$0, \$8 for the three and six months ended June 30, 2022 and 2021, respectively)	25,027	6,060	40,765	10,512

Cost of revenue from sales of services	7,605	14,663	17,188	29,277
Cost of other revenue	81	373	131	533
Total cost of revenue	<u>32,713</u>	<u>21,096</u>	<u>58,084</u>	<u>40,322</u>
Gross profit	<u>1,489</u>	<u>9,031</u>	<u>1,509</u>	<u>19,744</u>
Operating expenses:				
Selling, general and administrative expenses	38,750	19,780	75,845	36,669
Research and development expense	680	235	1,694	245
Asset impairment	572	—	653	—
Change in fair value of contingent consideration, net	—	(2,401)	(131)	(1,907)
Litigation settlement	42	—	42	5,000
Depreciation and amortization	2,282	1,441	3,567	2,769
Total operating expenses	<u>42,326</u>	<u>19,055</u>	<u>81,670</u>	<u>42,776</u>
Loss from operations	<u>(40,837)</u>	<u>(10,023)</u>	<u>(80,161)</u>	<u>(23,032)</u>
Interest and other income (expense):				
Interest income	840	238	1,603	395
Interest expense	(488)	(801)	(1,067)	(1,375)
Loss on disposal of subsidiaries, net	(42)	(1,234)	(188)	(1,264)
Gain on remeasurement of investment	—	2,915	10,965	2,915
Other income, net	1,696	837	1,887	499
Loss before income taxes and non-controlling interest	<u>(38,831)</u>	<u>(8,068)</u>	<u>(66,961)</u>	<u>(21,862)</u>
Income tax benefit	147	1,682	525	9,027
Equity in gain (loss) of equity method investees	(589)	(461)	(1,928)	(615)
Net loss	<u>(39,273)</u>	<u>(6,847)</u>	<u>(68,364)</u>	<u>(13,450)</u>
Deemed dividend related to warrant repricing	—	—	—	—
Net loss attributable to common shareholders	<u>(39,273)</u>	<u>(6,847)</u>	<u>(68,364)</u>	<u>(13,450)</u>
Net loss attributable to non-controlling interest	1,506	152	2,086	272
Net loss attributable to Ideanomics, Inc. common shareholders	<u>\$ (37,767)</u>	<u>\$ (6,695)</u>	<u>\$ (66,278)</u>	<u>\$ (13,178)</u>
Earnings (loss) per share				
Basic	\$ (0.08)	\$ (0.02)	\$ (0.13)	\$ (0.03)
Diluted	\$ (0.08)	\$ (0.02)	\$ (0.13)	\$ (0.03)
Weighted average shares outstanding:				
Basic	497,792,525	433,098,279	497,577,331	412,230,966
Diluted	497,792,525	433,098,279	497,577,331	412,230,966

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

	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 85,508	\$ 269,863
Accounts receivable, net	6,657	3,338
Contract assets	3,115	2,772
Amount due from related parties	303	266
Available-for-sale securities	3,312	—
Notes receivable third parties	69,830	54,907
Notes receivable from related party	1,004	697
Inventory	23,770	6,159
Prepaid expenses	23,187	20,015
Other current assets	5,129	4,490
Total current assets	<u>221,815</u>	<u>362,507</u>
Property and equipment, net	8,318	2,905
Intangible assets, net	84,367	42,546
Goodwill	72,098	16,161
Operating lease right of use assets	17,740	12,827
Long-term investments	25,518	35,588
Other non-current assets	1,345	903
Total assets	<u>\$ 431,201</u>	<u>\$ 473,437</u>
LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED STOCK, REDEEMABLE NON-CONTROLLING INTEREST AND EQUITY		
Current liabilities		
Accounts payable	\$ 16,310	\$ 6,674
Deferred revenue (including customer deposits of \$4,407 and \$3,163 as of June 30, 2022 and December 31, 2021, respectively)	6,048	5,392
Accrued salaries	6,269	8,957
Amount due to related parties	2,394	1,102
Other current liabilities	12,792	7,137
Current portion of operating lease liabilities	3,926	3,086
Current contingent consideration	722	648
Promissory note-short term	3,591	312
Convertible promissory note due to third-parties-short term	33,437	57,809
Total current liabilities	<u>85,489</u>	<u>91,117</u>
Promissory note-long term	1,716	—
Operating lease liability-long term	13,638	9,647
Non-current contingent consideration	145	350
Deferred tax liabilities	8,799	5,073
Other long-term liabilities	724	620

Total liabilities and contingencies (Note 18)	110,511	106,807
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 June 30, 2022 and December 31, 2021	1,262	1,262
Equity:		
Common stock - \$0.001 par value; 1,500,000,000 shares authorized, 497,272,524 shares and 497,272,525 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	498	497
Additional paid-in capital	973,701	968,066
Accumulated deficit	(672,037)	(605,758)
Accumulated other comprehensive income	(5,691)	222
Total Ideanomics, Inc. shareholders' equity	296,472	363,027
Non-controlling interest	22,956	2,341
Total equity	319,427	365,368
Total liabilities, convertible redeemable preferred stock, redeemable non-controlling interest and equity	\$ 431,201	\$ 473,437

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net loss	\$ (39,273)	\$ (6,847)	\$ (68,364)	\$ (13,450)
Other comprehensive income (loss), net of nil tax:				
Changes in fair value of available-for-sale securities	—	(20)	—	(20)
Foreign currency translation adjustments	(10,220)	(40)	(7,803)	(733)
Comprehensive loss	(49,493)	(6,907)	(76,167)	(14,203)
Comprehensive loss (gain) attributable to non-controlling interest	3,385	158	3,681	591
Comprehensive loss attributable to Ideanomics, Inc. common shareholders	\$ (46,108)	\$ (6,750)	\$ (72,486)	\$ (13,612)

SOURCE Ideanomics

<https://investors.ideanomics.com/2022-09-09-Ideanomics.-Inc-Reports-Q2-Financial-Results>