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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended **December 31, 2023**
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 **001-35561**

IDEANOMICS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-1778374**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1441 Broadway, Suite 5116, New York, NY 10018
(Address of principal executive offices)

(212) 206-1216
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.001 par value per share	IDEX	The Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of 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 ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Auditor PCAOB ID Number: 606 Auditor Name: Grassi & Co., CPAs, P.C. Auditor Location: Jericho, NY

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ 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 the definitions 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	☒	Smaller Reporting Company	☒
Emerging growth company	☐		

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. ☐

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 Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was $0.1 billion based upon the per share closing price as of such dated reported on the Nasdaq Capital Market for the registrant's common stock, which was $8.75.

There were a total of 20,068,435 shares of the registrant's common stock outstanding as of June 13, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2023 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed within 120 days of the registrant's fiscal year ended December 31, 2023, are incorporated by reference in Part III of this Annual Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

IDEANOMICS, INC.
Annual Report on FORM 10-K
For the Fiscal Year Ended December 31, 2023

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Special Note Regarding Forward Looking Statements

In addition to historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act (as defined below), and Section 21E of the Exchange Act (as defined below). We use words such as "believe," "expect," "anticipate," "project," "target," "plan," "optimistic," "intend," "aim," "will" or similar expressions which are intended to identify forward-looking statements. Such statements include, among others, those concerning our transition to become a next-generation Fintech company; our expectations regarding the market for our new and existing products and industry segment growth; our expectations regarding demand for and acceptance of our new and existing products or services; our expectations regarding our partnerships and joint ventures, acquisitions, investments; our business strategies and goals; any projections of sales, earnings, revenue, margins or other financial items; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; uncertainties related to conducting business in the PRC; and all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including, and without limitation, those identified in Item 1A—"Risk Factors" included herein, as well as assumptions, which, if they were to ever materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements included herein are made as of the date of this report. We undertake no obligation to update any of these forward-looking statements, whether written or oral, that may be made, from time to time, after the date of this report to conform our prior statements to actual results or revised expectations.

Use of Terms

Except as otherwise indicated by the context, references in this report to "we," "us," "our," "our Company," "the Company," "IDEX," or "Ideanomics," are to the business of Ideanomics, Inc. (formerly known as "Seven Star Cloud Group, Inc.," "SSC" and "Wecast Network, Inc.,") a Nevada corporation.

The following is a glossary of certain terms used in this report:

$	refers to the legal currency of the United States.
2020 Financial Subsidies Circular	refers to the Circular on Improving Subsidy Policies on Promotion and Application of New Energy Vehicles issued by the MOF, the MOST, the MIIT and the NDRC.
2021 Financial Subsidies Circular	refers to the Circular on Further Improving the Financial Subsidy Policy for the Wider Application of New-energy Vehicles issued by the MOF, the MOST, the MIIT and the NDRC.
2010 Plan	refers to the 2010 Stock Incentive Plan.
2022 Financial Subsidies Circular	refers to the Circular on Financial Subsidy Policy for Application and Promotion of New-energy Vehicles in the year of 2022 issued by the MOF, the MOST, the MIIT and the NDRC.
401(k) Plan	refers to 401(k) defined contribution plan.
Acuitas	refers to Acuitas Capital, LLC.
AHFCA Act	refers to the Accelerating Holding Foreign Companies Accountable Act, passed by the U.S. Senate.
AI	refers to artificial intelligence.
Amer	refers to Amer Global Technology Limited.
ASC	refers to Accounting Standards Codification. 1.19.23
ASC 205	refers to Accounting Standards Codification Topic 205, *Presentation of Financial Statements.*
ASC 260	refers to Accounting Standards Codification Topic 260, *Earnings Per Share.*
ASC 350	refers to Accounting Standards Codification Topic 350, *Intangibles-Goodwill and Other.*
ASC 410	refers to Accounting Standards Codification Topic 410, *Asset Retirement and Environmental Obligations.*
ASC 470	refers to Accounting Standards Codification Topic 470, *Debt.*
ASC 606	refers to Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers.*

ASC 715	refers to Accounting Standards Codification Topic 715, *Compensation – Retirement Benefits.*
ASC 718	refers to Accounting Standards Codification Topic 718, *Stock Compensation.*
ASC 810	refers to Accounting Standards Codification Topic 810, *Consolidation.*
ASC 842	refers to Accounting Standards Codification Topic 842, *Leases.*
ASC 950	refers to Accounting Standards Codification Topic 950, *Financial Services - Title Plant.*
ASC 958	refers to Accounting Standards Codification Topic 958, *Not-for-Profit Entities.*
ASEAN	refers to the Association of Southeast Asian Nations.
Assistance Agreement	refers to the Assistance Agreement by and between the State of Connecticut, acting by the Department of Economic and Community Development.
ASU 2016-13	refers to Accounting Standards Update 2016-13, *Financial Instruments-Credit Losses* (Topic 326).
ASU 2018-07	refers to Accounting Standards Update 2018-07, *Stock Compensation* (Topic 718).
ASU 2019-12	refers to Accounting Standards Update 2019-12, *Income Taxes* (Topic 740).
ASU 2020-06	refers to Accounting Standards Update 2020-06, *Debt* (Topic 470).
ASU 2021-04	refers to Accounting Standards Update 2021-04, *Earning Per Share.*
ATS	refers to Alternative Trading System.
BCF	refers to beneficial conversion feature.
BEAT	refers to the Base Erosion and Anti-Abuse Tax.
BEV	refers to battery electric vehicles.
Board	refers to the Company's Board of Directors.
BSSGCD	refers to Beijing Seven Stars Global Culture Development Inc.
CAA	refers to State Certification and Accreditation Administration Committee.
CaaS	refers to Charging as a Service.
CAC	refers to the Cyberspace Administration of China.
Cantor	refers to Cantor Fitzgerald & Co.
CapEx	refers to funds used by a company to acquire, upgrade, and maintain physical assets.
Catalogue	refers to Catalogue of Industries for Encouraged Foreign Investment ("Encouraged Foreign Investment Catalogue,") together with the Negative List.
CB Cayman	refers to our wholly-owned subsidiary Mobile Energy Global Limited (formerly China Broadband, Ltd.).
CCPA	refers to the new California Consumer Protection Act.
Certified B Corp	refers to B Corporation certification is granted by B Lab, a non-profit [organization], and indicates that a business [meets certain standards of transparency, accountability, sustainability, and performance].
CFPB	refers to Consumer Financial Protection Bureau.
China	refers to the People’s Republic of China.
Chinese	refers to the People’s Republic of China.
CIT	refers to Corporate Income Tax.
CIT Law	refers to Corporate Income Tax Law of the PRC.
Commitment Shares	refers to Ideanomics issuing 1.0 million shares of the Company's common stock as a commitment fee to YA II PN.
COVID-19	refers to Novel Coronavirus 2019.
CSRC	refers to the China Securities Regulatory Commission.
DBOT	refers to the Delaware Board of Trade Holdings, Inc. which is holding company for the Company’s FINRA Registered Broker Dealer. The Company owns 99% of the share capital of DBOT. On September 20, 2021 the name was changed to Justly Holdings Inc. (JUSTLY).
Dodd-Frank	refers to Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
Dr. Wu	refers to Dr. Bruno Wu., the former Chairman of the Company as of December 31, 2020.
Exchange Act	refers to Securities Exchange Act of 1934, as amended.
EIT	refers to earned income tax.

EIT Law	refers to Enterprise Income Tax law.
Energica	refers to Energica Motor Company, S.P.A., manufacturer of high-performance electric motorcycles.
Energy Sales	refers to Qingdao Chengyang Medici Zhixing New Energy Vehicle Co., Ltd. (formerly Qingdao Chenyang Ainengju New Energy Sales and Service Company Limited).
EPA	refers to Environmental Protection Agency.
EQUITABLE	refers to Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges.
ESG	refers to Environmental, Social and Governance.
EV	refers to electric vehicles, particularly battery operated electric vehicles.
Exchange Act	refers to the Securities Exchange Act of 1934, as amended.
FASB	refers to the Financial Accounting Standards Board.
FCEV	refers to fuel cell electric vehicles.
FCPA	refers to the Foreign Corrupt Practice Act.
FMVSS	refers to Federal Motor Vehicle Safety Standards.
FIE	refers to foreign invested enterprise.
FINRA	refers to the Financial Industry Regulatory Authority.
Fintech	refers to financial technology.
FMVSS	refers to Federal Motor Vehicle Safety Standards.
FNL	refers to FNL Technologies, Inc., the owner and operator of the social media platform Hoo.be.
Founder Space	refers to Seven Stars Founder Space Industrial Pte. Ltd.
GAAP	refers to generally accepted accounting principles in the United States of America.
GDPR	refers to General Data Protection Regulation.
GILTI	refers to the Global Intangible Low-Taxed Income.
Glory	refers to Glory Connection Sdn. Bhd.
Hong Kong	refers to the Hong Kong Special Administrative Region of the People's Republic of China.
HKD	refers to Hong Kong dollars.
Ideanomics China	refers to Mobile Energy Global (MEG) the subsidiary that holds all of the Company's EV.
ICE	refers to internal combustion engine.
Ideanomics/Company	refers to Ideanomics Inc.
Intelligenta	refers to the BDCG investment which was rebranded as Intelligenta.
IP	refers to intellectual property.
JUSTLY	refers to the company formerly known as DBOT - Delaware Board of Trade Holdings, Inc. which is holding company for the Company's FINRA Registered Broker Dealer. The Company owns 99% of the share capital Delaware Board of Trade Holdings, Inc. On September 20, 2021 the name was changed to Justly Holdings Inc. (JUSTLY).
KYC	refers to Know Your Customer requirements.
MIIT	refers to the PRC Ministry of Industry and Information Technology.
MOF	refers to the PRC Ministry of Finance.
MOFCOM	refers to the PRC Ministry of Commerce.
MOST	refers to the PRC Ministry of Science and Technology.
Mr. McMahon	refers to Mr. Shane McMahon.
Mr. Zhu	refers to Mr. Jianya Zhu.
NASDAQ	refers to the Nasdaq Stock Market.
NDRC	refers to National Development and Reform Commission.
Negative List	refers to the Special Administrative Measures for Access of Foreign Investment.
New Energy	refers to Qingdao Chengyang Medici Zhixing New Energy Vehicle Co., Ltd., formerly known as Qingdao Chengyang Mobo New Energy Vehicle Sales Service Company Limited.

New Energy Vehicle Catalogue	refers to Catalogue of New Energy Vehicle Models Exempted from Vehicle Purchase Tax.
NHTSA	refers to the National Highway Traffic Safety Administration.
NOLs	refers to net operating losses.
Notice 112	refers to the Notice of the State Taxation Administration on Negotiated Reduction of Dividends and Interest Rates.
OEM	refers to original equipment manufacturer.
OpEx	refers to the day-to-day operating expenses of a business.
Orangegrid	refers to Orangegrid LLC.
PEA	refers to Prettl Electronics Automotive.
Qianxi	refers to Guizhou Qianxi Green Environmentally Friendly Taxi Service Co.
Qingdao Medici	refers to Qingdao Medici New Energy Vehicle Co., Ltd.
Qingdao Xingyang Investment	refers to Qingdao Chengyang Xinyang Development and Investment Company Limited.
QSIQ	refers to General Administration of Quality Supervision, Inspection and Quarantine.
PBOC	refers to the People's Bank of China.
PCAOB	refers to the Public Company Accounting Oversight Board.
PHMSA	Pipeline and Hazardous Materials Safety Administration.
PRC	refers to the People's Republic of China.
PSE	refers to Pt Pasifik Sakti Eniniring, a company incorporated in in Indonesia and party to an Agent Agreement to distribute Tree Technologies motorcycles in Indonesia.
Renminbi	refers to the legal currency of the PRC.
REO	refers to real-estate-owned.
RESPA	refers to Real Estate Settlement Procedures Act.
RMB	refers to the legal currency of the PRC.
SAFE	refers to Simple Agreement for Future Equity.
SAFE PRC	refers to the State Administration of Foreign Exchange (the PRC regulator that oversees matters regarding foreign exchange).
SAMR	refers to State Administration for Market Supervision.
Sarbanes-Oxley Act	refers to Section 404 of the Sarbanes-Oxley Act of 2002, as amended.
SCNPC	refers to Standing Committee of the National People's Congress.
SEC	refers to the United States Securities and Exchange Commission.
SEDA	refers to standby equity distribution agreement.
Securities Act	refers to the Securities Act of 1933, as amended.
SEPA	refers to Standby Equity Purchase Agreement.
Shandong	refers to Ideanomics Shengtong New Energy Co., Ltd.
Solectrac	refers to Solectrac, Inc., which was acquired on June 11, 2021.
SPA	refers to Securities Purchase Agreement.
SSE	refers to Seven Stars Energy PTD LTD.
SSSIG	refers to Sun Seven Stars Investment Group Limited, a British Virgin Islands corporation, an affiliate of Dr. Wu, the former Chairman of the Company.
TCJA	refers to the Tax Cuts and Jobs Act, enacted by the United States of America on December 22, 2017.
TFR	refers to Trattamento di Fine Rapporto.
TILA	refers to Truth-in-Lending Act.
Timios	refers to Timios Holdings Corp. and its affiliates which was acquired on January 8, 2021.
Tree Technologies	refers to Tree Technologies Sdn. Bhd., headquartered in Kuala Lumpur, Malaysia and through its Treeletrik brand sells EV bikes, scooters, and batteries throughout the ASEAN region.
U.S. dollars	refers to the legal currency of the United States.
U.S. GAAP	refers to accounting principles generally accepted in the United States of America.

US Hybrid	refers to US Hybrid Corporation, which was acquired on June 20, 2021.
USD	refers to the legal currency of the United States.
VIA	refers to VIA Motors International, Inc. a business that produces commercial battery electric vehicles using a skateboard architecture.
VIEs	refers to variable interest entities.
VWAP	refers to volume weighted average price.
WAVE	refers to Wireless Advanced Vehicle Electrification, Inc. which was acquired on January 15, 2021.
WAVE Agreement	refers to the agreement and plan of merger the Company entered into to acquire 100.0% of Wireless Advanced Vehicle Electrification, Inc.
YA II PN	refers to YA II PN, Ltd.
YOD	refers to You-on-Demand, this business was closed during 2019.

PART I

ITEM 1. BUSINESS

Overview

Ideanomics is an American company, headquartered in New York. Ideanomics has a clear mission – to accelerate the commercial adoption of electric vehicles.

The Company's EV and technology acquisitions during 2023, 2022 and 2021 completed the foundation for its EV, and energy and charging services offering.

The Company believes its largest addressable market opportunity is local and last-mile delivery vehicles and associated charging products for last- and middle-mile delivery vehicles. The Company's vehicles and charging systems will provide fleet operators with confidence that EV can deliver what their business requires, affordably and reliably. The local delivery market is expected to continue to grow at a fast pace, as more retailers seek to offer greater convenience to customers.

Additionally, due to market conditions across the EV industry, Ideanomics Management believes that the aggregate intrinsic value of its subsidiaries exceeds the current public market capitalization. This valuation discrepancy, as observed by the Company, is based on internal and external assessments of the underlying businesses, attributable IP, and their potential for growth and profitability. In line with this perspective and in the best interest of enhancing shareholder value, the Company is actively considering inbound inquiries and working with outside advisors for direct strategic investment into, and the potential divestment of some of these subsidiary entities.

In pursuing the above-described strategy, the Company expects the additional capital from direct strategic investment and divestment to strengthen its financial position. It expects this to enable its continued focus on the large addressable market opportunity in local and last-mile delivery and be prepared to capture market share as customer demand increases. This demand is driven by current and future legislative timelines which phase out commercial vehicles powered by fossil fuels in favor of clean energy technologies such as battery electric vehicles (BEV). Leveraging its extensive experience and expertise in the electric vehicle market, the Company remains poised to explore potential growth opportunities in related fields. Should it identify promising innovative technology companies in adjacent sectors, such as artificial intelligence and other key technologies relevant to the mobility market, the Company intends to explore strategic partnerships or acquisitions to enhance their offerings and deliver increased value to its shareholders.

Principal Products or Services and Their Markets

WAVE Charging

Founded in 2011, and headquartered in Salt Lake City, Utah, WAVE Charging is a leading provider of high-power inductive (wireless) charging solutions for medium and heavy-duty EVs. Embedded in-route on public roads and at depot facilities, the WAVE system automatically charges vehicles during scheduled stops without the inconvenience of cable-based systems. The hands-free WAVE system improves operational efficiency of electric vehicles and enables fleets to achieve extended duty cycles comparable to those of traditional ICE commercial vehicles. This is believed to be a key step in enabling perpetual operations for fleets, and an enabling technology for autonomous freight and autonomous warehouse operations.

Deployed since 2012, WAVE has demonstrated the capability to develop and integrate high-power charging systems into heavy-duty EVs from leading commercial EV manufacturers. WAVE provides custom fleet solutions for mass transit, logistics, airport and campus shuttles, drayage fleets, and off-road vehicles at ports and industrial sites.

Since the acquisition of WAVE in January 2021, the Company has continued investment in engineering, facilities and production resources, including continuous development programs improving technology, reducing cost and scaling manufacturing. These investments and programs are necessary to meet current and anticipated demand for WAVE's high power inductive wireless charging products. WAVE has continued to develop its high-powered induction capabilities beyond 250kW, successfully delivering systems at 125kW and 500kW. To support widespread adoption, WAVE is developing relationships with additional OEM partners to facilitate the integration of its vehicle-side hardware. Additionally, WAVE is pursuing interoperability between its systems so WAVE-enabled vehicles may access wireless charging regardless of the power level of a given WAVE system.

WAVE is currently deploying projects with large logistics fleets to pursue scalable market opportunities in the local and last-mile delivery market, in addition to customers in the transit, port, and other specialist markets.

VIA Motors

Acquired in January 2023, VIA Motors is a leading commercial electric vehicle company with proven advanced electric drive technology, delivering sustainable mobility solutions for a more livable world. VIA designs and markets commercial electric vehicles and technology, with superior life-cycle economics, for use across a broad cross-section of the global fleet customer base.

With its acquisition of VIA Motors, Ideanomics has acquired a business which has developed a proprietary commercial battery electric skateboard architecture in the high-growth Class 2 to 5 commercial EV segment. The skateboard architecture provides an opportunity to customize the vehicle configuration in a van or cab/chassis to meet specific customer needs. VIA is well advanced in the development and validation of the product and has attracted potential opportunities to both sell direct to market as well as license its vehicle platform to incumbent vehicle manufacturers seeking to enter the class 2 to 5 commercial vehicle segment.

Energica

Acquired in March 2022, Energica is an electric motorcycle company based in Modena, Italy, that has been recognized with multiple awards as one of the world's leading electric motorcycle manufacturers.

In addition to its popularity with motorcycle enthusiasts, Energica is building its reputation as a leading electric motorcycle provider to law enforcement. Its high-performance motorcycles are being used by several police forces around the world. Energica captured the attention of the global law enforcement market in 2022 when it provided 88 electric motorcycles to the Indonesian Police Department for use during the G20 Summit, resulting in additional sales and interest from police fleets globally.

Its Energica Inside business unit is helping OEMs quickly and affordably bring to market a new generation of electric vehicles, including watercraft, aircraft, passenger and urban mobility vehicles - all built around Energica’s EV engineering and technology. Energica Inside has several announced projects underway in the aviation, nautical, and two-wheeler industries.

Energica plans to continue expanding its global distribution network, accelerate production and sales and introduce new models and new EV technology.

Ideanomics owns a majority stake in Energica with over 70% ownership, and the founders, including Energica's management owning the balance of the Company’s equity.

Solectrac

Acquired in June 2021, Solectrac is a California-based assembler and distributor of electric powered tractors and is a certified B Corp. As a first mover, Solectrac has built a leadership position in the North American electric tractor market. Solectrac has begun the development of a new tractor range, an innovative electric two-wheel tractor, and electrified implements.

Due to shifting market conditions, Solectrac has decided to shift its focus away from building a national dealer/distributor network to a direct-to-customer strategy supported by a small number of dealers in geographic regions where adoption of the technology is greater. This shift ensures the Company can provide excellent service and support to its customers. Solectrac's direct customer sales are further supported by government programs designed to incentivize electrification.

Businesses held for sale

Our business components Energica, Solectrac, and US Hybrid (the “held for sale businesses”) met the criteria for classification as assets held for sale and thus as discontinued operations. However, as the held for sale businesses comprise the substantial majority of assets, liabilities, revenues and operating costs of the Company’s continuing operations and the period of time over which the disposal events are expected to occur, we have continued to present these operations as continuing operations. We believe this provides more relevant information in the primary financial statements. While these assets are classified as held for sale as we assess active third-party interest, we do not anticipate the sale of all of these businesses. For those that we do decide to sell, it is expected that the majority of the balances attributable to the held for sale businesses will not be divested until 2024.

For information on the assets, liabilities, revenues and results of operations related to these business components, please refer to **Note 1** in the unaudited condensed consolidated financial statements.

On January 12 2024, we completed the sale of US Hybrid to J.P.L Holding Company. Please refer to **Note 25** for more details related to this subsequent event.

Other Businesses

The Company has identified and informed the market of its desire to restructure and divest certain businesses deemed outside of its core focus.

Ideanomics China (formerly known as Mobile Energy Global)

The Company is in the final stages of winding down its operations in China as it shifts its focus toward the US market opportunity.

Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition

The markets in which we participate are dynamic and highly competitive, requiring companies to react quickly to capitalize on opportunity. We retain skilled and experienced personnel and deploy resources to meet the changing demands of the industry and to capitalize on change. The market for our products is highly competitive and subject to rapid technological change. We encounter significant domestic and international competition across all units of our business.

The Company's EV business operates in the market for fleet commercial vehicles, which is still in the development stage. The Company could face competition from other companies that develop and operate similar EV and charging products and services.

Purchasers of commercial vehicles have the choice between traditional ICE vehicles and EVs and this is likely to continue for at least the next six years as regulatory policy on clean energy vehicles comes into effect. The most important drivers for the development of the commercial fleet EV market are federal and state regulations relating to clean air and electric vehicles, including subsidies and incentives to help owners of fleets of commercial vehicles convert from combustion engines to EV. The speed at which fleet operators convert to EV is highly correlated with government regulations, targets and related subsidies and incentives. If the governments, or municipalities, change the regulations, targets, incentives or subsidies then the rate at which fleet operators convert their vehicles to EV could slow down, which in turn may lead to lower revenues for the Company. Additionally, the rate and form in which the commercial fleet EV market develops is dependent upon technological developments in battery and charging systems; deployment of the charging infrastructure to support widespread commercial EV use and the development of new financing and lending structures that address the different collateral and resale values of the battery and vehicle versus ICE vehicles.

Sources and Availability of Raw Materials

The Company's businesses depend on a ready supply of components and parts that are sourced domestically and internationally and any interruption to the supply of these could have an adverse impact on the Company's results. The Company's suppliers that manufacture components and parts, which includes EV motors and batteries, depend on a ready supply of raw materials and components. Consequently a shortage of raw materials or components could adversely impact their manufacturing process and, potentially, impact the Company's revenues as it may not be able to complete orders that it has received. The Company may also be adversely impacted if global logistics and supply chains are interrupted.

Our products are manufactured or assembled from both standard components and parts that are proprietary to our specifications. Our internal operations are largely process-oriented and depend upon a supply chain which is reliant on the pricing and availability of various raw materials, including aluminum, copper, steel, ferrite, optical fiber and plastics and other polymers, among others. Other parts are produced using processes such as stamping, machining, molding and pressing from metals or plastics. Portions of the requirements for these materials are purchased under supply arrangements where some portion of the unit pricing may be indexed to commodity market prices for these metals. We may occasionally enter forward purchase commitments or otherwise secure availability for specific commodities to mitigate our exposure to price changes for a portion of our anticipated purchases. Certain of the raw materials utilized in our products may only be available from a few suppliers, and we may enter into longer term agreements to secure access to certain key inputs. We may, therefore, encounter significant

price increases and/or availability issues for the materials we obtain from these suppliers, such as those that we saw in 2021. These supply chain constraints limited our ability to manufacture and deliver products to our customers in 2022 and 2023, and we expect this may continue into 2024.

Our profitability has been and may continue to be materially affected by changes in the market price of raw materials and components, most of which are linked to the commodity markets. Prices for, and for certain materials, availability of, lithium, aluminum, copper, plastics, silicon and certain other polymers derived from oil and natural gas have fluctuated substantially during the past several years. We have adjusted our prices for certain products and may have to adjust prices again. Delays in implementing price increases, failure to achieve market acceptance of price increases, or price reductions in response to a rapid decline in raw material costs, could have a material adverse impact on the results of our operations.

In addition, some of our products are assembled from specialized components and subassemblies manufactured by third-party suppliers. We depend upon sole suppliers for certain of these components, including capacitors, memory devices and silicon chips. Our results of operations have been and may continue to be materially affected if these suppliers cannot provide these components in sufficient quantity and quality on a timely and cost-efficient basis. We believe that our supply contracts and our supplier contingency plans mitigate some of this risk, however there is no way to fully remove said risk. For example, political, economic, or other actions by the PRC in Taiwan may adversely affect our ability to source microchips from suppliers in Taiwan. Any political, economic, or other actions may also adversely affect our customers and the technology industry supply chain, for which Taiwan is a central hub, and as a result, could have a material adverse impact on us.

Our supply agreements include technology licensing and component purchase contracts, and several of our competitors have similar supply agreements for these components. There can be no guarantee that the Company will be able to extend or renew these supply agreements on similar terms, or at all. In addition, we license software for operating network and security systems or sub-systems and a variety of routing protocols from different suppliers.

Seasonality

The Company expects that orders and sales will be influenced by the amount and timing of budgeted expenditure by its customers. Typically, the Company would expect to see higher sales at the start of the year when companies start executing on their capital programs and at the end of the year when companies are spending any surplus or uncommitted budget before the new budget cycle commences, though certain of the Company's operating companies which such as Solectrac and Energica operate in industries typically affected by reduced sales during the winter months at the end and beginning of each year. The Company's other EV operating businesses are in the early stage of their development and consequently do not have sufficient trading histories to project seasonal buying patterns with any degree of confidence.

Working Capital Requirements

As the Company expands its business the need for working capital will continue to grow. The Company acquired several companies and most of its subsidiaries are considered growth companies at various stages of maturity. For these reasons it will require working capital for both organic growth of those business plus for the purchase of components for the manufacture and assembly of the Company's respective EV and wireless charging systems. The Company will continue to raise both debt and equity capital to support the working capital needs of these businesses and its U.S. headquarters functions.

Trademarks, Patents and Licenses

We hold various patents and trade names and rely on a combination of patent, copyright, trademark, service mark and trade secret laws to establish and protect our intellectual property rights. We have a number of pending patent applications relating to new products and technology. We will continue to file additional patent applications on new inventions, as appropriate, demonstrating our commitment to technology and innovation. For technology that is not owned by us, we have a program for obtaining appropriate licenses to help ensure that we have the necessary license coverage for our products. In addition, we have formed strategic relationships with leading technology companies to provide us with early access to technology that we believe will help keep us at the forefront of our industry. Although we believe our intellectual property rights play a role in maintaining our competitive position in a number of the markets that we serve, we do not believe we would be materially adversely affected by the expiration or termination of our trademarks or trade names or the loss of any of our other intellectual property rights.

Business and Customer Concentration

The Company is in the process of building out its EV business and has not yet reached a stage of development where the loss of any single customer would have a material adverse effect on the Company.

On January 18, 2024, the Company filed a Form 8-K disclosing that its subsidiary Wireless Advanced Vehicle Electrification, LLC. received a purchase order from a new customer, a large retail and logistics company. Though the loss of revenue from this customer does not currently represent a material adverse risk to the Company, it has the potential to become a significant customer and could, in the future, represent such a risk.

Reliance on Government Contracts

In its operations the Company does not typically contract directly with national governments, however it may contract with federal or state agencies, and local municipalities.

The Company does not contract directly with the government of the PRC.

Additionally, the rate at which commercial fleets convert to EV is heavily influenced by federal and state policies globally as they relate to clean air and adoption of EV technology. Consequently, the Company's results may be adversely impacted by changes in regulations.

Corporate Structure

Ideanomics is a Nevada corporation existing as an operating company that conducts a substantial majority of its operations through its operating subsidiaries established in various jurisdictions including the United States, Italy, Spain, the People's Republic of China, Hong Kong, Malaysia, and England and Wales. As of the year ended December 31, 2023, the organizational structure of the Company is comprised of a total of seven (7) operating subsidiaries. The remaining subsidiaries are either holding companies or dormant subsidiaries that ceased operations or remain unliquidated solely for the purpose of compliance with administrative formalities, or in the wind down process and are expected to be liquidated. No contractual agreements exist between the Company and its subsidiaries including its PRC subsidiaries because the Company believes that direct ownership is a more effective approach to the corporate structure.

Other than intercompany loans, no contractual agreements exist between the Company and its subsidiaries including its PRC subsidiaries because the Company believes that direct ownership is a more effective approach to the corporate structure.

Government Regulations

Rules and Regulations Material to our Business

Vehicle Safety and Testing

In the U.S., some of our vehicles are subject to regulation by the NHTSA, including all applicable FMVSS and the NHTSA bumper standard. While our current vehicles fully comply with applicable regulations and we expect that our vehicles in the future will fully comply with all applicable FMVSS with limited or no exemptions, FMVSS are subject to change from time to time and while we anticipate being in compliance with the proposed changes, there is no assurance until final regulation changes are enacted. As a manufacturer, we must self-certify that our vehicles meet all applicable FMVSS and the NHTSA bumper standard, or otherwise are exempt, before the vehicles may be imported or sold in the U.S.

We are also required to comply with other federal laws administered by NHTSA including labeling requirements and other information provided to customers in writing, Early Warning Reporting requirements regarding warranty claims, field reports, death and injury reports and foreign recalls and additional requirements for cooperating with compliance and safety investigations and recall reporting. In addition, federal law requires inclusion of fuel economy ratings, as determined by the U.S. Department of Transportation and the EPA, and New Car Assessment Program ratings as determined by NHTSA, if available.

Our vehicles sold outside of the U.S. are subject to similar foreign compliance, safety, environmental and other regulations. Many of those regulations are different from those applicable in the U.S. and may require redesign and/or retesting. Some of those regulations impact or prevent the rollout of new vehicle features. Additionally, the European Union established new rules regarding additional compliance oversight that commenced in 2020. There is also regulatory uncertainty regarding how these rules will impact sales in the United Kingdom given its withdrawal from the E.U.

Automobile Manufacturer and Dealer Regulation

In the U.S., state laws regulate the manufacture, distribution, sale and service of motor vehicles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to residents. Certain states have asserted that the laws in such states do not permit manufacturers to be licensed as dealers or to act in the capacity of a dealer, or that they otherwise restrict a manufacturer's ability to deliver or service vehicles.

Battery Safety and Testing

Our battery packs are subject to various U.S. and international regulations that govern transport of "dangerous goods," defined to include lithium-ion batteries, which may present a risk in transportation. The governing regulations, which are issued by the Pipeline and Hazardous Materials Safety Administration, are based on the UN Recommendations on the Safe Transport of Dangerous Goods Model Regulations and related UN Manual Tests and Criteria. The regulations vary by mode of shipping transportation, such as by ocean vessel, rail, truck or air. We conduct testing to demonstrate our compliance with such regulations.

As indicated above, we primarily use lithium-ion cells in the high voltage battery packs of our vehicles and energy storage products. The use, storage and disposal of our battery packs are regulated under existing laws and are the subject of ongoing regulatory changes that may add additional requirements in the future.

Environmental Regulations

We operate in an industry that is subject to extensive environmental regulation, which has become more stringent over time. The laws and regulations to which we are subject govern, among others, vehicle emissions and the storage, handling, treatment, transportation and disposal of hazardous materials and the remediation of environmental contamination. Compliance with such laws and regulations at an international, regional, national, and local level is an important aspect of our ability to continue our operations.

Environmental standards applicable to us are established by the laws and regulations of the countries in which we operate, standards adopted by regulatory agencies and the permits and licenses issued to us. Each of these sources is subject to periodic modifications and what we anticipate will be increasingly stringent requirements. Violations of these laws, regulations or permits and licenses may result in substantial administrative, civil or even criminal fines, penalties and possibly orders to cease any violating operations or to conduct or pay for corrective works. In some instances, violations may also result in the suspension or revocation of permits or licenses.

EPA Emissions and Certificate of Conformity

The U.S. Clean Air Act requires that we obtain a Certificate of Conformity issued by the EPA and a California Executive Order issued by CARB certifying that certain of our vehicles comply with all applicable emissions and related certification requirements. A Certificate of Conformity is required for vehicles sold in states covered by the Clean Air Act's standards and a CARB Executive Order is required for vehicles sold in California and states that have adopted California's stricter standards for emissions controls related to new vehicles and engines sold in such states. States that have adopted the California standards as approved by EPA also recognize the CARB Executive Order for sales of vehicles.

In addition to California, there are a growing number of states that have either adopted or are in the process of adopting the stricter California standards, including New York, Massachusetts, Vermont, Maine, Pennsylvania, Connecticut, Rhode Island, Washington, Oregon, New Jersey, Maryland, Delaware and Colorado.

We are required to seek an EPA Certificate of Conformity for certain of our vehicles sold in states covered by the Clean Air Act's standards and a CARB Executive Order for vehicles sold in California or any of the other 13 states identified above that have adopted the stricter California standards.

Rules and Regulations of PRC

Though previously, a significant portion of our operations was conducted in mainland China and a material portion of our revenues was sourced from mainland China, that is no longer the case. As the Company moves toward finalizing the restructuring and wind-down of its China operations, it may still be impacted by the PRC regulations described below.

General Regulation of Businesses in the PRC

We are required to obtain government approval from or filing with the SAMR and/or other government agencies in the PRC for transactions, such as our acquisition or disposition of business entities in the PRC. Additionally, foreign ownership of certain business and assets in the PRC is not permitted without specific government approval.

Regulations Relating to Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Negative List and the Encouraged Foreign Investment Catalogue, which was promulgated and is amended from time to time by the MOFCOM and the NDRC. The Catalogue sets forth the industries in which foreign investments are encouraged, while the Negative List sets forth the industries in which foreign investment are restricted, or prohibited. Industries that are not listed in the restricted or prohibited categories are permitted areas for foreign investments and are generally open to foreign investment unless specifically restricted by other PRC regulations. Establishment of wholly foreign owned enterprises is generally allowed in encouraged and permitted industries. Foreign investors are not allowed to invest in industries in the prohibited category.

The establishment of a wholly foreign owned enterprise must register with the competent administration for market regulation. Our significant PRC subsidiaries have duly obtained all material approvals required for their business operations. The SCNPC enacted the Foreign Investment Law of the PRC on March 15, 2019 and the State Council promulgated the Implementation Regulations of Foreign Investment Law of the PRC on December 26, 2019, both of which came into force on January 1, 2020. On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures on Reporting of Foreign Investment Information, which also became effective on January 1, 2020. Under these laws and regulations, foreign investors or foreign-invested enterprises are required to report and update certain investment information to the MOFCOM through the Enterprise Registration System and the National Enterprise Credit Information Publicity System. Any foreign investor or foreign-invested company found to be non-compliant with these reporting obligations may potentially be subject to fines and legal sanctions.

The PRC government may issue from time to time new laws or new interpretations on existing laws, some of which are not published on a timely basis or may have retroactive effect. Administrative and court proceedings in the PRC may also be protracted, resulting in substantial costs and diversion of resources and management attention. Regulatory risk also encompasses the interpretation by the tax authorities of current tax laws, and our legal structure and scope of operations in the PRC, which could be subject to further restrictions resulting in limitations on our ability to conduct business in the PRC.

PRC Regulations on Automobile Sales

On April 5, 2017, the MOFCOM promulgated the Administrative Measures on Automobile Sales, which became effective on July 1, 2017, pursuant to which automobile suppliers and dealers are required to file with relevant authorities (via an information system for national automobile circulation operated by competent commerce departments) within 90 days after receiving a business license. Where there is any change to a party's underlying information, automobile suppliers and dealers must update such information within 30 days after such change. Failure to satisfy such filing requirement will be subject to a warning or a fine up to RMB 30,000.

PRC Regulations on the Recall of Defective Automobiles

On October 22, 2012, the State Council promulgated the Administrative Provisions on Defective Automotive Product Recalls, which became effective on January 1, 2013, and which were amended on March 3, 2019. According to this legislation, the product quality supervision department of the State Council is responsible for the supervision and administration of recalls of defective automotive products in China. Manufacturers of automobile products are required to take measures to eliminate defects in products they sell. A manufacturer must recall all defective automobile products. If any operator conducting sales, leasing, or repair of vehicles discovers any defect in automobile products, it must cease to sell, lease or use the defective products and must assist manufacturers in the recall of those products.

PRC Regulation Relating to Compulsory Product Certification

According to the Administrative Regulations on Compulsory Product Certification promulgated by the QSIQ (which was subsequently merged into the SAMR) on July 3, 2009 which became effective on September 1, 2009, and was most recently amended on November 1, 2022 by the SAMR, together with the List of the First Batch of Products Subject to Compulsory Product Certification promulgated by the QSIQ in association with the CAA on December 3, 2001, which became effective on the same day and the Compulsory Product Certification Catalogue Description and Definition Form, which was promulgated on April 17, 2007 and was most recently amended on October 10, 2022, the SAMR is responsible for the quality certification of automobiles. Automobiles and relevant accessories must not be sold, exported or used in operating activities until they are certified by relevant certification authorities designated by the CAA as qualified products and granted certification marks.

PRC Regulations on Consumer Rights Protection

The Consumer Rights and Interests Protection Law, as promulgated on October 31, 1993 and most recently amended in 2013 by the SCNPC, imposes stringent requirements and obligations on business operators in China. Failure to comply with consumer protection requirements under this legislation could subject business operators to administrative penalties including warnings, confiscation of unlawful income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

PRC Regulation on Employment

The Labor Contract Law of the PRC, which was promulgated by the SCNPC on June 29, 2007 and most recently amended as of July 1, 2013, is primarily aimed at regulating rights and obligations of employer and employee relationships, including the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be concluded in writing if labor relationships are to be or have been established between employers and their employees. Employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner. Employers are prohibited from forcing employees to work above certain time limits and employers shall pay employees for overtime work in accordance with national regulations. The Labor Contract Law in effect prohibits employers from terminating employees without severance except in a few enumerated circumstances (e.g., serious violation of company rules and regulations). In some permitted circumstances of termination (such as where an employee is incompetent and remains incompetent after training or assignment to another post), a 30 days' prior notice (or pay in lieu) and severance payments are required.

The Social Insurance Law of the PRC, promulgated by the SCNPC on October 28, 2010 and most recently amended on December 29, 2018, provides that each employer within the PRC must register with the State's social insurance system upon its establishment and make contributions to the social insurance system for the benefit of each of its employees, including foreign nationals who are employed in the PRC. Specifically, an employer must make monthly deposits to a designated fund for its contribution to each of its employees' pension insurance, medical insurance, work injury insurance, unemployment insurance, and maternity insurance. Failure to make such deposits according to the amounts and times provided by law can lead to a court order for seizure, freezing, or an auction of the employer's property equivalent to the value of any unpaid social insurance payables.

In accordance with the Regulations on the Management of Housing Fund which was promulgated by the State Council on April 3, 1999 and revised on March 24, 2019, employers must register at designated administrative centers and open bank accounts in order to deposit mandatory employee housing fund contributions. Employers are required to pay and deposit housing fund contributions (in an amount no less than 5% of the monthly average salary of the employee in the preceding year) in full and on time.

PRC Regulation on Government Subsidies

On April 22, 2015, the MOF, the MOST, the MIIT and the NDRC jointly promulgated the Financial Support Circular, which took effect on the same day. The Financial Support Circular provides that those who purchase new energy vehicles specified in the Catalogue of Recommended New Energy Vehicle Models for Promotion and Application issued by the MIIT may enjoy government subsidies. A purchaser may purchase a new energy vehicle from a manufacturer by paying the price deducted by the subsidy amount, and the manufacturer may obtain the subsidy amount from the PRC central government after such new energy vehicle is sold to the purchaser.

On April 23, 2020, the MOF, the MOST, the MIIT and the NDRC jointly issued the 2020 Financial Subsidies Circular, which took effect on the same day, and which extended the implementation period of financial subsidies for new energy vehicles to the end of 2022. The 2020 Financial Subsidies Circular further specifies that the subsidy criteria for new energy vehicles during the period from year 2020 to 2022 will generally be reduced by 10%, 20% and 30% compared to the subsidy standard of the previous year respectively, and the number of vehicles eligible for the subsidies will not exceed approximately two million each year.

On December 31, 2020, the above mentioned authorities further promulgated the 2021 Financial Subsidies Circular, a Circular on Further Improving the Financial Subsidy Policy for the Wider Application of New-energy Vehicles, which became effective on January 1, 2021, and was another similar circular to reiterate the principles including among others, the subsidy criteria reduction rate as stipulated in the 2020 Financial Subsidies Circular. This 2021 Financial Subsidies Circular emphasizes that the effective period for financial subsidy policies applicable to new energy vehicles will be extended to the end of 2022, given

levels of technical progress, scale effect and other factors. The reduction of these subsidy standards will be gradual. The 2021 subsidy standard reduces the base subsidy amount by 20% for each new energy vehicle on the basis of that for the previous year.

On December 31, 2021, the above mentioned authorities promulgated the 2022 Financial Subsidies Circular, a Circular on Financial Subsidy Policy for Application and Promotion of New-energy Vehicles in the year of 2022, which became effective on January 1, 2022. The 2022 Financial Subsidies Circular specifies that the subsidy standard of 2022 will be reduced by 30% compared to the subsidy standard of the previous year, and the financial subsidy policies applicable to new energy vehicles will expire on December 31, 2022.

On September 18, 2022, the MOF, MIIT and the State Taxation Administration jointly issued the Circular on Extending the Exemption of Vehicle Purchase Tax for New-energy Vehicles, which has extended vehicle purchase tax exemptions applicable to new energy vehicles until the end of 2023. Any new energy vehicles listed in the New Energy Vehicle Catalogue released by the MIIT and the State Taxation Administration and are purchased from the issuance date of such New Energy Vehicle Catalogue, are exempted from vehicle purchase taxes.

Taxation

On March 16, 2007, the National People's Congress of the PRC originally passed the EIT Law, which was most recently amended on December 29, 2018, and on November 28, 2007, the State Council of China originally passed implementing rules to the EIT Law, which were most recently amended on April 23, 2019. The EIT Law and its implementing rules impose a unified EIT rate of 25.0% on all domestic-invested enterprises and FIE unless they qualify under certain limited exceptions. In addition, under the EIT Law, an enterprise established outside of the PRC with "de facto management bodies" within the PRC is considered a resident enterprise and will be subject to an EIT of 25% on its global income. The implementing rules define the term "de facto management bodies" as "an establishment that exercises, in substance, overall management and control over the production, business, personnel, accounting, etc., of a Chinese enterprise." If the PRC tax authorities subsequently determine that we should be classified as a resident enterprise, then our organization's global income will be subject to PRC income tax of 25%.

In April 2009, the State Taxation Administration originally issued a circular, commonly known as "Circular 82," which was most recently amended on December 29, 2017. Circular 82 provides specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is actually located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups (not those controlled by PRC individuals or foreigners,) the criteria set forth in the circular may reflect the State Taxation Administration's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an enterprise incorporated offshore but controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

For detailed discussion of PRC tax issues related to resident enterprise status, see Part I-Item 1A-"Risk Factors—Risks Related to Doing Business in the PRC- Under the EIT Law, we may be classified as a "resident enterprise" of China. Such classification will likely result in dividends payable to our foreign investor and gains on sale of our common stock by our foreign investors may become subject to PRC taxation."

Foreign Currency Exchange

Under the PRC foreign currency exchange regulations applicable to us, RMB is convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions. Currently, our PRC operating entities may purchase foreign currencies for settlement of current account transactions, including payments of dividends to us, without the approval of the SAFE PRC, by complying with certain procedural requirements. Conversion of RMB for capital account items, such as direct investment, loan, security investment and repatriation of investment, however, is still subject to the approval of the SAFE PRC. In particular, if our PRC operating entities borrow foreign currency through loans from us or other foreign lenders, these loans must be registered with the SAFE PRC, and if we finance the subsidiaries by means of additional capital contributions, these capital contributions must be registered or filed with by certain government

authorities. These limitations could affect our PRC operating entities' ability to obtain foreign exchange through debt or equity financing.

Dividend Distributions

PRC regulations restrict the ability of our PRC entities to make dividends and other payments to their offshore parent company. PRC legal restrictions permit payments of dividends by our PRC entities only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Each of our PRC subsidiaries is also required under PRC laws and regulations to allocate at least 10% of our annual after-tax profits determined in accordance with generally accepted accounting principles in the PRC to a statutory general reserve fund until the amounts in such fund reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Our PRC subsidiaries have the discretion to allocate a portion of their after-tax profits to staff welfare and bonus funds, which may not be distributed to equity owners except in the event of liquidation.

In addition, under the EIT Law, the Notice 112 which was originally issued on January 29, 2008 and most recently amended on February 29, 2008, any dividends from our PRC operating subsidiaries paid to us through our entities are (since January 1, 2008) subject to a withholding tax at a rate of 10%. Furthermore, the ultimate tax rate will be determined by treaty between the PRC and the tax residence nation of the holder of the PRC subsidiary. Dividends historically declared and paid before January 1, 2008 on distributable profits were grandfathered in under the EIT Law and were not subject to withholding tax.

With the wind down of all operations in China, there are no expected further cash distributions or dividends.

The Company is subject to a variety of U.S. and international laws, rules, policies and other obligations regarding data protection.

We are subject to federal, state and international laws relating to the collection, use, retention, security and transfer of various types of personal information. In many cases, these laws apply not only to third-party transactions, but also restrict transfers of personal information among the Company and its international subsidiaries and vice versa. Many jurisdictions have passed laws regarding data privacy and personal data, and additional jurisdictions are considering imposing additional restrictions or have laws that are pending. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements causes the Company to incur substantial costs and has required and may in the future require the Company to change its business practices. Noncompliance could result in significant penalties or legal liability.

The Company makes statements about its use and disclosure of personal and business information through its privacy policy, information provided on its website, press statements and other privacy notices. Any failure by the Company to comply with these public statements or with other federal, state or international privacy or data protection laws and regulations could result in inquiries or proceedings against the Company by governmental entities or others. In addition to reputational impacts, penalties could include ongoing audit requirements and significant legal liability. In addition to the risks generally relating to the collection, use, retention, security and transfer of personal information, the Company is also subject to specific obligations relating to information considered sensitive under applicable laws, such as vehicle telematics data and financial data. Vehicle telematics are subject to specific regulation by the PRC, and if the Company fails to adequately comply with these rules and requirements, the Company can be subject to litigation or government investigations in the PRC or elsewhere, and can be liable for associated investigatory expenses, and can also incur significant fees or fines.

Human Capital Management

Human Capital Resources

Our experienced employees and management team are our most valuable resources. Attracting, training, and retaining key personnel has been and will remain critical to our success. We are committed to attracting, motivating, and retaining top professionals. To achieve our human capital goals, we intend to stay focused on providing our personnel with entrepreneurial opportunities to expand our business within their areas of expertise. We will also continue to provide our personnel with personal and professional growth opportunities, including additional training, performance-based incentives such as opportunities for stock ownership, and other competitive benefits.

We work to ensure that the Company provides a safe, inclusive, and positive employee environment for all its employees. As of December 31, 2023, we had a total of 295 employees, of which 193 were located in the United States, 79 in Italy, 3 in Malaysia, 3 in China, 12 in the United Kingdom, and 5 in Spain. None of our employees are represented by a union or covered by a

collective bargaining agreement. We have not experienced any work stoppages, and we consider our relationship with our employees to be good.

Our success is directly related to the satisfaction, growth, and development of our employees. We strive to offer a work environment where employee opinions are valued and allow our employees to use and augment their professional skills. To achieve our human capital goals, we intend to remain focused on providing our personnel with entrepreneurial opportunities to expand our business within their areas of expertise and continue to provide our personnel with personal and professional growth. Ideanomics emphasizes several measures and objectives in managing our human capital assets, including, among others, employee safety and wellness, talent acquisition and retention, employee engagement, development and training, diversity and inclusion, and compensation and pay equity.

Employee Safety and Wellness

In response to the COVID-19 pandemic, we implemented significant changes that we determined were in the best interest of our employees as well as the communities in which we operate. These measures include allowing most employees to work from home. We believe in supporting our employees' health and well-being. Our goal is to help employees make informed decisions about their health by providing the tools and resources necessary to achieve a healthier lifestyle. We offer our employees a wide array of benefits such as life and health (medical, dental, and vision) insurance, paid time off and retirement benefits, as well as emotional well-being services through our health insurance program.

Diversity and Inclusion and Ethical Business Practices

We believe that a company culture focused on diversity and inclusion is a crucial driver of creativity and innovation. We also believe that diverse and inclusive teams make better business decisions, ultimately driving better business outcomes. We are committed to recruiting, retaining, and developing high-performing, innovative and engaged employees with diverse backgrounds and experiences. This commitment includes providing equal access to, and participation in, equal employment opportunities, programs, and services without regard to race, religion, color, national origin, disability, sex, sexual orientation, gender identity, stereotypes, or assumptions based thereon. We welcome and celebrate our teams' differences, experiences, and beliefs, and we are investing in a more engaged, diverse, and inclusive workforce.

Ideanomics also fosters a strong corporate culture that promotes high standards of ethics and compliance for our business, including policies that set forth principles to guide employee, officer, director, and vendor conduct, such as our Code of Business Conduct and Ethics. We also maintain a whistleblower policy and anonymous hotline for the confidential reporting of any suspected policy violations or unethical business conduct on the part of our businesses, employees, officers, directors, or vendors.

To learn more about policies and practices and our continuing efforts related to human capital matters, please refer to our website at www.ideanomics.com for further information. You may also find our Code of Business Conduct and Ethics, and the charters of the committees of our Board of Directors on our website. The information contained on, or that may be accessed through, our website, is not part of, and not incorporated into, this Annual Report on Form 10-K.

Environmental, Social and Corporate Governance

Ideanomics published its first ESG Report in 2021. The report serves as a step in fulfilling our commitment to our employees, our shareholders, our subsidiaries, and our partners. Our dynamic process of incorporating social and environmental challenges into our operations as well as creating actionable plans to improve areas of weakness will enable us to grow a stronger, cleaner, and more resilient business.

As Ideanomics grows and we implement our ESG platform across our subsidiaries, we will apply best practices to ensure that our partners and suppliers meet both environmental and human rights standards.

To learn more about policies and practices and our continuing efforts related to ESG, refer to our website at www.ideanomics.com for further information. You may also find our ESG Report on our website. The information contained on, or that may be accessed through, our website, is not part of, and not incorporated into, this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The business, financial condition and operating results of the Company may be affected by a number of factors, whether currently known or unknown, including but not limited to those described below. Any one or more of such factors could directly or indirectly cause the Company's actual results of operations and financial condition to vary materially from past or anticipated future results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, results of operations and stock price. The following information should be read in conjunction with Part II—Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes in Part II—Item 8—"Financial Statements and Supplementary Data" of this Annual Report.

Risk Factors Summary

We are an operating company that conducts a substantial majority of our operations through our operating subsidiaries established in various jurisdictions. Accordingly, we are subject to the risk factors affecting particular industries, businesses, and geographical locations of our subsidiaries. Further, our structure involves certain risks with regard to our international operations.

As a result of the foregoing, our business is subject to numerous risks and uncertainties, including those described in "Part I, Item 1A, Risk Factors" of this Annual Report. These risks are arranged by groups and include, but are not limited to, the following:

Risks Related to Industries in Which We Operate

In connection with the operations of Ideanomics' EV and charging businesses, the Company:

- faces extreme competitive pressure associated with its lack of experience in participation in the relatively new global commercial EV market;
- is challenged by a wide array of intellectual property-related risks;
- may become subject to the product liability risks that are particularly high in the automotive industry;
- in collaboration with financial institutions, needs to introduce and promote new financial models allowing the market participants to cost effectively transition their commercial vehicle fleets to EVs;
- relies on the current governmental initiatives promoting and prioritizing fuel efficiency and alternative energy in various jurisdictions; and
- may experience the consequences of the supply-chain crisis and chip shortage.

Risks Related to Our Business and Strategy

In connection with its strategy and development risks, the Company:

- requires additional financing necessary for its development;
- faces significant financial, managerial, and administrative burdens in connection with its strategic approach of acquiring new businesses and business segments;
- is dependent on its ability to hire and retain key employees with the specialists' skills in various areas;
- may be negatively affected by current and potential litigation, or regulatory proceedings; and
- presents a doubt about its financial viability and as to whether it will be able to continue as a going concern.

In connection with its information technology systems and cyber-security the Company:

- must keep pace with the latest technological changes in order to remain competitive;

- may have defect or disruptions in its technological products;
- was and will remain subject to malicious cyber-attacks and other security incidents; and
- is subject to complex and evolving U.S. and foreign privacy, data use and data protection content, consumer competition and other similar laws and regulations.

In connection with its internal controls and compliance with applicable securities laws, the Company:

- faces the consequences of restatements of its Quarterly Reports for the periods ended March 31, 2021, June 30, 2021 and September 30, 2021;
- identified material weaknesses in its internal control over financial reporting and concluded that its disclosure controls and procedures were not effective;
- lost its Form S-3 eligibility; and
- may have inadvertently violated Section 402 of the Sarbanes-Oxley Act and Section 13(k) of the Exchange Act.

Risks Related to Ownership of our Securities

In connection with ownership of securities risks:

- certain provisions of our charter documents and applicable law may have an anti-takeover effect;
- we do not intend to pay dividends for the foreseeable future; and
- our common stock may be delisted.

Financial Market and Economic Risks

- A disruption in our funding sources and access to the capital markets would have an adverse effect on our liquidity.

Risks Related to all of our International Operations

The Company is subject to general geopolitical and economic risks in connection with our global operations.

Though previously, a significant portion of our operations is conducted in mainland China and a material portion of our revenues was sourced from mainland China, that is no longer the case, however, until such time as the wind-down of our PRC business is complete, it is subject to numerous risks that are severely exacerbated by the recent actions and statements of the Chinese government including but not limited to:

- the ability of the Chinese government to exercise its discretionary powers with regard to any business on its territory at any time;
- uncertainties in connection with the tensions between the United States and China;
- the inability of the U.S.-triggered investigations on the territory of China and limited law-enforcement opportunities against our Chinese subsidiaries;
- restrictions on currency exchange and limitations in transferring money from our subsidiaries domiciled in China in the form of dividends;
- restrictions under PRC law on our PRC subsidiaries' ability to make dividends; PRC government's significant oversight over the conduct of our business in PRC and may intervene or influence our operations at any time which could result in a material adverse change in our operation and/or the value of our Common Stock;

- PRC government's significant oversight over the conduct of our business in PRC and may intervene or influence our operations at any time which could result in a material adverse change in our operation and/or the value of our Common Stock;

- No guarantee that our PRC subsidiaries will always obtain and maintain the requisite licenses and approvals required for their business in China;

- Our decision to discontinue our operations in China may impact the value of our securities and render them worthless.

- no guarantee that future audit reports in connection with Chinese operations will be prepared by auditors that are subject to inspections by the PCAOB; and

- China-specific economic and regulatory processes transforming the Chinese labor market and renewable energy sectors.

Risks Related to Industries in Which We Operate

Risks Related to the EV and Charging Industry

We experience significant competitive pressure in the Ideanomics EV and charging businesses, which may negatively impact our business, financial condition, and results of operations.

The Company operates in the commercial EV market globally. The commercial EV market is still in its development stage and the rate at which the operators of fleets of commercial vehicles replace their ICE vehicles with EV is very dependent upon (i) environmental and clean air regulations that mandate conversion to EV, (ii) the subsidies that government bodies make available to cover the cost of conversion, (iii) the availability of financing to cover some or all of the cost of conversion, (iv) regulations governing the amount of locally manufactured content required in vehicles sold in a particular market, (v) the availability of charging and battery swap infrastructure, and (vi) the rate at which EV technologies evolve.

Environmental and clean air regulations drive the timing and rate at which fleet operators convert to EV and by extension the size of the market and the type of vehicles that are in demand at any time. The Company's revenues and profits may be adversely impacted if demand for EVs is lower than expected due to a change in regulation or regulations favor the conversion of vehicle types that have lower profit margins.

Converting fleets to EV is very capital intensive and most operators require substantial amounts of funding in the form of government and municipal subsidies and bank financing. The amount and form of subsidies are subject to change from time to time as government bodies adjust subsidies to influence consumer behavior. The mechanisms for financing of EVs are still being developed and large-scale conversion from ICE engines to EV is highly dependent upon the amount and terms of financing available for the conversion to EV.

We currently have limited intellectual property rights related to some of our EV and charging businesses, and those businesses primarily rely on third parties through agreements with them to conduct research and development activities and protect proprietary information.

Although we believe our success will depend in part on our ability to acquire, invest in or develop proprietary technology to effectively compete with our competitors, we currently have limited direct intellectual property rights related to certain of our EV businesses. The intellectual property relevant to those businesses is held primarily by third parties, including our strategic partners. Accordingly, we will rely on these third parties for research and development activities, which will present certain risks. For example, we will have limited control over the research and development activities of the business of our partners, and may require licenses from these third parties if we wish to develop products directly. If these businesses are unable to effectively maintain a competitive edge relative to the market with their technologies and intellectual property, it may adversely affect our business and financial position.

Our reliance on third parties also presents risks related to ownership, use, and protection of proprietary information. We are required to rely on the terms of the related agreements, including the partnership agreements to protect our interests, as well as our investments and partners' trade secret protections, non-disclosure agreements, and invention assignment agreements to protect confidential and proprietary information. If the intellectual property and other confidential information of our

investments and strategic partners are not adequately protected, competitors may be able to use their proprietary technologies and information, thereby eroding any competitive advantages that intellectual property provides to us.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend against such claims.

If we become liable for product liability claims, our business, operating results, and financial condition may be harmed. The automotive industry experiences significant product liability claims, and we face an inherent risk of exposure to claims in the event the electric vehicles that we sell do not meet applicable standards or requirements, resulting in property damage, personal injury, or death. Our risks in this area are particularly pronounced given we have limited experience of selling electric vehicles. Although we ensured that we have thorough quality protection and testing measures, we cannot assure you that our quality protection and testing measures will be as effective as we expect. Any failure in any of our quality assurance steps or contractual clauses with our partners would cause a defect in electric vehicles sold by us, and in turn, could harm our customers. A successful product liability claim against us could require us to pay a substantial monetary award as we may undertake joint and several liability with the manufacturer. Moreover, a product liability claim could generate substantial negative publicity about our business, which would have a material adverse effect on our brand, business, prospects, financial condition, and results of operations.

The success of the Company's efforts to develop its EV and charging businesses is highly dependent upon suitable financing structures being developed.

The market for commercial fleets of EVs is in the early stage of development and provides distinct challenges to fleet owners trying to finance the purchase of fleets of EVs and the related charging, storage, and battery infrastructure. Unlike vehicles powered by ICEs, the power source in an EV, the battery, can be separated from the vehicle which creates its own separate and distinct challenges for lenders in valuing the collateral for any loan. Additionally, the market for commercial EVs is very new and consequently, there is no reliable history of resale values to support lending decisions. Large-scale adoption of EVs will require a range of borrowing options and loan types to be available to fund purchases and leasing of EVs similar to those that currently exist to finance the purchasing and leasing of traditional ICE vehicles. Additionally, in some of the Company's target markets, there is no well-developed market for lending to private enterprises and this may further slow down the adoption of EVs. The Company is working with banks and insurance companies to create lending structures and pools of capital that can be used to finance fleet purchases of commercial EVs. Even if the Company can create the necessary pools of capital and lending structures there is no guarantee that any regulatory approvals required for these new structures will be obtained. If the Company is not able to develop a solution for the funding of fleet purchases of EVs and related charging and battery infrastructure, then the Company's EV and Charging businesses may not be successful and generate minimal revenues, and incur substantial losses.

We may be affected by the supply chain issues of the automotive industry.

We are aware that some domestic and foreign EV manufacturers have their operations negatively affected as a result of general economic conditions. In recent years, many car manufacturers including EV manufacturers were required to temporarily shut down their manufacturing facilities or operate at a reduced capacity, and supply chain issues in sourcing computer chips necessary for manufacturing new vehicles and certain automotive products have resulted in a global chip shortage, which could further delay or stall new vehicle production. There is no guarantee that our business will not face the same problems in the future, which could have a material adverse effect on our EV business.

The success of our business depends in large part on our ability to protect our proprietary information and technology and enforce our intellectual property rights against third parties.

We rely on a combination of patent, copyright, service mark, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, all of which provide only limited protection. We cannot assure you that any patents will be issued with respect to our currently pending patent applications, in a manner that gives us the protection that we seek, if at all, or that any future patents issued to us will not be challenged, invalidated, or circumvented. Our currently issued patents and any patents that may be issued in the future with respect to pending or future patent applications may not provide sufficiently broad protection, or they may not prove to be enforceable in actions against alleged infringers. Also, we cannot assure you that any future service mark registrations will be issued with respect to pending or future applications or that any registered service marks will be enforceable or provide adequate protection of our proprietary rights.

We endeavor to enter into agreements with our employees and contractors and agreements with parties with whom we do business to limit access to and disclosure of our proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive to ours or infringe our intellectual property. The enforcement of our intellectual property also depends on our legal actions against these infringers being successful, but we cannot be sure these actions will be successful, even when our rights have been infringed.

Further, effective patent, trademark, service mark, copyright, and trade secret protection may not be available in every country in which our services are available over the internet. In addition, the legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights in EV-related industries are uncertain and still evolving.

Changes to existing federal, state, or international laws or regulations applicable to us could cause an erosion of our current competitive strengths.

Our business is subject to a variety of federal, state, and international laws and regulations, including those with respect to government incentives promoting fuel efficiency and alternate forms of energy, electric vehicles, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. Any reduction, elimination, or discriminatory application of government subsidies and economic incentives because of policy changes, fiscal tightening, or other reasons may result in diminished revenues from government sources and diminished demand for our products. In addition, new laws or regulations affecting our business could be enacted. These laws and regulations are frequently costly to comply with and may divert a significant portion of management's attention. If we fail to comply with these applicable laws or regulations, we could be subject to significant liabilities which could adversely affect our business.

There are many federal, state, and international laws that may affect our business, including measures to regulate EVs and charging systems. If we fail to comply with these applicable laws or regulations, we could be subject to significant liabilities which could adversely affect our business.

There are a number of significant matters under review and discussion with respect to government regulations that may affect business and/or harm our customers, and thereby adversely affect our business, financial condition, and results of operations.

Risks Related to Our Business and Strategy

Strategy and Development Risks

We expect to require additional financing in the future to meet our business requirements. Such capital raising may be costly, difficult, or not possible to obtain and, if obtained, could significantly dilute current stockholders' equity interests.

We must continue to rely on proceeds from debt and equity issuances to pay for ongoing operating expenses and repay existing debt in order to execute our business plan. Our EV and Charging businesses are capital intensive. Although we may attempt to raise funds by issuing debt or equity instruments, additional financing may not be available to us on terms acceptable to us or at all, or such resources may not be received in a timely manner. If we are unable to raise additional capital when required or on acceptable terms, we may be required to scale back or to discontinue certain operations, scale back or discontinue the development of new business lines, reduce headcount, sell assets, file for bankruptcy, reorganize, merge with another entity, or cease operations. If the combined company issues additional capital stock in the future in connection with financing activities, stockholders will experience dilution of their ownership interests and the per share value of the combined company's common stock may decline.

As we acquire, dispose of, or restructure our businesses, product lines, and technologies, we may encounter unforeseen costs and difficulties that could impair our financial performance.

An element of our management strategy may be to review acquisition prospects that would complement our existing products, augment our market coverage and distribution ability, or enhance our capabilities. As a result, we may seek to make acquisitions of companies, products, or technologies, or we may reduce or dispose of certain product lines or technologies that no longer fit our business strategies. For regulatory or other reasons, we may not be successful in our attempts to acquire or dispose of businesses, products, or technologies, resulting in significant financial costs, reduced or lost opportunities, and diversion of management's attention. Managing an acquired business, disposing of product technologies, or reducing personnel entails numerous operational and financial risks, including, among other things, (i) difficulties in assimilating acquired operations and new personnel or separating existing business or product groups, (ii) diversion of management's attention away from other business concerns, (iii) amortization of acquired intangible assets, (iv) adverse customer reaction to our decision to

cease support for a product, and (v) potential loss of key employees or customers of acquired or disposed operations. There can be no assurance that we will be able to achieve and manage successfully any such integration of potential acquisitions, disposition of product lines or technologies, or reduction in personnel or that our management, personnel, or systems will be adequate to support continued operations. Any such inabilities or inadequacies could have a material adverse effect on our business, operating results, financial condition, and/or cash flows.

In addition, any acquisition could result in changes, such as potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities, the amortization of related intangible assets, and goodwill impairment charges, any of which could materially adversely affect our business, financial condition, results of operations, cash flows, and/or the price of our common stock.

The success of our business is dependent on our ability to hire and retain our senior management team and key employees with the specialists' skills that we need for our business.

We depend on the services of our key employees. Our success will largely depend on our ability to hire and retain these key employees and to attract and retain qualified senior and middle-level managers to our management team.

We have recruited executives and management both in the United States and in our operations outside of the United States to assist in our ability to manage the business and to recruit and oversee employees. While we believe we offer compensation packages that are consistent with market practice, we cannot be certain that we will be able to hire and retain sufficient personnel to support our business. The loss of any of our key employees, or failure to find a suitable successor, would significantly harm our business. Our future success will also depend on our ability to identify, hire, develop and retain skilled key employees. We do not maintain key person life insurance on any of our employees. Future sales or acquisitions by us may also cause uncertainty among our current employees and employees of an acquired entity, which could lead to the departure of key employees. Such departures could have an adverse impact on our business and the anticipated benefits of a sale or acquisition.

Intellectual-property litigation could cause us to spend substantial resources and could distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could 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, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development, sales, marketing, or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

We are currently, and may in the future be, subject to substantial litigation, investigations, and proceedings that could cause us to incur significant legal expenses and result in harm to our business.

We are actively involved in a variety of litigations and other legal matters and may be subject to additional litigations, investigations, arbitration proceedings, audits, regulatory inquiries, and similar actions, including matters related to commercial disputes, intellectual property, employment, securities laws, disclosures, environmental, tax, accounting, class action, and product liability, as well as trade, regulatory and other claims related to our business and our industry, which we refer to collectively as legal proceedings. For example, we are subject to an ongoing securities class action and shareholder derivative actions as well as an SEC investigation. Refer to **Note 20** to our Consolidated Financial Statements of this Annual Report for additional information regarding these specific matters.

As reported previously, the Company is subject to an investigation by the SEC and has responded to various information requests and subpoenas from the SEC. The Company is fully cooperating with the SEC's requests, and cannot predict the outcome of this investigation.

We are unable to predict the outcome, duration, scope, result, or related costs of the investigations and related litigation and, therefore, any of these risks could impact us significantly beyond expectations. Moreover, we are unable to predict the potential for any additional investigations or litigation, any of which could exacerbate these risks or expose us to potential criminal or

civil liabilities, sanctions, or other remedial measures, and could have a material adverse effect on our reputation, business, financial condition, results of operations, liquidity or cash flows. Regardless of the merits of the claims and the outcome, legal proceedings have resulted in, and may continue to result in, significant legal fees and expenses, diversion of management's time and other resources, and adverse publicity. Such proceedings could also adversely affect our business, results of operations, and financial condition.

We may have inadvertently violated Section 13(k) of the Exchange Act (implementing Section 402 of the Sarbanes-Oxley Act of 2002) and may be subject to sanctions as a result.

Section 13(k) of the Exchange Act provides that it is unlawful for a company that has a class of securities registered under Section 12 of the Exchange Act to, directly or indirectly, including through any subsidiary, extend or maintain credit in the form of a personal loan to or for any director or executive officer of the Company. As of July 31, 2021, there was a loan (in the form of a personal travel expense paid by the Company) from the Company to Shane McMahon, the Company's Executive Chairman of the Board, which could be considered to be a personal loan made by the Company to a director or officer of the Company and may have violated Section 13(k) of the Exchange Act. The amount was repaid to us in December 2021. Issuers that are found to have violated Section 13(k) of the Exchange Act may be subject to civil sanctions, including injunctive remedies and monetary penalties, as well as criminal sanctions. The imposition of any of such sanctions on us could have a material adverse effect on our business, financial position, results of operations or cash flows.

We have incurred significant losses since our inception and anticipate that we will continue to incur losses for the foreseeable future, which together with our limited working capital raises substantial doubt about our financial viability and as to whether we will be able to continue as a going concern.

Our auditor's report on our financial statements for the years ended December 31, 2023 and 2022, includes an explanatory paragraph related to the existence of substantial doubt about our ability to continue as a going concern. We are an operating company with a limited operating history that encompasses a large number of industries and businesses.

We are not profitable and have incurred losses in each year since our inception in October 2004. For the years ended December 31, 2023, 2022, and 2021, we had net losses of approximately $204.9 million, $213.6 million, and $111.6 million, respectively. As of December 31, 2023, we had an accumulated deficit of $1,090.6 million.

The EV and charging industry is highly speculative, involves a high degree of risk, and requires substantial capital investment. We continue to incur significant research and development and other expenses related to our ongoing operations. We have limited working capital and cannot guarantee that we will achieve market acceptance and be commercially successful in the long term.

Although we generate revenues from product sales, these revenues have not been sufficient, and may never be sufficient, to support our operations. We may continue to incur losses and negative cash flows for the foreseeable future. We require significant cash resources to execute our business plans and we will need to raise additional cash to continue to fund our operating plan. We expect to finance our operating plan through a combination of public or private equity or debt offerings, collaborations, strategic alliances, and other similar licensing arrangements in both the short term and the long term. We cannot be certain that additional funding will be available on acceptable terms, or at all, for a number of reasons, including market conditions, our ability to generate positive data from our clinical studies, and the need for our stockholders to approve an amendment to our certificate of incorporation to increase the number of shares of common stock that we are authorized to issue.

The aforementioned factors, which are largely outside of our control, raise substantial doubt about our ability to continue as a going concern within one year from the date of filing of this Annual Report. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should we be unable to continue as a going concern within one year after the date of filing of this annual report. If we are forced to scale down, restructure, limit or cease operations, our stockholders could lose all of their investment in our Company.

Risks Related to Our Information Technology Systems and Cyber-Security

Our business depends upon our ability to keep pace with the latest technological changes, and our failure to do so could make us less competitive in our industry.

The market for our products and services is characterized by rapid change and technological change, frequent new product innovations, changes in customer requirements and expectations, and evolving industry standards. Products using new technologies or emerging industry standards could make our products and services less attractive. Failure to respond in a timely and cost-effective way to these technological developments may result in serious harm to our business and operating results. As a result, our success will depend, in part, on our ability to develop and market product and service offerings that respond in a timely manner to the technological advances available to our customers, evolving industry standards, and changing preferences.

Defects or disruptions in our technology or services could diminish demand for our products and services and subject us to liability.

Because our technology, products, and services are complex and use or incorporate a variety of computer hardware, software, and databases, both developed in-house and acquired from third-party vendors, our technology, products, and services may have errors or defects. Errors and defects could result in unanticipated downtime or failure and could cause financial loss and harm to our reputation and our business. We have from time to time found defects and errors in our technology, products, and services, and defects and errors in our technology, products, or services may be detected in the future. In addition, our customers may use our technology, products, and services in unanticipated ways that may cause a disruption for other customers. As we acquire companies, we may encounter difficulty in incorporating the acquired technologies, products, and services, and maintaining the quality standards that are consistent with our technology, products, and services. Since our customers use our technology, products, and services for important aspects of their businesses, any errors, defects, or disruptions in such technology, products, and services or other performance problems with our technology, products, and services could subject our customers to financial loss and hurt our reputation. As we deploy more product lines and provide a wider array of services, such risks will exponentially increase.

We expect to continue to make significant investments to maintain and improve the availability of our existing software platform and new platforms as needed, and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, and operating results may be harmed.

We have previously experienced, and may in the future experience, service disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors, and capacity constraints. If our application is unavailable when customers attempt to access it or it does not load as quickly as they expect, customers may seek other services.

Malicious cyber-attacks and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses, result in the disclosure of confidential information, damage our reputation, and cause losses or regulatory penalties.

Developing and maintaining our operational systems and infrastructure are challenging, particularly as a result of us and our clients entering into new businesses, jurisdictions, and regulatory regimes, rapidly evolving legal and regulatory requirements, and technological shifts. Our financial, accounting, data processing, or other operating and compliance systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including malicious cyber-attack or other adverse events, which may adversely affect our ability to process these transactions or provide services or products.

In addition, our operations rely on the secure processing, storage, and transmission of confidential and other information on our computer systems and networks. Although we take protective measures, such as software programs, firewalls, and similar technology, to maintain the confidentiality, integrity, and availability of our and our customers' information, and endeavor to modify these protective measures as circumstances warrant, the nature of cyber threats continues to evolve. As a result, our computer systems, software, and networks may be vulnerable to unauthorized access, loss, or destruction of data (including confidential customer information), account takeovers, unavailability or disruption of service, computer viruses, acts of vandalism, or other malicious code, ransomware, hacking, phishing, and other cyber-attacks and other adverse events that could have an adverse security impact. Despite the defensive measures we have taken, these threats may come from external forces, such as governments, nation-state actors, organized crime, hackers, and other third parties, including outsource or infrastructure-support providers and application developers, or may originate internally from within us. Given the high volume of transactions, certain errors may be repeated or compounded before they are discovered and rectified.

We also face the risk of operational disruption, failure, termination, or capacity constraints of any of the third parties that facilitate our business activities, including vendors, customers, counterparties, exchanges, clearing agents, clearinghouses, or

other financial intermediaries. Such parties could also be the source of a cyber-attack on our breach of our operational systems, network, data, or infrastructure.

There have been an increasing number of ransomware, hacking, phishing, and other cyber-attacks in recent years in various industries, including ours, and cyber-security risk management has been the subject of increasing focus by our regulators. Like other companies, we have on occasion experienced, and may continue to experience, threats to our systems, including viruses, phishing, and other cyber-attacks. The number and complexity of these threats continue to increase over time. The techniques used in these attacks are increasingly sophisticated, change frequently, and are often not recognized until launched. If one or more cyber-attacks occur, it could potentially jeopardize the confidential, proprietary, and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our, as well as our customers' or other third parties' operations, which could result in reputational damage, financial losses, customer dissatisfaction and/or regulatory penalties, which may not in all cases by covered by insurance. If an actual, threatened, or perceived cyber-attack or breach of our security occurs, our clients could lose confidence in our platforms and solutions, security measures, and reliability, which would materially harm our ability to retain existing clients and gain new clients. As a result of any such attack or breach, we may be required to expend significant resources to repair system, network, or infrastructure damage and to protect against the threat of future cyber-attacks or security breaches. We could also face litigation or other claims from impacted individuals as well as substantial regulatory sanctions or fines.

The extent of a particular cyber-attack and the steps that we may need to take to investigate the attack may not be immediately clear, and it may take a significant amount of time before such an investigation can be completed and full and reliable information about the attack is known. While such an investigation is ongoing, we may not necessarily know the full extent of the harm caused by the cyber-attack, and any resulting damage may continue to spread. Furthermore, it may not be clear how best to contain and remediate the harm caused by the cyber-attack, and certain errors or actions could be repeated or compounded before they are discovered and remediated. Any or all of these factors could further increase the costs and consequences of a cyber-attack.

Our regulators in recent years have increased their examination and enforcement focus on all matters of our businesses, especially matters relating to cyber-security threats, including the assessment of firms' vulnerability to cyber-attacks. In particular, regulatory concerns have been raised about firms establishing effective cyber-security governance and risk management policies, practices, and procedures that enable the identification of risks, testing and monitoring of the effectiveness of such procedures and adaptation to address any weaknesses; protecting firm networks and information; data loss prevention, identifying and addressing the risk associated with remote access to client information; identifying and addressing risks associated with customers business partners, counterparties, vendors, and other third parties; preventing and detecting unauthorized access or activities; adopting effective mitigation and business continuity plans to timely and effectively address the impact of cyber-security breaches; and establishing protocols for reporting cyber-security incidents. As we enter new jurisdictions or different product area verticals, we may be subject to new areas of risk or to cyber-attacks in areas in which we have less familiarity and tools. A technological breakdown could also interfere with our ability to comply with financial reporting requirements. The SEC has issued guidance stating that, as a public company, we are expected to have controls and procedures that relate to cybersecurity disclosure, and are required to disclose information relating to certain cyber-attacks or other information security breaches in disclosures required to be made under the federal securities laws. While any insurance that we may have that covers a specific cyber-security incident may help to prevent our realizing a significant loss from the incident, it would not protect us from the effects of adverse regulatory actions that may result from the incident or a finding that we had inadequate cyber-security controls, including the reputational harm that could result from such regulatory actions.

We are subject to stringent and changing privacy laws, regulations and standards, information security policies and contractual obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could harm its business.

We are subject to or affected by a number of federal, state, local and international laws and regulations, as well as contractual obligations and industry standards, that impose certain obligations and restrictions with respect to data privacy and security. The regulatory framework for privacy and security issues worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. We may not be able to monitor and react to all developments in a timely manner as laws in this area are also complex and developing rapidly. For example, the European Union adopted the GDPR, which became effective on May 25, 2018, and California adopted the CCPA, which became effective in January 2020. Both the GDPR and the CCPA impose additional obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is collected. Other states have begun to propose similar laws. These laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that are inconsistent without

existing data management practices or the features of its products and product capabilities, and may have a material and adverse impact on our business, financial condition and results of operations.

Compliance with applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms to comply with such laws and regulations, which could cause it to incur substantial costs or require it to change its business practices, including its data practices, in a manner adverse to its business. Additionally, any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations and policies, could result in additional cost and liability to us, damage its reputation, inhibit sales and adversely affect its business. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of its products, particularly in certain industries and foreign countries. If we are not able to adjust to changing laws, regulations and standards related to the internet, its business may be harmed.

Risks Related to the Internal Controls and Compliance with Applicable Securities Laws.

We have restated our consolidated financial statements for several prior periods, which has affected and may continue to affect investor confidence, our stock price, our ability to raise capital in the future, and our reputation with our customers, which may result in stockholder litigation and may reduce customer confidence in our ability to complete new opportunities.

The Company filed amended Quarterly Reports on Form 10-Q for the periods ended March 31, 2021, June 30, 2021 and September 30,2021 to restate the unaudited quarterly financial data for said periods. The restatement of our prior consolidated financial statements primarily reflects the correction of certain errors, which resulted from an incorrect application of U.S. GAAP, as described in more detail in the Quarterly Reports on Form 10-Q/A for the periods ended March 31, 2021 and June 30, 2021 filed with the SEC on November 22, 2021. Such restatement may have the effect of eroding investor confidence in the Company and our financial reporting and accounting practices and processes and may negatively impact the trading price of our common stock, may result in stockholder litigation, may make it more difficult for us to raise capital on acceptable terms, if at all, and may negatively impact our reputation with our customers and cause customers to place new orders with other companies.

We have identified material weaknesses in our internal control over financial reporting, which, did and could continue to, if not remediated, adversely affect our ability to report our financial condition and results of operations in a timely and accurate manner.

We have concluded that our internal control over financial reporting was not effective as of December 31, 2023, due to the existence of material weaknesses in such controls. We have also concluded that our disclosure controls and procedures were not effective as of December 31, 2022, due to material weaknesses in our internal control over financial reporting, all as described in Part II, Item 9A of this Annual Report. Although we have initiated remediation measures to address the identified weaknesses, we cannot provide assurance that our remediation efforts will be adequate to allow us to conclude that such controls will be effective in the future. Moreover, we project that the aforesaid material weakness may exist over years before being remediated. We also cannot assure you that additional material weaknesses in our internal control over financial reporting will not arise or be identified in the future.

We intend to continue our remediation activities and to continue to improve our overall control environment and our operational and financial systems and infrastructure, as well as to continue to train, retain and manage our personnel who are essential to effective internal control. In doing so, we will continue to incur expenses and expend management's time on compliance-related issues. However, we cannot ensure that the steps that we have taken or will take will successfully remediate the errors. If we are unable to successfully complete our remediation efforts or favorably assess the effectiveness of our internal control over financial reporting, our operating results, financial position, ability to accurately report our financial results and timely file our SEC reports, and our stock price could be adversely affected.

Moreover, because of the inherent limitations of any control system, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis, or at all. If we are unable to provide reliable and timely financial reports in the future, our business and reputation may be further harmed. Restated financial statements and failures in internal control may also cause us to fail to meet reporting obligations, negatively affect investor and customer confidence in our management and the accuracy of our financial statements and disclosures, result in events of default under our banking agreements, or result in adverse publicity and concerns from investors and customers, any of which could have a negative effect on the price of our common stock, subject us to regulatory investigations and penalties or additional stockholder litigation, and have a material adverse impact on our business and financial condition.

Based on our current strategies, we need to raise additional capital to execute on those strategies, and such capital may not be available to us or may only be available on unfavorable terms due to the fact that the Company lost its S-3 eligibility.

To allow us to timely respond to opportunities to raise capital, we may need to file various registration statements and not rely on exemptions from registration. Use of a shelf registration statement on Form S-3, which would be the optimal form of the registration statement under most circumstances, requires, among other things, that an issuer has timely filed all of its reports under the Exchange Act for at least twelve months, subject only to exceptions for certain Form 8-K filings. We had untimely filed our Quarterly Reports on Form 10-Q for each of the periods ending in March 30, 2023 and June 30, 2023 respectively. If we timely file all reports required under the Exchange Act in the future, we will regain eligibility for use of Form S-3 not earlier than November 15, 2024. While the Company continues to have access to capital markets, our ineligibility to use Form S-3 means that it may be more difficult for us to effect public offering transactions and our range of available financing alternatives could be narrowed.

Risks Related to Ownership of our Securities

Provisions in our articles of incorporation, as amended, and bylaws, as amended, or Nevada law might discourage, delay, or prevent a change of control of us or changes in our management and, therefore, depress the trading price of our common stock.

Our articles of incorporation, as amended, authorize our Board to issue up to 60,000,000 shares of preferred stock. The preferred stock may be issued in one or more series, the terms of which may be determined at the time of issuance by our Board without further action by our stockholders. These terms may include preferences as to dividends and liquidation, conversion rights, redemption rights, and sinking fund provisions. The issuance of any preferred stock could diminish the rights of holders of our common stock, and therefore could reduce the value of such common stock. In addition, specific rights granted to future holders of preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The ability of our Board to issue preferred stock could make it more difficult, delay, discourage, prevent, or make it costlier to acquire or effect a change-in-control, which in turn could prevent our stockholders from recognizing a gain in the event that a favorable offer is extended and could materially and negatively affect the market price of our common stock.

Furthermore, Section 78.438 of the Nevada Revised Statutes prohibits a publicly-held Nevada corporation from engaging in a business combination with an interested stockholder (generally defined as a person which together with its affiliates owns, or within the last three years has owned, 10% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder) unless the business combination is approved in a prescribed manner. The existence of the foregoing provisions and other potential anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

We do not intend to pay dividends for the foreseeable future.

For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock or Series A preferred stock. Accordingly, investors must be prepared to rely on sales of their common stock after price appreciation to earn an investment return, which may never occur. Investors seeking cash dividends should not purchase our common stock. Any determination to pay dividends in the future will be made at the discretion of our Board and will depend on our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our Board deems relevant. In addition, our ability to declare and pay dividends is dependent on our ability to declare dividends and profits in our subsidiaries domiciled outside of the United States. Rules in other jurisdictions may greatly restrict and limit the ability of our subsidiaries to declare dividends to us which, in addition to restricting our cash flow, limits our ability to pay dividends to our stockholders.

We previously received notices of failure to satisfy continued listing rules from the Nasdaq which may ultimately result in delisting of our common stock.

Our common stock is listed on the Nasdaq Capital Market. If we fail to satisfy the continued listing requirements of Nasdaq, our common stock may be delisted.

We previously received notices from Nasdaq of potential delisting, and though we have cured those deficiencies and remain listed, there remains a risk that we receive another notice in the future and could be delisted. Delisting could adversely affect our ability to raise additional capital through the public or private sale of equity securities, would significantly affect the ability of investors to trade our securities, and would negatively affect the value and liquidity of our common stock. Delisting could

also have other negative results, including the potential loss of confidence by employees, the loss of institutional investor interest, and fewer business development opportunities.

The market price for our common stock may be volatile.

The market price for our common stock may be volatile and subject to wide fluctuations due to factors such as:

- the perception of U.S. investors and regulators of U.S. listed Chinese companies;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- negative publicity, studies or reports;
- conditions in Chinese and global cybersecurity product markets;
- our capability to match and compete with technology innovations in the industry;
- changes in the economic performance or market valuations of other companies in the same industry;
- announcements by us or our competitors of acquisitions, strategic partnerships, joint ventures or capital commitments
- addition or departure of key personnel;
- fluctuations of exchange reates between RMB and the U.S. dollar
- natural disasters, fires, explosions, acts of terrorism or war, or disease or other adverse health developments, including those related to the COVID-19 pendemic; and
- general economic or political conditions in or impacting China

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

Financial Market and Economic Risks

A disruption in our funding sources and access to the capital markets would have an adverse effect on our liquidity.

Liquidity risk is the risk arising from our ability to meet obligations in a timely manner when they come due. Our liquidity strategy is to maintain the capacity to fund assets and repay liabilities in a timely and cost-effective manner even in adverse market conditions. A disruption in our funding sources may adversely affect our ability to meet our obligations as they become due. An inability to meet obligations in a timely manner would have a negative impact on our ability to refinance maturing debt and fund new asset growth and would have an adverse effect on our results of operations and financial condition. We currently do not have adequate cash to meet our short or long-term anticipated needs. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

Risks Related to our International Operations including Operations in the PRC

Risks Related to all of our International Operations

Our international operations expose us to a number of risks.

Our international activities are significant to our revenues and profits, and we plan to further expand our operations internationally. In certain international market segments, we have relatively little operating experience and may not benefit from any first-to-market advantages or otherwise succeed. It is costly to establish, develop, and maintain international operations and platforms, and promote our brand internationally. Though previously, a significant portion of our operations was conducted in mainland China and a material portion of our revenues was sourced from mainland China, that is no longer the case.

Our international sales and operations are subject to a number of risks, including:

- local economic and political conditions, including sanctions and other regulatory actions that prohibit sales to, or purchases from, countries and legal entities that are within the scope of the sanction. Government regulations, both federal and municipal, that may restrict the available market for our products and services through the requirement for a minimum value of local produced content, or restrict the availability of subsidies for products that do not meet designated value for local produced content, *e.g*., the Buy America program;

- uncertain economic, legal, and political conditions in China, Europe and other regions where we do business, including, for example, changes in China-Taiwan relations, the military conflict between Russia and Ukraine and the related sanctions and other penalties imposed on Russia by the United States, the European Union, the United Kingdom and other countries as well as retaliatory actions of Russia against the companies that comply with the aforementioned sanctions;

- government regulation and restrictive governmental actions (such as trade protection measures, including export duties and quotas and customs duties and tariffs), nationalization, and restrictions on foreign ownership;

- restrictions on sales or distribution of certain products or services and uncertainty regarding liability for products, services, and content, including uncertainty as a result of less Internet-friendly legal systems, local laws, lack of legal precedent, and varying rules, regulations, and practices regarding the physical and digital distribution of media products and enforcement of intellectual property rights;

- limitations on the repatriation and investment of funds and foreign currency exchange restrictions;

- limited technology infrastructure;

- environmental and health and safety liabilities and expenditures relating to the disposal and remediation of hazardous substances into the air, water, and ground;

- shorter payable and longer receivable cycles and the resultant negative impact on cash flow;

- increased risk over the ability to collect accounts receivable and other amounts owed to the Company due to the limited credit checking information available in some of the countries we operate in and possible difficulties to pursue legal action to collect amounts owed to us;

- laws and regulations regarding consumer and data protection, privacy, network security, encryption, payments, and restrictions on pricing or discounts; and

- geopolitical events and instability, including international conflicts, war and terrorism.

We may face challenges in expanding our international and cross-border businesses and operations.

As we expand our international and cross-border businesses into an increasing number of international markets, we will face risks associated with expanding into markets in which we have limited or no experience and in which we may be less well-known. We may be unable to attract a sufficient number of customers and other participants, fail to anticipate competitive conditions, or face difficulties in operating effectively in these new markets. The expansion of our international and cross-border businesses will also expose us to risks inherent in operating businesses globally, including:

- inability to recruit international and local talent and challenges in replicating or adapting our Company policies and procedures to different local and regional operating environments;

- lack of acceptance of our product and service offerings;

- challenges and increased expenses associated with staffing and managing international and cross-border operations and managing an organization spread over multiple jurisdictions;
- trade barriers, such as import and export restrictions, customs duties and other taxes, competition law regimes and other trade restrictions, as well as other protectionist policies;
- differing and potentially adverse tax consequences;
- increased and conflicting regulatory compliance requirements;
- challenges caused by distance, language, and cultural differences;
- increased costs to protect the security and stability of our information technology systems, intellectual property, and personal data, including compliance costs related to data localization laws;
- availability and reliability of international and cross-border payment systems and logistics infrastructure;
- exchange rate fluctuations; and
- political instability and general economic or political conditions in particular countries or regions.

Risks Related to Doing Business in the PRC

U.S. financial regulatory and law enforcement agencies, including without limitation the SEC, U.S. Department of Justice, and U.S. national securities exchanges have limited ability, and in fact may have no ability, to conduct investigations within the PRC concerning our Company, our PRC-based officers, directors, market research services or other professional services or experts.

Though previously a material part of our assets and our operations were conducted in the PRC, that is no longer the case. U.S. financial regulatory and law enforcement agencies, including without limitation the SEC, U.S. Department of Justice, and U.S. national securities exchanges have limited ability, and in fact may have no ability, to conduct investigations within the PRC concerning our Company, and the PRC may have limited or no agreements in place to facilitate cooperation with the SEC's Division of Enforcement for investigations within its jurisdiction.

Adverse changes in political, economic, and other policies of the Chinese government could have a material adverse effect on the overall economic growth of the PRC, which could materially and adversely affect the growth of our business and our competitive position.

A portion of our business operations have a dependency on the PRC for both revenues generated with the PRC and as a source of finished products and components for our global operations. Accordingly, our business, financial condition, results of operations, and prospects are affected significantly by economic, political, and legal developments in the PRC. The Chinese economy differs from the economies of most developed countries in many respects, including:

- the degree of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange;
- the allocation of resources;
- an evolving and rapidly changing regulatory system; and
- a lack of sufficient transparency in the regulatory process.

While the Chinese economy has experienced significant growth in the past 30 years, growth has been uneven, both geographically and across various sectors of the economy. The Chinese economy has also experienced certain adverse effects

due to the global financial crisis. In addition, the growth rate of the PRC's gross domestic product has materially slowed in recent years, according to the National Bureau of Statistics of China. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments, foreign currency exchange restrictions, or changes in tax regulations that are applicable to us.

The continued control of these assets and other aspects of the national economy by the Chinese government could materially and adversely affect our business. The Chinese government also exercises significant control over Chinese economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

Any adverse change in the economic conditions or government policies in the PRC could have a material adverse effect on overall economic growth, which in turn could lead to a reduction in demand for our products and consequently have a material adverse effect on our businesses.

Several PRC regulatory authorities, such as the CAC and the MOFCOM, oversee different aspects of our operations, and we are required to obtain governmental approvals, licenses, permits, and registrations in connection with our operations. For example, certain filings must be made by automobile dealers in China through an information system used for purposes of the national automobile circulation, which is operated by relevant commerce departments, within 90 days after receiving a business license. Furthermore, if our subsidiaries in China were to engage in any activities that could be deemed as providing blockchain information services, we would need to complete certain filing procedures with the CAC and obtain relevant filing numbers. In addition, the PRC government may enact new laws and regulations that require additional licenses, permits, approvals and/or registrations for the operation of any of our existing or future business. As a result, we cannot assure you that we have all the permits, licenses, registrations, approvals and/or business license items covering the sufficient scope of business required for our business, or that we will be able to obtain, maintain or renew any permits, licenses, registrations, approvals and/or business license items covering the sufficient scope of our business in a timely manner or at all.

Uncertainties with respect to the PRC legal system could limit the legal protections available to you and to us, which could cause material adverse effects to our business operations.

We conduct part of our business through our subsidiaries in the PRC. Our subsidiaries are generally subject to laws and regulations applicable to foreign investments in the PRC and, in particular, laws applicable to FIEs. The PRC legal system is based on written statutes, and prior court decisions may be cited for reference but have limited precedential value. Since 1979, a series of new PRC laws and regulations have significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, there could be a change of law and it is uncertain whether business industries in which our China subsidiaries operate will be subject to the foreign investment restrictions or prohibitions.

Since the PRC legal system continues to evolve rapidly, the interpretations of many laws, regulations, and rules are not always uniform, and enforcement of these laws, regulations, and rules involve uncertainties, which may limit legal protections available to you and to us. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation.

In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention. It could be difficult for investors to affect service of process in the United States or to enforce a judgment obtained in the United States against our Chinese operations and entities.

You may have difficulty enforcing judgments against us.

A portion of our operations is outside of the United States including the operations in PRC, which are in the process of being restructured. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts judgments on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, that are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts. Courts in the PRC may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based on treaties between the PRC and the country where the judgment is made or on reciprocity between jurisdictions. The PRC does not have any treaties or other arrangements that provide for the reciprocal recognition and enforcement of foreign judgments with the United States. In addition, according to the PRC Civil

Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates basic principles of PRC law or national sovereignty, security, or the public interest.

Our results could be adversely affected by the trade tensions between the United States and the PRC.

With the increasing interconnectedness of global economic and financial systems and our business related to the PRC, trade tensions between the United States and the PRC can have an immediate and material adverse impact on our business. Changes to trade policies, treaties, and tariffs in the jurisdictions in which we operate, or the perception that these changes could occur, could adversely affect our international and cross-border operations, our financial condition, and results of operations. For example, the U.S. administration has advocated greater restrictions on trade generally and significant increases on tariffs on goods imported into the United States, particularly from the PRC. Such trade restrictions or tariffs could cause U.S. companies to respond by minimizing their use of Chinese suppliers, thereby moving the supply chain away from China and limiting our competitive advantage in developing our logistics management and financing business. Further, the U.S. or the PRC could impose additional sanctions that could restrict us from doing business directly or indirectly in either country. Such actions could have material adverse impact on our profitability and operations. Government regulations, both federal and municipal, that may restrict the available market for our products and services through the requirement for a minimum value of locally produced content, or restrict the availability of subsidies for products that do not meet designated value for locally produced content, e.g., the Buy America program.

Restrictions on currency exchange may limit our ability to use cash generated from sales in the PRC to fund our business activities outside of the PRC.

For our sales in the PRC, at present, a substantial part of our sales are settled in RMB, and any future restrictions on currency exchanges may limit our ability to use revenue generated in RMB to fund any future business activities outside the PRC or to make dividends or other payments in U.S. dollars. Although the Chinese government introduced regulations in 1996 to allow greater convertibility of the RMB for current account transactions, significant restrictions still remain, including primarily the restriction that FIEs may only buy, sell, or remit foreign currencies after providing valid commercial documents, at those banks in the PRC authorized to conduct foreign exchange business. In addition, foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE PRC and other relevant PRC governmental authorities and companies are required to open and maintain separate foreign exchange accounts for capital account items. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries. Recent volatility in the RMB foreign exchange rate as well as capital flight out of the PRC may lead to further foreign exchange restrictions and policies or practices which adversely affect our operations and ability to convert RMB. We cannot be certain that the Chinese regulatory authorities will not impose more stringent restrictions on the convertibility of the RMB.

Restrictions under PRC law on our PRC subsidiaries' ability to make dividends and other distributions could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, pay dividends to you, and otherwise fund and conduct our business.

Previously, part of our sales is earned by our PRC operating entities. However, PRC regulations restrict the ability of our PRC subsidiaries to make dividends and other payments to their offshore parent companies. PRC legal restrictions permit payments of dividends by our PRC subsidiaries only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Our PRC subsidiaries are also required under PRC laws and regulations to allocate at least 10% of their annual after-tax profits determined in accordance with PRC GAAP to a statutory general reserve fund until the amounts in said fund reach 50% of their registered capital. Allocations to these statutory reserve funds can only be used for specific purposes and are not transferable to us in the form of loans, advances, or cash dividends. Any limitations on the ability of our PRC subsidiaries to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption laws, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to the FCPA and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute, for the purpose of obtaining or retaining business. We have operations and agreements with third parties and make most of our sales in the PRC. The PRC also strictly prohibits bribery of government officials. Our activities in the PRC create the risk of unauthorized payments or offers of payments by the employees, consultants, sales agents, or distributors of our Company, which may not always be subject to our control. It is our policy to implement safeguards to discourage these practices by our employees. However, our existing safeguards and any future improvements may prove to be less than effective, and the employees, consultants, sales agents, or

distributors of our company may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results, and financial condition. In addition, the U.S. government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

Our operations in foreign countries are subject to risks that could adversely impact our financial results, such as economic or political volatility, foreign legal and regulatory requirements, international trade factors (export controls, trade sanctions, duties, tariff barriers, and other restrictions), protection of our proprietary technology in certain countries, potentially burdensome taxes, crime, employee turnover, staffing, managing personnel in diverse culture, labor instability, transportation delays, and foreign currency fluctuations.

If we become directly subject to the recent scrutiny, criticism, and negative publicity involving U.S.-listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter which could harm our business operations, stock price, and reputation and could result in a loss of your investment in our stock, especially if such matter cannot be addressed and resolved favorably.

Over the past several years, U.S. public companies that have substantially all of their operations in the PRC, particularly companies like ours which have completed so-called reverse merger transactions, have been the subject of intense scrutiny, criticism, and negative publicity by investors, financial commentators, and regulatory agencies, such as the SEC. Much of the scrutiny, criticism, and negative publicity is in connection with financial and accounting irregularities and mistakes, a lack of effective internal controls over financial accounting, inadequate corporate governance policies, or a lack of adherence thereto and, in many cases, allegations of fraud. As a result of the scrutiny, criticism, and negative publicity, the publicly traded stock of many U.S.-listed Chinese companies has sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism, and negative publicity will have on our Company, our business, and our stock price. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or not, we will have to expend significant resources to investigate such allegations and/or defend our Company. This situation will be costly and time-consuming and distract our management from growing our Company.

The disclosures in our reports and other filings with the SEC and our other public announcements are not subject to the scrutiny of any regulatory bodies in the PRC. Accordingly, our public disclosure should be reviewed in light of the fact that no governmental agency that is located in the PRC, where part of our operations and business are located, has conducted any due diligence on our operations or reviewed or cleared any of our disclosure.

We are regulated by the SEC and our reports and other filings with the SEC are subject to SEC review in accordance with the rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act. A material portion of our operations is located in the PRC. Since such operations and business take place outside of the United States, it may be more difficult for the staff of the SEC to overcome the geographic and cultural obstacles that are present when reviewing our disclosure. Furthermore, our SEC reports and other disclosure and public announcements are not subject to the review or scrutiny of any PRC regulatory authority. For example, the disclosure in our SEC reports and other filings is not subject to the review of the CSRC or CAC. Accordingly, you should review our SEC reports, filings, and our other public announcements with the understanding that no local regulator has done any due diligence on our Company and with the understanding that none of our SEC reports, other filings, or any of our other public announcements has been reviewed or otherwise been scrutinized by any local regulator.

The unavailability, reduction, or elimination of government and economic incentives or government policies that are favorable for new energy vehicles could materially and adversely affect our business, financial condition, and results of operations.

Our business has benefited from the PRC government subsidies, economic incentives, and government policies that support the growth of new EVs. For example, each qualified purchaser of our new energy vehicles enjoys subsidies from China's central government and certain local governments. Furthermore, in certain cities, quotas that limit the purchase of ICE vehicles do not apply to EVs, thereby incentivizing customers to purchase EVs. In April 2020, the MOF, together with several other PRC government departments, issued the Announcement on Exemption of Vehicle Purchase Tax, and the 2020 Financial Subsidies Circular, which extended certain subsidies and tax exemptions on EV purchases to the end of 2022. On December 31, 2021, the above mentioned authorities promulgated the 2022 Financial Subsidies Circular, which became effective on January 1, 2022.

These policies are subject to certain limits as well as changes that are beyond our control, and we cannot assure you that future changes, if any, would be favorable to our business.

Any reduction or elimination of government subsidies and economic incentives because of policy changes, fiscal tightening, or other factors may result in the diminished competitiveness of the EV industry generally or our Ideanomics China business unit in particular. In addition, as we seek to increase our revenues from vehicle sales, we may also experience an increase in accounts receivable relating to government subsidies. Any uncertainty or delay in collection of the government subsidies may also have an adverse impact on our financial condition. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

We might be subject to the National Security Law in the future, in light of the PRC government's current and rapidly changing policies regarding PRC and Hong Kong businesses operations.

On June 30, 2020, the PRC government's National People's Congress Standing Committee passed the National Security Law for the Hong Kong Special Administrative Region. The National Security Law criminalizes, and otherwise gives the PRC government broad powers to find unlawful, a broad variety of political crimes, including separatism and collusion with a foreign country or with external elements to endanger national security in relation to Hong Kong. Under the National Security Law, the PRC government can, at its own discretion or the Hong Kong government's discretion, exercise jurisdiction over alleged violations of the law and prosecute and adjudicate cases in mainland China. The law can apply to alleged violations committed by anyone, anywhere in the world, including in the United States.

In light of the PRC government's current and rapidly changing policies regarding PRC and Hong Kong businesses operations, Ideanomics' business operations could be subject to the National Security Law in the future, if the PRC or Hong Kong government desires this outcome.

Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.

China's overall economy and the average wage in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will increase. Unless we are able to pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees, the utilization of labor dispatching, applying for foreigner work permits, labor protection and labor condition requirements, and the payment of various statutory employee benefits, including pensions, housing fund contributions, medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the Labor Contract Law and its implementation rules, employers are also now generally subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation, and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practices may violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related laws and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees, and our business, financial condition, and results of operations will be adversely affected.

In light of recent events indicating greater oversight by PRC regulators for some companies seeking to list on a foreign exchange, we may be subject to a variety of PRC laws and other obligations regarding data protection and other rules, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our business, financial condition, and results of operations.

Even though we and our PRC subsidiaries are not currently subject to PRC laws relating to approvals or permissions for our listing, PRC regulators have generally increased their oversight applicable to companies seeking to list on a foreign exchange in recent years. These laws and regulations continue to develop, and PRC government authorities may adopt other rules and

restrictions in the future. Any non-compliance with existing or future requirements could result in penalties or other significant legal liabilities.

The CAC and other twelve Governmental Agencies issued the Measures for Cybersecurity Review on December 28, 2021, which became effective on February 15, 2022 ("Cybersecurity Review Measures"). Pursuant to the Cybersecurity Review Measures, if any of the following circumstances exist, operators of networks are required to apply with the Office of Cybersecurity Review to conduct a cybersecurity review: (a) the operators possess over one million individuals' personal information and seek to list securities overseas; (b) the operators are deemed as critical information infrastructure operators and intend to purchase internet products and services that will or may affect national security; and (c) the operators carry out any data processing activities which affect or may affect PRC national security. As of the date of this report, none of the aforesaid circumstances are applicable in the case of any of our PRC subsidiaries, and therefore our PRC subsidiaries are not required to conduct a cybersecurity review with the CAC. However, the Cybersecurity Review Measures are relatively new and there remains some uncertainty as to how the Cybersecurity Review Measures may be interpreted or implemented, as well as uncertainty as to whether any PRC government authorities may adopt new laws, regulations, rules, or detailed implementation and interpretation measures related to the Cybersecurity Review Measures. Accordingly, at this time, there is ultimately no way to assure that PRC government authorities will take the same view as we do with respect to whether our PRC subsidiaries may be required to complete cybersecurity review procedures.

As of the date of this report, we have not received any notice from any authorities identifying us or our PRC subsidiaries as a critical information infrastructure or requiring us to undertake a cybersecurity review by the CAC or the cybersecurity review office. Further, we have not been subject to any penalties, fines, suspensions, investigations from any competent authorities for violation of the regulations or policies that have been issued by the CAC to date. We believe that neither we nor our PRC subsidiaries are subject to cybersecurity review requirements, given that none of our PRC subsidiaries engaged in any operation of information infrastructure or any data processing activities which affect or may affect PRC national security, nor possesses personal information related to over one million individuals. However, there remains uncertainty as to how relevant regulations will be interpreted or implemented and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation measures. If any such new laws, regulations, rules, or implementation and interpretation measures come into effect, we expect to take all reasonable measures and actions to comply but any such future laws, regulations or review could be time consuming and costly to comply with, and could have a material impact on our operations and financial results, as well as those of PRC subsidiaries.

If our PRC subsidiaries fail to obtain and maintain the requisite licenses and approvals required for their business in China, or if our PRC subsidiaries are required to take actions that are time-consuming or costly, their business, financial condition, and results of operations may be materially and adversely affected.

We have determined that our PRC subsidiaries have obtained all material licenses, approvals, and filings covering their operations in the PRC, including business licenses from the relevant local branches of the SAMR, filings with relevant local branches of MOFCOM, registrations with PRC tax authorities, filings with PRC customs for carrying out export and import business activities and registrations with relevant branches of the SAFE PRC for the ability to receive funds from offshore entities and transfer funds to offshore entities. These approvals and filings are essential to the operation of the business of our PRC subsidiaries. However, because local regulations may change from time to time, our PRC subsidiaries cannot ensure they will be able to obtain or maintain all necessary licenses, approvals, or filings, or successfully renew these permits, approvals, or licenses in a timely manner. If our PRC subsidiaries fail to complete, obtain or maintain any of the required licenses or approvals or make their necessary filings, or inadvertently conclude that any permissions or approvals are not required, then our PRC subsidiaries could be subject to various administrative penalties, governmental investigations, or enforcement actions, fines, suspension of operations, or be prohibited from engaging in relevant business. As a result, the business and operations of our PRC subsidiaries and financial condition would be materially and adversely affected, which could significantly limit our ability to offer or continue to offer securities to investors, or cause such securities to significantly decline in value or become worthless.

Our decision to restructure our operations in China may impact the value of our securities or render them worthless.

On September 12, 2022, our Board authorized the Company's management to pursue a plan to restructure the Company's operations in China. Although our Board believes that such a decision will benefit the Company in the long run, the restructuring and potential curtailing of the entirety or a portion of our PRC operations generating significant revenue, and sacrificing potential business opportunities, may negatively impact the Company. As a result, our revenue, net losses, and cash flow may differ materially from previous years and the market price of our common stock may significantly decrease or become worthless.

Failure to complete the proposed restructuring could negatively impact our business, financial condition, results of operations, or the price of our common stock.

On September 12, 2022, the Board authorized the Company's management to pursue a plan to restructure operations in China. The restructuring is anticipated to be complete no later than the first quarter of 2024. If the proposed restructuring is not consummated as anticipated, we may be subject to a number of adverse effects, including that the value of our common stock may be materially and adversely affected to the extent that the current market price reflects a market assumption that the proposed restructuring will be completed by the anticipated deadline; our operations may incur losses; and certain costs related to the restructuring (such as legal, accounting, financial advisory and printing fees) will need to be paid even if the restructuring is not completed. Even if this restructuring is implemented successfully and on schedule, there might also be other issues and negative consequences arising from this restructuring such as a loss of continuity, a loss of customer base, internal control issues, changes in employee structure as well as other unexpected consequences, any of which may have a material adverse effect on our competitive position, business, financial condition and results of operations.

Although our audited financial statements are prepared by auditors that are currently subject to inspections by the PCAOB, there is no guarantee that future audit reports will be prepared by auditors that are subject to inspections by the PCAOB and, as such, future investors may be deprived of such inspections, which could result in limitations or restrictions to our access of the U.S. capital markets. Furthermore, trading in our securities may be prohibited under the HFCA Act or the Accelerating HFCA Act if the SEC subsequently determines our audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely, and as a result, U.S. national securities exchanges, such as the Nasdaq, may determine to delist our securities.

As an auditor of companies that are registered with the SEC and publicly traded in the United States and a firm registered with the PCAOB, our auditor is required under the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Although we have substantial operations within China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese government authorities, our auditor is currently inspected fully by the PCAOB.

Inspections of other auditors conducted by the PCAOB outside China have at times identified deficiencies in those auditors' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections of audit work undertaken in China prevents the PCAOB from regularly evaluating auditors' audits and their quality control procedures. As a result, to the extent that any component of our auditor's work papers is or becomes located in China, such work papers will not be subject to inspection by the PCAOB. As a result, investors would be deprived of such PCAOB inspections, which could result in limitations or restrictions to our access to the U.S. capital markets.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular, China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of the U.S. Congress which, if passed, would require the SEC to maintain a list of issuers for which PCAOB is not able to inspect or investigate the audit work performed by a foreign public accounting firm completely. The proposed EQUITABLE Act prescribes increased disclosure requirements for these issuers and, beginning in 2025, the delisting from U.S. national securities exchanges such as the Nasdaq of issuers included on the SEC's list for three consecutive years. It is unclear if this proposed legislation will be enacted. On May 20, 2020, the U.S. Senate passed the HFCA Act, which includes requirements for the SEC to identify issuers whose audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely because of a restriction imposed by a non-U.S. authority in the auditor's local jurisdiction. The U.S. House of Representatives passed the HFCA Act on December 2, 2020, and the HFCA Act was signed into law on December 18, 2020. Furthermore, on June 22, 2021, the U.S. Senate passed the AHFCA Act, which was signed into law on December 29, 2022, reducing the period of time for foreign companies to comply with the PCAOB audits to two consecutive years instead of three, thus reducing the time period for triggering the prohibition on trading. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCA Act, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCA Act, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. The SEC adopted rules to implement the AHFCA Act and, pursuant to the AHFCA Act, the PCAOB has issued its report notifying the SEC of its determination that it is unable to inspect or investigate completely accounting firms headquartered in mainland China or Hong Kong. On November 5, 2021, the SEC approved the PCAOB's Rule 6100, Board Determinations Under the HFCA ACT. Rule 6100 provides a framework for the PCAOB to use to determine whether it is unable to inspect or investigate registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 2, 2021, the SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA ACT. The rules apply to registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate. On December 16, 2021, the PCAOB issued a report on its determinations that the Board is unable to inspect or investigate

completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong because of positions taken by PRC authorities in those jurisdictions. The Board made these determinations pursuant to PCAOB Rule 6100, which provides a framework for how the PCAOB fulfills its responsibilities under the HFCA ACT.

On August 26, 2022, the CSRC, MOF, and the PCAOB signed a protocol, governing inspections and investigations of audit firms based in China and Hong Kong, taking the first step toward opening access for the PCAOB to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong. On December 15, 2022, the PCAOB determined that it was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong. The PCAOB vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB may consider the need to issue a new determination.

Under the HFCA Act, our securities may be prohibited from trading on the Nasdaq or other U.S. stock exchanges if our auditor is not inspected by the PCAOB for three consecutive years, and this ultimately could result in our shares of common stock being delisted. While we understand that there has been dialogue among the CSRC, the SEC, and the PCAOB regarding the inspection of PCAOB-registered accounting firms in China, there can be no assurance that we will be able to comply with the requirements imposed by U.S. regulators. Delisting of our common stock would force holders of our shares of common stock to sell their shares. The market price of our shares of common stock could be adversely affected as a result of anticipated negative impacts of these executive or legislative actions upon, as well as negative investor sentiment towards, companies with operations in China that are listed in the United States, regardless of whether these executive or legislative actions are implemented and regardless of our actual operating performance.

Uncertainties with respect to the PRC legal system could adversely affect our liquidity.

The PRC legal system is based on statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. Because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Governmental control of currency conversion may limit the Company's ability to utilize its cash balance effectively and affect the results of operations of our PRC subsidiaries.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Ideanomics receives a substantial amount of their revenues in Renminbi or, alternatively, to finance their PRC subsidiaries in Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE PRC by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE PRC, cash generated from the operations of its PRC subsidiaries in China may be used to pay dividends to its company. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, Ideanomics will need to obtain SAFE PRC approval to use the cash generated from the operations of their PRC subsidiaries to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents Ideanomics from obtaining such approval or otherwise hinders efficient financial management of the PRC subsidiaries, it may substantially curtail our operations and cause the value of our securities significantly decline or become worthless.

The Chinese government may intervene or influence the operations of Ideanomics' business or the business of the combined company in the territory of PRC at any time, which could result in a material change in our operations and/or the value of our securities.

Though previously a material percentage of our revenues were generated in the PRC, that is no longer the case following the decision to restructure the Company's PRC operations. The Chinese government may intervene or influence the operations of Ideanomics' business or the business of the combined company in the territory of PRC at any time, which could result in a material change in our operations and/or the value of our securities. Also, recent statements by the Chinese government have indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or over foreign investment in China-based and Hong Kong-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

Other Risks

VIA is an early-stage company with a history of losses, and expects to incur significant expenses and continuing losses for the foreseeable future.

VIA has incurred losses in the operation of its business related to research and development activities since its inception. VIA anticipates that its expenses will increase and that it will continue to incur losses in the future until at least the time it begins significant deliveries of its vehicles. Even if VIA is able to successfully develop and sell or lease its vehicles, there can be no assurance that they will be commercially successful and achieve or sustain profitability.

VIA expects the rate at which it will incur losses to be significantly higher in future periods as it, among other things, designs, develops and manufactures its vehicles; builds up inventories of parts and components for its vehicles; increases its sales and marketing activities, develops its distribution infrastructure; and increases its general and administrative functions to support its growing operations. VIA may find that these efforts are more expensive than it currently anticipates or that these efforts may not result in revenue, which would further increase VIA's losses.

VIA has a limited operating history and has manufactured and sold a minimal number of lighter duty production vehicles to customers and may never develop or manufacture any future vehicles.

VIA was incorporated in 2014 and has a limited operating history in the automobile industry, which is continuously evolving, and has generated minimal revenue to date. VIA's vehicles are in the development stage and VIA has no experience as an organization in high-volume manufacturing of the planned electric commercial vehicles. In addition, as a result of our limited operating history, as well as the limited financing we have received, our management concluded that there was substantial doubt about our ability to continue as a going concern.

As VIA attempts to transition from research and development activities to commercial production and sales, it is difficult, if not impossible, to forecast VIA's future results, and VIA has limited insight into trends that may emerge and affect VIA's business. The estimated costs and timelines that VIA has developed to reach full-scale commercial production are subject to inherent risks and uncertainties involved in the transition from a start-up company focused on research and development activities to the large-scale manufacture and sale of vehicles. There can be no assurance that VIA's estimates related to the costs and timing necessary to complete design and engineering of its electric commercial vehicles and to tool its factories will prove accurate. These are complex processes that may be subject to delays, cost overruns and other unforeseen issues. For example, VIA may experience higher raw material waste in the composite process than it expects, resulting in higher operating costs and hampering its ability to be profitable.

We cannot assure you that VIA or its partners will be able to develop efficient, automated, cost-efficient manufacturing capability and processes, and reliable sources of component supplies that will enable VIA to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully mass market its electric commercial vehicles. Until such time as, and if, we obtain rights to a manufacturing site with sufficient manufacturing capability and process to meet our current business plan, we are unable to manufacture vehicles in sufficient quantities required for entrance into the marketplace. You should consider VIA's business and prospects in light of the risks and significant challenges it faces as a new entrant into its industry, including, among other things, with respect to its ability to:

- design and produce safe, reliable and quality vehicles on an ongoing basis;
- obtain the necessary regulatory approvals in a timely manner;

- build a well-recognized and respected brand;
- establish and expand its customer base;
- successfully market not just VIA's vehicles but also the other services it intends to or may provide;
- successfully service its vehicles after sales and maintain a good flow of spare parts and customer goodwill;
- improve and maintain its operational efficiency;
- execute and maintain a reliable, secure, high-performance and scalable technology infrastructure;
- predict its future revenues and appropriately budget for its expenses;
- attract, retain and motivate talented employees;
- anticipate trends that may emerge and affect its business;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape; and
- navigate an evolving and complex regulatory environment.

If VIA fails to adequately address any or all of these risks and challenges, its business may be materially and adversely affected.

In addition, VIA has engaged in limited marketing activities to date, so even if VIA is able to bring its electric commercial vehicles to market on time and on budget, there can be no assurance that fleet customers will embrace VIA's products in significant numbers. Market conditions, many of which are outside of VIA's control and subject to change, including general economic conditions, the availability and terms of financing, the impacts and ongoing uncertainties created by the COVID-19 pandemic, fuel and energy prices, regulatory requirements and incentives, competition and the pace and extent of vehicle electrification generally, will impact demand for VIA's electric commercial vehicles, and ultimately VIA's success.

VIA does not currently have any binding orders, and there is no assurance that its non-binding pre-orders will be converted into binding orders or sales.

VIA's business model is focused on building relationships with fleet customers, fleet management companies and dealers. To date, VIA has engaged in limited marketing activities and does not have any binding contracts with customers. The non-binding pre-orders may not be converted into binding orders or sales. Until such time that the design and development of VIA's vehicles are complete, VIA's vehicles are commercially available for purchase and VIA is able to scale up its marketing function to support sales, there will be uncertainty as to customer demand for VIA's vehicles. A long wait time from the time a pre-order is made until the delivery of VIA's vehicles is possible, and any delays beyond expected wait times could adversely impact user decisions on whether to ultimately make a purchase. Even if VIA is able to obtain binding orders, customers may limit their volume of purchases initially as they assess VIA's vehicles and whether to make a broader transition to electric vehicles. This may be a long process and will depend on the safety, reliability, efficiency and quality of VIA's vehicles. It will also depend on factors outside of VIA's control, such as general market conditions and broader trends in fleet management and vehicle electrification that could impact customer buying decisions. As a result, there is significant uncertainty regarding demand for VIA's vehicles and the sales that it will be able to achieve.

Certain of VIA's strategic, development and deployment arrangements could be terminated or may not materialize into long-term contract arrangements and may restrict or limit VIA from developing electric commercial vehicles with other strategic partners.

VIA has arrangements with strategic, development and deployment partners and collaborators. Some of these arrangements are evidenced by memorandums of understanding, non-binding letters of intent, early stage agreements that are used for design and development purposes but will require renegotiation at later stages of development or production or master agreements that have yet to be implemented under separately negotiated statements of work, each of which could be terminated or may not materialize into next-stage or binding contracts or long-term contract arrangements. In addition, VIA does not currently have arrangements in place that will allow it to fully execute its business plan, including, without limitation, final supply and manufacturing agreements and fleet service and management agreements. Moreover, existing or future arrangements may contain limitations on VIA's ability to enter into strategic, development and deployment arrangements with other partners. If VIA is unable to maintain such arrangements and agreements, or if such agreements or arrangements contain other restrictions from or limitations on developing electric commercial vehicles with other strategic partners, its business, prospects, financial condition and operating results may be materially and adversely affected.

VIA may encounter obstacles outside of its control that slow market adoption of electric commercial vehicles, such as regulatory requirements or infrastructure limitations.

VIA's growth is highly dependent upon the adoption of electric commercial vehicles by the commercial and municipal fleet industry. The target demographics for VIA's electric commercial vehicles are highly competitive. If the market for electric commercial vehicles does not develop at the rate or in the manner or to the extent that VIA expects, or if critical assumptions VIA has made regarding the efficiency of its electric commercial vehicles are incorrect or incomplete, VIA's business, prospects, financial condition and operating results could be harmed. The fleet market for electric commercial vehicles is new and untested and is characterized by rapidly changing technologies, price competition, numerous competitors, evolving government regulation and industry standards and uncertain customer demands and behaviors.

VIA's growth depends upon its ability to maintain its relationships with existing suppliers and to source new suppliers for its supply chain, while effectively managing the risks stemming from such relationships.

VIA's growth is partially dependent upon its ability to enter into supplier agreements and maintain its relationships with suppliers who are critical and necessary to the output and production of VIA's vehicles.

The supply agreements VIA has or may enter into with key suppliers in the future may have provisions where such agreements can be terminated in various circumstances, including potentially without cause. If these suppliers become unable to provide or experience delays in providing components or the supply agreements are terminated, it may be difficult to find replacement components. Changes in business conditions, pandemics, governmental changes, and other factors beyond VIA's control or that VIA does not presently anticipate could affect VIA's ability to receive components from VIA's suppliers.

VIA also relies on a small group of suppliers to provide VIA with the components for VIA's vehicles. While VIA seeks to obtain raw materials and components from multiple sources whenever possible, some of the raw materials and components used in its vehicles will be purchased by VIA from a single or limited source. VIA may be unable to obtain or engineer replacement raw materials and components for its single or limited source raw materials and components in the short term, or at all, at prices or quality levels that are acceptable to it, leaving VIA susceptible to supply shortages, long lead times for components and cancellations and supply changes. In addition, VIA could experience delays if its suppliers do not meet agreed upon timelines or experience capacity constraints.

VIA has not secured supply agreements for its components. VIA may be at a disadvantage in negotiating supply agreements for the production of its vehicles due to its limited operating history. In addition, there is the possibility that finalizing the supply agreements for the parts and components of VIA's vehicles will cause significant disruption to VIA's operations, or such supply agreements could be at costs that make it difficult for VIA to operate profitably.

If VIA does not enter into long-term supply agreements with guaranteed pricing for critical parts or components, VIA may be exposed to fluctuations in components, materials and equipment prices. Substantial increases in the prices for such components, materials and equipment would increase VIA's operating costs and could reduce VIA's margins if VIA cannot recoup the increased costs. Any attempts to increase the announced or expected prices of VIA's vehicles in response to increased costs could be viewed negatively by VIA's potential customers and could adversely affect VIA's business, prospects, financial condition or operating results.

We will rely on complex machinery for our operations, and production of the VIA Vehicles will involve a significant degree of risk and uncertainty in terms of operational performance and costs.

We will rely on complex machinery for our operations, and any production of the VIA vehicles will involve a significant degree of risk and uncertainty in terms of operational performance and costs. Any manufacturing facility will consist of large-scale machinery combining many components. These components are likely to suffer unexpected malfunctions from time to time and will require repairs and spare parts to resume operations, which may not be available when needed. Unexpected malfunctions of these components may significantly affect the intended operational efficiency. Operational performance and costs can be difficult to predict and will be influenced by factors outside of our control, such as, but not limited to, the scarcity of natural resources, environmental hazards and remediation, costs associated with the decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, pandemics, fire, and seismic activity and natural disasters. Should operational risks materialize, they may result in personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on our business, prospects, financial condition, and results of operations.

We may experience delays in realizing our projected timelines and cost and volume targets for the production, launch and ramp up of production of the VIA Vehicles and the modification of any manufacturing facility, which could adversely impact our business, prospects, financial condition, and results of operations.

We have no experience in the mass manufacturing the VIA vehicles. Our business depends on our ability to develop, manufacture, market and sell the VIA vehicles. Any delay in the financing, design, manufacture and launch of the VIA vehicles, including the obtaining of rights to a manufacturing facility, could materially damage our business, prospects, financial condition, and results of operations. Vehicle manufacturers often experience delays in the design, manufacture and commercial release of new products. To the extent we experience delays in the modification of the any facility or delays in the launch of the vehicles, our growth prospects could be adversely affected. We expect to rely on third party suppliers to develop and provide many of the key components and materials used in the VIA vehicles. To the extent our suppliers experience any delays in providing us with or developing necessary components for a number of reasons, we could experience delays in meeting our projected timelines.

Increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion battery cells, could harm Ideanomics EV and Charging business.

Ideanomics and its suppliers may experience increases in the cost of or a sustained interruption in the supply or shortage of materials. Any such increase, supply interruption or shortage could materially and negatively impact Ideanomics Mobility's business, prospects, financial condition and operating results. Ideanomics and its suppliers use various materials in their businesses and products, including for example lithium-ion battery cells and steel, and the prices for these materials fluctuate. The available supply of these materials may be unstable, depending on market conditions and global demand, including as a result of increased production of electric commercial vehicles by Ideanomics's competitors, and could adversely affect Ideanomics's business and operating results. For instance, Ideanomics is exposed to multiple risks relating to lithium-ion battery cells. These risks include:

- an increase in the cost, or decrease in the available supply, of materials used in the cells;
- disruption in the supply of cells due to quality issues or recalls by battery cell manufacturers; and
- fluctuations in the value of any foreign currencies in which battery cell and related raw material purchases are or may be denominated against the purchasing entity's operating currency.

Ideanomics's business is dependent on the continued supply of battery cells for the battery packs used in Ideanomics's electric vehicles. We may have limited flexibility in changing its supplier in the event of any disruption in the supply of battery cells which could disrupt production of our electric vehicles. Furthermore, fluctuations or shortages in petroleum and other economic conditions may cause us to experience significant increases in freight charges and material costs. Substantial increases in the prices for our materials or prices charged to Ideanomics, such as those charged by battery cell suppliers, would increase our operating costs, and could reduce its margins if the increased costs cannot be recouped through increased commercial vehicle sales prices. Any attempts to increase product prices in response to increased material costs could result in cancellations of orders and therefore materially and adversely affect our brands, image, business, prospects and operating results.

VIA currently targets many customers, suppliers and partners that are large corporations with substantial negotiating power, exacting product, quality and warranty standards and potentially competitive internal solutions. If VIA is unable to sell its products to these customers or is unable to enter into agreements with suppliers and partners on satisfactory terms, its prospects and results of operations may be adversely affected.

Many of VIA's current and potential customers, suppliers and partners are large, multinational corporations with substantial negotiating power relative to it and, in some instances, may have internal solutions that are competitive to VIA's products. These large, multinational corporations also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies. Meeting the technical requirements and securing design wins with any of these companies could require a substantial investment of VIA's time and resources. VIA cannot assure you that its products will secure design wins from these or other companies or that it will generate meaningful revenue from the sales of its products to these key potential customers. If VIA's products are not selected by these large corporations or if these corporations develop or acquire competitive technology, it may have an adverse effect on VIA's business.

As VIA expands into new territories, it may encounter stronger market resistance than it currently expects, including from incumbent competitors in those territories.

VIA will face risks associated with any potential expansion of its operations into new territories, including possible unfavorable regulatory, political, tax and labor conditions, which could harm its business. In addition, in certain of these markets, VIA may encounter incumbent competitors with established technologies and customer bases, lower prices or costs, and greater brand recognition. VIA anticipates having international operations and subsidiaries that are subject to the legal, political, regulatory and social requirements and economic conditions in these jurisdictions. However, VIA has no experience to date selling or leasing and servicing its vehicles internationally, and such expansion would require VIA to make significant expenditures, including the hiring of local employees and establishing facilities, in advance of generating any revenue. These risks include:

- conforming VIA's electric commercial vehicles to various international regulatory requirements where its electric commercial vehicles are sold, which requirements may change over time;
- difficulties in obtaining or complying with various licenses, approvals, certifications and other governmental authorizations necessary to manufacture, sell or service its electric commercial vehicles in any of these jurisdictions;
- difficulty in staffing and managing foreign operations;
- difficulties attracting customers in new jurisdictions;
- foreign government taxes, regulations and permit requirements, including foreign taxes that VIA may not be able to offset against taxes imposed upon VIA in the U.S.;
- a heightened risk of failure to comply with corporation and employment tax laws
- fluctuations in foreign currency exchange rates and interest rates, including risks related to any interest rate swap or other hedging activities VIA undertakes;
- U.S. and foreign government trade restrictions, tariffs and price or exchange controls;
- foreign labor laws, regulations and restrictions;
- changes in diplomatic and trade relationships;
- political instability, natural disasters, global health concerns, including health pandemics such as the COVID-19 pandemic, war or events of terrorism; and
- the strength of international economies.

If VIA fails to successfully address these risks, VIA's business, prospects, financial condition and operating results could be materially harmed.

We may not be able to accurately estimate the supply and demand for the VIA vehicles, which could result in inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.

It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We will be required to provide forecasts of our demand to certain of our suppliers in advance of the scheduled delivery of the VIA vehicles to our prospective customers. Currently, there is no historical basis for estimating the demand for the VIA vehicles, or our ability to develop, manufacture and deliver the VIA vehicles. If we overestimate our requirements, we may have excess inventory, which would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt the manufacture of the VIA vehicles and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of components in a timely manner, the delivery of VIA vehicles to customers could be delayed, which would harm our business, prospects, financial condition, and results of operations.

Our business may be adversely affected by labor and union activities.

Although none of our employees are currently represented by a labor union, it is common throughout the automobile industry and other industries in which we compete generally for many employees to belong to a union, which can result in higher employee costs and increased risk of work stoppages. We may also directly and indirectly depend upon other companies with unionized work forces, such as parts suppliers and trucking and freight companies, and work stoppages or strikes organized by such unions could have a material adverse impact on our business, financial condition or operating results.

If we are unable to address the service requirements of our future customers, our business will be materially and adversely affected.

Demand for the VIA vehicles will depend, in part, on the availability of service support options. Servicing electric vehicles is different than servicing internal combustion engine or hybrid vehicles and requires specialized skills, including high voltage training and servicing techniques. As the VIA vehicles are not yet in production, we do not have experience servicing the VIA vehicles. We plan to provide service for the VIA vehicles in various ways, including through third-party service providers. Some potential customers may choose not to purchase the VIA vehicles because of the lack of a more widespread service network. If we are unable to satisfactorily service our future customers, our ability to generate customer loyalty, grow our business and sell the VIA vehicles could be impaired.

There are complex software and technology systems that need to be developed in coordination with vendors and suppliers in order to reach production for VIA's electric commercial vehicles, and there can be no assurance such systems will be successfully developed.

VIA's vehicles will use a substantial amount of third-party and in-house software codes and complex hardware to operate. The development of such advanced technologies is inherently complex, and VIA will need to coordinate with its vendors and suppliers in order to reach production for its electric commercial vehicles. Defects and errors may be revealed over time and VIA's control over the performance of third-party services and systems may be limited. Thus, VIA's potential inability to develop the necessary software and technology systems may harm its competitive position.

VIA relies on third-party suppliers to develop a number of emerging technologies for use in its products, including lithium-ion battery technology. These technologies are not currently, and may not ever be, commercially viable. There can be no assurances that VIA's suppliers will be able to meet the technological requirements, production timing, and volume requirements to support its business plan. In addition, the technology may not comply with the cost, performance useful life and warranty characteristics VIA anticipates in its business plan. As a result, VIA's business plan could be significantly impacted, and VIA may incur significant liabilities under warranty claims which could adversely affect its business, prospects and results of operations.

The discovery of defects in VIA's vehicles may result in delays in new model launches, recall campaigns or increased warranty costs. Additionally, discovery of such defects may result in a decrease in the residual value of its vehicles, which may materially harm its business.

VIA's electric commercial vehicles may contain defects in design and production that may cause them not to perform as expected or may require repair. Vehicle manufacturers are required to remedy defects related to vehicle safety and emissions through recall campaigns, and must recall vehicles if they determines that they do not comply with any applicable FMVSS. In addition, if a vehicle manufacturer determines that a safety or emissions defect or a non-compliance exists with respect to certain of its vehicles prior to the start of production, the launch of such vehicle could be delayed until the manufacturer remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial. VIA will also be obligated under the terms of its vehicle warranty to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds VIA's assumptions may result in unanticipated losses.

VIA's products (including vehicles and components) have not completed testing and VIA currently has a limited frame of reference by which to evaluate the performance of its electric commercial vehicles upon which its business prospects depend. There can be no assurance that VIA will be able to detect and fix any defects in its electric commercial vehicles. VIA may experience recalls in the future, which could adversely affect VIA's brand and could adversely affect its business, prospects, financial condition and operating results. VIA's electric commercial vehicles may not perform consistent with customers' expectations or consistent with other vehicles which may become available. Any product defects or any other failure of VIA's electric commercial vehicles and software to perform as expected could harm VIA's reputation and result in a significant cost due to warranty replacement and other expenses, a loss of customer goodwill due to failing to meet maintenance targets in VIA's total cost of ownership calculations, adverse publicity, lost revenue, delivery delays, product recalls and product liability claims and could have a material adverse impact on VIA's business, prospects, financial condition and operating results. Additionally, discovery of such defects may result in a decrease in the residual value of VIA's vehicles, which may materially harm its business. Moreover, problems and defects experienced by other electric vehicle companies could by association have a negative impact on perception and customer demand for VIA's electric commercial vehicles.

Insufficient warranty reserves to cover future warranty claims could adversely affect our business, prospects, financial condition, and results of operations.

Once the VIA vehicles are in production, we will need to maintain warranty reserves to cover any warranty-related claims. If our warranty reserves are inadequate to cover such future warranty claims, our business, prospects, financial condition, and results of operations could be materially and adversely affected. We may become subject to significant and unexpected warranty expenses. There can be no assurances that then existing warranty reserves will be sufficient to cover all claims.

VIA may become subject to product liability claims, which could harm its financial condition and liquidity if it is not able to successfully defend or insure against such claims.

Product liability claims, even those without merit or those that do not involve VIA's products, could harm VIA's business, prospects, financial condition and operating results. The automobile industry in particular experiences significant product liability claims, and VIA faces inherent risk of exposure to claims in the event VIA's electric commercial vehicles do not perform or are claimed to not have performed as expected. As is true for other commercial vehicle suppliers, VIA expects in the future that its electric commercial vehicles may be involved in crashes resulting in death or personal injury. Additionally, product liability claims that affect VIA's competitors may cause indirect adverse publicity for VIA and its products. A successful product liability claim against VIA could require VIA to pay a substantial monetary award. VIA's risks in this area are particularly pronounced given the stage of development. Moreover, a product liability claim against VIA or its competitors could generate substantial negative publicity about VIA's products and business and could have a material adverse effect on VIA's brand, business, prospects, financial condition and operating results.

VIA may incur significant costs and expenses in connection with protecting and enforcing its intellectual property rights, including through litigation. Additionally, even if VIA is able to take measures to protect its intellectual property, third parties may independently develop technologies that are the same or similar to VIA.

VIA may not be able to prevent others from unauthorized use of its intellectual property, which could harm its business and competitive position. VIA relies on a combination of trade secrets (including know-how), employee and third-party nondisclosure agreements, copyrights, trademarks, intellectual property licenses, and other contractual rights to establish and protect its rights in its technology. Despite VIA's efforts to protect its proprietary rights, third parties may attempt to copy or otherwise obtain and use VIA's intellectual property or seek court declarations that they do not infringe upon its intellectual property rights. Monitoring unauthorized use of VIA's intellectual property is difficult and costly, and the steps VIA has taken or will take may not prevent misappropriation. From time to time, VIA may have to resort to litigation to enforce its intellectual property rights, which could result in substantial costs and diversion of its resources.

Patent, trademark and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Therefore, VIA's intellectual property rights may not be as strong or as easily enforced outside of the United States. Failure to adequately protect VIA's intellectual property rights could result in its competitors offering similar products, potentially resulting in the loss of some of VIA's competitive advantage and a decrease in its revenue which, would adversely affect its business, prospects, financial condition and operating results.

VIA's vehicles will make use of lithium-ion battery cells, which can be dangerous under certain circumstances, including the possibility that such cells catch fire or vent smoke and flame.

The battery packs within VIA's electric commercial vehicles will make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While the battery pack is designed to contain any single cell's release of energy without spreading to neighboring cells, a field or testing failure of VIA's vehicles or other battery packs that it produces could occur, which could subject VIA to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion cells for automotive applications or any future incident involving lithium-ion cells, such as a vehicle or other fire, even if such incident does not involve VIA's vehicles, could seriously harm its business and reputation.

In addition, VIA intends to store its battery packs in its factories prior to installation in its electric commercial vehicles. Any mishandling of battery cells may cause disruption to the operation of VIA's factories. While VIA has implemented safety procedures related to the handling of the cells, a safety issue or fire related to the cells could disrupt its operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's electric vehicle

or energy storage product may cause indirect adverse publicity for VIA and its products. Such adverse publicity could negatively affect VIA's brand and harm its business, prospects, financial condition and operating results.

We are highly dependent upon the global transportation infrastructure to receive components and parts and/or to ship our products; delays in these shipments could adversely affect our business, prospects, financial condition, and results of operations.

We are highly dependent upon the global transportation systems we use to receive components and parts and to ship our products, including surface, ocean and air freight. Our attempts to closely match our inventory levels to our product demand intensify the need for our transportation systems to function effectively and without delay. The transportation network is subject to disruption or congestion from a variety of causes, including labor disputes or port strikes, acts of war or terrorism, natural disasters and congestion resulting from higher shipping volumes. If surface, ocean, and/or air freight transit times or delivery times increase unexpectedly for any reason, our ability to deliver products and/or receive components and parts on time would be materially adversely affected and result in delayed or lost revenue. In addition, if increases in fuel prices occur, our transportation costs would likely increase. A prolonged transportation disruption or a significant increase in the cost of freight could materially adversely affect our business, prospects, financial condition, and results of operations.

VIA may not succeed in establishing, maintaining and strengthening its brand, which would materially and adversely affect customer acceptance of its vehicles and components and its business, revenues and prospects.

VIA's business and prospects heavily depend on its ability to develop, maintain and strengthen the VIA brand. If VIA is not able to establish, maintain and strengthen its brand, it may lose the opportunity to build a critical mass of customers. VIA's ability to develop, maintain and strengthen the VIA brand will depend heavily on the success of its marketing efforts. The electric vehicle industry is intensely competitive, and VIA may not be successful in building, maintaining and strengthening its brand. VIA's current and potential competitors, particularly electric vehicle manufacturers headquartered in the United States, Japan, the European Union and China, have greater name recognition, broader customer relationships and substantially greater marketing resources than VIA does. If VIA does not develop and maintain a strong brand, its business, prospects, financial condition and operating results will be materially and adversely impacted.

VIA is likely to face competition from a number of sources, which may impair its revenues, increase its costs to acquire new customers, and hinder its ability to acquire new customers.

The vehicle electrification market has expanded significantly since VIA was founded. The commercial vehicle electrification market in which VIA operates features direct competition which includes traditional vehicle manufacturers producing electric commercial vehicles that have historically focused on the consumer market, including but not limited to Daimler AG, Volkswagen, Fiat, Ford and General Motors and electrification solution providers such as Rivian, Hyliion, Workhorse Group Inc., Nikola, and Evobus, possibly expanding into the commercial markets. If these companies or other vehicle manufacturers or providers of electrification solutions expand into the commercial markets, VIA will face increased direct competition, which may impair VIA's revenue, increase its costs to acquire new customers, hinder its ability to acquire new customers, have a material adverse effect on VIA's product prices, market share, revenue and profitability.

VIA may not be able to accurately estimate the supply and demand for its vehicles, which could result in a variety of inefficiencies in its business and hinder its ability to generate revenue. If it does fail to accurately predict its manufacturing requirements, it could incur additional costs or experience delays.

It is difficult to predict VIA's future revenues and appropriately budget for its expenses, and VIA may have limited insight into trends that may emerge and affect its business. VIA will be required to provide forecasts of its demand to its suppliers several months prior to the scheduled delivery of products to its prospective customers. Currently, there is no historical basis for making judgments on the demand for VIA's vehicles or its ability to develop, manufacture, and deliver vehicles, or VIA's profitability in the future. If VIA overestimates its requirements, its suppliers may have excess inventory, which indirectly would increase VIA's costs. If VIA underestimates its requirements, its suppliers may have inadequate inventory, which could interrupt manufacturing of its products and result in delays in shipments and revenues. In addition, lead times for materials and components that VIA's suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If VIA fails to order sufficient quantities of product components in a timely manner, the delivery of vehicles to its customers could be delayed, which would harm VIA's business, financial condition and operating results.

VIA's electric commercial vehicles will compete for market share with vehicles powered by other vehicle technologies that may prove to be more attractive than VIA's vehicle technologies.

VIA's target market currently is serviced by manufacturers with existing customers and suppliers using proven and widely accepted fuel technologies. Additionally, VIA's competitors are working on developing technologies that may be introduced in VIA's target market. Similarly, improvement in competitor performance or technology may result in the infrastructure required to operate VIA vehicles, such as for charging, becoming comparatively expensive and reducing the economic attractiveness of its vehicles. If any of these alternative technology vehicles can provide lower fuel costs, greater efficiencies, greater reliability or otherwise benefit from other factors resulting in an overall lower total cost of ownership, this may negatively affect the commercial success of VIA's vehicles or make VIA's vehicles uncompetitive or obsolete.

If any of VIA's suppliers become economically distressed or go bankrupt, VIA may be required to provide substantial financial support or take other measures to ensure supplies of components or materials, which could increase its costs, affect its liquidity or cause production disruptions.

VIA expects to purchase various types of equipment, raw materials and manufactured component parts from its suppliers. If these suppliers experience substantial financial difficulties, cease operations, or otherwise face business disruptions, VIA may be required to provide substantial financial support to ensure supply continuity or would have to take other measures to ensure components and materials remain available. Any disruption could affect VIA's ability to deliver vehicles and could increase VIA's costs and negatively affect its liquidity and financial performance.

VIA is subject to governmental export and import control laws and regulations. VIA's failure to comply with these laws and regulations could have an adverse effect on its business, prospects, financial condition and operating results.

VIA's products and solutions are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. U.S. export control laws and regulations and economic sanctions prohibit the shipment of certain products and services to U.S. embargoed or sanctioned countries, governments and persons. In addition, complying with export control and sanctions regulations for a particular sale may be time-consuming and result in the delay or loss of sales opportunities.

Exports of VIA's products and technology must be made in compliance with these laws and regulations. For example, VIA may require one or more licenses to import or export certain vehicles, components or technologies to its research and development teams in various countries and may experience delays in obtaining the requisite licenses to do so. Audits in connection with the application for licenses may increase areas of noncompliance that could result in delays or additional costs. If VIA fails to comply with these laws and regulations, VIA and certain of its employees could be subject to additional audits, substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on VIA and responsible employees or managers and, in extreme cases, the incarceration of responsible employees or managers.

As VIA expands, it may encounter unforeseen import/export charges, which could increase its costs and hamper its profitability. In addition, changes in VIA's products or solutions or changes in applicable export or import laws and regulations may create delays in the introduction and sale of VIA's products and solutions in new territories, increase costs due to changes in import and export duties and taxes, prevent VIA's customers from deploying VIA's products and solutions or, in some cases, prevent the export or import of VIA's products and solutions to certain countries, governments or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of VIA's products and solutions or in VIA's decreased ability to export or sell its products and solutions to customers.

Any decreased use of VIA's products and solutions or limitation on its ability to export or sell its products and solutions would likely adversely affect VIA's business, prospects, financial condition and operating results.

We may be subject to damages resulting from claims that it or its employees have wrongfully used or disclosed alleged trade secrets of its employees' former employers.

Many of our employees were previously employed by competitors or by suppliers to competitors. We may be subject to claims that it or these employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could severely harm its business. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

Increased safety, emissions, fuel economy or other regulations may result in higher costs, cash expenditures and/or sales restrictions.

The motorized vehicle industry is governed by a substantial amount of government regulation, which often differs by state and region. Government regulation has arisen, and proposals for additional regulation are advanced, primarily out of concern for the environment, vehicle safety and energy independence. In addition, many governments regulate local product content and/or impose import requirements as a means of creating jobs, protecting domestic producers and influencing the balance of payments. The cost to comply with existing government regulations is substantial, and future, additional regulations could have a substantial adverse impact on VIA's financial condition. For example, VIA is, and will be, subject to extensive vehicle safety and testing and environmental regulations in the United States, Canada, Mexico and other jurisdictions in which it may sell its vehicles.

Any unauthorized control or manipulation of the information technology systems in our electric vehicles could result in loss of confidence in us and our electric vehicles and harm our business.

Our electric vehicles contain complex information technology systems and built-in data connectivity to accept and install periodic remote updates to improve or update functionality. We have designed, implemented and tested security measures intended to prevent unauthorized access to our information technology networks, our electric vehicles and related systems. However, hackers may attempt to gain unauthorized access to modify, alter and use such networks, trucks and systems to gain control of or to change our electric vehicles' functionality, user interface and performance characteristics, or to gain access to data stored in generated by the vehicles. Future vulnerabilities could be identified and our efforts to remediate such vulnerabilities may not be successful. Any unauthorized access to or control of our electric vehicles, or any loss of customer data, could result in legal claims or proceedings and remediation of such problems could result in significant, unplanned capital expenditures. In addition, regardless of their veracity, reports of unauthorized access to our electric vehicles or data, as well as other factors that may result in the perception that our electric vehicles or data are capable of being "hacked," could negatively affect our brand and harm our business, prospects, financial condition and operating results.

VIA does not currently have a third-party retail product distribution network.

Third-party dealer networks are the traditional method of vehicle sales distribution. However, VIA does not currently have a traditional third-party retail product distribution network and may sell directly to commercial fleet operators and fleet management companies. If VIA does not engage a traditional third-party retail product distribution network, it will have to build an in-house sales and marketing function at VIA, which may be expensive and time consuming. In addition, if VIA does not engage a traditional third-party retail product distribution network, the lack of such network may result in lost opportunities to generate sales and could limit VIA's ability to grow. If VIA uses only an in-house sales and marketing team and such team is not effective, VIA's results of operations and financial conditions could be adversely affected.

Our insurance strategy may not be adequate to protect itself from all business risks.

In the ordinary course of business, we may be subject to losses resulting from product liability, accidents, acts of God and other claims against us, for which we may have limited or no insurance coverage. We may not maintain as much insurance coverage as other OEMs do, and in some cases, we may not maintain any at all. Additionally, the policies that we do have may include significant deductibles, and we cannot be certain that its insurance coverage will be sufficient to cover all future claims against us. A loss that is uninsured or exceeds policy limits may require us to pay substantial amounts, which could adversely affect our business, prospects, financial condition and operating results.

VIA does not currently offer leasing and financing options for its vehicles, and it may be unable to offer attractive leasing and financing options in the future, which would adversely affect consumer demand for its vehicles. In addition, offering leasing and financing options to customers in the future could expose VIA to credit risk.

VIA currently does not have any arrangements in place to provide leasing and financing options for the purchases of its vehicles and cannot provide any assurance that may have leasing and financing options available for its potential customers in the future. VIA believes that the ability to offer attractive leasing and financing options is particularly relevant to customers in the vehicle market in which it competes, and if it is unable to offer its customers an attractive option to finance the purchase of or lease its future vehicles, such failure could substantially reduce the population of potential customers and decrease demand for its vehicles and adversely affect its results of operation and financial condition.

If there is inadequate access to charging stations, VIA's business could be materially and adversely affected.

Demand for VIA's vehicles will depend in part on the availability of charging infrastructure as its vehicles will require the use of charging stations to recharge its batteries. VIA has not built, and currently does not plan to build, any commercial charging infrastructure, and VIA's customers will have to rely on self-owned and publicly accessible charging infrastructure. While the prevalence of public charging stations has been increasing, they are significantly less widespread than gas stations. In addition, many of VIA's potential customers do not currently have a sufficient self-owned charging infrastructure in place to meet their individual needs or expectations. As a result, some potential customers may choose not to purchase VIA's vehicles because of the lack of a more widespread public charging infrastructure at the time of sale or the cost of installing a sufficient self-owned charging infrastructure, adversely affecting VIA's growth, results of operation and financial condition.

Regulatory requirements may have a negative effect upon our business.

All vehicles sold must comply with international, federal and state motor vehicle safety standards. In the United States, vehicles that meet or exceed all federally mandated safety standards are certified under the federal regulations. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving federal certification. The VIA vehicles will be subject to substantial regulation under federal, state and local laws and standards. These regulations include those promulgated by the U.S. EPA, the NHTSA, the PHMSA and various state boards, and compliance certification is required for each new model year. These laws and standards are subject to change from time to time, and we could become subject to additional regulations in the future. In addition, federal, state and local laws and industrial standards for electric vehicles are still developing. Compliance with these regulations and standards could be challenging, burdensome, time consuming and expensive. If compliance results in delays or substantial expenses, our business, prospects, financial condition, and results of operations could be adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved Staff Comments.

ITEM 1C. CYBERSECURITY

We have established policies and processes for assessing, identifying, and managing material risk from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. We routinely assess material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein.
We conduct periodic risk assessments to identify cybersecurity threats, as well as assessments in the event of a material change in our business practices that may affect information systems that are vulnerable to such cybersecurity threats. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks.
Following these risk assessments, we re-design, implement, and maintain reasonable safeguards to minimize identified risks; reasonably address any identified gaps in existing safeguards; and regularly monitor the effectiveness of our safeguards. Primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with our VP of IT, software and telematics who reports to our Chief Executive Officer, to manage the risk assessment and mitigation process.
We engaged consultants, or other third parties in connection with our risk assessment processes. These service providers assist us to design and implement our cybersecurity policies and procedures.
We have not encountered cybersecurity challenges that have materially impaired our operations or financial standing.

Governance

Our board of directors addresses the Company's cybersecurity risk management as part of its general oversight function. The board of directors' audit committee is responsible for overseeing Company's cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats.
Our cybersecurity risk assessment and management processes are implemented and maintained by certain Company management, including the information technology team at the direction of our Chief Executive Officer. Our executive team including our Chief Executive Officer, and Chief Financial Officer are responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company's overall risk management strategy, and communicating key priorities to relevant personnel. This executive team is responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response and vulnerability management policies are designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including our Chief Executive Officer, and Chief Financial Officer. In addition, the Company's incident response and vulnerability management policies include reporting to the audit committee of the board of directors for certain cybersecurity incidents including significant breaches to the Company's networks or systems. The audit committee receives regular reports from the information technology team concerning the Company's significant cybersecurity threats and risk and the processes the Company has implemented to address them. The audit committee also has access to various reports, summaries or presentations related to cybersecurity threats, risk and mitigation.

ITEM 2. PROPERTIES

We are headquartered in New York, New York. Our principal facilities include properties in North America, Europe and Asia for manufacturing and assembly, warehousing, engineering, retail and service locations and administrative and sales offices. Our facilities are suitable and adequate for the conduct of our business. We primarily lease all facilities. The following table sets forth our primary facilities:

Subsidiary	Facility	Location
Energica US	Distributor and service	San Francisco, CA
Solectrac	HQ and manufacturing	Windsor, CA
WAVE	HQ and manufacturing	Salt Lake City, Utah
Energica Italy	Manufacturing	Soliera, Italy

ITEM 3. LEGAL PROCEEDINGS

Refer to **Note 20** of the Notes to Consolidated Financial Statements included in Part 2, Item 8 of this Annual Report on Form 10-K, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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

Approximate Number of Holders of Our Common Stock

As of June 13, 2024, there were approximately 735 holders of record of the Company's common stock. This number excludes the shares of the Company's common stock beneficially owned by shareholders holding stock in securities trading accounts through DTC, or under nominee security position listings.

Dividend Policy

The Company has never declared or paid a cash dividend. Any future decisions regarding dividends will be made by the Company's Board. The Company currently intends to retain and use any future earnings for the development and expansion of the business and does not anticipate paying any cash dividends in the foreseeable future. The Company's Board has complete discretion on whether to pay dividends, subject to the approval of the Company's shareholders. Even if the Company's Board decides to pay dividends, the form, frequency and amount will depend upon future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board may deem relevant. In addition, the Company's ability to declare and pay dividends is dependent on the Company's ability to declare dividends and profits in the PRC subsidiaries. PRC rules may greatly restrict and limit the ability of the Company's subsidiaries to declare dividends which, in addition to restricting the Company's cash flow, limits its ability to pay dividends to its shareholders.

Securities Authorized for Issuance Under Equity Compensation Plans

See Part III—Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters —"Securities Authorized for Issuance Under Equity Compensation Plans" of this Annual Report on Form 10-K.

Recent Sales of Unregistered Securities

The Company did not sell any equity securities during the fiscal year ended December 31, 2023 that were not previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K that was filed during the 2023 fiscal year.

Purchases of Equity Securities

No repurchases of the Company's common stock were made in the year ended December 31, 2023.

ITEM 6. [RESERVED]

PART II

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

The following management's discussion and analysis is presented in five sections as below and should be read in conjunction with our consolidated financial statements and the notes thereto and the other financial information appearing elsewhere in this report on Form 10-K. In addition to historical information, the following discussion contains certain forward-looking information. See "Special Note Regarding Forward Looking Statements" above for certain information concerning those forward-looking statements.

- *Overview*
- *Results of Operations*
- *Liquidity and Capital Resources*
- *Outlook*
- *Critical Accounting Policies and Estimates*

OVERVIEW

Ideanomics is an American company, headquartered in New York. Ideanomics has a clear mission – to accelerate the commercial adoption of electric vehicles.

The Company's EV and technology acquisitions during 2023, 2022 and 2021 completed the foundation for its EV, and energy and charging services offering.

The Company believes its largest addressable market opportunity is local and last-mile delivery vehicles and associated charging products for last- and middle-mile delivery vehicles. The Company's vehicles and charging systems will provide fleet operators with confidence that EV can deliver what their business requires, affordably and reliably. The local delivery market is expected to continue to grow at a fast pace, as more retailers seek to offer greater convenience to customers.

Additionally, due to market conditions across the EV industry, Ideanomics Management believes that the aggregate intrinsic value of its subsidiaries exceeds the current public market capitalization. This valuation discrepancy, as observed by the Company, is based on internal and external assessments of the underlying businesses, attributable IP, and their potential for growth and profitability. In line with this perspective and in the best interest of enhancing shareholder value, the Company is actively considering inbound inquiries and working with outside advisors for direct strategic investment into, and the potential divestment of some of these subsidiary entities.

In pursuing the above-described strategy, the Company expects the additional capital from direct strategic investment and divestment to strengthen its financial position. It expects this to enable its continued focus on the large addressable market opportunity in local and last-mile delivery and be prepared to capture market share as customer demand increases. This demand is driven by current and future legislative timelines which phase out commercial vehicles powered by fossil fuels in favor of clean energy technologies such as battery electric vehicles (BEV). Leveraging its extensive experience and expertise in the electric vehicle market, the Company remains poised to explore potential growth opportunities in related fields. Should it identify promising innovative technology companies in adjacent sectors, such as artificial intelligence and other key technologies relevant to the mobility market, the Company intends to explore strategic partnerships or acquisitions to enhance their offerings and deliver increased value to its shareholders.

Principal Products or Services and Their Markets

WAVE Charging

Founded in 2011, and headquartered in Salt Lake City, Utah, WAVE Charging is a leading provider of high-power inductive (wireless) charging solutions for medium and heavy-duty EVs. Embedded in-route on public roads and at depot facilities, the WAVE system automatically charges vehicles during scheduled stops without the inconvenience of cable-based systems. The hands-free WAVE system improves operational efficiency of electric vehicles and enables fleets to achieve extended duty cycles comparable to those of traditional ICE commercial vehicles. This is believed to be a key step in enabling perpetual operations for fleets, and an enabling technology for autonomous freight and autonomous warehouse operations.

Deployed since 2012, WAVE has demonstrated the capability to develop and integrate high-power charging systems into heavy-duty EVs from leading commercial EV manufacturers. WAVE provides custom fleet solutions for mass transit, logistics, airport and campus shuttles, drayage fleets, and off-road vehicles at ports and industrial sites.

Since the acquisition of WAVE in January 2021, the Company has continued investment in engineering, facilities and production resources, including continuous development programs improving technology, reducing cost and scaling manufacturing. These investments and programs are necessary to meet current and anticipated demand for WAVE's high power inductive wireless charging products. WAVE has continued to develop its high-powered induction capabilities beyond 250kW, successfully delivering systems at 125kW and 500kW. To support widespread adoption, WAVE is developing relationships with additional OEM partners to facilitate the integration of its vehicle-side hardware. Additionally, WAVE is pursuing interoperability between its systems so WAVE-enabled vehicles may access wireless charging regardless of the power level of a given WAVE system.

WAVE is currently deploying projects with large logistics fleets to pursue scalable market opportunities in the local and last-mile delivery market, in addition to customers in the transit, port, and other specialist markets.

VIA Motors

Acquired in January 2023, VIA Motors is a leading commercial electric vehicle company with proven advanced electric drive technology, delivering sustainable mobility solutions for a more livable world. VIA designs and markets commercial electric vehicles and technology, with superior life-cycle economics, for use across a broad cross-section of the global fleet customer base.

With its acquisition of VIA Motors, Ideanomics has acquired a business which has developed a proprietary commercial battery electric skateboard architecture in the high-growth Class 2 to 5 commercial EV segment. The skateboard architecture provides an opportunity to customize the vehicle configuration in a van or cab/chassis to meet specific customer needs. VIA is well advanced in the development and validation of the product and has attracted potential opportunities to both sell direct to market as well as license its vehicle platform to incumbent vehicle manufacturers seeking to enter the class 2 to 5 commercial vehicle segment.

Energica

Acquired in March 2022, Energica is an electric motorcycle company based in Modena, Italy, that has been recognized with multiple awards as one of the world's leading electric motorcycle manufacturers.

In addition to its popularity with motorcycle enthusiasts, Energica is building its reputation as a leading electric motorcycle provider to law enforcement. Its high-performance motorcycles are being used by several police forces around the world. Energica captured the attention of the global law enforcement market in 2022 when it provided 88 electric motorcycles to the Indonesian Police Department for use during the G20 Summit, resulting in additional sales and interest from police fleets globally.

Its Energica Inside business unit is helping OEMs quickly and affordably bring to market a new generation of electric vehicles, including watercraft, aircraft, passenger and urban mobility vehicles - all built around Energica's EV engineering and technology. Energica Inside has several announced projects underway in the aviation, nautical, and two-wheeler industries.

Energica plans to continue expanding its global distribution network, accelerate production and sales and introduce new models and new EV technology.

Ideanomics owns a majority stake in Energica with over 70% ownership, and the founders, including Energica's management owning the balance of the Company's equity.

Solectrac

Acquired in June 2021, Solectrac is a California-based assembler and distributor of electric powered tractors and is a certified B Corp. As a first mover, Solectrac has built a leadership position in the North American electric tractor market. Solectrac has begun the development of a new tractor range, an innovative electric two-wheel tractor, and electrified implements.

Due to shifting market conditions, Solectrac has decided to shift its focus away from building a national dealer/distributor network to a direct-to-customer strategy supported by a small number of dealers in geographic regions where adoption of the

technology is greater. This shift ensures the Company can provide excellent service and support to its customers. Solectrac's direct customer sales are further supported by government programs designed to incentivize electrification.

Immaterial Corrections of Prior Period Financial Statements

Please refer to **Note 2** for information relating to Immaterial Corrections of Prior Period Financial Statements.

Information about segments

The Company's chief operating decision maker (CODM) has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company. Therefore, the Company operates in one segment.

Liquidity and Going Concern

The accompanying consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Pursuant to the requirements of the ASC 205, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued.

This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

As of December 31, 2023, the Company had cash and cash equivalents of approximately $1.2 million. Approximately $1.2 million was held in accounts outside of the United States, primarily in Italy. The Company also had accounts payable and accrued expenses of $64.3 million, other current liabilities of $13.2 million, current contingent consideration of $0.7 million, lease payments due within the next twelve months of $3.2 million, and payments of short-term and long-term debt due within the next twelve months of $24.5 million. The Company had a net loss from continuing operation of $204.9 million for the year ended December 31, 2023, and an accumulated deficit of $1,090.6 million.

The Company believes that its current level of cash and cash equivalents are not sufficient to fund continuing operations. The Company will need to bring in new capital to support its growth and, as evidenced from its successful capital raising activities in 2020 and 2021, believes it has the ability to continue to do so. However, there can be no assurance that this will occur.

The Company has various vehicles through which it could raise a limited amount of equity funding, however, these are subject to market conditions which are not within management's control. Management continues to seek to raise additional funds through the issuance of equity, mezzanine or debt securities. As we seek additional sources of financing, there can be no assurance that such financing would be available to us on favorable terms or at all. Our ability to obtain additional financing in the debt and equity capital markets is subject to several factors, including market and economic conditions, our performance and investor sentiment with respect to us and our business and industry. These factors individually and collectively raise substantial doubt about the Company's ability to continue as a going concern.

The Company has experienced greater net losses and negative cash flows from operating and investing activities in the year ended December 31, 2023, consistent with its business plan for ongoing activities and planned acquisitions. As of the date of the filing of this Form 10-K, securing additional financing is in progress, and as such management has limited the extent to which it is taking actions to delay, scale back, or abandon future expenditures. As such, management's actions to preserve an adequate level of liquidity for a period extending twelve months from the date of the filing of this Form 10-K are no longer sufficient on their own without additional financing, to mitigate the conditions raising substantial doubt about the Company's ability to continue as a going concern. We currently do not have adequate cash to meet our short or long-term needs. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

The Company's ability to raise capital is critical. The Company has raised approximately $30 million, since the beginning of the first quarter 2023, including the sale of preferred shares, issuance of a convertible note, the sale of financial assets and the sale of shares under the SEPA.

Although management continues to use these facilities and other opportunities to raise additional capital through a combination of debt financing, other non-dilutive financing and/or equity financing to supplement the Company's capitalization and liquidity, management cannot conclude as of the date of this filing that its plans are probable of being successfully implemented.

The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

We believe substantial doubt exists about the Company's ability to continue as a going concern for twelve months from the date of issuance of our financial statements.

Principal Factors Affecting Our Financial Performance

Our business is expected to be impacted by both macroeconomic and Ideanomics-specific factors. The following factors have been part of the transformation of the Company which affected the results of our operations in the years ended December 31, 2023 and 2022:

- ***Our ability to transform our business and to meet internal or external expectations of future performance.*** In connection with this transformation, we are in the process of considerable changes, which include assembling a new management team in the United States and overseas, reconfiguring our business structure, continuing to further enhance our controls, procedures, and oversight during this transformation, and expanding our mission and business lines for continued growth. It is uncertain whether these efforts will prove beneficial or whether we will be able to develop the necessary business models, infrastructure and systems to support our businesses. To succeed, among other things, we will need to have or hire the right talent to execute our business strategy. Market acceptance of new product and service offerings will be dependent in part on our ability to include functionality and usability that address customer requirements, and optimally price our products and services to meet customer demand and cover our costs.

- ***Our ability to remain competitive.*** We will continue to face intense competition: these new technologies are constantly evolving, and our competitors may introduce new platforms and solutions that are superior to ours. In addition, our competitors may be able to adapt more quickly to new technologies or may be able to devote greater resources to the development, marketing and sale of their products than we can. We may never establish and maintain a competitive position in the hybrid financing and logistics management businesses.

- ***The fluctuation in earnings resulting from divestitures and asset sales, acquisitions, strategic equity investments, the formation of joint ventures, and in-licenses of technology***. Our results of operations may fluctuate from period to period based on our entry into new transactions to expand our business. In addition, while we intend to contribute cash and other assets to our investments, we do not intend for our holding company to conduct significant research and development activities. In general, we intend research and development activities to be conducted by our technology partners and licensors. These fluctuations in growth or costs and in our investments and partnerships may contribute to significant fluctuations in the results of our operations.

Taxation

United States

Ideanomics, Inc. and its US subsidiaries are subject to the provisions of the Internal Revenue Code. The Company has accumulated losses and has determined its losses more likely than not to be unutilized and has place a valuation allowance against its deferred tax assets.

With the acquisition of VIA Motors in 2023 it immediately became includable in the consolidated federal tax group of Ideanomics. This acquisition resulted in the recognition of $4.2 million of deferred tax liabilities. The federal deferred tax liabilities are available to utilize some losses from previous years and are recorded net of the valuation allowance. At December

31, 2023, due to impairment and amortization of the acquired intangible assets of VIA Motors, an income tax benefit of $4.2 million resulted from a reduction of the deferred tax liabilities previously recorded.

During the year ended December 31, 2022, there was an income tax benefit of $7.7 million, principally consisting of the reduction, through amortization or impairment of intangible assets, of federal deferred tax liabilities recognized in previous acquisitions that had not allowed for the release of Ideanomics' valuation allowances.

TCJA includes provision for GILTI under which taxes on foreign income are imposed on the excess of a deemed return on tangible assets of certain foreign subsidiaries. TCJA also enacted the BEAT under which taxes are imposed on certain base eroding payments to related foreign companies, subject to certain requirements.

Based on 2023 and 2022 financial results, the Company has determined that there is no GILTI or BEAT tax liability.
In addition, the TCJA now entitles U.S. companies that owns 10.0% or more of a foreign corporation a 100% dividends-received deduction for the foreign-source portion of dividends paid by such foreign corporation. Also, NOLs arising after December 31, 2017 are deductible only to the extent of 80.0% of the taxpayer's taxable income, and may be carried forward indefinitely but generally not allowed to be carried back.

Cayman Islands and the British Virgin Islands

Under current laws of the Cayman Islands and the British Virgin Islands, the Company is not subject to tax on its income or capital gains. In addition, dividend payments are not subject to withholding tax in the Cayman Islands or British Virgin Islands.

Hong Kong

The Company's subsidiaries incorporated in Hong Kong are subject to Profits Tax of 16.5%. All of the Hong Kong subsidiaries' activities relate to support and ownership of businesses outside of Hong Kong, and consequently their expenses do not create operating loss carryovers.

The PRC

Under the PRC's EIT Law, the Company's Chinese subsidiaries are subject to an EIT of 25.0%.

The Company's future effective income tax rate depends on various factors, such as tax legislation, geographic composition of its pre-tax income and non-tax deductible expenses incurred. The Company's management regularly monitors these legislative developments to determine if there are changes in the statutory income tax rate.

During the years ended December 31, 2023 and 2021, all of the Company's PRC subsidiaries incurred losses that created operating loss carryovers. Certain of the subsidiaries had previously established operating loss carryovers expire as PRC loss carryovers are generally allowed to be carried over five years. The deferred tax assets related to the operating loss carryovers have been fully offset by valuation allowances meaning that there was no income tax expense or benefit for the Company's PRC subsidiaries these years.

Malaysia

During the year ended December 31, 2022 Tree Technologies recorded a $4.2 million deferred tax benefit, resulting from the full impairment of the land-use rights that are the source of Tree Technologies' net deferred tax liabilities.

Italy

At the acquisition of Energica, with its US subsidiary, in 2022, intangible assets were recognized for financial reporting purposes that were not recognized for income tax purposes. This, in combination with some smaller temporary differences, resulted in the recognition of $6.4 million deferred tax liabilities.

During the year ended December 31, 2023, Energica provided an income tax benefit of approximately $1.1 million, based on the reduction of the deferred tax liabilities due to impairment and amortization of the intangible assets and net operating loss carryovers that would offset the deferred tax liabilities.

RESULTS OF OPERATIONS

Comparison of Years Ended December 31, 2023 and 2022 (USD in thousands, except per share amounts)

For the years ended December 31,	2023	2022(restated)	Amount Change	% Change
Revenue	$ 15,459	$ 19,015	$ (3,556)	(19)%
Cost of revenue	18,173	22,373	(4,200)	(19)%
Gross profit	**(2,714)**	**(3,358)**	**644**	(19)%
Operating expenses:				
Selling, general and administrative expenses	83,780	113,573	(29,793)	(26)%
Research and development expense	10,191	3,792	6,399	169 %
Asset impairments	163,984	63,847	100,137	157 %
Goodwill impairments	13,712	22,662	(8,950)	(39)%
Change in fair value of contingent consideration, net	(73,768)	(131)	(73,637)	56211 %
Litigation settlements	89	225	(136)	(60)%
Depreciation and amortization	16,752	5,308	11,444	216 %
Total operating expenses	**214,740**	**209,276**	**5,464**	3 %
Loss from operations	**(217,454)**	**(212,634)**	**(4,820)**	2 %
Interest and other income (expense):				
Interest income	316	3,449	(3,133)	(91)%
Interest expense	(4,307)	(2,909)	(1,398)	48 %
Loss on disposal of subsidiaries, net	(1,152)	(217)	(935)	431 %
Gain on remeasurement of investment	—	10,965	(10,965)	(100)%
Other income, net	12,505	865	11,640	1346 %
Loss before income taxes and non-controlling interest	**(210,092)**	**(200,481)**	**(9,611)**	5 %
Income tax benefit	5,242	1,574	3,668	233 %
Impairment of and equity in loss of equity method investees	—	(14,726)	14,726	(100)%
Net loss from continuing operations	**(204,850)**	**(213,633)**	**8,783**	(4)%
Net loss from discontinued operations, net of tax	(29,276)	(68,452)	39,176	(57)%
Net loss	**(234,126)**	**(282,085)**	47,959	(17)%
Net loss attributable to common shareholders	**(234,126)**	**(282,085)**	**47,959**	(17)%
Net loss attributable to non-controlling interest	10,297	21,425	(11,128)	(52)%
Net loss attributable to Ideanomics, Inc. common shareholders	**$ (223,829)**	**$ (260,660)**	**$ 36,831**	(14)%

Revenues (USD in thousands)

For the years ended December 31,	2023	2022	Amount Change
Electric vehicles products	$ 3,328	$ 4,830	$ (1,502)
Electric vehicles services	72	—	72
Electric motorcycle products and services	7,590	10,435	(2,845)
Electric motorcycle sponsorship services	743	1,075	(332)
Charging, battery and powertrain products	2,932	849	2,083
Charging, battery and powertrain services	30	1,482	(1,452)
Other revenue	764	344	420
Total	$ 15,459	$ 19,015	$ (3,556)

Revenue for the year ended December 31, 2023 was $15.5 million as compared to $19.0 million for the year ended December 31, 2022, a decrease of $3.6 million. During the year ended December 31, 2023, the Company earned revenues of $3.3 million from sales of EV products as compared to $4.8 million for the year ended December 31, 2022, a decrease of $1.5 million. The decrease was driven by lack of available capital to increase sales, as well as overall market challenges. Revenues from the Electric Motorcycle Product, services, and sponsorship service lines were generated almost exclusively from Energica, experiencing a softer market for the year ended December 31, 2023.

Cost of revenue (USD in thousands)

For the years ended December 31,	2023	2022	Amount Change
Electric vehicles products	$ 4,049	$ 5,048	$ (999)
Electric vehicles services	39	—	39
Electric motorcycle products and services	11,216	14,050	(2,834)
Electric motorcycle sponsorship services	19	—	19
Charging, battery and powertrain products	2,500	2,030	470
Charging, battery and powertrain services	—	871	(871)
Other revenue	350	374	(24)
Total	$ 18,173	$ 22,373	$ (4,200)

Cost of revenues was $18.2 million for the year ended December 31, 2023, as compared to $22.4 million for the year ended December 31, 2022. The cost of revenues increased by $4.2 million. Cost from the Electric Motorcycle Product, services, and sponsorship service lines were generated almost exclusively from Energica, experiencing a softer market for the year ended December 31, 2023.

Gross profit (USD in thousands)

For the years ended December 31,	2023	2022	Amount Change
Electric vehicles products	$ (721)	$ (218)	$ (503)
Electric vehicles services	33	—	33
Electric motorcycle products and services	(3,626)	(3,615)	(11)
Electric motorcycle sponsorship services	724	1,075	(351)
Charging, battery and powertrain products	432	(1,181)	1,613
Charging, battery and powertrain services	30	611	(581)
Other revenue	414	(30)	444
Total	$ (2,714)	$ (3,358)	$ 644

Gross profit ratio

For the years ended December 31,	2023	2022
Electric vehicles products	(21.7)%	(4.5)%
Electric vehicles services	45.8 %	n/m
Electric motorcycle products and services	(47.8)%	(34.6)%
Electric motorcycle sponsorship services	97.4 %	100.0 %
Charging, battery and powertrain products	14.7 %	(139.1)%
Charging, battery and powertrain services	100.0 %	41.2 %
Other revenue	54.2 %	(8.7)%
Total	(17.6)%	(17.7)%

Gross profit for the year ended December 31, 2023 was $(2.7) million, as compared to gross profit of $(3.4) million for the year ended December 31, 2022. The gross profit ratio for the year ended December 31, 2023 was (17.6)%, as compared to gross profit of (17.7)% for the year ended December 31, 2022. The decrease was driven by decreased revenue from lack of available capital to invest in the operating companies, as well as overall challenging market conditions.

Selling, general and administrative expenses

Our selling, general and administrative expense for the year ended December 31, 2023 was $83.8 million as compared to $113.6 million for the year ended December 31, 2022, a decrease of $29.8 million. The decrease was mainly due to the cost saving effort across the Company, which resulted in the decreased compensation and benefits costs, stock compensation expense, professional fees and marketing and other expense, partially offset by the expense incurred in VIA that was acquired in Jan 2023.

Research and development expense

Research and development expense for the year ended December 31, 2023 was $10.2 million as compared to $3.8 million for the year ended December 31, 2022 an increase of $6.4 million. The increase is mainly due to research and development expense incurred in VIA motors.

Asset Impairments and Goodwill Impairments

The following table summarizes the impairment losses recorded in the years ended December 31, 2023 and 2022, (in thousands):

Asset Impaired	Note	Caption	Amount	
			2023	2022
Equity method investments		Impairment of and equity in loss of equity method investees	$ —	$ 11,748
Intangible assets	Note 11. Goodwill and Intangible Assets	Asset Impairment	121,387	2,634
Goodwill	Note 11. Goodwill and Intangible Assets	Goodwill impairment	13,712	22,661
Right of use assets	Note 12. Leases	Asset impairment	7,645	—
Office furniture, equipment and Contraction in progress	Note 10. Property and Equipment, net	Asset impairment	586	—
Available for sale securities		Asset Impairment	—	69
Other		Asset impairment	47	12
Notes receivable from related parties	Note 6. Notes receivable from third parties	Asset impairment	27,400	61,132
Cost method investments		Asset Impairment	6,919	—
Total			$ 177,696	$ 98,256

Additional information related to the impairment losses recorded in the years ended December 31, 2023 and 2022 is as follows:

Year Ended December 31, 2023

- The Company recorded impairment loss of $10.7 million related to VIA Motors goodwill and $3.0 million related to Energica goodwill.
- The Company recorded impairment loss of $104.4 million related to VIA Motors intangible assets and $17.0 million related to Energica intangible assets
- The Company recorded impairment loss of $27.4 million related to VIA Motors notes.
- The Company recorded impairment loss of $6.9 million related to VIA Motors investment.

Year Ended December 31, 2022

- The Company recorded impairment loss of $22.7 million related to Energica.
- The Company recorded impairment loss of $48.9 million related to VIA Motors notes, $11.6 million related to Inobat notes and 0.7 million related to FNL notes.
- The Company recorded impairment loss of $1.9 million related to FNL investment, $6.7 million related to Prettl investment and $3.1 million related to MDI investment.
- The Company recorded $2.4 million software impairment loss.

Change in fair value of contingent consideration, net

For the year ended December 31, 2023, the change in fair value of contingent consideration, net was a decrease of $73.8 million. That mainly due to the remeasurement of the contingent consideration payable to the former VIA Motors shareholders.

For the year ended December 31, 2022, the change in fair value of contingent consideration, net was a loss of $0.1 million, this mainly represents a remeasurement of the contingent consideration payable to the former Tree Technology shareholders.

Depreciation and amortization

Depreciation and amortization for the year ended December 31, 2023 was $16.8 million as compared to $5.3 million for the year ended December 31, 2022, an increase of $11.4 million. The increase was mainly the increase in amortization and depreciation expense recorded by VIA Motors, which was acquired in January 2023.

Loss from operations

Loss from operations for the year ended December 31, 2023 was $217.5 million as compared to loss of $212.6 million for the year ended December 31, 2022 an increase of $4.8 million. The increased loss from operations is mainly due to a decrease in selling, general and administrative expenses, contingent consideration remeasurement gain, which was partially offset by the increased impairment expense.

Interest income

Interest income for the year ended December 31, 2023 was $0.3 million as compared to $3.4 million for the year ended December 31, 2022, an decrease of $3.1 million. The decrease was mainly due to the decreased notes receivable.

Interest expense

Interest expense for the year ended December 31, 2023 was $4.3 million as compared to $2.9 million for the year ended December 31, 2022, a increase of $1.4 million. The increase was mainly due to more debts incurred in 2023 which resulted in the increased interest expense and discount amortization

The following table summarizes the breakdown of the interest expense (in thousands):

	Year ended December 31, 2023	Year ended December 31, 2022
Interest	$ 2,117	$ 1,798
Amortization of discount	1,598	1,111
Total	$ 3,715	$ 2,909

(Loss) gain on disposal of subsidiaries, net

The following table summarizes gains and (losses) recorded in “Loss on disposal of subsidiaries, net” in the years ended December 31, 2023 and 2022 (in thousands):

Subsidiary	Year ended December 31, 2023	Year ended December 31, 2022
Seven Stars Energy PTD LTD.		$ (180)
Timios	1,152	—
Other	—	(37)
Total	$ 1,152	$ (217)

(Loss) gain on disposal of subsidiaries was a gain of $1.2 million for year ended December 31, 2023, mainly represents the disposal loss of Timios, including 2.9 million gain recognized in the discontinued operation, the Company recognized $1.7 million gain related to Timios disposal in the year ended December 31, 2023.

Gain on remeasurement of investment

Gain on remeasurement of investment was $11.0 million for the year ended December 31, 2022 which resulted from the remeasurement of the Company's investment in Solectrac to its fair value as of the date the Company obtained the remainder of the Solectrac shares outstanding and commenced consolidating Solectrac.

There were no such remeasurements for the year ended December 31, 2023.

Other income (expense), net

Other income (expense), net was $12.5 million for the year ended December 31, 2023 as compared to $0.9 million for year ended December 31, 2022, a increase of $11.6 million. The increase is mainly is due to $4.5 million D&O insurance recovery and $5.3 million gain from Inobat note settlement..

Income tax (expense) benefit

In the year ended December 31, 2023, the income tax benefit of $5.2 million is mainly due to a $4.2 million income tax benefit from VIA Motors and $1.1 million tax benefit from Energica, almost entirely from the reduction of deferred tax liabilities that accompanied a reduction, through impairment of charges, of intangible assets that did not have income tax basis.

In the year ended December 31, 2022, the income tax benefit of $1.6 million is mainly due to a $3.6 million income tax benefit from Energica, including its U.S. subsidiary, and a $2.0 million income tax expense from Ideanomics. The Energica benefit consists of 1) a $1.0 million benefit from amortization of various intangible assets resulting in a reversal of deferred tax liabilities recognized when the intangible assets were first recorded in acquisition of Energica and 2) a $2.5 million benefit from net operating losses creating carryovers that could offset part of Energica’s remaining deferred tax liabilities.

The Company had established a 100.0% valuation allowance against its net deferred tax assets due to its history of pre-tax losses and the likelihood that the deferred tax assets will not be realized.

Impairment of and equity in loss of equity method investees

Impairment of and equity in loss of equity method investments for the year ended December 31, 2022 was $14.7 million. It mainly represents impairment and equity pick-up loss from the equity investment.

There were no such activities in 2023.

Net loss from discontinued operations, net of tax

Net loss from discontinued operation was $29.3 million for the year ended December 31, 2023 compared to a net loss of $68.5 million for the year ended December 31, 2022. The decrease is mainly due to the reduced losses incurred in China, Tree Technology and Timios.

Net (income)/loss attributable to non-controlling interest

Net (income)/loss attributable to non-controlling interests was a $10.3 million loss in the year ended December 31, 2023 as compared to a $21.4 million loss for the year ended December 31, 2022. The decrease is due to the reduced losses incurred in Tree Technology and Energica. Tree Technology and Energica has significant impairment loss in 2022.

Restructuring of PRC and Tree Technology Operations

On September 12, 2022, the Board authorized management to pursue a plan to restructure the current EV resale activities in China. This change in the scope of activities in China significantly reduced in the number of operating entities, a simplification of the legal entity structure and a pivot to margin expansion opportunities. In the second quarter of 2023, the Company decided to wind down Tree Technology business,

The restructuring costs are mainly employee termination cost. Employee termination benefits were recorded based on statutory requirements, completed negotiations and Company policy. The following table summarizes the charges in connection with its employee termination cost (in thousands):

	Years ended	
	December 31, 2023	December 31, 2022
Balance at the beginning of the period	1,056	—
Increase/(decrease)	608	1,056
Payment	(1,268)	—
Balance at the end of the period	396	1,056

As of December 31, 2023, China and Tree Technology had completed all expected run-off activities and consequently was classified as a discontinued operation. For further details, please refer to **Note 1** to the Consolidated Financial Statements of this Annual Report.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Pursuant to the requirements of the ASC 205, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued.

This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

As of December 31, 2023, the Company had cash and cash equivalents of approximately $1.2 million. Approximately $1.2 million was held in accounts outside of the United States, primarily in Italy. The Company also had accounts payable and accrued expenses of $64.3 million, other current liabilities of $13.2 million, current contingent consideration of $0.7 million, lease payments due within the next twelve months of $3.2 million, and payments of short-term and long-term debt due within the next twelve months of $24.5 million. The Company had a net loss of $204.9 million for the year ended December 31, 2023, and an accumulated deficit of $1,090.6 million.

Due to the strict regulations governing the transfer of funds held in the PRC to other jurisdictions, the Company does not consider funds held in its PRC entities to be available to fund operations and investment outside of the PRC and consequently does not include them when evaluating the liquidity needs of its businesses operating outside of the PRC.

The Company had negative cash flow from operating activities of $53 million for the year ended December 31, 2023. As of the date of the filing of this Form 10-K, securing additional financing is in progress, and as such management has limited the extent to which it is taking actions to delay, scale back, or abandon future expenditures. As such, management's actions to preserve an adequate level of liquidity for a period extending twelve months from the date of the filing of this Form 10-K continue to be insufficient on their own without additional financing, to mitigate the conditions raising substantial doubt about the Company's ability to continue as a going concern. We currently do not have adequate cash to meet our short or long-term needs. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

We have short-term debt obligations of $24.5 million and lease obligations of $3.2 million which come due in the year ending December 31, 2024. We currently have long-term debt obligations of $3.9 million, and have lease obligations of $10.9 million which come due from the years ending December 31, 2024 through 2034.

The following table provides a summary of net cash flows from operating, investing and financing activities (in thousands):

	Year Ended	
	December 31, 2023	December 31, 2022
Net cash used in operating activities	$ (52,657)	$ (129,989)
Net cash provided by (used in) investing activities	1,823	(94,722)
Net cash provided by (used in) financing activities	31,932	(21,024)
Effect of exchange rate changes on cash	(598)	(2,199)
Net decrease in cash and cash equivalents	(19,500)	(247,934)
Cash and cash equivalents at beginning of period	21,929	269,863
Cash and cash equivalents at end of period	2,429	21,929
Less: Cash of discontinued operations at end of period	1,180	19,015
Cash and restricted cash of continuing operations at end of period	$ 1,249	$ 2,914

Operating Activities

Cash used in operating activities was $52.7 million for the year ended December 31, 2023 as compared to cash used in operating activities of $130.0 million in the year ended December 31, 2022. This was primarily due to (1) an decrease in the net loss from $282.1 million in the year ended December 31, 2022 to $234.1 million in the year ended December 31, 2023. (2) total non-cash adjustments to net loss were $135.8 million and $109.8 million for the years ended December 31, 2023 and 2022, respectively; and (3) total changes in operating assets and liabilities, net of acquisitions resulted in a decrease of $16.4 million and $26.2 million in cash used in operating activities for the years ended December 31, 2023 and 2022, respectively.

Investing Activities

Cash provided by investing activities was $1.8 million for the year ended December 31, 2023, which was primarily due to the acquisition of the convertible notes with VIA and settlement of the Inobat note. Cash used in investing activities was $94.7 million for the year ended December 31, 2022 was primarily due to expenditures incurred for the acquisitions of Energica and the acquisition of the convertible notes with VIA.

Financing Activities

In the year ended December 31, 2023, the Company received $31.9 million from financing activities versus repaid $22.0 million in the year ended December 31, 2022. For the year ended December 31, 2023, the Company received $4.0 million from the issuance of common stock and the exercise of stock options, $9.9 million from the issuance of series B preferred stock, $2.0 million from borrowing from a related party, $6.1 million from revolving line of credit, $7.7 million from the issuance of convertible notes and made repayments of $2.0 million to a related party and $7.1 million line of credit.

For the year ended December 31, 2022, the Company received $0.6 million from the issuance of common stock and the exercise of stock options, $4.9 million from the issuance of convertible notes, $10.0 million from the issuance of series B preferred stock, $5.1 million from revolving line of credit, and made repayment of $40.8 million convertible note and $3.9 million line of credit.

The Company expects to continue to raise both equity and debt finance to support the Company’s investment plans and operations.

Off-balance sheet arrangements are obligations the Company has with nonconsolidated entities related to transactions, agreements or other contractual arrangements. The Company holds interests in investments accounted for under the equity method of accounting. The Company does not control these investments and therefore does not consolidate them.

We do not have other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity or capital expenditures or capital resources that is material to an investor in our securities.

Seasonality

The Company expects that EV orders and sales will be influenced by the amount and timing of budgeted expenditure by its customers. Typically, the Company would expect to see higher sales at the start of the year when companies start executing on their capital programs and at the end of the year when companies are spending any surplus or uncommitted budget before the new budget cycle commences. The Company's EV businesses are in the early stage of their development and consequently do not have sufficient trading histories to project seasonal buying patterns with any degree of confidence.

OUTLOOK

The Company seeks to accelerate the commercial adoption of electric vehicles. The Company's EV and technology acquisitions during 2023, 2022 and 2021 completed the foundation for its EV, and energy and charging services offering. The Company believes its largest addressable market opportunity is local and last-mile delivery vehicles and associated charging products for last- and middle-mile delivery vehicles. The Company's vehicles and charging systems will provide fleet operators with confidence that EV can deliver what their business requires, affordably and reliably. The local delivery market is expected to continue to grow at a fast pace, as more retailers seek to offer greater convenience to customers. Both current and long-term legislation, phasing out commercial vehicles powered by fossil fuels in favor of clean energy technologies such as battery electric vehicles (BEV), is further driving demand for both vehicles and associated charging systems.

Due to industry-wide adverse market conditions stemming from a slower than expected adoption rate of commercial electric vehicles in 2023, the Company embarked on a restructuring program to better position itself for a market where cost of capital increased, and revenue grew at a slower pace than anticipated. This program entailed the divestiture and wind-down of several assets deemed non-core to the business.

The Company continues to believe that the innovative proprietary technologies within its WAVE Charging, VIA Motors, Energica, and Solectrac units are proprietary, differentiated and represent a tremendous opportunity as the commercial EV market continues to mature and grow.

WAVE Charging continues to win new contracts with commercial customers looking to use its proprietary high-powered inductive charging technology for warehouse and distribution use cases. Should its current projects be successful, it anticipates it can achieve significant scale with these marquee customers who operate both on a national and global scale.

Energica became the electric motorcycle of choice for several global police forces in 2023, in recognition of the high quality of its products, and Energica Inside continues to leverage Energica's proprietary technologies to provide electrification solutions for several different categories of vehicle, as well as powering motorcycles for other brands in non-competing markets.

VIA Motors is in discussions with other strategic partners interested in licensing its proprietary skateboard technology for those partners' vehicle electrification projects for application to their own vehicular platforms, helping to reduce time to market and development costs.

Solectrac has shifted its focus to a direct-to-consumer strategy supported by a small number of dealers in geographic regions where adoption of the technology is greater. This shift ensures the Company can provide excellent service and support to its customers. Solectrac's direct customer sales are further supported by government programs designed to incentivize electrification.

Environmental Matters

We are subject to various federal, state and local laws and regulations governing, among other things, hazardous materials, environmental contamination and the protection of the environment. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. We may also incur fines and penalties from time to time associated with noncompliance with such laws and regulations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company's management to make assumptions, estimates, and judgments that affect the amounts reported, including the notes thereto, and related disclosures of commitments and contingencies, if any. Company management has identified certain accounting policies that are significant to the preparation of its financial statements. These accounting policies are important for an understanding of the Company's financial condition and results of operations. Critical accounting policies

are those that are most important to the portrayal of its financial condition and results of operations and require management's difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments. Company management believes the following critical accounting policies involve the most significant estimates and judgments used in the preparation of its financial statements. Company management has reviewed the critical accounting policies and estimates with the Audit Committee of our Board of Directors.

Long-lived Assets

Long-lived assets, including property and equipment and intangible assets, excluding goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. An impairment loss would be recognized when estimated undiscounted future cash flows generated from the assets are less than their carrying amount.

Factors which could result in the Company performing an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for our business, and significant negative industry or economic trends.

The assumptions and estimates used to determine future values and remaining useful lives of our intangible and other long-lived assets are complex and subjective. They can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our forecasts for future expansion development.

As a result of the impairment analyses performed in the year ended December 31, 2023, the Company recorded impairment losses related to intangible assets of 121.4 million.

As a result of the impairment analyses performed in the year ended December 31, 2022, the Company recorded impairment losses related to intangible assets of 2.6 million.

Accounting for Business Combinations

Our consolidated financial statements include the operations of acquired businesses subsequent to the closing of the transaction. We account for acquired businesses using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date. Transaction costs are expensed as incurred.

Accounting for business combinations requires our management to make significant estimates and assumptions, especially at the acquisition date including the identification of and our estimates for intangible assets, contractual obligations assumed, restructuring liabilities, pre-acquisition contingencies and contingent consideration, where applicable. Although we believe the assumptions and estimates we have made have been reasonable and appropriate, they are based in part on historical experience and information obtained from our management of the acquired companies and are inherently uncertain.

When estimating fair value, depending on the nature and complexity of the asset or liability, we may use one or all of the following techniques:

- Income approach, which is based on the present value of a future stream of net cash flows;
- Market approach, which is based on market prices and other information from market transactions involving identical or comparable assets or liabilities; and
- Cost approach, which is based on the cost to acquire or construct comparable assets, less an allowance for functional and/or economic obsolescence.

Fair value methodologies depend on the following types of inputs:

- Quoted prices for identical assets or liabilities in active markets (Level 1 inputs);

- Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable, or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (Level 2 inputs); and

- Unobservable inputs that reflect estimates and assumptions (Level 3 inputs).

The determination of fair value is extremely subjective and complex, and requires judgements concerning future events, including future cash flows, the appropriate discount factors and weighted average cost of capital, and market comparability, among other factors. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill

Goodwill represents the excess of cost over fair value of identifiable net assets acquired and liabilities assumed in a business combination. Application of goodwill impairment tests requires significant management judgment, including the identification of reporting units, assigning assets, liabilities and goodwill to reporting units and determination of fair value of each reporting unit. The Company performs goodwill impairment testing at the reporting unit level which is defined as the operating segment or one level below the operating segment. One level below the operating segment, or component, is a business for which discrete financial information is available and regularly reviewed by segment management. The Company tests goodwill for impairment annually, on October 1, or more frequently when events or changes in circumstances indicate it is more-likely-than-not that the fair value of a reporting unit has declined below its carrying amount. Goodwill is evaluated for impairment using qualitative and/or quantitative testing procedures.

The Company has the option to first perform qualitative testing to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. Judgment applied when performing the qualitative analysis includes consideration of macroeconomic, industry and market conditions, overall financial performance of the reporting unit, composition, personnel or strategy changes affecting the reporting unit and recoverability of asset groups within a reporting unit. If, after assessing the totality of events and circumstances, the Company determines it is not more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount, then performing the quantitative impairment test is unnecessary. However, if the Company concludes otherwise, then it is required to perform the quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value of the reporting unit to its carrying amount.

The fair value of a reporting unit may be determined using externally quoted prices (if available), a discounted cash flow model, or a market approach. Judgments applied when performing the quantitative analysis includes estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these judgments, estimates and assumptions could materially affect the determination of fair value for each reporting unit.

An impairment loss, if any, is recorded when the fair value of a reporting unit has declined below its carrying amount.

Revenue Recognition

The Company recognizes revenue when its customer obtains control of the promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine the amount and timing of revenue recognition for the arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (1) identify the contract(s) with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies the respective performance obligations.

A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is generally evaluated by measuring our progress in satisfying the performance obligation as evidenced by the transfer of the goods or services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time when the customer obtains control over the promised good.

The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for the promised goods or services, or the transaction price. In determining the transaction price, we evaluate consideration promised in a contract that includes a variable amount, or variable consideration, and estimate the amount of consideration that is due to us. Variable consideration is included in the transaction price only to the extent that we believe it is probable that a significant reversal in the amount of revenue recognized will not occur.

Additionally, an analysis is performed in order to evaluate whether the Company is acting as a principal, in which case revenue is reported on a gross basis, or as an agent, in which case revenue is reported on a net basis. This analysis considers whether or not the Company obtains control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price.

EV and Related Revenue

The Company's EV contracts are typically with large enterprises and consequently are heavily negotiated as to the product(s) or service(s) to be provided; consequently, the accounting treatment for the reporting of revenues may vary materially between contracts including whether the revenue is reported on a gross or net basis.

For certain EV contracts recognized over time, the Company uses the cost-to-total cost method to recognize the revenue over the life of the contract. For EV contracts with revenue recognized over time, the revenue recognized is determined based upon the costs incurred as compared to the estimate of the total costs incurred.

For EV contracts recognized at a point in time, the Company recognizes revenue when control passes to the customer, which is generally based on shipping terms that address when title and risk and rewards pass to the customer. However, the Company also considers certain customer acceptance provisions as certain contracts with customers include installation, testing, certification or other acceptance provisions. In instances where contractual terms include a provision for customer acceptance, the Company considers whether it has previously demonstrated that the product meets objective criteria specified by either the seller or customer in assessing whether control has passed to the customer.

Contracts entered into with governmental agencies for services and products are analyzed in order to determine if they should be accounted for under a revenue recognition model pursuant to ASC 606 or a grant model under ASC 958. If accounted for pursuant to a grant model, the Company must determine if the grant is conditional or unconditional, and if conditional any barriers exist which must be overcome. If unconditional, the grant is recognized as revenue immediately, and if conditional, the grant is recognized as revenue as and when the barriers are overcome. The significant barrier to the current conditional grants are that the expenses incurred must meet the qualifications as established by the respective governmental agencies, so that the grant revenue is recognized as the qualified expenses are incurred.

Long-term Investments

The Company accounts for equity investments through which management exercises significant influence but does not have control over the investee under the equity method. Under the equity method, the investment is initially recorded at cost and adjusted for the Company's share of undistributed earnings or losses of the investee. The Company's share of losses is not recognized when the investment is reduced to zero unless the Company guarantees the investees' obligations or the Company has committed to providing additional funding.

The equity investments which are not consolidated or accounted for under the equity method are either carried at fair value or under the measurement alternative upon the adoption of the ASU No. 2016-01.

The Company utilizes the measurement alternative for equity investments that do not have readily determinable fair values and measures these investments at cost less impairment plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

Management periodically reviews long-term investments for impairment whenever events or changes in business circumstances indicate that the carrying amount of the investment may not be fully recoverable. Management considers impairment indicators such as negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. If indicators exist, further analysis must be performed in order to determine if the impairment, if any, is other-than-temporary. If the impairment is deemed to be other-than-temporary, the fair value of the investment must be determined. In the absence of quoted market prices, management must use judgement to determine the fair value of the investment, considering such factors as current economic and market conditions, the operating performance of the entities, including current earnings trends and forecasted cash flows, and other company and industry specific information. If the fair value of the investment is below the carrying amount, an impairment loss is recorded to record the investment at fair value.

Inventory

The valuation of inventory requires us to estimate obsolete or excess inventory. as well as inventory that is not of saleable quality. The determination of obsolete or excess inventory requires us to estimate the future demand for our products. The

estimate of future demand is compared to work-in-process and finished goods inventory levels to determine the amount, if any, of obsolete or excess inventory. As of December 31, 2023, we had total work-in-process inventory of $9.4 million, raw materials inventory of $6.8 million, total finished goods inventory of $11.9 million and an inventory reserve of $8.3 million. The demand forecast is included in the development of our short-term manufacturing plans to enable consistency between inventory valuation and inventory decisions. Product-specific facts and circumstances reviewed in the inventory valuation process include a review of the customer base, the stage of the product life cycle of our products, consumer confidence, and customer acceptance of our products, as well as an assessment of the selling price in relation to the product cost. If our demand forecast for specific products is greater than actual demand and we fail to reduce manufacturing output accordingly, we could be required to write off inventory, which would negatively impact our gross margin.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance on deferred tax assets is established when management considers it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Tax benefits from an uncertain tax position are only recognized if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Interest and penalties related to unrecognized tax benefits are recorded as incurred as a component of income tax expense. The Company has not recognized any tax benefits from uncertain tax positions for any of the reporting periods presented.

Taxes based on gross revenue rather than on net income are not considered CIT and are instead included in selling, general and administrative expense in the statement of operations.

The Company files federal and state income tax returns. These returns remain subject to examination by taxing authorities for all years after December 31, 2018.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The Company had $7.5 million of fixed rate 4.0% convertible debt outstanding as of December 31, 2023. These debt obligations are not currently subject to fluctuations in interest rates, although in the event of issuance of new debt, such debt could be subject to changes in interest rates.

Market Risk

We have had investments in debt securities classified as available-for-sale securities, and which were recorded at fair value. There were no such investments as of December 31, 2023. In the year ended December 31, 2022, we recorded impairment losses of $15.8 million related to these investments. There were no such investments as of December 31, 2021.

For the year ended December 31, 2023, the Company no longer has any investments in equity securities of which are publicly-traded. For the year ended December 31, 2022 the Company had investments in equity securities, certain of which are publicly-traded which had carrying amounts of $7.5 million. These include shares of common stock of Energica, which are publicly traded in Italy, and at December 31, 2021 had a carrying amount of $12.3 million and a fair value of $21.8 million. The remainder of the equity investments are not publicly traded.

Based on management’s analysis of certain investment’s performance, there were no impairment losses recorded in the year ended December 31, 2023, and impairment losses of $4.5 million and $0.2 million were recorded in the years ended December 31, 2022 and 2021, respectively. We have recorded impairment losses related to equity method investments of $0.0 million and $11.8 million in the years ended December 31, 2023 and 2022, respectively.

Our investments in debt and equity securities are generally not in companies which are publicly traded, and the market for these securities may be illiquid. Furthermore, many of the companies in which we invest may have a business model which is embryonic or developmental in nature and may not come to fruition.

Investments in debt and equity securities carry a degree of risk, as there can be no assurance that the securities will be collectible or otherwise recoverable, will not lose value and, in general, securities markets can be volatile and unpredictable. As a result of these different market risks, our holdings of these securities could be materially and adversely affected.

Foreign Currency Risk

We are exposed to risks associated with changes in foreign exchange rates. Changes in foreign exchange rates create volatility in the U.S. Dollar equivalent of our revenues and expenses. While results of our China operations, as measured in U.S. Dollars, are subject to foreign exchange fluctuations, we do not consider the related risk to be material to our results of operations. While our exposure to foreign exchange risk is not currently material to us, we expect to grow our international revenues in the future, and any future potential exposure to foreign exchange fluctuations may present a material risk to our business. We recorded foreign currency exchange losses of $0.0 million and $4.1 million in the years ended December 31, 2023 and 2022, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

IDEANOMICS, INC.
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Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Ideanomics, Inc.

Opinions on the Financial Statements

We have audited the accompanying consolidated balance sheet of Ideanomics, Inc. and Subsidiaries (the "Company"), as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the years in the two-year period ended December 31, 2023, 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, 2023 and 2022 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt Regarding the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in **Note 1** to the financial statements, the Company has suffered recurring losses from operations, has an accumulated deficit and does not believe that its current level of cash and cash equivalents is sufficient to fund continuing operations. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in **Note 1**. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 of December 31, 2023. As part of our 2023 audit, 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Business Combinations

Critical Audit Matter Description

As described in **Note 7** to the consolidated financial statements, the Company acquired all outstanding shares of VIA and was accounted for as a business combination. We identified the evaluation of the acquisition date fair value of intangible assets acquired and goodwill as a critical audit matter.

The principal consideration for our determination that the evaluation of the acquisition date fair values of the intangible assets acquired and goodwill was a critical audit matter is the high degree of subjective auditor judgment associated with evaluating management's determination of the fair values of the acquired intangible assets and goodwill, which is primarily due to the complexity of the valuation models used and the sensitivity of the underlying significant assumptions. The key assumptions used within the valuation models included prospective financial information, including future revenue growth and an applied discount rate. The calculated fair values are sensitive to changes in these key assumptions.

How the Critical Audit Matter was addressed in the Audit

Our audit procedures related to the evaluation of acquisition date fair values of the intangible assets acquired and goodwill included the following, among others:

a We evaluated the design and operating effectiveness of certain controls over the acquisition-date valuation process, including controls over the development of the key assumptions such as the revenue growth and the applied discount rate. We considered the material weaknesses relating to management's internal controls in determining the nature, timing and extent of audit tests applied in our audit.
b We read and reviewed the relevant agreements to assess the reasonableness and completeness of assets identified in the purchase price allocation.
c We vouched to stock tendered to source documentation to validate purchase price.
d We evaluated the methodologies used to determine the fair value of the consideration provided in the form of notes receivable and SAFE note to determine the consideration provided for the acquisition.
e We obtained the purchase price allocation analyses from management and the third-party specialists engaged by management.
f We assessed the qualifications and competence of management and the qualifications, competence and objectivity of third-party specialist.
g We evaluated the methodologies used to determine the fair values of the intangible assets and goodwill.
h We tested the assumptions used within the discounted cash flow models to estimate the fair values of the intangible assets, which included key assumptions such as the future revenue growth and the applied discount rate.
i We assessed the reasonableness of management's forecast by inquiring with management to understand how the forecasts were developed and comparing the projections to historical results and economic conditions.
j We involved an internal valuation specialist who assisted in the evaluation and testing performed of the reasonableness of significant methods and assumptions to the models, including the applied discount rate.
k We assessed the sufficiency of Company's disclosure of its accounting for these acquisitions included in **Note 7**.

Impairment assessment of intangible assets and goodwill

Critical Audit Matter Description

As described in **Note 3** and **Note 11** to the consolidated financial statements, the Company performs an annual impairment assessment of its indefinite-lived intangible assets and goodwill, or more frequently if events or circumstances indicate that the carrying values exceeds its fair value. The Company reviews other intangible assets with estimable lives for impairment whenever indicators are present that the carrying value may not be recoverable.

The principal consideration for our determination that this was a critical audit matter is that auditing the valuation of intangible assets and goodwill involved complex judgment due to subjective evaluation of indicators and significant estimation required in determining the recoverability or fair value of the intangible assets and goodwill. Specifically, the cash flow forecasts were sensitive to significant assumptions about future market and economic conditions. Significant assumptions used in the Company's estimates included sales volume, growth rates, gross profits, operating expenditures, and discount rate, as applicable.

How the Critical Audit Matter was addressed in the Audit

Our audit procedures related to the evaluation of the intangible assets and goodwill for impairment included the following, among others:

a We evaluated the design and operating effectiveness of certain controls over the Company's annual impairment assessments of intangible assets and goodwill. We considered the material weaknesses relating to management's internal controls in determining the nature, timing and extent of audit tests applied in our audit.
b We evaluated management's assessment in qualitative factors relating to the intangible assets and goodwill valuation, by accumulating our understanding of the Company's reporting units' performance.

c With respect to the Company's valuation of intangible assets and goodwill as a result of impairment indicators identified:
   1. We also assessed the reasonableness of management's forecast by inquiring with management to understand how the forecasts were developed and comparing the projections to historical results. and evaluating the reasonableness of management's projected financial information by comparing to observable economic conditions.
   2. We assessed the qualifications and competence of management and the qualifications, competence and objectivity of third-party specialists and management's specialist who prepared the valuation analyses.
   3. We evaluated the methodologies used to determine the fair values of the impaired intangible assets and goodwill.
   4. We involved an internal valuation specialist who assisted in the evaluation and testing performed of the reasonableness of significant methods and assumptions to the models, including the applied discount rate.

a We reviewed the Company's reconciliation of net book value of its reporting units as compared to market capitalization.
b We assessed the Company's disclosure of its impairment assessments included in **Note 3** as well as the sufficiency of footnote disclosure of impairment assessment of intangible assets and goodwill in **Note 11**.

Valuation of Inventory

Critical Audit Matter Description

As described in **Note 3**, the Company's inventory is stated at the lower of cost or net realizable value, with cost generally computed on a first-in, first-out basis. Estimated losses from obsolete and slow-moving inventories are recorded to reduce inventory values to their estimated net realizable value and are charged to costs of revenue. At the point of loss recognition, a new cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in a recovery in carrying value.

The principal consideration for our determination that this was a critical audit matter is that the valuation of inventories, specific to write downs, requires management to make significant assumptions and especially complex judgments about the future salability of the inventory and its net realizable value. These assumptions include the assessment of net realizable value by inventory category considering economic trends, future usage and market demand for their products. Additionally, management makes qualitative judgments related to slow moving and obsolete inventories. Given the significant judgments made by management, auditing the reasonableness of management's estimates and assumptions required a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter was addressed in the Audit

The most relevant procedures we performed to address this critical audit matter included the following:

a We evaluated the design and operating effectiveness of certain controls over the Company's valuation of inventory.
b We considered the material weakness relating to management's internal controls in determining the nature, timing and extent of audit tests applied in our audit.
c We evaluated the Company's estimate for excess and obsolete inventory including the following:
a Evaluating the reasonableness of the methodology used by management to develop its estimate;
b Testing the completeness, accuracy, and relevance of the underlying data used by management to develop the estimate;
c Evaluating the reasonableness of specified inputs supporting management's estimate, including historic inventory trends, and historic write-off activity;
d Utilizing data obtained from physical inventory observation, analytical procedures and other procedures to evaluate the reasonableness of qualitative adjustments, including those related to forecasted demand and usage;
e Performing inquiries with appropriate financial personnel, regarding obsolete or discontinued inventory models and other factors to corroborate management's assertions regarding qualitative judgments about slow moving and obsolete inventories; and
f Testing the mathematical accuracy of the calculations related to the application of the Company's methodology to specific inventory categories.
g Evaluating inventory levels and relative obsolescence reserves analytically

Valuation of Warrants attached to Preferred Stock Series B

Critical Audit Matter Description

As described in **Note 15** to the consolidated financial statements, the Company entered into a securities purchase agreement and sold preferred stock and warrants during 2023. We identified the evaluation of the fair value of warrants issued and preferred stock as a critical audit matter.

The principal consideration for our determination that the evaluation of the fair value of the warrants issued and preferred stock was a critical audit matter is the high degree of subjective auditor judgment associated with evaluating management's determination of the fair values of the warrants issued and preferred stock, which is primarily due to the complexity of the valuation models used and the sensitivity of the underlying significant assumptions. The key assumptions used within the valuation models included assigning probabilities to different possible outcomes at each node of the lattice for the binomial lattice framework used for valuing the preferred shares and probability of possible outcomes of a down round provision being triggered in using the scenario-based method. The calculated fair values are sensitive to changes in these key assumptions.

How the Critical Audit Matter was addressed in the Audit

Our audit procedures related to the evaluation of acquisition date fair values of the warrants issued included the following, among others:

a We read and reviewed the relevant agreements to agree to key terms of the preferred shares and warrants issued to determine accuracy of the shares and warrants issued.
b We vouched to source documentation to validate warrants and preferred shares issued.
c We assessed the qualifications and competence of management and the qualifications, competence and objectivity of third-party specialist.
d We evaluated the methodologies used to determine the fair values of the preferred shares and warrants issued.
e We tested the assumptions used within the valuation models to estimate the fair values of the preferred shares and warrants issued.
f We involved an internal valuation specialist who assisted in the evaluation and testing performed of the reasonableness of significant methods and assumptions to the models.
g We assessed the sufficiency of Company's disclosure of its accounting for these preferred shares and warrants issued included in **Note 15**.

/S/ Grassi & Co., CPAs, P.C.

We have served as the Company's auditor since 2022.

Jericho, NY

June 18, 2024



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

As of December 31,	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,249	$ 2,914
Accounts receivable, net	1,037	2,107
Contract assets	34	3,579
Amount due from related parties	—	90
Notes receivable from third parties, net	42	31,653
Inventory	19,838	29,309
Prepaid expenses	3,481	9,569
Other current assets	1,882	5,096
Current assets of discontinued operations	5,036	33,703
Total current assets	**32,599**	**118,020**
Property and equipment, net	12,904	7,845
Intangible assets, net	23,667	43,622
Goodwill	35,894	37,775
Operating lease right of use assets	6,117	10,533
Long-term investments	—	7,500
Other non-current assets	2,861	2,276
Non-current assets of discontinued operations	2,842	19,212
Total assets	**$ 116,884**	**$ 246,783**
LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED STOCK AND EQUITY		
Current liabilities		
Accounts payable	$ 55,208	$ 25,224
Deferred revenue (including customer deposits of $1,891 and $1,786 as of December 31, 2023 and 2022, respectively)	2,537	2,186
Accrued salaries	5,347	6,851
Accrued expenses	3,784	2,669
Amount due to related parties	1,419	1,927
Other current liabilities	13,181	9,287
Current portion of operating lease liabilities	3,222	2,031
Current contingent consideration	727	867
Promissory note due to related party-short term	2,348	2,021
Promissory note due to third parties-short term	14,615	9,578
Convertible promissory note due to third-parties	7,524	3,928
Current liabilities of discontinued operations	7,721	14,244
Total current liabilities	**117,633**	**80,813**
Promissory note-long term	3,943	1,957
Operating lease liability-long term	10,890	8,566
Deferred tax liabilities	1,946	2,509
Other long-term liabilities	1,071	1,131
Non-current liabilities of discontinued operations	1,672	5,212
Total liabilities	**137,155**	**100,188**
Commitments and contingencies (Note 19)		
Convertible redeemable preferred stock:		
Series A - 7,000,000 shares issued and outstanding, liquidation and deemed liquidation preference of $3,500,000 as of December 31, 2023 and 2022, respectively	1,262	1,262
Series B - 60,000,000 shares authorized, 20,000,000 and 10,000,000 shares issued and 2,105,200 and 10,000,000 shares outstanding as of December 31, 2023 and 2022, respectively	1,863	8,850
Series C - 2,000,000 shares authorized, 1,159,210 and 0 shares issued and 613,039 and 0 shares outstanding as of December 31, 2023 and 2022, respectively	4,825	—
Equity:		
Common stock - $0.001 par value; 1,500,000,000 shares authorized, 11,985,268 and 4,781,930 shares issued and outstanding as of December 31, 2023 and 2022, respectively	1,499	597
Additional paid-in capital	1,071,520	1,004,082
Accumulated deficit	(1,090,579)	(866,418)
Accumulated other comprehensive (income) loss	(4,553)	(6,104)
Total Ideanomics, Inc. shareholder's equity	**(22,113)**	**132,157**
Non-controlling interest	(6,108)	4,326
Total equity	**(28,221)**	**136,483**
Total liabilities, convertible redeemable preferred stock and equity	**$ 116,884**	**$ 246,783**

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

IDEANOMICS, INC. OPERATIONS (USD in thousands, except per share data)

For the years ended December 31,	2023	2022
Revenue from sales of products	$ 13,710	$ 14,754
Revenue from sales of services	985	3,917
Other revenue	764	344
Total revenue	15,459	19,015
Cost of revenue from sales of products	17,765	20,257
Cost of revenue from sales of services	58	1,742
Cost of other revenue	350	374
Total cost of revenue	18,173	22,373
Gross profit	**(2,714)**	**(3,358)**
Operating expenses:		
Selling, general and administrative expenses	83,780	113,573
Research and development expense	10,191	3,792
Asset impairments	163,984	63,847
Goodwill impairments	13,712	22,662
Change in fair value of contingent consideration, net	(73,768)	(131)
Litigation settlements	89	225
Depreciation and amortization	16,752	5,308
Total operating expenses	**214,740**	**209,276**
Loss from operations	**(217,454)**	**(212,634)**
Interest and other income (expense):		
Interest income	316	3,449
Interest expense	(4,307)	(2,909)
Loss on disposal of subsidiaries, net	(1,152)	(217)
Gain on remeasurement of investment	—	10,965
Other income, net	12,505	865
Loss before income taxes and non-controlling interest	**(210,092)**	**(200,481)**
Income tax benefit	5,242	1,574
Impairment of and equity in loss of equity method investees	—	(14,726)
Net loss from continuing operations	**(204,850)**	**(213,633)**
Net loss from discontinued operations, net of tax	(29,276)	(68,452)
Net loss	**(234,126)**	**(282,085)**
Net loss attributable to common shareholders	**(234,126)**	**(282,085)**
Net loss attributable to non-controlling interest	10,297	21,425
Net loss attributable to Ideanomics, Inc. common shareholders	**$ (223,829)**	**$ (260,660)**
Basic and diluted loss per share from continuing operations	$ (20.59)	$ (52.10)
Basic and diluted loss per share from discontinued operations	$ (2.94)	$ (16.69)
Basic and diluted loss per share	**$ (23.53)**	**$ (68.79)**
Weighted average shares outstanding:		
Basic and diluted	**9,971,038**	**4,101,624**

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

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

For the years ended December 31,	2023	2022
Net loss	**$ (234,126)**	**$ (282,085)**
Other comprehensive loss, net of nil tax		
Foreign currency translation adjustments	1,677	(7,591)
Comprehensive loss	**(232,449)**	**(289,676)**
Comprehensive loss attributable to non-controlling interest	10,171	22,689
Comprehensive loss attributable to Ideanomics, Inc. common shareholders	**$ (222,278)**	**$ (266,987)**

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

IDEANOMICS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
For the years ended December 31, 2023 and 2022 (USD in thousands, except per share data)

	Common Stock	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Ideanomics Shareholders' equity	Non-controlling Interest	Total Equity
Balance, December 31, 2021	**3,978,180**	**$ 497**	**$ 968,066**	**$ (605,758)**	**$ 222**	**$ 363,027**	**$ 2,341**	**$ 365,368**
Share-based compensation	—	—	10,603	—	—	10,603	—	10,603
Re-acquired shares	(53,021)	(7)	6	—	—	(1)	—	(1)
Acquisition of subsidiaries	—	—	—	—	—	—	24,827	24,827
Common stock issuance for professional fee	21,672	3	1,455	—	—	1,458	—	1,458
Common stock issued under employee Stock Incentive Plan	1,000	—	66	—	—	66	—	66
Common stock issuance for convertible note	537,031	67	16,722	—	—	16,789	—	16,789
Common stock issuance	138,400	17	2,869	—	—	2,886	—	2,886
Employee termination option repurchase	—	—	(11)	—	—	(11)	—	(11)
Preferred stock warrants	—	—	1,150	—	—	1,150	—	1,150
Accrued dividend for preferred stock	—	—	(56)	—	—	(56)	—	(56)
Investments from noncontroller shareholders	—	—	—	—	—	—	264	264
Share issuance pertinent to SEPA	158,667	20	3,295	—	—	3,315	—	3,315
Deconsolidation of subsidiary	—	—	—	—	—	—	(417)	(417)
Tax withholding paid for net share settlement of equity awards	—	—	(83)	—	—	(83)	—	(83)
Net income (loss)	—	—	—	(260,660)	—	(260,660)	(21,424)	(282,084)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	(6,326)	(6,326)	(1,265)	(7,591)
Balance, December 31, 2022	**4,781,929**	**597**	**1,004,082**	**(866,418)**	**(6,104)**	**132,157**	**4,326**	**136,483**
Cumulative effect of changes in accounting principle	—	—	—	(332)	—	(332)	—	(332)
Share-based compensation	—	—	5,387	—	—	5,387	—	5,387
Dividend accrued for preferred stock	—	—	(481)	—	—	(481)	—	(481)
Preferred stock warrants	—	—	(17,402)	—	—	(17,402)	—	(17,402)
Common stock issuance for series B preferred stock conversion	1,400,635	175	15,662	—	—	15,837	—	15,837
Common stock issuance for series B preferred stock warrants exercise	3,191,555	399	17,117	—	—	17,516	—	17,516
Warrants expiration	—	—	1,037	—	—	1,037	—	1,037
Tax withholding paid for net share settlement of equity awards	21,359	3	(357)	—	—	(354)	—	(354)
Common stock issuance for professional fee	407,781	51	4,384	—	—	4,435	—	4,435
Share issuance pertaint to SEPA	1,053,333	132	15,922	—	—	16,054	—	16,054
Common stock issuance for preferred stock conversion	—	—	—	—	—	—	—	—
Common stock issuance for acquisition	1,011,372	126	24,712	—	—	24,838	—	24,838
RSU issued to employees	224,800	16	1,722	—	—	1,738	—	1,738
Non-controlling shareholders withdraw	—	—	—	—	—	—	(263)	(263)
Common stock cancellation	(107,497)	—	(265)	—	—	(265)	—	(265)
Net income (loss)	—	—	—	(223,829)	—	(223,829)	(10,297)	(234,126)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	1,551	1,551	126	1,677
Balance, December 31, 2023	**11,985,267**	**$ 1,499**	**$ 1,071,520**	**$ (1,090,579)**	**$ (4,553)**	**$ (22,113)**	**$ (6,108)**	**$ (28,221)**

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

IDEANOMICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (USD in thousands)

For the years ended December 31,	2023	2022
Cash flows from operating activities:		
Net loss	$ (234,126)	$ (282,085)
Net loss from discontinued operations	(29,276)	(68,452)
Net loss from continuing operations	(204,850)	(213,633)
Adjustments to reconcile net loss to net cash used in operating activities		
Share-based compensation expense	6,886	10,604
Depreciation and amortization	17,745	5,780
Obsolescence of inventory	219	490
Noncash lease expense	2,184	1,919
Non-cash interest expense (income)	2,955	(1,909)
Allowance for doubtful accounts	1,427	606
Income tax benefit	(5,242)	(1,574)
Issuance of common stock for professional fees	4,436	1,647
Other income (forgiveness of liabilities)	70	404
Change in fair value of contingent consideration, net	(73,767)	(131)
Impairment of and equity in losses of equity method investees	—	15,310
Loss on disposal of fixed assets	—	5
Impairment losses	177,696	86,509
Foreign currency exchange losses	34	1,081
Loss (gain) on disposal of subsidiaries, net	1,152	67
Gain on remeasurement of investment	—	(10,965)
Change in assets and liabilities, net of acquisitions:		
Accounts receivable	(606)	(47)
Inventory	9,301	(15,949)
Prepaid expenses and other assets	4,616	(7,328)
Accounts payable	15,388	17,676
Deferred revenue	249	(78)
Amount due to related parties (interest)	(419)	38
Accrued expenses, salary and other current liabilities	2,931	(1,349)
Net cash used in operating activities from continuing operations	**(37,595)**	**(110,827)**
Net cash used in operating activities from discontinued operations	(15,062)	(19,162)
Net cash used in operating activities	(52,657)	(129,989)
Cash flows from investing activities:		
Acquisition of property and equipment	—	(6,221)
Acquisition of intangible assets	—	(560)
Proceeds from disposal of fixed asset	—	28
Disposal of subsidiaries, net of cash disposed	—	(417)
Acquisition of subsidiaries, net of cash acquired	831	(54,889)
Investment in debt securities	(2,900)	(31,932)
Investments in long-term investment	—	(401)
Proceed from long term investment	—	659
Loans to related-party	—	(1,000)
Proceeds from loan repayment	—	400
Proceeds from selling available for sales securities	5,240	4,032
Investment in available for sales securities	—	(165)
Net cash provided by (used in) investing activities from continuing operations	**3,171**	**(90,466)**
Net cash used in investing activities from discontinued operations	(1,348)	(4,256)
Net cash used in investing activities	1,823	(94,722)
Cash flows from financing activities		
Proceeds from exercise of options and warrants and issuance of common stock	4,026	589
Proceeds from issuance of convertible notes	7,650	4,875
Proceeds from issuance of preferred stock and warrants	9,850	10,000
Borrowings from related parties	2,000	2,000
Borrowings from third parties	8,700	485
Proceeds from revolving line of credit	6,060	5,090
Repayments to third parties	(1,439)	(128)
Principal payments on revolving line of credit	(7,077)	(3,906)
Repayment of convertible notes	—	(40,833)
Proceeds from noncontrolling interest shareholder	—	49
Tax withholding paid for net share settlement of equity awards	—	(84)

Proceeds (repayments) due from/to related parties		(2,000)		—
Payment of finance lease obligations		(36)		(132)
Net cash provided by (used in) financing activities from continuing operations		**27,734**		**(21,995)**
Net cash provided by financing activities from discontinued operations		4,198		971
Net cash provided by (used in) financing activities		31,932		(21,024)
Effect of exchange rate changes on cash		(598)		(2,199)
Net increase (decrease) in cash, cash equivalents and restricted cash		**(19,500)**		**(247,934)**
Cash, beginning of period - continuing operations		**2,914**		**232,982**
Cash, beginning of period - discontinued operations		**19,015**		**36,881**
Total cash, beginning of period		**21,929**		**269,863**
Cash, end of period - continuing operations		**1,249**		**2,914**
Cash, end of period - discontinued operations		**1,180**		**19,015**
Total cash, end of period	**$**	**2,429**	**$**	**21,929**
Supplemental disclosure of cash flow information:				
Cash paid for income tax	$	—	$	191
Cash paid for interest	$	485	$	1,578
Issuance of shares for acquisition	$	26,308	$	—
Issuance of shares for convertible notes conversion	$	16,054	$	16,789
Issuance of shares for preferred stock conversion	$	15,837	$	—
Issuance of shares for repayment of convertible note and accrued interest	$	—	$	2,153
Issuance of shares for SEPA inducement	$	—	$	754
Issuance of shares for notes receivable	$	—	$	2,786
Purchases of property and equipment with unpaid costs accrued in accounts payable	$	876	$	541
Purchases of intangibles with unpaid costs accrued in accounts payable	$	40	$	136
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	$	—	$	6,773
Finance leases	$	422	$	1,134

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

IDEANOMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Principal Activities

Ideanomics, Inc. (Nasdaq: IDEX) is a Nevada corporation that primarily operates in Asia, Europe and the United States through its subsidiaries. Unless the context otherwise requires, the use of the terms "we," "us," "our" and the "Company" in these notes to consolidated financial statements refers to Ideanomics, its consolidated subsidiaries.

The Company's chief operating decision maker has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company. Therefore, the Company operates in one segment with two business units, Ideanomics Mobility and Ideanomics Capital. Ideanomics China is a subsidiary which holds the Company's China based vehicle operations.

Ideanomics Mobility's mission is to use EVs and EV battery sales and financing to attract commercial fleet operators that will generate large scale demand for energy, energy storage systems, and energy management contracts. Ideanomics Mobility operates as an end-to-end solutions provider for the procurement, financing, charging and energy management needs for fleet operators of commercial EVs.

Ideanomics Capital is the Company's fintech business unit, which focuses on leveraging technology and innovation to improve efficiency, transparency, and profitability for the financial services industry.

Liquidity and Going Concern

The accompanying consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Pursuant to the requirements of the ASC 205, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued.

This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

As of December 31, 2023, the Company had cash and cash equivalents of approximately $1.2 million. Approximately $1.2 million was held in accounts outside of the United States, primarily in Italy. The Company also had accounts payable and accrued expenses of $64.3 million, other current liabilities of $13.2 million, current contingent consideration of $0.7 million, lease payments due within the next twelve months of $3.2 million, and payments of short-term and long-term debt due within the next twelve months of $24.5 million. The Company had a net loss from continuing operation of $204.9 million for the year ended December 31, 2023, and an accumulated deficit of $1,090.6 million.

The Company believes that its current level of cash and cash equivalents are not sufficient to fund continuing operations. The Company will need to bring in new capital to support its growth and, as evidenced from its successful capital raising activities in 2020 and 2021, believes it has the ability to continue to do so. However, there can be no assurance that this will occur.

The Company has various vehicles through which it could raise a limited amount of equity funding, however, these are subject to market conditions which are not within management's control. Management continues to seek to raise additional funds through the issuance of equity, mezzanine or debt securities. As we seek additional sources of financing, there can be no assurance that such financing would be available to us on favorable terms or at all. Our ability to obtain additional financing in the debt and equity capital markets is subject to several factors, including market and economic conditions, our performance and investor sentiment with respect to us and our business and industry. These factors individually and collectively raise substantial doubt about the Company's ability to continue as a going concern.

The Company has experienced greater net losses and negative cash flows from operating and investing activities in the year ended December 31, 2023, consistent with its business plan for ongoing activities and planned acquisitions. As of the date of the filing of this Form 10-K, securing additional financing is in progress, and as such management has limited the extent to which it is taking actions to delay, scale back, or abandon future expenditures. As such, management's actions to preserve an adequate level of liquidity for a period extending twelve months from the date of the filing of this Form 10-K are no longer sufficient on their own without additional financing, to mitigate the conditions raising substantial doubt about the Company's ability to continue as a going concern. We currently do not have adequate cash to meet our short or long-term needs. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

The Company's ability to raise capital is critical. The Company has raised approximately $30 million, since the beginning of the first quarter 2023, including the sale of preferred shares, issuance of a convertible note, the sale of financial assets and the sale of shares under the SEPA.
Although management continues to use these facilities and other opportunities to raise additional capital through a combination of debt financing, other non-dilutive financing and/or equity financing to supplement the Company's capitalization and liquidity, management cannot conclude as of the date of this filing that its plans are probable of being successfully implemented.

The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

We believe substantial doubt exists about the Company's ability to continue as a going concern for twelve months from the date of issuance of our financial statements.

Wind Down of PRC Operations

On September 12, 2022, the Board authorized management to pursue a plan to restructure the current electric vehicle resale activities in China. In 2023, the Board authorized the management to completely wind down all operational activities in China.

Discontinued Operations

During the year ended December 31, 2023, our business components Timios, US Hybrid, Tree Technologies, Justly and China met the criteria for classification as discontinued operations and are no longer presented as continuing operations. Assets and liabilities associated with these components are presented in our consolidated balance sheets as Discontinued Operations. The results of operations related to these components are included in the consolidated statements of operations as "Loss from discontinued operations, net of tax." The cash flows of these components are also presented separately in our consolidated statements of cash flows. All corresponding prior year periods presented in our financial statements and related information in the accompanying notes have been reclassified to reflect the Discontinued Operations presentation. Please refer to **Note 4** to our Consolidated Financial Statements of this Annual Report for additional information regarding these specific matters.

Note 2. Immaterial Corrections of Prior Period Financial Statements

The Company has determined that there were immaterial errors in the consolidated financial statements as of and for the year ended December 31, 2022 related to Solectrac's revenue recognition. Previously, revenue was recognized upon dealer financing of e-tractors through Mitsubishi floor plan, resulting in an increase in accounts receivable and a decrease in inventory. The Company has determined that there was an oversight in assessing current information, leading to an underestimation of the high probability of returns and incomplete disclosure of contractual terms in the Dealership Agreements, Funding Agreement and Floor Plan Agreement. As a result, previously recognized revenue is being restated, and going forward, revenue is recognized upon delivery of products to end-customers. Inventory held by the dealer and the finance debt are now recognized on the balance sheet.

The Company assessed the materiality of these errors in accordance with Staff Accounting Bulletin No. 99, Materiality, and the Company determined that, qualitatively, the amounts, individually and in the aggregate, would have no bearing on the decision-making process of a reasonable investor. Accordingly, the Company is correcting the relevant consolidated financial statements and related footnotes as of and for the year ended December 31, 2022 within these consolidated financial statements.

The former management team at Solectrac failed to communicate the high probability of dealers cancelling contracts due to lack of sales and failed to disclose the full nature of the contractual language (Dealership Agreements, Funding Agreement, Floor Plan Agreement). The probability was assumed lower than actually occurred, due to the Ideanomics team only relying upon the Solectrac CEO's communications and did not take into account the full contractual relationship. Due to the cancellation of contracts, all revenue in relation to the sales to dealers was reversed, and only revenue related to sales to a direct customer, or sales from a dealer to an end customer was recognized.

The Company intends to revise its condensed consolidated financial statements for the periods ended March 31, 2023, June 30, 2023, and September 30, 2023 through subsequent periodic filings.

The following table reflects the impact of the immaterial corrections discussed above on the Company's previously reported consolidated balance sheet as of December 31, 2022 (in thousands):

	Previously Reported	Adjustments	As Revised
Assets			
Accounts receivable, net	$ 4,242	$ (2,135)	$ 2,107
Inventory	23,192	6,117	29,309
Liabilities			
Deferred revenue	1,999	187	2,186
Promissory note due to third parties-short term	5,814	3,764	9,578
Stockholders' Equity			
Accumulated deficit	$ (866,450)	$ 32	$ (866,418)

The following table reflects the impact of the immaterial corrections discussed above on the Company's previously reported consolidated statement of operations for the year ended December 31, 2022 (in thousands, except per share amounts):

	Previously Reported	Adjustments	As Revised
Revenue from sales of products	$ 20,839	$ (6,085)	$ 14,754
Total revenue	25,100	(6,085)	19,015
Cost of revenue from sales of products	26,374	(6,117)	20,257
Total cost of revenue	28,490	(6,117)	22,373
Gross profit	(3,390)	32	(3,358)
Loss from operations	(212,666)	32	(212,634)
Net loss	$ (282,117)	$ 32	$ (282,085)

The following table reflects the impact of the immaterial corrections discussed above on the Company's previously reported consolidated statement of comprehensive loss for the year ended December 31, 2022 (in thousands, except per share amounts):

	Previously Reported	Adjustments	As Revised
Net loss	$ (282,117)	$ 32	$ (282,085)
Comprehensive loss	(289,708)	32	(289,676)
Comprehensive loss attributable to Ideanomics, Inc. shareholders	$ (267,019)	$ 32	$ (266,987)

The following table reflects the impact of the immaterial corrections discussed above on the Company's previously reported consolidated statement of cash flows for the year ended December 31, 2022 (in thousands):

	Previously Reported	Adjustments	As Revised
Net loss	$ (282,117)	$ 32	$ (282,085)
Net loss from continuing operations	(213,665)	32	(213,633)
Accounts receivable	(2,182)	2,135	(47)
Inventory	(9,832)	(6,117)	(15,949)
Accrued expenses, salary and other current liabilities	$ (5,113)	$ 3,764	$ (1,349)

Ideanomics believes there was an oversight of current information. The high probability of returns was underestimated and the full nature of the contractual language was not fully disclosed. As a result, previously recorded revenue is being restated and current and future revenue is recorded when products reach end-customers.

Note 3. Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of Ideanomics, its subsidiaries were prepared in accordance with U.S. GAAP and include the assets, liabilities, revenues and expenses of the subsidiaries over which the Company exercises control and, when applicable, entities for which the Company has a controlling financial interest or is the primary beneficiary. Intercompany transactions and balances are eliminated in consolidation.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

On an ongoing basis, the Company evaluates its estimates, including those related to the credit losses, collectability of notes receivable, sales returns, fair values of financial instruments, equity investments, stock-based compensation, intangible assets, and goodwill, useful lives of intangible assets and property and equipment, asset retirement obligations, income taxes, and contingent liabilities, among others. The Company bases its estimates on assumptions, both historical and forward looking, that are believed to be reasonable, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities.

(c) Cash and Cash Equivalents

Cash consists of cash on hand, demand deposits, time deposits, and other highly liquid instruments with an original maturity of three months or less when purchased. Investments in money market or similar funds are evaluated in order to determine if the fund meets the definition of cash equivalents. The factors evaluated include the weighted-average maturity date of the fund's underlying securities, the fund's redemption policies, and if the fund's investment attributes are consistent with the investment attributes of an SEC-registered money market fund. Refer to **Note 21** for additional information on our credit and foreign currency risks.

(d) Accounts Receivable, net

Accounts receivable are recognized at invoiced amounts and do not bear interest. The Company maintains an allowance for for estimated credit losses resulting from the inability of its customers to make required payments. The Company reviews its allowance for credit loss an ongoing basis. In establishing the required allowance, management considers any historical losses, the customer’s financial condition, the accounts receivable aging, and the customer’s payment patterns. After all attempts to collect a receivable have failed and the potential for recovery is remote, the receivable is written off against the allowance.

During the year ended 2023, the Company reviewed accounts receivable aging and noticed the extended payment period from the customer. Accordingly the Company increased the loss rate from 5% yo 50%, and the allowance for expected credit loss at December 31 2023 is $1.6 million.

(e) Notes receivable, net

The Company had elected the fair value option for notes receivable. The convertible notes receivable were recorded at fair value at the reporting period and any changes to fair value and foreign currency were recorded in earnings. Refer to **Note 6** for additional information.

Similar to accounts receivable, each reporting period the Company evaluates the collectability of outstanding notes receivable balances and records an allowance for credit losses if the Company determines if the risk of non-payment of the loan is probable and estimable.

(f) Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation. Expenditures for major renewals and improvements, which extend the original estimated economic useful lives of applicable assets, are capitalized. Expenditures for normal repairs and maintenance are charged to expense as incurred. The costs and related accumulated depreciation of assets sold or retired are removed from the accounts and any gain or loss thereon is recognized in the consolidated statement of operations. Depreciation is provided for on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful life is 3 to 10 years for furniture and electronic equipment, 3 to 5 years for vehicles, 5 years for shop equipment and the lesser of lease terms or 10 years for leasehold improvements.

Construction in progress is stated at the lower of cost or fair value, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

(g) Business Combinations

The Company includes the results of operations of the businesses that are acquired as of the acquisition date. The Company allocates the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Contingent consideration in a business combination is included as part of the acquisition cost and is recognized at fair value as of the acquisition date. Fair value is generally estimated by using a probability-weighted discounted cash flow approach, Monte-Carlo simulation model, or scenario-based method. Any liability resulting from contingent consideration is remeasured to fair value at each reporting date until the contingency is resolved, and any changes in fair value are recognized in earnings.

(h) Intangible Assets and Goodwill

The Company accounts for intangible assets and goodwill in accordance with ASC 350. ASC 350 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be evaluated for impairment at least annually. In accordance with ASC 350, goodwill is allocated to reporting units, which are either the operating segment or one reporting level below the operating segment. On an annual basis and more frequently based on triggering events, as of October 1 of each year, management reviews goodwill for impairment by first assessing qualitative factors to determine whether the existence of events or circumstances makes it more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If it is determined that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, goodwill is further tested for impairment by comparing the carrying amount to the estimated fair value of its reporting units, determined using externally quoted prices (if available) or a discounted cash flow model and, when deemed necessary, a market approach. Goodwill impairment, if any, is measured as the amount by which a reporting unit's carrying amount exceeds its fair value.

Application of goodwill impairment tests requires significant management judgment, including the identification of reporting units, assigning assets, liabilities, and goodwill to reporting units and determination of fair value of each reporting unit. Judgment applied when performing the qualitative analysis includes consideration of macroeconomic, industry and market conditions, overall financial performance of the reporting unit, composition, personnel or strategy changes affecting the reporting unit and recoverability of asset groups within a reporting unit. Judgments applied when performing the quantitative analysis includes estimating future cash flows, determining appropriate discount rates, and making other assumptions. Changes in these judgments, estimates and assumptions could materially affect the determination of fair value for each reporting unit.

Intangible assets, excluding goodwill, consist primarily of patents, trademarks, brands, and land use rights, which are generally recorded in connection with acquisitions at their fair value. Intangible assets with estimable lives are amortized, generally on a straight-line basis, over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(i) Inventory

Inventories, which include the costs of material, labor and overhead, are stated at the lower of cost or net realizable value, with cost generally computed on a first-in, first-out basis excluding electronic motorcycles. Electronic motorcycle inventories are stated on a specific identification method. Estimated losses from obsolete and slow-moving inventories are recorded to reduce inventory values to their estimated net realizable value and are charged to costs of revenue. At the point of loss recognition, a new cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in a recovery in carrying value.

The majority of the inventory represents finished assemblies and sub assemblies to be used in delivering electric powertrain components, electric tractors and electric motorcycles to customers.

The composition of inventory is as follows (in thousands):

	December 31, 2023	December 31, 2022
Raw materials	$ 6,807	$ 4,147
Work in progress	9,429	10,775
Finished goods	11,937	17,454
Inventory Reserve	(8,335)	(3,067)
Total	$ 19,838	$ 29,309

The following table summarizes the movement in the inventory reserve (in thousands):

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	$ (3,067)	$ (476)
Increases	(5,268)	(2,591)
Decreases	—	—
Balance at the end of the year	$ (8,335)	$ (3,067)

The carrying amount of inventories serving as collateral for short-term borrowing agreements is $2.0 million, and $1.8 million for years ending December 31, 2022 and December 31, 2023, respectively.

(j) Long-term Investments

The Company accounts for equity investments through which management exercises significant influence but does not have control over the investee under the equity method. Under the equity method, the investment is initially recorded at cost and adjusted for the Company's share of undistributed earnings or losses of the investee. The Company's share of losses is not recognized when the investment is reduced to zero unless the Company guarantees the investees' obligations or has committed to providing additional funding.

The equity investments which are not consolidated or accounted for under the equity method are either carried at fair value or under the measurement alternative upon the adoption of the ASU No. 2016-1.

The Company utilizes the measurement alternative for equity investments that do not have readily determinable fair values and measures these investments at cost less impairment plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

The Company classifies its long-term investments as non-current assets on the consolidated balance sheets.

Impairment of Investments

Management periodically reviews long-term investments for impairment whenever events or changes in business circumstances indicate that the carrying amount of the investment may not be fully recoverable. Management considers impairment indicators such as negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. If indicators exist and the fair value of the investment is below the carrying amount, an impairment loss is recorded to record the investment at fair value. The Company recorded impairment losses of $6.9 million and $11.8 million in the years ended December 31, 2023 and 2022, respectively, for investments accounted for as equity method investments.

(k) Leases

The Company leases certain facilities, vehicles and equipment from third-parties. Leases with an initial term of 12 months or less are not recorded on the balance sheet and lease expense is recognized on a straight-line basis over the lease term. For leases beginning in 2019 and later, at the inception of a contract management assesses whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the right to

substantially all the economic benefit from the use of the asset throughout the period is obtained, and (3) whether the Company has the right to direct the use of the asset. At the inception of a lease, management allocates the consideration in the contract to each lease component based on its relative stand-alone price to determine the lease payments. The Company accounts for lease components (e.g., fixed payments including rent, real estate taxes and insurance costs) separately from the non-lease components (e.g., common-area maintenance costs).

Leases may include one or more options to renew, with renewal terms that can extend the lease term from one year or more. Renewal periods are included in the lease term only when renewal is reasonably certain, which is a high threshold and requires management to apply judgment to determine the appropriate lease term. The Company's leases do not include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term. Certain lease agreements include rental payments adjusted periodically for inflation. The majority of the Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The majority of the Company's leases are classified as operating leases. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less. The effect of short-term leases and initial direct costs on our right-of-use asset and lease liability was not material.

ASC 842 requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease, determining the term of a lease when the contract has renewal or cancellation provisions, and determining the discount rate.

As the rate implicit in the lease is not usually available, the Company used an incremental borrowing rate based on the information available at the adoption date of ASC 842 in determining the present value of lease payments for existing leases. The Company uses information available at the lease commencement date, or in the event of leases assumed in a business combination, the acquisition date, to determine the discount rate for any new leases.

(l) Product Warranties

Certain of the Company's products are sold subject to standard product warranty terms, which generally include post-sales support and repairs or replacement of a product at no additional charge for a specified period of time. Accruals for estimated expenses related to product warranties are made at the time revenue is recognized and are recorded as a component of costs of revenue. The Company estimates the liability for warranty claims based on standard warranties, the historical frequency of claims and the cost to replace or repair products under warranty. Factors that influence the warranty liability include the number of units sold, the length of warranty term, historical and anticipated rates of warranty claims and the cost per claim. The warranty liability as of December 31, 2023 and 2022 is $0.4 million and $0.6 million, respectively, and is included in "Other current liabilities" within the consolidated balance sheet.

(m) Convertible Promissory Notes

The Company accounts for its convertible notes at issuance by allocating the proceeds received among freestanding instruments according to ASC 470, based upon their relative fair values. The fair value of debt and common stock is determined based on the closing price of the common stock on the date of the transaction, and the fair value of warrants, if any, is determined using the Black-Scholes Merton option-pricing model. Convertible notes are subsequently carried at amortized cost. The fair value of warrants is recorded as additional paid-in capital, with a corresponding debt discount from the face amount of the convertible note.

The discounts on the convertible notes, consisting of amounts ascribed to warrants are amortized to interest expense, using the effective interest method, over the terms of the related convertible notes.

Each convertible note is also analyzed for the existence of embedded derivatives, which may require bifurcation from the convertible note and separate accounting treatment.

The Company also analyzes the features of its convertible notes which, when triggered, mandate a downward adjustment to the instrument's strike price (or conversion price) if equity shares are issued at a lower price (or equity-linked financial instruments are issued at a lower strike price) than the instrument's then-current strike price. The purpose of the feature is typically to protect the instrument's counterparty from future issuances of equity shares at a more favorable price.

(n) Preferred Stock

Preferred Shares are classified within permanent equity on the Company's consolidated balance sheet as they do not meet the criteria that would require presentation outside of permanent equity under ASC 480 Distinguishing Liabilities from Equity.

(n) Fair Value Measurements

Our financial instruments that are not re-measured at fair value include cash and cash equivalents, accounts receivable, net, notes receivable, net, accounts payable and other current liabilities. The carrying values of theses financials instruments approximate their fair values with the exception of contingent consideration. Refer to **Note 24** for additional information.

Our non-financial assets that are measured at fair value on a nonrecurring basis include goodwill and other intangible assets, and adjustment in carrying amount of equity securities for which the measurement alternative of cost less impairment plus or minus observable price changes is used.

(o) Assets and Liabilities Held for Sale

The Company classifies assets and liabilities (disposal group) to be sold as held for sale in the period in which all of the following criteria are met: (1) management, having the authority to approve the action, commits to a plan to sell the disposal groups; (2) the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal group; (3) an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated; (4) the sale of the disposal group is probable, and (5) transfer of the disposal group is expected to qualify as a completed sale within one year, except if events or circumstances beyond the Company's control extend the period of time required to sell the disposal group beyond one year; (6) the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (7) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Company initially measures a disposal group that is classified as held for sale at the lower of its carrying amount or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Gains are not recognized on the sale of a disposal group until the date of sale. The Company assesses the fair value of a disposal group, less any costs to sell, each reporting period it remains classified as held for sale and reports any subsequent losses as an adjustment to the carrying amount of the disposal group.

As part of this assessment, the Company also evaluates the criteria for reporting the disposal group as a discontinued operation. Factors which the Company considers includes, but is not limited to, the level of continuing involvement, if any, whether the disposal constitutes a strategic shift, and the relative magnitude of revenue, net income or loss, and total assets.

(p) Foreign Currency Translation

The Company uses the United States dollar as its reporting currency. The Company's worldwide operations utilize the local currency or USD as the functional currency, where applicable. For certain foreign subsidiaries, USD is used as the functional currency. This occurs when the subsidiary is considered an extension of the parent. The functional currency of subsidiaries located worldwide are either in RMB, HKD or the EURO. In the consolidated financial statements, the financial information of the entities which use RMB and HKD as their functional currency has been translated into USD: assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at the historical exchange rates, and revenues, expenses, gains and losses are translated using the average rate for the period. Translation adjustments arising from these are reported as foreign currency translation adjustments and are shown as a component of "Accumulated other comprehensive loss" in the equity section of the consolidated balance sheets.

Transactions denominated in currencies other than functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated in the functional currency at the applicable rates of exchange in effect at the balance sheet date. Foreign currency (gains) losses of $0.0 million and $4.1 million were recorded in "Selling, general and administrative expenses" on the Consolidated Statements of Operations in the years ended December 31, 2023 and 2022, respectively.

(q) Escrow and Trust Deposits

In providing escrow services, the Company holds funds for others in a fiduciary capacity, pending completion of real estate transactions. A separate, self-balancing set of accounting records is maintained to record escrow transactions. Escrow trust funds held for others are not the Company's and, therefore, are excluded from the consolidated balance sheet, however, the Company remains contingently liable for the disposition of these deposits. It is a common industry practice for financial

institutions where escrow funds are deposited to either reimburse or to directly provide for certain costs related to the delivery of escrow services. The Company follows the practice of non-recognition of costs borne by the financial institution where escrow funds are deposited.

Escrow trust balances at December 31, 2022 were $9.3 million There were no escrow trust balances as of December 31, 2023 as Timios was sold in 2023.

(r) Revenue Recognition General

The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. For most of the Company's customer arrangements, control transfers to customers at a point in time, as that is generally when legal title, physical possession and risk and rewards of goods/services transfer to the customer. In certain arrangements, control transfers over time as the customer simultaneously receives and consumes the benefits as the Company completes the performance obligations.

Our contracts with customers may include multiple performance obligations. For such arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are based on the observable prices charged to customers or adjusted market assessment or using expected cost-plus margin when one is available. Adjusted market assessment price is determined based on overall pricing objectives taking into consideration market conditions and entity specific factors.

The Company has a floor plan loan agreement for new inventory which involves three parties: Solectrac, the supplier of the goods, the dealer, and Mitsubishi, the loan facilitator. Floor plan is a method of financing inventory purchases, where a lender pays for assets that have been ordered by a retailer and is paid back from the proceeds from the sale of these items. The dealer purchases inventory from Solectrac through Mitsubishi's guarantee of payments to Solectrac. The loan agreement facilitates the arrangement, resulting in all assets acquired through the floor planning arrangement being documented on Solectrac's balance sheet, along with the corresponding floor plan liability. Revenue is recognized when the dealer sells the inventory, and the loan agreement is satisfied.

The Company performs an analysis of the relevant terms of its sales contracts, including whether or not it controls the product prior to sale, whether or not it incurs inventory risk, and other factors in order to determine if revenue should be recorded as a principal or agent. Revenues recognized in a Principal capacity are reported gross, while revenues recognized as an Agent are reported net.

Certain customers may receive discounts or rebates, which are accounted for as variable consideration. Variable consideration is estimated based on the expected amount to be provided to customers, and initially reduces revenues recognized.

The Company records deferred revenues when cash payments are received or due before performance, including refundable amounts.

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. The Company expenses as incurred any commissions or other fees which, if capitalizable, would have an amortization period of less than one year.

Title, Closing and Appraisal Revenue

Premiums from title insurance policies written by independent agencies are recognized net of commission costs when the policies are reported to the Company upon the closing of a transaction and not before the effective date of the policy. Regulation of title insurance rates varies by state. Premiums are charged to customers based on rates predetermined in coordination with each states' respective Department of Insurance.

A closing or escrow is a transaction pursuant to an agreement of a buyer, seller, borrower, or lender wherein an impartial third-party, such as the Company, acts in a fiduciary capacity on behalf of the parties in accordance with the terms of such agreement in order to accomplish the directions stated therein. Services provided include, among others, acting as escrow or other fiduciary agent, obtaining releases, and conducting the actual closing or settlement. Closing and escrow fees are recognized upon closing of the escrow, which is generally at the same time of the closing of the related real estate transaction.

Revenue from appraisal services are primarily related to establishing the ownership, legal status and valuation of the property in a real estate transaction. In these cases, the Company does not issue a title insurance policy or perform duties of an escrow agent. Revenues from these services are recognized upon delivery of the service to the customer.

EV and Related Revenue

For product sales, the Company considers practical and contractual limitations in determining whether there is an alternative use for the product. For example, long-term design and build contracts are typically highly customized to a customer's specifications. For contracts with no alternative use and an enforceable right to payment for work performed to date, including a reasonable profit if the contract were terminated at the customer's convenience for reason other than nonperformance, the Company recognizes revenue over time. All other product sales are recognized at a point in time.

For contracts recognized over time, revenue is determined each quarter, on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion.

For contracts recognized at a point in time, the Company recognizes revenue when control passes to the customer, which is generally based on shipping terms that address when title and risk and rewards pass to the customer. However, the Company also considers certain customer acceptance provisions as certain contracts with customers include installation, testing, certification or other acceptance provisions. In instances where contractual terms include a provision for customer acceptance, the Company considers whether it has previously demonstrated that the product meets objective criteria specified by either the seller or customer in assessing whether control has passed to the customer. In instances where there is a contingent liability associated with sales, the Company defers recognition of revenue until product is delivered to a retail customer.

For service contracts, the Company recognizes revenue as the services are rendered if the customer is benefiting from the service as it is performed, or otherwise upon completion of the service. Separately priced extended warranties are recognized as a separate performance obligation over the warranty period.

The transaction price in the contracts consists of fixed consideration and the impact of variable consideration including returns, rebates and allowances, and penalties. Variable consideration is generally estimated using a probability-weighted approach based on historical experience, known trends, and current factors including market conditions and status of negotiations.

For design and build contracts, the Company may at times collect progress payments from the customer throughout the term of the contract, resulting in contract assets or liabilities depending on the timing of the payments. Contract assets consist of unbilled amounts when revenue recognized exceeds customer billings. Contract liabilities consist of advance payments and billings in excess of revenue recognized. Costs to obtain a contract (e.g., commissions) for contracts greater than one year are deferred and amortized in a manner consistent with revenue recognition of the related contract.

The Company enters into contracts with governmental agencies for services and products. These contracts are analyzed in order to determine if they should be accounted for under a revenue recognition model pursuant to ASC 606 or a grant model pursuant to ASC 958. If accounted for pursuant to a grant model, the Company must determine if the grant is conditional or unconditional, and if conditional any barriers exist which must be overcome. If unconditional, the grant is recognized as revenue immediately, and if conditional, the grant is recognized as revenue as and when the barriers are overcome. The significant barrier to the current conditional grants are that the expenses incurred must meet the qualifications as established by the respective governmental agencies, so that the grant revenue is recognized as the qualified expenses are incurred. Revenue recorded pursuant to a grant model are recorded as "Other revenue."

(s) Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs were $2.3 million and $6.1 million in the years ended December 31, 2023 and 2022, respectively.

(t) Research and Development Costs

The Company expenses research and development costs, which may be incurred for the design, development, experimentation and testing of products related to the automotive industry. Research and Development costs were $10.2 million and $3.8 million in the years ended December 31, 2023 and 2022, respectively.

(u) Share-Based Compensation

The Company awards share options and other equity-based instruments to its employees, directors and consultants (collectively "share-based payments.") Compensation cost related to such awards is measured based on the fair value of the instrument on the grant date. The Company recognizes the compensation cost over the period the individual is required to provide service in exchange for the award, which generally is the vesting period. The amount of cost recognized is adjusted to reflect the effect of forfeiture as they occur. When no future services are required to be performed by the individual in exchange for an award of equity instruments, and if such award does not contain a performance or market condition, the cost of the award is expensed on the grant date. The Company recognizes compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for the entire award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date. For options with market conditions, the fair value of each award is estimated on the date of grant using a Monte-Carlo valuation model and the fair value of each option recognized as compensation expense over the derived service period. For options with performance conditions, the fair value of each award is estimated on the date of grant using the Black-Scholes Merton valuation model and the fair value of each option recognized as compensation expense over the implicit service period. When using the Black-Scholes model to determine the fair value of the awards granted, management noted it could not rely on its historical exercise data to develop an accurate expected term as the Company has made significant structural changes in its business via multiple acquisitions and divestitures over the last few years. Thus, the Management deemed the Company's use of the "simplified" method to develop the estimate of the expected term for the stock options to be appropriate. The simplified method uses the mid-point between the vesting period and the contractual term for each grant as the expected term.

(v) Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Deferred taxes are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and income tax purposes using enacted rates expected to be in effect when such amounts are realized or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established, as needed, to reduce the amount of deferred tax assets if it is considered more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the effect of uncertain income tax positions only if those positions are more-likely-than-not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50.0% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company's policy is to record interest and penalties related to income taxes as a component of income tax expense. There were no material interest or penalties for the years ended December 31, 2023, 2022 and 2021, respectively.

On December 22, 2017, the TCJA was signed into law, which among other effects, reduces the U.S. federal CIT rate to 21.0% from 35.0% (or 21.0% in certain cases) beginning in 2018, and requires companies to pay a one-time transition tax on certain unrepatriated earnings from non-U.S. subsidiaries that is payable over eight years. No tax was due under this provision. The TCJA also makes the receipt of future non-U.S. sourced income of non-U.S. subsidiaries tax-free to U.S. companies and creates a new minimum tax on the earnings of non-U.S. subsidiaries relating to the parent's deductions for payments to the subsidiaries.

(w) Net Loss Per Share Attributable to Ideanomics Shareholders

Net loss per share attributable to our shareholders is computed in accordance with ASC 260. The two-class method is used for computing earnings per share. Under the two-class method, net income is allocated between common shares and participating securities based on dividends declared (or accumulated) and participating rights in undistributed earnings as if all the earnings for the reporting period had been distributed. The Company's convertible redeemable preferred shares are participating securities because the holders are entitled to receive dividends or distributions on an as converted basis. For the years presented herein, the computation of basic loss per share using the two-class method is not applicable as the Company is in a net loss position and net loss is not allocated to other participating securities, since these securities are not obligated to share the losses in accordance with the contractual terms.

Basic net loss per share is computed by dividing net loss attributable to Ideanomics common shareholders by the weighted average number of common shares outstanding during the period. Options and warrants are not considered outstanding in computation of basic earnings per share. Diluted net loss per share is computed by dividing net loss attributable to Ideanomics common shareholders by the weighted-average number of common shares and potential common shares outstanding during the period under the treasury stock method. Potential common shares include options and warrants to purchase common shares, preferred shares and convertible promissory notes, unless they were anti-dilutive. The computation of diluted net loss per share does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect (i.e. an increase in earnings per share amounts or a decrease in loss per share amounts) on net loss per share.

(x) VIE Structures and Arrangements

In the year ended December 31, 2022, the Company consolidated its VIE located in Italy in which it holds variable interests and was the primary beneficiary through contractual agreements. The Company is the primary beneficiary because it holds the power to direct activities that most significantly affected their economic performance and has the obligation to absorb or right to receive the majority of their losses or benefits. The results of operations and financial position of this VIE are included in the consolidated financial statements for the year ended December 31, 2022.

Additionally, VIA was identified as a VIE in consideration of the aggregate funding provided since August 2021 through the acquisition date of January 31, 2023. Prior to entering into the Merger Agreement, on June 7, 2021, the Company and VIA entered into a SAFE for an amount of $7.5 million which is recorded in Long-term investments as a cost method investment. VIA is not consolidated for year ending December 31, 2022 as the Company did not participate in the design of VIA, did not have significant influence over VIA to make management decisions, did not have any representation on the VIA's board and did not provide more than half of the total equity. As a result of the acquisition, the Company consolidated VIA, which results of operations and financial position are included in the financial statements for the year ended December 31, 2023.

The maximum exposure for this VIE is represented in the consolidated balance sheets. The maximum exposure is limited to $39.1 million for the year ending December 31, 2022 , recorded in Notes receivables from third parties, net and Long-term investments. Refer to Notes 5, 10 and 23 for additional information regarding transactions with VIA.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments, to require financial assets carried at amortized cost to be presented at the net amount expected to be collected based on historical experience, current conditions and forecasts. Subsequently, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, to clarify that receivables arising from operating leases are within the scope of lease accounting standards. Further, the FASB issued ASU No. 2019-04, ASU No. 2019-05, ASU 2019-10, ASU 2019-11, ASU 2020-02 and ASU 2020-03 to provide additional guidance on the credit losses standard. ASU 2019-10 deferred the effective date of ASU 2016-13 to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, for public entities which meet the definition of a smaller reporting company on the date the ASU was issued.

Adoption of the ASUs is on a modified retrospective basis. We adopted the ASUs on January 1, 2023. The Company recorded $0.3 million impact to the retained earnings. This ASU applies to all financial assets including loans, trade receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash.

In October 2021, the FASB issued ASU No. 2021-08, which will require companies to apply the definition of a performance obligation under ASC Topic 606 to recognize and measure contract assets and contract liabilities (i.e., deferred revenue).relating to contracts with customers that are acquired in a business combination. Under current U.S. GAAP, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers at fair value on the acquisition date. The ASU is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted this ASU prospectively on January 1, 2023. This ASU did not have a material impact on our consolidated financial statements..

Note 4. Discontinued Operations

During the year ended December 31, 2023, our business components Timios, US Hybrid, Tree Technologies, Justly and China met the criteria for classification as discontinued operations and are no longer presented as continuing operations. Assets and liabilities associated with these components are presented in our consolidated balance sheets as Discontinued Operations. The results of operations related to these components are included in the consolidated statements of operations as "Loss from discontinued operations, net of tax." The cash flows of these components are also presented separately in our consolidated statements of cash flows. All corresponding prior year periods presented in our financial statements and related information in the accompanying notes have been reclassified to reflect the Discontinued Operations presentation.

On July 25, 2023, we completed the sale of the Timios Operations for cash proceeds of $0.5 million (net of $0.2 million in transactions costs paid for by the buyer) and the extinguishment of outstanding payables to YA PN II of $2.4 million. There was no material gain or loss on the sale of the Timios operations. On November 7, 2023, the Company received the deposit of

$0.5 million from a potential buyer of US Hybrid, the details of this transaction are included as a subsequent event in our **Note 25.** As of December 31, 2023, the China business component completed all commercial vehicle resale activities and does not expect to generate material revenues prior to the wind up of the legal entities in China.

The following table summarizes the operating results of the discontinued operations for the periods indicated:

	Years ended	
	December 31, 2023	December 31, 2022
Total revenue	$ 16,412	$ 75,835
Cost of revenue	15,418	73,261
Gross profit	994	2,574
Selling and administrative expenses	20,219	35,105
Depreciation and amortization	455	2,409
Asset impairments	10,519	43,694
Other operating costs	31	1,233
Operating loss	(30,230)	(79,867)
Non-operating income (expense)	814	5,278
Income tax benefit	140	6,137
Loss from discontinued operations, net of tax	$ (29,276)	$ (68,452)

The following table summarizes the assets and liabilities of the Discontinued Operations included in the consolidated balance sheets for the periods indicated:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 1,180	$ 19,015
Accounts Receivables, net	382	1,614
Inventory, net	2,667	5,054
Prepaid expenses and other current assets	807	8,020
Current assets of discontinued operations	$ 5,036	$ 33,703
Property and equipment, net	177	1,227
Intangible assets, net	6	9,147
Operating lease right of use assets	2,232	5,446
Other noncurrent assets	428	3,392
Noncurrent assets of discontinued operations	$ 2,843	$ 19,212
Accounts payable and accrued expenses	$ 2,947	$ 8,970
Current portion of operating lease liabilities	941	469
Other current liabilities	3,834	4,805
Current liabilities of discontinued operations	$ 7,722	$ 14,244
Operating lease liabilities – long term	1,317	—
Deferred tax liabilities	355	454
Other noncurrent liabilities	—	4,758
Noncurrent liabilities of discontinued operations	$ 1,672	$ 5,212

Assets Held for Sale

During the year ended December 31, 2023, our business components Energica, Solectrac and IDEX Spain (the "held for sale businesses") met the criteria for classification as assets held for sale and discontinued operations. However, as the held for sale businesses comprise the substantial majority of assets, liabilities, revenues and operating costs of the Company's continuing operations and the period of time over which the disposal events are expected to occur, we have continued to present these operations as continuing operations. We believe this provides more relevant information in the primary financial statements. While these assets are classified as held for sale as we assess active third-party interest, we do not anticipate the sale of all of these businesses. For those that we do decide to sell, it is expected that the majority of the balances attributable to the held for sale businesses will not be divested until the second half of 2024.

The following table summarizes the operating results of the held for sale businesses for the periods indicated:

	Years ended	
	December 31, 2023	**December 31, 2022**
Total revenue	$ 11,732	$ 16,341
Cost of revenue	15,284	19,128
Gross profit	(3,552)	(2,787)
Selling and administrative expenses	21,738	21,199
Depreciation and amortization	4,954	4,173
Asset impairments	20,001	22,673
Other operating costs	2,270	3,449
Operating loss	$ (52,515)	$ (54,281)

The following table summarizes the assets and liabilities of the held for sale businesses included in the consolidated balance sheets for the periods indicated:

	December 31, 2023	**December 31, 2022**
Cash and cash equivalents	$ 1,221	$ 2,168
Accounts Receivables, net	408	1,741
Inventory, net	17,349	25,000
Prepaid expenses and other current assets	2,288	7,482
Current assets of businesses held for sale	$ 21,266	$ 36,391
Property and equipment, net	5,616	5,671
Intangible assets, net	23,512	43,471
Goodwill	35,894	37,775
Operating lease right of use assets	6,095	6,533
Other noncurrent assets	2,262	1,818
Noncurrent assets of businesses held for sale	$ 73,379	$ 95,268
Accounts payable and accrued expenses	14,703	16,339
Current portion of operating lease liabilities	808	768
Other current liabilities	22,096	18,335
Current liabilities of businesses held for sale	$ 37,607	$ 35,442
Operating lease liabilities – long term	5,415	5,846
Deferred tax liabilities	1,007	2,648
Other noncurrent liabilities	4,786	2,773
Noncurrent liabilities of businesses held for sale	$ 11,208	$ 11,267

Balance Sheet View if Excluding the Held for Sale Businesses Noted Above

While the sale of the businesses noted above is contingent on the ability to reach a mutually acceptable price with an unrelated arms-length buyer, in the event these business components are divested in the next twelve months, the Company will experience a material change in the assets its owns and operates. The following table presents a balance sheet as of December 31, 2023 as if the sale of Energica, Wave Technologies, and Solectrac were complete and such businesses were presented as discontinued operations. In this event, the balance sheet below would reflect the assets and liabilities of the parent company Ideanomics, Inc. and VIA Motors as the sole remaining continuing operations in that hypothetical situation. However, the balance sheet below presents historical financial information and does not include cash or other assets we would receive from the sale of the businesses held for sale, nor does it show any liabilities that may be reduced or discharged with cash received. Additionally, as described above, we may decide not to sell one or more of the businesses held for sale.

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 28	$ 746
Accounts Receivables, net	629	366
Inventory, net	2,489	4,309
Prepaid expenses and other current assets	3,148	42,505
Current assets of discontinued operation and businesses held for sale	26,302	70,095
Total current assets	32,596	118,021
Property and equipment, net	7,288	2,174
Intangible assets, net	155	151
Goodwill	—	—
Operating lease right of use assets	22	4,000
Other noncurrent assets	601	8,098
Noncurrent assets of discontinued operation and businesses held for sale	76,222	114,481
Total assets	$ 116,884	$ 246,925
Accounts payable and accrued expenses	$ 49,634	$ 18,405
Current portion of operating lease liabilities	2,415	1,264
Other current liabilities	20,256	11,457
Current liabilities of discontinued operation and businesses held for sale	45,329	49,687
Total current liabilities	117,634	80,813
Operating lease liabilities – long term	5,474	2,720
Deferred tax liabilities	938	—
Non current contingent Liabilities	—	—
Other noncurrent liabilities	229	321
Noncurrent liabilities of discontinued operation and businesses held for sale	12,880	16,476
Total liabilities	137,155	100,330
Series A	1,262	1,262
Series B	1,863	8,850
Series C	4,825	—
Equity:		
Common stock	1,499	597
Additional paid-in capital	1,071,520	1,004,082
Accumulated deficit	(1,090,579)	(866,418)
Accumulated other comprehensive loss	(4,553)	(6,104)
Total Ideanomics, Inc. shareholder's equity	(22,113)	132,157
Non-controlling interest	(6,108)	4,326
Total equity	(28,221)	136,483
Total liabilities, convertible redeemable preferred stock and equity	$ 116,884	$ 246,925

Note 5. Revenue

The following table summarizes the Company's revenues disaggregated by revenue source, geography (based on the Company's business locations), and timing of revenue recognition (in thousands):

	Year Ended	
	December 31, 2023	December 31, 2022
Geographic Markets		
North America	$ 9,574	$ 7,497
Europe	5,885	11,518
Total	$ 15,459	$ 19,015
Product or Service		
Electric vehicle products	$ 3,328	$ 4,830
Electric vehicle services	72	—
Electric motorcycle products and services	7,590	10,435
Electric motorcycle sponsorship services	743	1,075
Charging, battery and powertrain products	2,932	849
Charging, battery and powertrain services	30	1,482
Other	764	344
Total	$ 15,459	$ 19,015

The following table provides information about client receivables, contract liabilities and contract assets from contracts with customers:

	Year ended		
Balances from contracts with customers:	December 31, 2023	December 31, 2022	December 31, 2021
Accounts receivable, net	$ 1,037	$ 2,107	$ 895
Deferred revenue	2,537	2,186	1,241
Contract assets	34	3,579	2,172

In the years ended December 31, 2023 and 2022, the Company recorded grant revenue of $1.0 million and $0.3 million, respectively, in "Other revenue" in the consolidated statements of operations.

For the years ended December 31, 2023 and 2022, the Company recorded a contract assets of $0.0 million and $3.6 million, respectively.

The following table reflects the Company’s deferred revenue balance as of December 31, 2023 and 2022 (in thousands):

	Year ended	
Deferred revenue from contracts with customers:	December 31, 2023	December 31, 2022
Beginning balance	$ 2,186	$ 1,241
Revenue recognized, included in beginning balance	(1,600)	(996)
Additions, net of revenue recognized during period, and other	1,951	1,941
Ending Balance	$ 2,537	$ 2,186

In the years ended December 31, 2023 and 2022 the Company recognized revenue of $1.6 million and $1.0 million respectively, recorded in deferred revenue as of the beginning of the period.

Note 6. Notes Receivable from Third Parties

The following table provides certain information related to notes receivable consists of the following (in thousands):

	As of December 31, 2023					
	Cost	Repayment	Unrealized Gains	Unrealized Losses	Impairment	Estimated Fair Value
Green Power Motor Company (d)	45	(3)	—	—	—	42
Total notes receivable	$ 45	$ (3)	$ —	$ —	$ —	$ 42

	As of December 31, 2022					
	Cost	Interest	Unrealized Gains	Unrealized Losses	Impairment	Estimated Fair Value
VIA Note (a)	$ 63,218	$ 2,603	$ —	$ —	$ (34,213)	$ 31,608
VIA Note 2 (a)	14,468	233	—	—	(14,701)	—
Inobat Note (b)	11,819	863	—	(1,083)	(11,599)	—
Green Power Motor Company (d)	45	—	—	—	—	45
Total notes receivable	$ 89,550	$ 3,699	$ —	$ (1,083)	$ (60,513)	$ 31,653

(a) VIA Secured Promissory Notes

On August 30, 2021, the Company invested $42.5 million in VIA, in the form of a convertible promissory note. With a few amendments, the principal amount of the convertible promissory note was $63.2 million as of December 31, 2022. The note was secured by the certain assets and rights of VIA, bore interest at an annual rate of 4.0% and the scheduled maturity date was the earlier of the closing date of the acquisition or one year after the agreement is terminated according to its terms.

The convertible promissory note contained certain customary events of default and other rights and obligations of the parties. The Company expects to convert this promissory note in conjunction with the closing of the acquisition of VIA. Management assessed the probability of closing the acquisition in determining the recoverability of the promissory note.

The Company entered into a secured promissory note (VIA Note-2) of $2.2 million with VIA on May 20, 2022. With a few amendments, the principal amount of the convertible promissory note was 14.5 million as of December 31, 2022, including the Company issuing 0.1 millions shares to settle the debt owed by VIA Motors and recording as notes receivable due from VIA. The Company entered into an amendment of the secured promissory note during the second quarter of 2022 to provide a note that was secured by the certain assets and rights of VIA, bore interest at an annual rate of 4.0%. The principal and interest is due and payable in the event of the termination of the merger agreement.

The following table summarizes the activity related to the notes receivable reserve (in thousands):

Balance at December 31, 2021	$ —
Addition	60,513
Balance at December 31, 2022	60,513
Write-offs	(60,857)
Effect of change in foreign currency exchange rates	344
Balance at December 31 2023	$ —

During year ended December 31, 2022, the Company experienced significant delays in the closing of the acquisition of VIA and in the fourth quarter of 2022 withdrew the S-4 resulting in an inability to close the acquisition in the manner originally contemplated. Consequently, the outstanding balances were re-evaluated as to recovery and the balances adjusted to estimated recovery values inclusive of the risks associated with the consummation of the acquisition and the credit risks in the event of an unsuccessful closing. During the year ended December 31, 2023, the Company completed the VIA acquisition as of January 31, 2023 and the notes value extended to VIA Motors prior to the closing of the acquisition were written off against the notes receivable reserve at the time of the acquisition to reflect the value attributable to the credits included in the closing statement, VIA notes including additional funding of $0.8 million on

January 17, 2023, were settled and included in the consideration transferred at fair value. An additional impairment of $27.4 million was recorded in "Asset impairments" in the consolidated statement of operations for the three months ended March 31, 2023 upon settlement.

(b) Inobat Convertible Promissory Note

On December 24, 2021, the Company invested €10.0 million ($11.4 million) in Inobat via a convertible promissory note, was due December 24, 2022. Inobat specializes in the research, development, manufacture, and provision of innovative electric batteries custom-designed to meet the specific requirements of global mainstream and specialist OEMs within the automotive, commercial vehicle, motorsport, and aerospace sectors. Inobat is a European based battery manufacturer, that has a battery research and development facility and pilot line under development in Slovakia.

The principal amount of the convertible promissory note is €10.0 million ($11.4 million) is unsecured, bears interest at an annual rate of 8.0%, and the scheduled maturity date was December 28, 2022.

The convertible promissory note contains certain customary events of default and other rights and obligations of the parties.

The loan due from Inobat matured in December 2022 without any receipt of payment, in March 2023, the Company extended the maturity date of the loan to May 2023 the Company determined that the Inobat note was fully impaired and recorded an impairment loss of $11.6 million recorded in "Asset impairments" in the year ended December 31, 2022. The Company entered into a settlement with Inobat in the year ended December 31, 2023 and received $5.3 million and wrote off the note against notes receivable reserve.

(c) Green Power Motor Company

On July 29, 2022, the Company loaned $45.0 thousand to Green Power Motor Company. Interest will accrue on the outstanding principal at a rate of fixed interest rate per annum equal to 7.50%. Borrower will make 80 consecutive monthly payments commencing on September 1, 2022.

Note 7. Acquisitions and Divestitures

The Company continually evaluates potential acquisitions that align with the Company's strategy of accelerating the adoption of electric vehicles. The Company has completed a number of acquisitions that have been accounted for as purchases and have resulted in the recognition of goodwill in the Company's Consolidated Financial Statements. This goodwill arises because the purchase prices for these businesses exceeds the fair value of acquired identifiable net assets due to the purchase prices reflecting a number of factors including the future earnings and cash flow potential of these businesses, the multiple to earnings, cash flow and other factors at which similar businesses have been purchased by other acquirers, the competitive nature of the processes by which the Company acquired the businesses and the complementary strategic fit and resulting synergies these businesses bring to existing operations.

For all acquisitions, the Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtains the information used for the purchase price allocation during due diligence and through other sources. In the months after closing, as the Company obtains additional information about the acquired assets and liabilities, including through tangible and intangible asset appraisals, and learns more about the newly acquired business, it is able to refine the estimates of fair value and more accurately allocate the purchase price.

The fair values of acquired intangibles are determined based on estimates and assumptions that are deemed reasonable by the Company. Significant assumptions include the discount rates and certain assumptions that form the basis of the forecasted results of the acquired business including earnings before interest, taxes, depreciation and amortization, revenue, revenue growth rates, royalty rates and technology obsolescence rates. These assumptions are forward looking and could be affected by future economic and market conditions. The Company engages third-party valuation specialists who review the Company's critical assumptions and calculations of the fair value of acquired intangible assets in connection with significant acquisitions.

Only facts and circumstances that existed as of the acquisition date are considered for subsequent adjustment. the Company will make appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required. The

Company has included tables for the respective acquisitions by calendar year below. Where a purchase price allocation is considered final this has been disclosed respectively.

In addition to evaluating potential acquisitions, the Company may divest certain businesses from time to time based upon review of the Company's portfolio considering, among other items, factors relative to the extent of strategic and technological alignment and optimization of capital deployment, in addition to considering if selling the businesses results in the greatest value creation for the Company and for shareholders. Details and the impacts of any dispositions are noted below.

2023 Acquisitions and Divestitures

VIA Acquisition

On January 31, 2023, the Company closed the acquisition of VIA, pursuant to the terms of the Amended and Restated Merger Agreement. In closing, the Company acquired all outstanding shares of VIA in exchange for the issuance of 1.1 million common shares, and 1.2 million convertible preferred shares (at a ratio of 0.16:1 to common) and the settlement of loans advanced to VIA prior to closing with a settlement value of $5.7 million. As of September 30, 2023, the Company has issued 1.0 million common shares and 1.2 million convertible preferred shares. During the three months ended September 30, 2023, the Company determined it does not have the obligation to issue the remaining RSU shares and reversed liabilities of $2.3 million against goodwill. In the meantime, the Company identified there are $1.5 million worth of common shares that were previously reserved, but may be paid in cash; the Company recorded $1.5 million in "other current liabilities".

The Company had the notes receivable $31.6 million due from VIA as of December 31, 2022 and increased to $32.6 million before the acquisition. The Company wrote off $27.4 million at the time of the acquisition to reflect the value attributable to the credits included in the closing statement. The remaining balance $5.2 million were included the VIA acquisition consideration.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date. The recorded amounts for assets acquired and liabilities assumed are provisional and subject to change during the measurement period for certain items including the valuation of separately identified intangibles

(Dollars in thousands)		**December 31, 2023**
Fair value of consideration transferred:		
Common shares	$	28,617
Preferred shares		4,825
SAFE note		581
Secured convertible note		5,165
Contingent consideration		73,627
Purchase price	**$**	**112,815**
Allocated to:		
Current assets		1,757
Property and equipment, net		2,315
Operating lease right of use assets		5,064
Intangible assets – development technology		104,200
Intangible assets – trademark and tradename		11,410
Goodwill		13,020
Other assets		—
Current liabilities		(16,940)
Deferred tax liability		(4,227)
Other liabilities		(3,784)
Fair value of assets acquired, less liabilities assumed	**$**	**112,815**

The useful lives of the intangible assets acquired is as follows:

	December 31, 2023
Intangible assets – development technology	20
Intangible assets – trademark and tradename	20
Weighted average	20

Amortization expense related to intangible assets created as a result of the VIA acquisition for the year ended December 31, 2023 was $11.2 million. The Company wrote down the remaining intangible assets to zero in the year ended December 31, 2023.

The goodwill from the VIA acquisition represents future economic benefits that we expect to achieve as a result of the VIA acquisition. Goodwill is calculated as the excess of the consideration transferred over the net assets acquired and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill is not expected to be deductible for tax purposes. Goodwill will not be amortized but instead will be tested for impairment at least annually and more frequently if certain indicators of impairment are present. The Company wrote down the goodwill to zero in the year ended December 31, 2023.

Revenue of 0.1 million and net loss 139.1 million for the year ended December 31, 2023 have been included in the consolidated financial statements.

Unaudited Pro forma Financial Information

The unaudited pro forma results presented below include the effects of the Company's acquisitions as if the acquisitions had occurred on January 1, 2022. The Company filed an Amended Form 8-K on July 3, 2023 to disclose unaudited pro forma financial information, and explanatory notes, related to the acquisition of VIA as it met the criteria of a significant acquisition. The Energica acquisition did not meet the criteria of a significant acquisition, in aggregate or individually.

The pro forma adjustments are based on historically reported transactions by the acquired companies. The pro forma results do not include any material, nonrecurring adjustments directly attributable to the 2021 Acquisitions or the Energica acquisition. The pro forma results do not include any anticipated synergies or other expected benefits of the acquisitions. The unaudited pro forma financial information below is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisitions occurred on January 1, 2022.

	Years Ended	
	December 31, 2023	December 31, 2022
(Amounts in thousands, except per share and share data)		
Total revenue	$ 14,502	$ 19,278
Net loss attributable to Ideanomics, Inc. common shareholders	$ (199,767)	$ (257,130)

Fiducia (wholly owned subsidiary of Timios) Stock Purchase Agreement

On July 25, 2023, the Company closed the Fiducia Stock Purchase Agreement as executed on May 1, 2023, at which time $0.45 million in cash was received by the Company (net of $0.15 million in transaction expenses) paid for by YA II PN and $2.40 million convertible notes owed by the Company to YA II PN were extinguished. The Company recognized $1.7 million gain in the year ended December 31, 2023. Timios was classified as discontinued operations, please refer to **Note 1** "*Discontinued Operations"* for further information.

2022 Acquisitions and Divestitures

The Company has completed the below acquisition in the year ended December 31, 2022. The accompanying consolidated financial statements include the operations of the acquired entities from their respective acquisition dates. All of the acquisitions have been accounted for as business combinations.

Energica Acquisition

On March 3, 2021, the Company entered into an investment agreement with Energica to acquire 20.0% of Energica share capital. On September 15, 2021, the Company announced it had entered into an agreement to launch a voluntary conditional tender offer in concert with the founders of Energica for shares of Energica, pursuant to which Ideanomics plans to increase its investment from 20.0% in Energica to 72.4%. The Energica founders shall continue to own approximately 27.6% of Energica.

On February 9, 2022, the Company wired €52.5 million (approximately $60.3 million) to an escrow account in order to facilitate and fund the conditional tender offer. On March, 7, 2022, the Company announced that it had achieved the 90.0% threshold for the conditional tender offer. The transaction received final approval from Italian regulatory authorities and closed on March 14, 2022.

Acquisition Method Accounting Estimates

The final purchase price allocation for Energica was $58.1 million including $2.0 million in cash obtained through the acquisition. The purchase price was paid in cash and funded from available cash resources. The table below summarizes the fair value of identifiable assets acquired and liabilities assumed in the acquisition of Energica.

In conjunction with the acquisition of Energica, the Company remeasured the 20.0% previously accounted for as an equity method investment. The fair value measurement is based on significant inputs to include discounted cash flow analyses that are not observable in the market and thus represents a Level 3 measurement as defined in ASC 820. The Company determined the enterprise value using external specialists in support of the preliminary purchase price allocation referenced in the table below. The Company used this enterprise value to remeasure the previous equity investment by stepping up the value of the 20.0% equity ownership to reflect the proceeds paid to gain control of Energica. This remeasurement resulted in a gain of $11.0 million recorded in the year ended December 31, 2023, this was recorded in Gain on remeasurement of investment, in our consolidated statement of operations.

The fair value of the 27.6% non-controlling interest in Energica is estimated to be $24.8 million. The fair value measurement is based on significant inputs to include discounted cash flow analyses that are not observable in the market and thus represents a Level 3 measurement as defined in ASC 820. The Company determined the enterprise value using external specialists in support of the preliminary purchase price allocation referenced in the table below. The Company used this enterprise value to remeasure the previous non-controlling interest by stepping up the value of the non-controlling interest less a discount for lack of marketability. The discount for the lack of marketability was calculated by external specialists using the Finnerty model.

(Dollars in thousands)		
Cash paid at closing	$	58,140
Fair value of previously held interest		22,183
Fair value of non-controlling interest		24,778
Purchase price	**$**	**105,101**
Allocated to:		
Current assets	$	19,708
Property and equipment, net		1,927
Intangible assets –Customer relationships		14,226
Intangible assets – Development technology		18,603
Intangible assets – Trademark and trade name		14,496
Goodwill		60,394
Other assets		1,024

Current liabilities		(16,894)
Other liabilities		(8,383)
Fair value of assets acquired, less liabilities assumed	**$**	**105,101**

The useful lives of the intangible assets acquired is as follows:

	Energica
Intangible assets – customer relationships	13.0
Intangible assets – development technology	8.0
Intangible assets – trademark and tradename	25.0
Weighted average	14.7

The estimated amortization expense related to these intangible assets for each of the years subsequent to December 31, 2023, is as follows (amounts in thousands):

2024	4,180
2025	4,180
2026	4,050
2027	4,034
2028 and beyond	24,066
Total	40,510

Amortization expense related to intangible assets created as a result of the Energica acquisition for the year ended December 31, 2023 and December 31, 2022 was $4.2 million and $3.2 million, respectively.

The goodwill from the Energica acquisition represents future economic benefits that we expect to achieve as a result of the Energica acquisition, Goodwill is calculated as the excess of the consideration transferred over the net assets acquired and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill is not deductible for tax purposes. Goodwill will not be amortized but instead will be tested for impairment at least annually and more frequently if certain indicators of impairment are present.

Revenue of $8.3 million and net loss of $15.4 million for the year ended December 31, 2023 have been included in the consolidated financial statements. Revenue of $11.5 million and net loss of $35.1 million for the year ended December 31, 2022 have been included in the consolidated financial statements.

Refer to **Note 11** for information related to an impairment charge recognized for the Energica reporting unit during the year ended December 31, 2022.

Dispositions

Seven Stars Energy Pte. Ltd.

On February 9, 2022, the Company transferred its 51.0% interest in Seven Starts Energy Pte. Ltd. to Fan Yurong, a current shareholder of SSE, for a nominal amount.

The Company recognized a disposal loss of $0.2 million as a result of the deconsolidation of SSE and such loss was recorded in “Loss on disposal of subsidiaries, net” in the consolidated statements of operations for the year ended December 31, 2022.

Ideanomics Shengtong New Energy Co., Ltd.

On November 29, 2022, the Company sold its 80% ownership on Shandong to the entity’s minority shareholder and its related party in amount of RMB 2.7 million($0.5 million), 70% to the entity’s minority shareholder in amount of RMB 2.4 million ($0.4 million) and 10% to a third party in amount of RMB 0.3 million ($0.1 million). The Company recognized a disposal loss of $0.1 million as a result of the deconsolidation and such loss was recorded in “Loss on disposal of subsidiaries, net” in the condensed consolidated statements of operations for the nine months ended December 31, 2022.

2023 and 2022 Transaction Costs

Transaction costs describe the broad category of costs the Company incurs in connection with signed and/or closed acquisitions. Transaction costs include expenses associated with legal, accounting, regulatory, and other transition services rendered in connection with acquisition, travel expense, and other non-recurring direct expenses associated with acquisitions.

- The Company incurred transaction costs of $11.7 million during the year ended December 31, 2023 related to VIA acquisition.
- The Company incurred transaction costs of $0.6 million during the year ended December 31, 2022, related to the Energica acquisition.

Transaction costs have been included in "Selling, general and administrative expenses" in the consolidated statements of operations and in cash flows from operating activities in the consolidated statements of cash flows.

Note 8. Accounts Receivable

The following table summarizes the Company's accounts receivable (in thousands):

	December 31, 2023	December 31, 2022
Accounts receivable, gross	$ 2,587	$ 2,128
Less: allowance for doubtful accounts	(1,550)	(21)
Accounts receivable, net	$ 1,037	$ 2,107

The following table summarizes the movement of the allowance for credit losses (in thousands):

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	$ (21)	$ —
Increase in the allowance for credit losses	(1,529)	(21)
Write offs of accounts receivable	—	—
Effect of change in foreign currency exchange rates	—	—
Balance at the end of the year	$ (1,550)	$ (21)

Note 9. Restructuring

On September 12, 2022, the Board authorized management to pursue a plan to restructure the current EV resale activities in China. In 2023, the Company decided to completely wind down its China operations. In the second quarter of 2023, the Company decided to wind down Tree Technology business.

The restructuring costs are mainly employee termination cost. Employee termination benefits were recorded based on statutory requirements, completed negotiations and Company policy. The following table summarizes the charges in connection with its employee termination cost (in thousands):

	Years ended	
	December 31, 2023	December 31, 2022
Balance at the beginning of the period	1,056	—
Increase/(decrease)	608	1,056
Payment	(1,268)	—
Balance at the end of the period	396	1,056

As of December 31, 2023, China and Tree Technology had completed all expected run-off activities and consequently was classified as a discontinued operation. For further details, please refer to **Note 1** in the consolidated financial statements.

Note 10. Property and Equipment, net

The following table summarizes the Company's property and equipment (in thousands):

	December 31, 2023	December 31, 2022
Furniture and office equipment	$ 1,433	$ 1,605
Vehicles	832	1,028
Leasehold improvements	3,440	3,784
Shop equipment	4,614	3,129
Construction in progress	6,420	—
Total property and equipment	16,739	9,546
Less: accumulated depreciation	(3,835)	(1,701)
Property and equipment, net	$ 12,904	$ 7,845

The Company recorded depreciation expense of $2.4 million and $1.2 million in the years ended December 31, 2023 and 2022, respectively.

Note 11. Goodwill and Intangible Assets

A reporting unit is the level at which goodwill is tested for impairment, and is defined as an operating segment or one level below an operating segment, if certain criteria are met. Under its current corporate structure, the Company has one operating segment and seven reporting units.

Goodwill

The following table summarizes changes in the carrying amount of goodwill for the years ended December 31, 2023 and 2022 (in thousands):

Balance as of January 1, 2022	$ —
Measurement period adjustments	1,234
Impairment (a)	(22,662)
Acquisitions	60,395
Effect of change in foreign currency exchange rates	(1,192)
Balance as of January 1, 2023	37,775
Measurement period adjustments	(2,307)
Impairment (b)	(13,712)
Acquisitions	13,020
Effect of change in foreign currency exchange rates	1,118
Balance as of December 31, 2023	$ 35,894

(a) While Energica significantly expanded the global dealer network and introduced product into the US market, the business did not meet its performance targets in 2022 and is expected to continue to miss business development targets in 2023. Consequently, updated projections reflecting the longer time period required for market development and sales expansion reflect a related decrease in the enterprise value.

Based on the results of the annual quantitative impairment test, the fair value of the Energica reporting unit was below the carrying value of its net assets. The fair value of the Energica reporting unit was based on the income approach. Under the income approach, the Company estimated the fair value of the reporting unit based on the present value of estimated future cash flows which are Level 3 unobservable inputs in the fair value hierarchy. The Company prepared cash flow projections based on management's estimates of revenue growth rates and operating margins, taking into consideration the historical performance and the current macroeconomic industry and market conditions. The Company based the discount rate on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the Energica's ability to execute on the projected cash flows. The fair value of Energica's reporting unit is based on management's

best estimates, and should actual results differ from those estimates, future impairment charges may be required in future periods.

The quantitative analysis indicated that the carrying amount of the Energica reporting unit exceeded its fair value. As a result, the Company recorded a goodwill impairment charge of €21.1 million ($22.7 million) in the years ended December 31, 2022.

(b) The goodwill from the VIA acquisition represents future economic benefits that we expect to achieve as a result of the VIA acquisition. Goodwill is calculated as the excess of the consideration transferred over the net assets acquired and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill is not expected to be deductible for tax purposes. Goodwill will not be amortized but instead will be tested for impairment at least annually and more frequently if certain indicators of impairment are present. Management has concluded that VIA will not achieve its previous production and sales goals as the business's engineering and operations functions have been temporarily paused due to a lack of capital to investment in the next phases of development and manufacturing. As a result, the Company fully impaired the goodwill to zero in the year ended December 31, 2023.

The quantitative analysis indicated that the carrying amount of the Energica reporting unit exceeded its fair value. As a result, the Company recorded a goodwill impairment charge of €2.7 million ($3.0 million) in the years ended December 31, 2023.

Intangible Assets

The following table summarizes information regarding amortizing and indefinite lived intangible assets (in thousands):

		December 31, 2023				December 31, 2022			
	Weighted Average Remaining Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Impairment Loss	Net Balance	Gross Carrying Amount	Accumulated Amortization	Impairment Loss	Net Balance
Amortizing Intangible Assets									
Patents, trademarks and brands	20.9	$ 26,621	$ (1,870)	$ (19,530)	$ 5,221	$ 14,734	$ (660)	$ —	$ 14,074
Customer relationships	12.7	14,349	(2,024)	(8,501)	3,824	13,937	(824)	—	13,113
Licenses	3.4	105	(33)	—	72	141	(16)	—	125
Software	2.3	132	(76)	—	56	2,981	(667)	(2,300)	14
Technology	6.2	122,969	(15,144)	(93,356)	14,469	18,225	(1,954)	—	16,271
		164,176	(19,147)	(121,387)	23,642	50,018	(4,121)	(2,300)	43,597
Indefinite lived intangible assets									
Website name		25	—	—	25	25	—	—	25
Total		$ 164,201	$ (19,147)	$ (121,387)	$ 23,667	$ 50,043	$ (4,121)	$ (2,300)	$ 43,622

*excludes intangible assets fully amortized or written off in prior period

Management has concluded that VIA will not achieve its previous production and sales goals as the business's engineering and operations functions have been temporarily paused due to a lack of capital to investment in the next phases of development and manufacturing. As a result, the Company recorded an impairment charge of $104.4 million of intangible assets for the year ended December 31, 2023.

The quantitative analysis indicated that the carrying amount of the Energica reporting unit exceeded its fair value. As a result, the Company recorded intangible assets impairment charge of $17.0 million in the years ended December 31, 2023.

Amortization expense, excluding impairment losses of $121.4 million and $2.3 million for the years ended December 31, 2023 and 2022, respectively, relating to intangible assets was $15.4 million and $4.1 million for the years ended December 31, 2023 and 2022, respectively.

The following table summarizes future expected amortization expense (in thousands):

Years ending December 31,	Amortization to be recognized
2024	$ 3,059
2025	3,050
2026	2,908
2027	2,876
2028	2,864
2029 and thereafter	8,885
Total	$ 23,642

Note 12. Leases

The following tables provide the components of lease expense included within the Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended	
	December 31, 2023	December 31, 2022
Operating lease cost	$ 3,015	$ 2,418
Short-term lease cost	700	357
Finance lease cost:		
Amortization of right-of-use assets	320	163
Interest on lease liabilities	42	16
Sublease income	—	—
Total	$ 4,077	$ 2,954

The following table provides the weighted average remaining lease term and the weighted average discount rate for the Company's leases as of December 31, 2023 and 2022:

	Year Ended	
	December 31, 2023	December 31, 2022
Operating and Finance lease weighted average remaining lease term (in years):		
Operating leases	7.3	4.1
Finance leases	3.0	3.6

	Year Ended	
	December 31, 2023	December 31, 2022
Operating and Finance lease weighted average discount rate:		
Operating leases	11.9 %	5.4 %
Finance leases	2.5 %	2.4 %

As of December 31, 2023, the Company’s future maturities of operating and finance lease liabilities were as follows:

Years ending December 31	Operating Leases	Finance Leases
2024	$ 3,025	$ 364
2025	2,706	364
2026	2,561	279
2027	1,714	91
2028	1,549	—
2029 and thereafter	9,847	—
Total undiscounted lease liabilities	21,402	1,098
Less: imputed interest	(7,290)	(81)
Net lease liabilities	$ 14,112	$ 1,017

The current finance lease liabilities and non-current finance lease liabilities are recorded in "Other current liabilities" and "Other long-term liabilities" on the consolidated balance sheets.

The following table provides supplemental cash flow information related to leases for the ended December 31, 2023 and 2022 (in thousands):

	Year Ended	
	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 3,078	$ —
Operating cash flows from finance leases	42	242
Right-of-use assets obtained in exchange for new operating lease liabilities	—	6,773
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 422	$ 1,134

In the years ended December 31, 2023 and 2022, the Company recorded an impairment losses related to the right of use asset of $7.6 million and $0.0 million, respectively.

In the year ended December 31, 2023 the Company ceased to use its showroom in New Jersey. As a result, the Company recorded an impairment loss related to the right of use asset of $3.0 million. In the year ended December 31, 2023 the Company's subsidiary, Via Motors, ceased to use its lease in Michigan. As a result, the Company recorded an impairment loss related to the right of use asset of $4.4 million.

Note 13. Supplementary Information

Other Current Assets

“Other current assets” were $1.9 million and $5.1 million as of December 31, 2023 and 2022, respectively. Components of “Other current assets” as of December 31, 2022 include a receivable of $3.3 million for Value-added tax credit. There were no components of "Other current assets" as of December 31, 2023 and 2022, which were more than 5% of total current assets.

Other Current Liabilities

“Other current liabilities” were $13.2 million and $9.3 million as of December 31, 2023 and 2022, respectively. Components of "Other current liabilities" as of December 31, 2023 that were more than 5% of total current liabilities were other payables to third-parties in the amount of $8.5 million. Component of "Other current liabilities" as of December 31, 2022 that were more than 5% of total current liabilities were other payables to third-parties in the amount of $5.6 million.

Note 14. Promissory Notes

The following is the summary of outstanding promissory notes as of December 31, 2023 and 2022 (in thousands):

		December 31, 2023		December 31, 2022	
	Interest rate	Principal Amount	Carrying Amount*	Principal Amount	Carrying Amount*
Convertible Debenture (a,b)	4.0%	$ 7,218	$ 7,524	$ 4,442	$ 3,928
Small Business Association Paycheck Protection Program (c)	1.0%	133	133	219	219
Tillou Promissory note (d)	22%	2,000	2,348	2,000	2,021
Therese Promissory note (e)	22%	775	1,081	—	—
Commercial Insurance Premium Finance (f)	8.0%	352	352	992	992
Other lending agreements (g)	0.1% - 20.0%	8,445	16,992	10,325	10,325
Total		$ 18,923	28,430	$ 17,978	17,485
Less: Current portion			(24,487)		(15,527)
Long-term Note, less current portion			$ 3,943		$ 1,958

*Carrying amount includes the accrued interest and approximates the fair value because of the short-term nature of these instruments.

The weighted average interest rate for the short term borrowings is 10.9% and 8.1% as of December 31, 2023 and December 31, 2022, respectively.

The Company defaults a few notes and breached at least two covenants, including making timely SEC filings and a minimum stock purchase from the Company's officers or directors. Yorkville has not asserted either breach and has since extended additional loan amounts to the Company.

(a) Convertible Debenture repaid in the year ended December 31 2022

On October 25, 2021, the Company executed a security purchase agreement with YA II PN, whereby the Company issued a convertible note of $75.0 million, and received aggregate gross proceeds of $75.0 million. The note is scheduled to mature on October 24, 2022 and bears interest at an annual rate of 4.0%, which would increase to 18.0% in the event of default. The note has a fixed conversion price of $1.88. The conversion price is not subject to adjustment except for subdivisions or combinations of common stock. The Company has the right, but not the obligation, to redeem a portion or all amounts outstanding under this note prior to the maturity date at a cash redemption price equal to the principal to be redeemed, plus accrued and unpaid interest. The note contained customary events of default, indemnification obligations of the Company and other obligations and rights of the parties. Commencing February 1, 2022, the Company has the obligation to redeem $8.3 million per month, against the unpaid principal. This amount may be reduced by any conversions by YA II PN or optional redemptions made by the Company.

On August 30, 2022, the Company and YA II PN agreed to amend the terms of the outstanding convertible note and entered into an amendment agreement dated August 29, 2022. As of August 29, 2022, the outstanding principal balance of the original debenture was $16.7 million. The amendments to the original debenture amended the principal amount to reflect the outstanding balance as of August 29, 2022, change the maturity date to January 29, 2023 and adjust the conversion price to the lower of $1.50 or 85.0% of the lowest daily VWAP during the 7 consecutive trading days immediately preceding the conversion date or other date of determination, but not lower than $0.20 per share of common stock. The Company shall not have the right to prepay any amounts due under the amended debenture prior to the maturity date without the Investor's prior written consent.

During the year ended December 31, 2022, the Company converted principal and accrued and unpaid interest in the amount of $16.8 million into 67.1 million shares of common stock of the Company. The Company repaid principal and accrued and unpaid interest in the amount of $42.2 million in cash. Total interest expense recognized was $1.2 million for the year ended December 31, 2022.

During the year ended December 31, 2021, the Company converted the principal and accrued and unpaid interest in the amount of $17.6 million was converted into 9.4 million shares of common stock of the Company. Total interest expense recognized was $0.6 million for the year ended December 31, 2021.

The note was fully repaid in 2022.

(b) Secured Convertible Debenture due February 24, 2023 – YA II PN

On October 25, 2022, the Company executed a secured debenture purchase agreement with YA II PN, whereby the Company issued a convertible note of $6.5 million, and received net proceeds of $4.9 million. The note is scheduled to mature on February 24, 2023 and bears interest at an annual rate of 8.0%, which would increase to 18.0% in the event of default. The note can be converted at a variable conversion price of 95% of the lowest daily VWAP during the five consecutive trading days immediately preceding the conversion date or other date of determination, but not lower than $0.05 per share. The conversion price is not subject to adjustment except for subdivisions or combinations of common stock. The Company has the right, but not the obligation, to redeem a portion or all amounts outstanding under this note prior to the maturity date The note contained customary events of default, indemnification obligations of the Company and other obligations and rights of the parties. The note is secured by the pledged collateral defined in the pledge agreement. The Company, YA IIPN and certain of the Company's subsidiaries also entered into an option agreement. The Company agreed to effect a spin-off within one year from the Closing. YA II PN has the option to purchase the common stocks of spin-off entities and the spin-off call right to purchase each spin-off entity the spin-off call shares at the call purchase price.

On March 30, 2023, the Company entered into the first Amendment to the SDPA. YA II PN purchased an additional debenture with substantially the same terms in the principal amount of $1.4 million. The Company also entered the first amendment to the option agreement as a condition precedent to the purchase of $1.4 million of convertible securities under the SDPA, the Company and Timios have granted YA II PN an option, exercisable after May 30, 2023, to purchase from the Company an amount of shares of common stock of Timios representing seventy percent (70%) of the then issued and outstanding Timios Common Stock on a Fully-Diluted Basis at the time the Call Right is effected or seventy percent (70%) of the then issued and outstanding Fiducia Common Stock on a Fully-Diluted Basis at the time the Call Right is effected. Pursuant to the Amended Option Agreement, if YA II PN exercises the Call Right, the aggregate purchase price shall be $2.5 million.

On April 17, 2023, the Company entered into the second amendment to the SDPA and option agreement. YA II PN purchased an additional debenture with substantially the same terms in the principal amount of $0.8 million. The Company also entered the second amendment to the option agreement as a condition precedent to the purchase of $0.8 million of convertible securities under the SDPA. The Company and Timios have granted YA II PN an option (the "Call Right"), exercisable after May 30, 2023, to purchase (a) from the Company an amount of shares of common stock of Timios representing one hundred percent (100%) of the then issued and outstanding common stock of Timios on a Fully-Diluted Basis (as defined therein) at the time the Call Right is effected, or (b) from Timios one hundred percent (100%) of the then issued and outstanding common stock of Fiducia on a Fully-Diluted Basis at the time the Call Right is effected. Pursuant to the Amended Option Agreement, if YA II PN exercises the Call Right, the aggregate purchase price shall be $3.5 million.

On May 1, 2023, the Company entered into the third amendment to the SDPA. YA II PN purchased an additional debenture with substantially the same terms in the principal amount of $4.1 million for a purchase price of $3.5 million.

On July 14, 2023, the Company entered into the fourth amendment to the SDPA. YA II PN purchased an additional debenture with substantially the same terms in the principal amount of $1.85 million or a purchase price of $1.55 million, payable on November 1, 2023. The amendment also added a Triggering Event repayment provision whereby if at any time the daily dollar volume-weighted average price (the "VWAP") of the Company's Common Stock is less than $1.25 per share for five of any seven consecutive trading days (a "Triggering Event," and the first day of each such day of each such occurrence, a "Triggering Date"), then the Company shall pay the entire outstanding balance of the debenture within ten calendar days after the Triggering Date in an amount equal to the sum of (i) the entire outstanding principal amount, (ii) a 20% redemption premium thereon, and (iii) accrued and unpaid interest.. It also added a provision giving the holder the right to convert the debenture into shares of Common Stock upon an event of default at a conversion price per share equal to the lower of (i) $8.75 (subject to adjustment in certain circumstances as described in the Fifth Debenture) or (ii) 90% of the lowest daily VWAP of the Common Stock during the ten consecutive trading days immediately preceding the conversion date, but not lower than $1.25. In connection with the Fourth Amended SDPA, the Company granted (a) the Buyer a security interest in the shares of its subsidiary Via Motors and of its subsidiaries and in all their assets, in addition to the collateral previously pledged, to secure the Company's obligations (b) Via Motors and of its subsidiaries agreed to guarantee the obligations of the Company. Also on July 14, 2023, the debentures previously issued under the Fourth Amended SDPA dated March 30, April 17 and May 1, 2023, in the outstanding principal amounts of $1.4 million, $0.8 million, and $1.7 million, respectively, were also amended to (a) add a Triggering Event repayment provision as described above and (b) add a provision giving the holder the right to convert the debenture into shares of Common Stock upon an event of default on the terms described above. On October 27, 2023, under the previously reported Fourth Amendment to Secured Debenture Purchase Agreement of July 13, 2023, the Company consummated the sale of a new SDPA. YA II PN in the principal amount of $1.5M for a purchase price of $1.3M in two separate tranche payments, the first in the amount of $0.9M, executed on October 27, 2023; and the second in the amount of $$0.4M, which was never executed. Purchased at a 90% discount, this note carried a 0% interest rate, increasing to 18% upon default. Upon an event of default, the holder of the debenture is entitled to convert any portion of the outstanding principle and

accrued interest into shares of the Company's Common Stock, at a conversion price per share equal to the lower of (i) $2.30 (subject to adjustment in certain circumstances as described in the debenture) or (ii) 90% of the lowest daily VWAP of the Common Stock during the ten consecutive trading days immediately preceding the conversion date, but not lower than $0.46.

On September 7, 2023, YA II PN purchased an additional debenture in the principal amount of $0.5 million for a purchase price of $0.45 million, due on October 6, 2023. The Company will pay no interest on the outstanding principal amount of this debenture, provided that the interest rate shall be 18% upon an event of default. Upon an event of default, the holder of the debenture is entitled to convert any portion of the outstanding principle and accrued interest into shares of the Company's Common Stock, at a conversion price per share equal to the lower of (i) $2.46 (subject to adjustment in certain circumstances as described in the debenture) or (ii) 90% of the lowest daily VWAP of the Common Stock during the ten consecutive trading days immediately preceding the conversion date, but not lower than $0.492.

During the year ended December 31, 2022, the Company repaid principal and accrued and unpaid interest in the amount of $2.2 million using the proceeds received from SEPA. Total interest expense recognized was $1.2 million for the year ended December 31, 2022, including $1.1 million of debt discount amortization.

During the year ended December 31, 2023, the Company repaid principal and accrued and unpaid interest in the amount of $4.2 million using the proceeds received from SEPA. YA II PN extinguished $2.4 million by purchasing Fiducia from the Company and extinguished $0.3 million as the reimbursement to the Company of the legal expense incurred related to the debenture agreements. Total interest expense recognized was $2.0 million for the year ended December 31, 2023, including $1.6 million of debt discount amortization.

The contracted due date of repaying the above debentures were by a subsequent event, noted below, extended to February 9, 2024.

(c) Small Business Association Paycheck Protection Program

On April 10, 2020, the Company borrowed $0.3 million at an annual rate of 1.0% from a commercial bank through the Small Business Association Paycheck Protection Program. The loan was originally payable in 18 installments of $18,993 commencing on November 10, 2020, with a final payment due on April 10, 2022. With several amendments, the loan is currently payable monthly commencing on September 10, 2021, with a final payment due on April 10, 2025.

(d) Tillou promissory note due on demand after 4/20/2023

Refer to **Note 16** for further discussion of this related party transaction.

(e) *Therese promissory note due on 6/6/2023*

Refer to **Note 16** for further discussion of this related party transaction.

(f) Commercial insurance premium financing

The Company entered one promissory notes of $1.0 million to finance insurance premium during the year ended December 31, 2022. The interest rate for the note was 6.16% and is payable in 9 installments of $0.1 million commencing on December 1 2022. The note was repaid in 2023.

The Company entered one promissory note of $0.5 million to finance insurance premium during the year ended December 31, 2023 and the amount was reduced to $0.4 million due to the change of coverage.

(g) Other lending agreements

The Company also entered a few other short term and long term borrowing agreements. These instruments provide working capital for the operations through the combination of accounts receivable factoring, line of credits, vendor financing programs and other secured asset-based lending arrangements. The instruments bear interest rates ranging from 0.1% to 20%, with a weighted average interest rate of 9.9%. An amount of $12.9 million of the payable will be due within one year, and $3.9 million of the payable will due between 2026 and 2028. The total unused line of credit is $11.5 million as of December 31, 2023.

Vendor Notes Payable Repaid in the Year Ended December 31, 2022

On May 13, 2020, DBOT entered into a settlement agreement with a vendor whereby the existing agreement with the vendor was terminated, the vendor ceased to provide services, and all outstanding amounts were settled. In connection with this agreement, DBOT paid an initial $30,000 and executed an unsecured promissory note in the amount of $60,000, bearing interest at 0.25% per annum, and payable in two installments of $30,000. The first installment was due on December 31, 2020 and was repaid, the remaining payment was due on August 31, 2021 and was repaid.

In the three months ended March 31, 2020 the Company ceased to use the premises underlying one lease and vacated the real estate. In the three months ended June 30, 2020, the Company completed negotiations with the landlord to settle the remaining operating lease liability of $0.9 million by issuing a promissory note for $0.1 million, bearing an annual interest rate of 4.0%, and which was due and repaid as of December 31, 2022.

Note 15. Stockholders' Equity and Convertible Redeemable Preferred Stock

Convertible Preferred Stock Series A

Our Board has authorized 60.0 million shares of convertible preferred stock, $0.001 par value, issuable in series.

As of December 31, 2023 and 2022, 7.0 million shares of Series A redeemable and convertible preferred stock were issued and outstanding. The Series A preferred stock shall be entitled to one vote per common stock on an as-converted basis and is only entitled to receive dividends when and if declared by the Board.

Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time, at the office of the Company or any transfer agent for such stock, into ten fully paid and nonassessable shares of Common Stock, and redeemable at a stated dollar amount upon a merger/consolidation/change in control.

Upon the occurrence of a liquidation event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, whether from capital, surplus or earnings, an amount per share equal to $0.50, as may be adjusted from time to time plus all accrued, but unpaid dividends, whether declared or not.

Convertible Preferred Stock Series B

On November 14, 2022, the Company entered into a Securities Purchase Agreement with Acuitas, pursuant to which Acuitas agreed to purchase (i) Series B Convertible Preferred Stock together with any additional preferred stock from the Company, such number of shares having an aggregate purchase price equal to $20.0 million convertible into shares of Common Stock; and (ii) warrants. The warrants are exercisable at a price of $0.2867 per share of Common Stock, have a five-year term, immediately exercisable (subject to a 9.99% beneficial ownership blocker provision), and contain cashless exercise provisions. The first Closing was held on November 14, 2022, at which 5.0 million shares of Preferred Stock and 5.0 million warrants for the First Closing were purchased and sold at the price of $5.0 million, the second Closing was held on December 27, 2022, at which 5.0 million shares of shares of Preferred Stock and 5.0 million warrants for the second closing were purchased and sold at the price $5.0 million, and the third closing were held on February 2, 2023, at which 10.0 million shares of Preferred Stock and 10.0 million warrants for the third closing were purchased and sold at the price of $10.0 million. The fair value of the warrants as of December 31, 2022, is $1.2 million based on binomial lattice model and recorded on the "Additional paid-in capital" on the consolidated balance sheet. Between March 6, 2023 and May 2, 2023, Ideanomics received a total of 10 cashless exercise notices for a total of 96.7 million warrants requesting an aggregate number of 3.2 million common shares be issued pursuant to the cashless exercise notices. This is inconsistent with the 20 million warrants specified in the agreement. The Company has considered whether to pursue litigation on this matter and decided not to purse litigation but to try and complete the agreement and close the relationship with Acuitas considering the court issued a preliminary injunction order on March 31, 2023 requiring Ideanomics to comply with the cashless exercise notices received from Acuitas in March, As a result, the Company recorded $18.6 million warrant liabilities. During the nine months ended September 30, 2023, the Company issued 3.2 million shares for warrant cashless exercise, the remaining warrant liabilities $1.0 million was reversed to APIC because unexercised warrants were relinquished.

On August 7, 2023, the Company and Acuitas entered into a settlement agreement and settled the disputes between two parties. On the same day, YA II PN agreed to acquire the remaining 6 million shares of preferred Stock Series B and accrued dividends from Acuitas.

During the year ended December 31, 2023, 17.9 million shares of Preferred Stock Series B was converted into 1.4 million shares of common stock.

Each share of Series B Convertible Preferred Stock will vote as a class with the common stock of the Company, and each share of Series B Convertible Preferred Stock will be convertible (subject to a 9.99% beneficial ownership blocker provision) into such number of Common Stock as is determined by dividing the Series B original issue price (plus all unpaid accrued and accumulated dividends thereon, as applicable, whether or not declared), by the Series B Conversion Price, in effect on the date the certificate is surrendered for conversion. The initial Series B Conversion Price shall be the Series B Original Issue Price; provided, however, that the Series B Conversion Price shall be subject to certain adjustments. In addition, the Series B Convertible Preferred Stock bears 8.0% dividend per annum and has liquidation preference.

Convertible Preferred Stock Series C

During the year ended December 31, 2023, the Board authorized 2.0 million shares of Preferred Stock Series C. Each share of Preferred Stock Series C shall be convertible, at the option of the holder thereof, at any time, at the office of the Company or any transfer agent for such stock, into 0.16 shares of common stock, and redeemable at a stated dollar amount upon a merger/consolidation/change in control.

Upon the occurrence of a liquidation event, the holders of shares of Preferred Stock Series C then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, whether from capital, surplus or earnings, an amount per share equal to $0.1804, as may be adjusted from time to time plus all accrued, but unpaid dividends, whether declared or not.

On January 24, 2023 (the "Original Issue Date"), an Amended and Restated Agreement and Plan of Merger (the "VIA Merger Agreement") was executed by and among Ideanomics, Inc., Longboard Merger Corp., VIA Motors International, Inc., and Shareholder Representative Services LLC, as the Stockholders' Representative. Upon closing of the VIA Merger Agreement, 1,159,276 shares of Series C Convertible Preferred Stock ("Series C Preferred") were issued to the Via Motors International Shareholders (the "Holders").

According to the Certificate of Designation of Series C Convertible Preferred Stock of Ideanomics, Inc., each share of Series C Preferred is eligible to convert into twenty (20) shares of Common Stock upon shareholder approval.

On August 25, 2023, a 125:1 reverse split (the "Reverse Split") became effective on Ideanomics Common Stock. As a result, the issued shares of Series C Preferred remain unchanged, but now eligible to convert into 0.16 shares of Common Stock upon shareholder approval. After the Reverse Split, these shares may be converted by Series C Preferred Holders into 185,484 common shares.

On December 23, 2023 the shareholders voted and approved of the issuance of common shares as the underlying conversion of preferred Series C shares accordance with Nasdaq Rules Rule 5635(d);

As of December 31, 2023, 1,159,210 shares of Preferred Stock Series C related to VIA acquisition were issued. The Preferred Stock Series C shareholders shall be entitled to one vote per common stock on an as-converted basis and are only entitled to receive dividends when and if declared by the Board.

Common Stock

Our Board has authorized 1,500.0 million shares of common stock, $0.001 par value.

SEPA agreement with YA II PN, Ltd

On September 1, 2022 the Company entered into SEPA with YA II PN and subsequently amended it on September 15, 2022. The Company will be able to sell up to 1.2 million shares of its common stock at the Company's request any time during the 36 months following the date of the Amended SEPA's entrance into force. The shares would be purchased at 95% of the market price and 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 common stock. Pursuant to the SEPA, the Company is required to register all shares which YA II PN may acquire. The Company is required to have a Registration Statement declared effective by the SEC before it can raise any funds using the SEPA. There are no other restrictions on future financing transactions. The SEPA does not contain any right of first refusal, participation rights, penalties or liquidated damages. The Company has paid YA Global II SPV, LLC, a subsidiary of YA II PN, a structuring fee in the amount of $10,000, and, on the Effective Date, the Company agreed to issue to YA II PN an aggregate of 12,000 Common Shares, as a commitment fee. Unless earlier terminated as provided under the SEPA, the SEPA shall terminate automatically on the earliest of (i) the first day of the month next following the 36 month

anniversary of the Effective Date or (ii) the date on which the YA II PN shall have made payment of Advances pursuant to the SEPA for the Common Shares equal to the Commitment Amount. The Company issued 0.2 million shares of common stock, including 12,000 shares as a commitment fee during the year ended December 31, 2022. The Company issued 1.1 million shares of common stock during the year ended December 31, 2023.

US Hybrid Escrow Shares

On July 12, 2022, the Company received 0.1 million of common stock back from the escrow agent pursuant to the triggering of a legal condition that permitted the Company to reclaim 100% of the shares held in escrow. The Company has concluded that the return of these shares does not constitute a change in the purchase consideration of US Hybrid and accounts for this transaction as a Treasury Stock transaction in the third quarter of 2022.

Redeemable Non-controlling Interest

The Company and Qingdao Xingyang Investment formed an entity named New Energy. Qingdao Xingyang Investment entered into a project collaboration agreement for a total of RMB 200.0 million ($28.0 million), and made the first capital contribution of RMB 50.0 million ($7.0 million) in the three months ended March 31, 2020. The remaining RMB 150.0 million ($21.0 million) was payable in three installments of RMB 50.0 million ($7.0 million) upon New Energy attaining certain revenue or market value benchmarks.

The project collaboration agreement stipulated that New Energy must pay Qingdao Xingyang Investment dividends at the rate of 6.0%. After one year, Qingdao Xingyang Investment may sell its investment to an institutional investor, and after three years may redeem its investment for the face amount plus 6.0% interest less dividends paid. The redemption feature was neither mandatory nor certain. Due to the redemption feature, the Company had classified the investment outside of permanent equity. Redeemable non-controlling interest is recorded as the greater of (i) the redemption amount or (ii) the cumulative amount that would result from applying the measurement guidance in ASC 810.

In the year ended December 31, 2021, Qingdao Xingyang Investment officially requested redemption of the invested funds and interest, in the amount of RMB 56.0 million ($7.9 million) in total. The Company designated Qingdao Medici to pay the redemption price. After the payment, Qingdao Medici owns 100% of New Energy. Because Qingdao Medici cannot complete its foreign exchange settlement, New Energy made the payment on behalf of Qingdao Medici during the year ended December 31, 2022

The following table summarizes activity for the redeemable non-controlling interest for the years ended December 31, 2022 (in thousands):

January 1, 2022	7,485
Accretion of dividend	464
Loss attributable to non-controlling interest	(206)
Adjustment to redemption value	206
Settlement	(7,949)
December 31, 2022	$ —

Note 16. Related Party Transactions

a. Transaction with Dr. Wu and his affiliates

As of December 31, 2023 and 2022, the Company has receivables of $0.2 million, respectively, due from Dr. Wu, the former Chairman of the Company, and his affiliates and recorded in “Current assets of discontinued operations” in the consolidated balance sheets.

As of December 31, 2023 and 2022, the Company has payables of $0.7 million, respectively, due to Dr. Wu, the former Chairman of the Company, and his affiliates and recorded in “Current liabilities of discontinued operations” in the consolidated balance sheets.

b. Amounts due from and due to Glory

As of December 31, 2023 and 2022, the Company has payables of $0.2 million, respectively, due to Glory as a result of the transactions incurred in 2020 and is recorded in “Current liabilities of discontinued operations”in the consolidated balance sheets.

c. Receivable due from Tree Technology minority shareholders

As of December 31, 2022, the Company has receivables of $0.3 million due from Tree Technology minority shareholders for the registered capital contribution of the entity.in “Current assets of discontinued operations” in the consolidated balance sheets.

In the year ended December 31, 2023, the Company entered $10.5 million senior convertible note with Tree Technology and fully converted this note into Tree Technology equity, then the Company used $0.3 million to settle the previous receivable due from Tree Technology minority shareholders..

d. Transactions with Energica management and their affiliates

Energica management stock options

The Company loaned $1.8 million to Energica senior management to exercise their stock options. In the second quarter of 2022, the Company purchased 0.8 million shares from options exercised for an additional $1.3 million. The total of the disbursements, $3.1 million, is considered part of the purchase price of Energica.

Materials and services from CRP Meccanica S.r.l., CRP Service S.r.l., CRP Technology S.r.l. and CRP USA LLC

During the year ended December 31, 2023 and December 31, 2022, Energica has purchased $0.1 million and $0.6 million of material and services from four entities owned by one of its senior management team. The balance as of December 31, 2023 and December 31, 2022, with these four entities is $1.4 million and $1.3 million and recorded in “Amounts due to related parties” in the condensed consolidated Balance Sheets.

Lease agreement with EMCH S.r.l.

Energica entered a lease agreement with EMCH S.r.l., an entity owned by one of its senior management team. The lease period is from February 1, 2023 through January 31, 2029. This lease agreement is reflected in the consolidated balance sheets and statement of operations as follows (in thousands):

	December 31, 2023
Operating lease right of use assets	287
Current portion of operating lease liabilities	49
Operating lease liabilities - long term	238
Selling, general and administrative expenses	61

e. Promissory note with Tillou

On December 13, 2022, the Company entered into a promissory note with Tilllou in the amount of $2.0 million. Tillou is an entity controlled by Vince McMahon, the father of our Executive Chairman, the principal and interest payable on demand any time after January 15, 2023. The note has the flat interest rate 20% per annum. The Company granted to the Noteholder a security interest in the secured collateral. The subordinate agreement among the Company, Tillou and YA PN II agreed to subordinate YA PN II’s security interest in the Inobat Note to Tillou’s security interest up to an aggregate of $2.4 million, subject to the other provisions. The Company repaid the principal and the accrued interest of less than $0.1 million on January 13, 2023.

On March 19, 2023, the Company entered into a promissory note with Tilllou in the amount of $2.0 million. The principal and interest is payable on demand any time after April 20, 2023. The note bears interest at a rate of 20% per annum. If any amount payable under the Note is not paid when due, such overdue amount shall bear interest at the Interest Rate plus 2%. The Company granted to the Noteholder a security interest in a purchase obligation of YA II PN, Ltd as collateral. The Company recorded the note $2.3 million, including principal and interest, in “promissory note due to related party-short term” in the consolidated balance sheets as of December 31, 2023.

f. Promissory notes with Therese Lee Carabillo
On April 6, 2023, the Company entered into a secured negotiable promissory note with Therese Lee Carabillo, a private individual who provides loan facilities to small cap companies, in the amount of $1.0 million. The maturity date is June 6 2023. The applicable interest rate is 20% . If any amount payable under the Note is not paid when due, such overdue amount shall bear interest at the applicable interest rate plus 2%. The Company repaid $0.2 million during the year ended December 31, 2023. Our Executive Chairman provided the personal guarantee of the note. The Company recorded the note $1.1 million in "Promissory note due to third parties" in the consolidated balance sheets as of December 31, 2023.

g. Promissory notes with the CEO of one subsidiary

On August 31, 2023, one of the Company's subsidiaries entered into a promissory note with its CEO in the amount of $50,000. the note bears interest at a rate of 7% per annum, compounded monthly. there is no maturity date on this note the Company recorded the note in "promissory note due to related party-short term" in the consolidated balance sheets as of December 31, 2023.

h. Promissory note with FNL

On June 7, 2022, the Company entered into a secured negotiable promissory note of $1.0 million with FNL. The note bears an interest rate of 6% and expires on March 7, 2023, or with a change of control of FNL, or in the event of default. The Company transferred the note to a third party at the price of $0.4 million and recorded $0.6 million impairment of this note during the year ended December 31, 2022.

i. CEO private placement

On October 20, 2022, Alf Poor, our CEO purchased 0.4 million shares of the Company in the amount of 0.1 million

j. Purchase of receivables from Orangegrid

On December 28, 2022, Timios purchased $0.4 million of receivables from Orangegrid in the consideration of $0.4 million. The receivables represent the Employee Retention Tax Credit to be applied against the payroll taxes paid in Q4 2020 through Q3 2021 by Orangegrid. The transfer of receivables is without recourse for nonpayment. Orangegrid is responsible for collection of the receivables and will send to Timios upon receipt, net of 15% fee. As an incentive, Orangegrid agreed to issue $0.1 million worth of its convertible securities to Timios. In the event that Orangegrid returned the full consideration for the receivables on or before January 6, 2023, the receivables would revert back to Orangegrid, and the agreement would be voided. Orangegrid returned the full purchase price of the receivables on or before January 6, 2023. The receivables reverted back to Orangegrid, and the agreement was voided to include no issuance of convertible securities to Timios.

k. Shandong notes receivable

On Nov 9, 2022, Shandong provided a note receivable to its minority interest in amount of RMB 2.2 million ($0.3 million). The note matures on November 18, 2023. The interest rate is the RMB Benchmark loan interest rate for financial institution for one-to-three year loan published by the the People's Bank of China. Shandong was disposed on November 29, 2022.

l. Disposal of Shangdong

On November 29, 2022, the Company sold its 80% ownership on Shandong to the entity's minority shareholder and its related party in amount of RMB 2.7 million($0.5 million), 70% to the entity's minority shareholder in amount of RMB 2.4 million ($0.4 million) and 10% to a third party in amount of RMB 0.3 million ($0.1 million). The Company recognized a disposal loss of $0.1 million as a result of the deconsolidation and such loss was recorded in "Loss on disposal of subsidiaries, net" in the condensed consolidated statements of operations for the twelve months ended December 31, 2022. The Company is not involved in the operations of Shangdong after the disposal and is no longer considered a related party.

m. Disposal of Seven Stars Energy Pte. Ltd.

On February 9, 2022, the Company transferred its 51.0% interest in Seven Stars Energy Pte. Ltd. to Fan Yurong, a current shareholder of SSE, for a nominal amount. The Company recognized a disposal loss of $0.2 million as a result of the deconsolidation of SSE and such loss was recorded in "Loss on disposal of subsidiaries, net" in the condensed consolidated statements of operations for the twelve months ended December 31, 2022. The Company is not involved in the operations of SSE after the disposal and is no longer considered a related party.

Note 17. Share-Based Compensation

As of December 31, 2023, the Company had 0.2 million options outstanding.

The Company awards common stock and stock options to employees, consultants, and directors as compensation for their services, and accounts for its stock option awards to employees, consultants, and directors pursuant to the provisions of ASC 718. For the options with market conditions, the fair value of each award is estimated on the date of grant using a Monte-Carlo valuation model and the fair value of each option recognized as compensation expense over the derived service period. For the options with performance conditions, the fair value of each award is estimated on the date of grant using the Black-Scholes Merton valuation model and the fair value of each option recognized as compensation expense over the implicit service period. For restricted stock and option awards only with service conditions, the fair value of each option award is estimated on the date of grant using the Black-Scholes Merton valuation model. The Company recognizes the fair value of each option as compensation expense ratably using the straight-line attribution method over the service period, which is generally the vesting period.

Effective as of December 3, 2010 and amended on August 3, 2018, the Company's Board approved the 2010 Plan pursuant to which options or other similar securities may be granted. On December 22, 2023, the Company's shareholders approved the amendment and restatement of the 2010 Plan. The maximum aggregate number of shares of common stock that may be issued under the 2010 Plan increased from 1.0 million shares to 37.5 million shares. As of December 31, 2023, options available for issuance are 36.8 million shares.

For the years ended December 31, 2023 and 2022, total share-based payments expense was $6.9 million and $10.6 million, respectively.

(a) Stock Options

The following table summarizes stock option activity for the years ended December 31, 2023 and 2022:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregated Intrinsic Value
Outstanding at December 31, 2021	174,750	$ 217.50	8.06	$ 4,596,393
Granted	106,670	37.50	—	—
Exercised	(579)	66.25	—	—
Expired	(8,310)	260.00	—	—
Forfeited	(4,208)	218.75	—	—
Outstanding at December 31, 2022	268,323	146.25	7.80	—
Granted	2,800	4.75	—	—
Exercised	—	—	—	—
Expired	(47,211)	146.70	—	—
Forfeited	(22,679)	105.49	—	—
Outstanding at December 31, 2023	201,233	148.68	6.97	—
Vested as of December 31, 2023	178,266	155.04	6.77	—
Expected to vest as of December 31, 2023	22,967	99.35	8.48	—

As of December 31, 2023, $0.8 million of total unrecognized compensation expense related to non-vested share options is expected to be recognized over a weighted average period of 1.46 years. The total intrinsic value of shares exercised in the years ended December 31, 2023 and 2022, was $0.0 million and $0.0 million, respectively. This was due to none of the options being vested. The total fair value of shares vested in the years ended December 31, 2023 and 2022, was $4.3 million and $8.4 million, respectively. Cash received from options exercised in the years ended December 31, 2023 and 2022, was $0.0 million and $0.0 million, respectively.

For the options with performance and service conditions, the assumptions used to estimate the fair values of the stock options

granted in the year ended December 31, 2023 and 2022 are as follows:

	Year ended	
	December 31, 2023	December 31, 2022
Expected term (in years)	5.38	0.5 - 5.55
Expected volatility	128%	96% - 127%
Expected dividend yield	— %	— %
Risk free interest rate	3.91%	1.69% - 4.58%

(b) Warrants

In connection with certain of the Company's service and fund raising agreements, the Company issued warrants to service providers and investors to purchase the common stock of the Company.

A summary of the warrants is as follows:

	2023	2022	
Warrants Outstanding	Number of Warrants Outstanding and Exercisable	Number of Warrants Outstanding and Exercisable	Exercise Price
Acuitas Capital, LLC	—	80,000	$ 36.25

(c) Restricted Shares

In the year ended December 2022, the Company granted 0.1 million restricted shares to certain employees and directors under the 2010 Plan which was approved by the Board. The restricted shares were vested either immediately or over 24 months. The aggregated grant date fair value of all those restricted shares was $1.9 million.

In the year ended December 2023, the Company granted 0.2 million restricted shares to certain employees and directors under the 2010 Plan which was approved by the Board. The restricted shares were vested either immediately or over 24 months. The aggregated grant date fair value of all those restricted shares was $1.7 million.

A summary of the unvested restricted shares is as follows:

	Shares	Weighted-average fair value
Non-vested restricted shares outstanding at December 31, 2021	—	$ —
Granted	70,400	27.50
Forfeited	—	—
Vested	(40,800)	31.25
Non-vested restricted shares outstanding at December 31, 2022	29,600	
Granted	222,000	7.87
Forfeited	(17,983)	26.51
Vested	(232,200)	8.88
Non-vested restricted shares outstanding at December 31, 2023	1,417	$ 4.75

As of December 31, 2023, there was $6.7 thousand of unrecognized compensation cost related to unvested restricted shares.

Note 18. Loss Per Common Share

The following table summarizes the Company's earnings (loss) per share (USD in thousands, except per share amounts):

	December 31, 2023	December 31, 2022
Net loss from continuing operations	$ (204,850)	$ (213,633)
Net loss from discontinued operations	(29,276)	(68,452)
Preferred stock dividends	(481)	(56)
Net loss attributable to Ideanomics, Inc. common stockholders	$(234,607)	$(282,141)
Basic and diluted weighted average common shares outstanding	9,971,038	4,101,624
Net loss per share:		
Basic and diluted		
Continuing operations	$ (20.59)	$ (52.10)
Discontinued operations	(2.94)	(16.69)
Basic and diluted loss per share of Common Stock	$ (23.53)	$ (68.79)

Basic loss per common share attributable to our shareholders is calculated by dividing the net loss attributable to our shareholders by the weighted average number of outstanding common shares during the period.

Diluted loss per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding. Diluted net loss per share equals basic net loss per share because the effect of securities convertible into common shares is anti-dilutive.

The following table includes the number of shares that may be dilutive potential common shares in the future. The holders of these shares do not have a contractual obligation to share in our losses and thus these shares were not included in the computation of diluted loss per share because the effect was antidilutive (in thousands.)

	December 31, 2023	December 31, 2022
Warrants	—	80
Options and RSUs	203	336
Series A Preferred Stock	7	7
Series B Preferred Stock	1,058	500
Series C Preferred Stock	186	—
Contingent shares	—	12
Convertible promissory note and interest	3,972	243
Total	5,426	1,178

Note 19. Income Taxes

(a) CIT

Ideanomics, Inc., and its US subsidiaries are subject to U.S. federal and state income tax.

Taxes that are based on gross revenue, rather than net income, are not CIT. In the year ended December 31, 2023, the Company incurred $0.1 million of such taxes that are included in selling, general and administrative expense in the statement of operations.

CB Cayman was incorporated in the Cayman Islands as an exempted company and is not subject to income tax under the current laws of the Cayman Islands.

Mobile Energy Operation Group Limited, M.Y. Products Global Limited and M.Y. Products Global Holdings Limited were incorporated in the British Virgin Islands (BVI) and are not subject to income tax under the current laws of the British Virgin Islands.

Medici Operation Limited and MEG Technology Services Group Limited were incorporated in Hong Kong. Their activities relate to support and ownership of businesses outside of Hong Kong, and consequently their expenses do not create operating loss carryovers.

Tree Technologies is subject to Malaysian federal income tax.

During the year ended December 31, 2022, Tree Technologies recorded a $4.2 million deferred tax benefit resulting almost entirely from the reduction of deferred tax liabilities that accompanied a total impairment of the land-use rights.

At the acquisition of a controlling interest in Energica on March 14, 2022, the Company recognized approximately $6.4 million of deferred tax liabilities related to various intangible assets not recognized for CIT purposes. This was in combination with some smaller temporary differences, as well as net of deferred tax assets, principally related to net operating loss carryovers.
During the period from its acquisition on March 14, 2022 and the end of 2022, Energica and its U.S. subsidiary recorded an income tax benefit of $3.5 million. This arose principally from the reduction of deferred tax liabilities as a result of amortization of the intangible assets as well as from net operating losses for the period, the deferred tax assets from which can be used, with limitations, to offset a portion of Energica's deferred tax liabilities.

During each of the years ended December 31, 2023 and December 31, 2022, Energica recorded a $1 million deferred tax benefit resulting almost entirely from the reduction of deferred tax liabilities that accompanied a total impairment of the intangible assets.

At the acquisition of a controlling interest in VIA Motors on January 31, 2023, the Company recognized approximately $4.2 million of deferred tax liabilities related to various intangible assets not recognized for CIT purposes. This was in combination with some smaller temporary differences, as well as net of deferred tax assets, principally related to net operating loss carryovers. During the period from its acquisition on January 31, 2023 and the end of 2023, VIA Motors recorded an income tax benefit of $4.2 million. This arose principally from the reduction of deferred tax liabilities as a result of amortization of the intangible assets as well as from net operating losses for the period, the deferred tax assets from which can be used, with limitations, to offset a portion of VIA Motors deferred tax liabilities.

With the exception of the two Hong Kong companies, the three BVI companies, SSE, incorporated in Singapore, and M.Y. Products LLC, all subsidiaries of Ideanomics China are PRC entities. The income tax provision of these entities is calculated at the applicable tax rates on the taxable income for the periods based on existing legislation, interpretations and practices in the PRC.

In accordance with the CIT Law, effective beginning on January 1, 2008, enterprises established under the laws of foreign countries or regions and whose "place of effective management" is located within the PRC territory are considered PRC resident enterprises and subject to the PRC income tax at the rate of 25.0% on worldwide income. The definition of "place of effective management" refers to an establishment that exercises, in substance, and among other items, overall management and control over the production and business, personnel, accounting, and properties of an enterprise. If the Company's non-PRC incorporated entities are deemed PRC tax residents, such entities would be subject to PRC tax under the CIT Law. Since our non-PRC entities have accumulated losses, the application of this tax rule will not result in any PRC tax liability, if our non-PRC incorporated entities are deemed PRC tax residents.

The CIT Law imposes a 10.0% withholding income tax, subject to reduction based on tax treaty where applicable, for dividends distributed by a FIE to its immediate holding company outside China. Under the PRC-HK tax treaty, the withholding tax on dividends is 5.0% provided that a HK holding company qualifies as a HK tax resident as defined in the tax treaty. No provision was made for the withholding income tax liability as the Company's foreign subsidiaries were in accumulated loss.

Loss before tax (after impairment of an equity in loss of equity method investees) and the provision for income tax benefit consists of the following components (in thousands):

	2023	2022
Loss before tax, after impairment of and equity in loss of equity method investees		
United States	$ (190,246)	$ (208,155)
PRC/Italy/Hong Kong/Malaysia and other	(46,140)	(81,672)
	(236,386)	(289,827)
Deferred tax expense (benefit) of net operating loss		
United States - Federal	—	(261)
United States - State	—	(197)
PRC/Italy/Hong Kong/Malaysia and other	—	(2,143)
	—	(2,601)
Deferred tax (benefit) of a decrease in the beginning of the year		
Valuation allowance as a result of a change in circumstances	—	—
United States - Federal	—	—
United States - State	—	—
PRC/Italy/Hong Kong/Malaysia and other	—	—
	—	—
Deferred tax expense (benefit) other than the above two categories		
United States - Federal	(3,604)	(116)
United States - State	—	(218)
PRC/Italy/Hong Kong/Malaysia and other	(1,638)	1,060
	(5,242)	726
Total deferred income tax (expense) benefit	(5,242)	(1,875)
Current tax expense (benefit) other than benefit of net operating loss		
United States - Federal	—	—
United States - State	—	301
PRC/Hong Kong/Singapore/Malaysia	—	—
Total current income tax (expense) benefit	—	301
Total income tax expense (benefit)	$ (5,242)	$ (1,574)

At the acquisition of each of Timios, WAVE, US Hybrid and Solectrac in 2021 and VIA Motors in 2023, the companies immediately became includable in the consolidated federal tax return of Ideanomics. WAVE will be included in the state tax returns of Ideanomics. In the case of each acquisition, intangible assets were recognized for financial reporting purposes that were not recognized for income tax purposes. This, in combination with some smaller temporary differences of the five acquired businesses, resulted in the recognition of $12.2 million deferred tax liabilities. The federal deferred tax liabilities, and the WAVE state deferred tax liabilities created, resulted in the valuation allowance on Ideanomics' deferred tax assets being reduced. by a similar amount. Ideanomics' net deferred tax assets that had previously been judged to be more likely that not to be unable to reduce the Company's income tax liability. As a result, the net deferred tax assets were completely offset by a valuation allowance. Once the acquisitions of five acquired businesses occurred, a portion of Ideanomics' deferred tax assets could be utilized in offsetting the newly acquired deferred tax liabilities, this resulted in income tax benefits of $4.2 million $10.1 million recorded in 2023 and 2022, respectively.

The current CIT for 2021 all relates to Timios, which had taxable income since its acquisition in January 2021 resulting from the non-deductibility of amortization and impairment charges. The current CIT for 2022 also relates to Timios arising from adjustments of prior period estimated amounts.

A reconciliation of the expected income tax derived by the application of the U.S. CIT rate to the Company's loss before income tax benefit is as follows:

	2023	2022	2021
U. S. statutory income tax rate	21.0 %	21.0 %	21.0 %
Non-deductible expenses:			
Non-deductible stock awards	—	(0.8)	(0.6)
Non-deductible impairment or disposal of goodwill	(4.3)	(2.7)	(10.5)
Non-deductible acquisition costs	(0.3)	(0.1)	(0.7)
Non-deductible officers' compensation	(0.1)	(0.1)	(0.6)
Non-deductible interest expenses	(0.3)	(0.1)	(0.2)
Additional tax cost basis on disposal of subsidiary	—	—	0.4
Expiration of and disposal of subsidiary NOL carryovers	(0.5)	—	(0.5)
Change in state tax rates due to change in state apportionment	(0.2)	(1.1)	1.1
Increase in valuation allowance	(23.3)	(19.8)	(10.3)
Tax rate differential(state and foreign)	3.1	3.7	5.0
Non-taxable gain on remeasurement of previously held equity interest Energica	—	1.4	—
Non-taxable gain Non-deductible (loss) on contingent consideration	6.6	—	0.9
Others	0.8	(0.6)	(0.6)
Effective income tax rate	2.5 %	0.8 %	4.4 %

The Company's acquisition of WAVE in 2022, which is included with Ideanomics in all state income tax filings, is expected to have a significant effect on the states to which Ideanomics' income and loss is apportioned. This results in a higher income tax rate at which many of Ideanomics deductible temporary differences are expected to reverse. The increase in the expected rate consequently resulted in a significant increase in the related deferred tax assets in 2022, which were then offset with a valuation allowance.

The Company's acquisition of VIA Motors in 2023 will impact the income apportioned to each state. The change in the expected tax rate was used to determine the value of the deferred tax assets in 2023, offset by a corresponding valuation allowance.

Deferred income taxes are recognized for future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and income tax purposes using enacted rates expected to be in effect when such amounts are realized or settled. Significant components of the Company's deferred tax assets and liabilities at December 31, 2023 and 2022 are as follows (in thousands):

	December 31, 2023	December 31, 2022
U.S. NOL	$ 107,626	$ 73,209
Foreign NOL	18,920	14,340
U.S. capital loss carryover	6,620	841
U. S. Section 1231 carryover	2,209	2,274
Accrued payroll and expense	1,141	963
Nonqualified options	4,595	3,661
Intangible assets	15,051	3,247
Inventory reserve	1,817	884
Bad debt allowance	654	346
Impaired assets	10,056	28,497
Urealized losses	314	345
Other	714	218
Property and equipment	1,533	—
Equity investment loss and others	4,794	5,505
Total deferred tax assets	176,044	134,330
Less: valuation allowance	(170,841)	(123,310)
Property and equipment	—	(292)
Intangible assets	(6,211)	(12,707)
Outside basis in domestic subsidiary and other	(937)	(1,021)
Total deferred tax liabilities	(7,148)	(14,020)
Net deferred tax assets (liabilities)	$ (1,945)	$ (3,000)

As of December 31, 2023, 2022 and 2021, the Company had U.S. domestic cumulative tax loss carryforwards of $444.5 million, $303.7 million and $191.4 million, respectively, and foreign cumulative tax loss carryforwards of $78.7 million, $59.0 million and $26.9 million, respectively, which may be available to reduce future income tax liabilities in certain jurisdictions. $28.2 million of the U.S. carryforwards expire in the years 2027 through 2037. The remaining U.S. tax loss is not subject to expiration. PRC tax loss carryforwards of $26.9 million will expire beginning year 2024 to year 2028. Italian tax loss carryforwards of $42.8 million, do not expire. Malaysian tax loss carryforwards of $5.9 million will expire in the years 2030 to 2032. At December 31, 2023, the Company also has U.S. capital loss and section 1231 loss carryovers of $27.3 million and $9.1 million respectively. The capital loss carryover expires in 2028, while the 1231 loss carryover does not expire. Utilization of NOLs may be subject to an annual limitation due to ownership change limitations provided in the Internal Revenue Code and similar state and foreign provisions. This annual limitation may result in the expiration of NOLs before utilization. Management has however, excluded from the carryforward totals amounts shown on the tax returns but for which management has assessed cannot be used before expiration because of the annual limitations.

The Company has conducted an analysis of potential limitations of the use of its loss US loss carryovers under Internal Revenue Code section 382, and has concluded that as of December 31, 2022, any such limitations would not have a significant impact on the ability to utilize the loss carryovers and other deferred tax assets discussed above.

Subsequent to December 31, 2022, the Company believes that the VIA transaction (see **Note 25**), in combination with previous issuances of Company stock, triggered the imposition of limits on the future use of losses that previously did not have any material limitations to approximately $4.8 million per year. This limit would not only apply to loss carryovers, but also to approximately $10.1 million of future amortization deductions. The limit would also apply to any realization in the next five years of the losses that give rise to the $34.3 million of deferred tax assets above that relate to impaired assets and equity method losses. Any portion of the annual limit not used on one year can be carried forward and used in later years.

The triggering of the 382 limitations has an immaterial effect on the net deferred tax assets due to the current valuation allowance. Under the limitations, it would still be at least theoretically possible to eventually utilize all of the Company's deferred tax assets.

Realization of the Company's net deferred tax assets is largely dependent upon the Company's ability to generate future taxable income in the respective tax jurisdictions to obtain benefit from the reversal of temporary differences and NOL carryforwards. It is, however, possible that the Company could record an income tax benefit in 2024 or later years from the reduction of the valuation allowance resulting from acquisitions in which deferred tax liabilities are recorded. In such a case, as occurred in 2022, deferred tax assets could be utilized to offset the acquired deferred tax liabilities. The valuation allowance increased by $47.5 million, $48.3 million and $28.2 million in the years ended December 31, 2023, 2022 and 2021, respectively.

The following table reflects the changes in the valuation allowance (in thousands):

Valuation allowance - January 1, 2021	$	46,732
Increase - year ended December 31, 2021		28,240
Valuation allowance - December 31, 2021		74,972
Increase - year ended December 31, 2022		48,338
Valuation allowance - December 31, 2022		123,310
Increase - year ended December 31, 2023		47,531
Valuation allowance - December 31, 2023	$	170,841

(b) Uncertain Tax Positions

Accounting guidance for recognizing and measuring uncertain tax positions prescribes a threshold condition that a tax position must meet for any of the benefit of uncertain tax position to be recognized in the financial statements. The deferred tax assets listed above as of December 31, 2023 and 2022, do not include $0.3 million of potential deferred tax assets, arising in the current year, not recognized because they do not meet the threshold for recognition. If these assets were to be recognized they would be fully offset by a valuation allowance. There were no other identified uncertain tax positions December 31, 2023, 2022 and 2021.

The following table reflects changes in the gross unrecognized tax positions (in thousands):

Unrecognized tax benefits at beginning of year - January 1, 2021	$	256
Gross changes - year ended December 31, 2021		—
Unrecognized tax benefits at end of year - December 31, 2021		256
Gross changes - year ended December 31, 2022		—
Unrecognized tax benefits at end of year - December 31, 2022		256
Gross increases - current year tax positions		—
Unrecognized tax benefits at end of year - December 31, 2023	$	256

As of December 31, 2023, 2022 and 2021, the Company did not accrue any material interest and penalties. The Company's United States federal and state income tax returns are generally subject to examination for potential assessment for 2018 and later years. The use of U.S. net operating loss carryovers from earlier years are subject to challenge in any future year utilized. Due to the uncertainty regarding the filing of tax returns for years before 2007, it is possible that the Company is subject to examination by the IRS for earlier years. All of the PRC tax returns for the PRC operating companies are subject to examination by the PRC tax authorities for all periods from the companies' inceptions in 2009 through 2023 as applicable. All of Tree Technologies' tax returns since inception in 2020 are subject to examination by the Malaysian tax authorities. Energica's tax returns are subject to examination by Italian tax authorities for 2017 and later years.

Note 20. Commitments and Contingencies

Lawsuits and Legal Proceedings

From time to time, the Company may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm the business.

SEC Investigation

As previously reported, the Company is subject to an investigation by the Division of Enforcement of the United States Securities and Exchange Commission. the Company is cooperating with the investigation and has responded to requests for documents, testimony and information regarding various transactions and disclosures going back to 2017. At this point, we are unable to predict what the timing or the outcome of the SEC investigation may be or what, if any, consequences the SEC investigation may have with respect to the Company. However, the SEC investigation could result in additional legal expenses and divert management's attention from other business concerns and harm our business. If the SEC were to determine that legal violations occurred, we could be required to pay civil penalties or other amounts, and remedies or conditions could be imposed as part of any resolution.

McCarthy v. Ideanomics

On December 14, 2022, Conor McCarthy, Ideanomics' former CFO, filed an arbitration in front of the American Arbitration Association alleging breach of his separation agreement by Ideanomics and claiming as damages the entirety of his separation payment (approximately $0.7 million), double damages, statutory interest, and costs. The parties have negotiated a settlement and payment schedule (current remaining amount is approx. $0.45 million, which recorded in the "Accrued salaries" account on the Consolidated Balance Sheets). Final resolution is anticipated upon full payment of remaining settlement amount.

Cantor Fitzgerald, LLC v. Ideanomics

On January 10, 2023, Cantor sued Ideanomics in the Supreme Court of the State of New York, New York County for breach of contract to pay $0.2 million in fees associated with a Letter Agreement entered into on October 22, 2021. The parties are negotiated a resolution and payment, but the case is still pending in the interim until full payment is made.

Acuitas Capital, LLC v. Ideanomics

On March 14, 2023, Acuitas Capital, LLC filed suit against Ideanomics in the Southern District of New York, alleging breach of the SPA executed between the parties on November 14, 2022 and seeking an injunction for specific performance of the SPA as well as a declaratory judgment that the SPA is valid and enforceable. On August 7, 2023, Ideanomics and Acuitas entered into a Settlement Agreement pursuant to which the parties will file with the court a stipulation of discontinuance with prejudice of the action. No admission of liability will be made by either party.

3i LP v. Ideanomics

On March 21, 2023, Ideanomics was served with a notice of lawsuit filed in the Supreme Court of New York, New York County. The summons alleges breach of contract regarding an exclusive term sheet and damages in excess of $10,000,000. No complaint was attached, but the Company believes any damages associated with a term sheet (e.g. the failure to conclude a definitive agreement) should be less than the amount claimed by a wide margin. The parties are attempting to negotiate a resolution, but the case is still pending in the interim.

Osirius Group v. Ideanomics

On April 22, 2023, Osirius Group, LLC ("Osirius") filed suit against Ideanomics in the U.S. District for the Eastern District Court of Michigan, alleging breach of contract between the parties. On August 22, 2023, a default judgment was entered by the Court in the amount of approximate $2.8 million dollars. The Company has since made payments in aggregate of $1.3 million, and the balance of $1.5 million, which recorded in "Accrued expense" on the Consolidated Balance Sheets, remaining to be paid.

Note 21. Concentration, Credit and Other Risks

a. Major Customers

For the year ended December 31, 2023, no customer individually accounted for more than 10.0% of the Company's revenue. seven customer individually accounted for more than 10.0% of the Company's net accounts receivable as of December 31, 2023.

For the year ended December 31, 2022, no customer individually accounted for more than 10.0% of the Company's revenue. No customers individually accounted for more than 10.0% of the Company's net accounts receivable as of December 31, 2022 .

Major Suppliers

For the year ended December 31, 2023, no suppliers individually accounted for more than 10.0% of the Company's cost of revenues. One suppliers individually accounted for more than 10.0% of the Company's accounts payable as of December 31, 2023.

For the year ended December 31, 2022, one suppliers individually accounted for more than 10.0% of the Company's cost of revenues. No suppliers individually accounted for more than 10.0% of the Company's accounts payable as of December 31, 2022.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to significant concentration of credit risk primarily consist of cash, cash equivalents, and accounts receivable. As of December 31, 2023 and 2022, the Company's cash and cash equivalents were held by financial institutions (located in the PRC, Hong Kong, Malaysia, Italy, and the U.S.) that management believes have acceptable credit. Accounts receivable are typically unsecured. The risk with respect to accounts receivable is mitigated by regular credit evaluations that the Company performs on its distribution partners and its ongoing monitoring of outstanding balances.

b. Foreign Currency Risks, Currency Concentrations, and Capital Requirements

A portion of the Company's operating transactions are denominated in RMB. RMB is not freely convertible into foreign currencies. The value of the RMB is subject to changes in the central government policies and to international economic and political developments. In the PRC, certain foreign exchange transactions are required by laws to be transacted only by authorized financial institutions at exchange rates set by the PBOC. Remittances in currencies other than RMB by the Company in China must be processed through PBOC or other China foreign exchange regulatory bodies which require certain supporting documentation in order to complete the remittance.

As of December 31, 2023, the Company had cash and cash equivalents of $1.2 million. Approximately $1.2 million was held in Italy.

As of December 31, 2023 and 2022, deposits of $0.4 million and $1.1 million were insured, respectively. To limit exposure to credit risk relating to bank deposits, the Company primarily places bank deposits only with large financial institutions in Italy and U.S. with acceptable credit ratings.

Note 22. Defined Contribution Plans

For U.S. employees, the Company sponsors a 401(k) plan that provides for a 100.0% employer matching contribution of the first 3.0% and 50.0% of the next 2.0% of eligible pay that the employee contributes to the plan. Employees contributions are 100.0% vested immediately. The Company's matching contribution to the 401(k) plan is evenly vested over five years.

The Company paid total matching 401(k) contributions of $0.9 million and $0.7 million in the year ended December 31, 2023 and December 31, 2022 , respectively.

Employees in Italy are entitled to TFR, commonly referred to as an employee leaving indemnity, which represents deferred compensation for employees in the private sector. Under Italian law, an entity is obligated to accrue for TFR on an individual employee basis payable to each individual upon termination of employment (including both voluntary and involuntary dismissal). The annual accrual is approximately 7.0% of total pay, with no ceiling, and is revalued each year by applying a pre-

established rate of return of 1.5%, plus 75.0% of the Consumer Price Index, and is recorded by a book reserve. TFR is an unfunded plan. The costs of the retirement benefit obligation are accounted for under the provisions of ASC 715. The amount of the obligation was $0.5 million and $0.5 million at December 31, 2023 and December 31, 2022, respectively.

Note 23. Geographic Areas

The following table summarizes geographic information for long-lived assets (in thousands):

	December 31, 2023	December 31, 2022
United States	$ 6,000	$ 4,476
Europe	2,991	2,532
Total	$ 8,991	$ 7,008

Note 24. Contingent Consideration

The following table summarizes information about the Company's contingent consideration arrangements measured at fair value on a recurring basis, grouped into Level 1 to 3 based on the degree to which the input to fair value is observable (in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
DBOT - Contingent Consideration[a]	$ —	$ —	$ 649	$ 649
Tree Technology - Contingent Consideration[b]	—	—	78	78
Solectrac - Contingent Consideration[c]	—	—	—	—
VIA - Contingent consideration[d]	$ —	$ —	$ —	$ —
Total	$ —	$ —	$ 727	$ 727

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
DBOT - Contingent Consideration[a]	$ —	$ —	$ 649	$ 649
Tree Technology - Contingent Consideration[b]	—	—	118	118
Solectrac - Contingent Consideration[c]	—	—	100	100
Total	$ —	$ —	$ 867	$ 867

(a) DBOT Contingent Consideration

This represents the liability incurred in connection with the acquisition of DBOT shares during the three months ended September 30, 2019 and as remeasured as of April 17, 2020. The contractual period which required periodic remeasurement has expired at that time, and therefore the Company will not remeasure this liability after that.

(b) Tree Technologies Contingent Consideration

This represents the liability incurred in connection with the acquisition of Tree Technologies during the three months ended December 31, 2019 and as subsequently remeasured as of June 30 2023 and December 31, 2022 . The contractual period which required periodic remeasurement expired at that time, and therefore the Company did not remeasure this liability after that.

The fair value of the Tree Technologies contingent consideration as of December 31, 2022 was valued using a probability-weighted discounted cash flow approach which incorporates various estimates, including projected gross revenue for the periods, probability estimates, discount rates and other factors. Significant increases or decreases in any of those inputs in isolation would result in a significantly different fair value measurement.

The following table summarizes the significant inputs and assumptions used in the probability-weighted discounted cash flow

approach:

	December 31, 2022
Weighted-average cost of capital	15.0%
Probability	5%-20%

(c) Solectrac Contingent Consideration

This represents the liability incurred in connection with the acquisition of Solectrac. The liability represents the fair value of the three contingent considerations that were entered into at closing. The fair value was determined using Monte-Carlo simulations as of December 31, 2022. The fair value was reduced to zero as of December 31, 2023 due to the change of projection.

The fair value of the Solectrac contingent consideration as of December 31, 2022, was valued using a Monte-Carlo simulation model. The significant unobservable inputs include volatility, discount rate and the risk free rate. Significant increases or decreases in any of those inputs in isolation would result in a significantly different fair value measurement. The following table summarizes the significant inputs and assumptions used in the model:

	December 31, 2022
Risk-free interest rate	3.4 %
Expected volatility	25.0 %
Expected discount rate	13.1 %

(d) VIA Contingent Consideration

This represents the liability incurred in connection with the acquisition of VIA. The liability represents the fair value of the three contingent considerations that were entered into at closing. The fair value was $73.6 million determined using Monte-Carlo simulations. The fair value was reduced to zero as of December 31, 2023 due to the change of projection.

The fair value of the VIA contingent consideration $73.6 million was valued using a Monte-Carlo simulation model. The significant unobservable inputs include volatility, discount rate and the risk free rate, Significant increases or decreases in any of those inputs in isolation would result in a significantly different fair value measurement. The following table summarizes the significant inputs and assumptions used in the model:

	January 31 2023
Risk-free interest rate	3.7 %
Expected volatility	65.0 %
Expected discount rate	13.9 %

The following table summarizes the reconciliation of contingent consideration measured using Level 3 inputs (in thousands):

	Contingent Consideration
December 31 2021	999
Remeasurement loss/(gain) recognized in the income statement	(132)
December 31 2022	$ 867
Addition	73,628
Remeasurement loss/(gain) recognized in the income statement	(73,768)
December 31 2023	727

Note 25. Subsequent Events

US Hybrid

JPL Holdings, LLC sent a signed Term Sheet for the purchase of US Hybrid on October 25, 2023. Ideanomics accepted and signed the offer to begin due diligence in efforts to complete the sale by the end of 2023. On December 28, 2023 JPL Holdings,

LLC and Ideanomics signed the Share Purchase Agreement in selling US Hybrid for the amount of $5.0M. Where $1.2M of funds were previously wired towards the purchase, the remaining amount due was $3.9M. This amount was fully paid on January 12, 2024 to complete JPL's purchase of US Hybrid. US Hybrid was reported as Discontinued Operations for the quarter ending September 30, 2023.

Tree Technologies

The team at Tree has documented a plan to exit the production facilities and lay off all operational personnel with deadlines targeted during the third quarter. Tree has completed the exit plan and no operation as of September 30 2023. In Q3, Tree also received LOI from a potential buyer to buy Ideanomics stakes in Tree. Consequently, Tree reached status as a discontinued operation as of September 30, 2023. On January 5, 2024 TIZA GLOBAL SDN BHD executed an agreement for the full purchase of Ideanomics' shares in Tree Technologies in the amount of $4.0M. The purchase was complete over three payments with the final payment being made on February 8, 2024.

Yorkville Standby Equity Purchase Agreement

On January 10, 2024, Ideanomics entered into a standby equity purchase agreement (SEPA) with YA II PN, LTD. Pursuant to the SEPA, subject to certain conditions, the Company shall have the option, but not the obligation, to sell to YA II, and YA II shall purchase, an aggregate amount of up to 2,500,000 shares of the Company's common stock, par value $0.001 per share, at the Company's request any time during the commitment period commencing on the Effective Date and expiring upon the earlier of (i) the first day of the month next following the 24-month anniversary of the Effective Date or (ii) the date on which YA II shall have made payment of Advances (as defined below) for Common Stock equal to 2,500,000 shares. Each advance the Company requests shall not exceed an amount equal to 100% of the daily trading volume of the five trading days immediately preceding an Advance Notice, unless, subject to certain other limitations, both the Company and YA II mutually agree to an increased amount. The shares will be purchased at a purchase price equal to the lowest of the daily VWAPs of the Common Stock during the three consecutive trading days commencing on the date of the Advance Notice, multiplied by 94%.

On April 15, 2024 the standby equity purchase agreement was amended so that the Company shall have the option, but not the obligation, to sell to YA II, and YA II shall purchase, and aggregate amount of up to 10,000,000 shares of the Company's common stock at the Company's request any time during the commitment period as described above.

Yorkville Secured Convertible Debenture Purchase Agreement

During first quarter of 2024, the Company consummated the sale to YA II PN, Ltd. of multiple new Secured Convertible Debentures in a private placement pursuant to that certain Secured Debenture Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time), dated as of October 25, 2022, as amended by the First Amendment to Secured Debenture Purchase Agreement of March 30, 2023, as further amended by the Second Amendment to Secured Debenture Purchase Agreement of April 17, 2023, as further amended by the Third Amendment to Secured Debenture Purchase Agreement of May 1, 2023, and as further amended by the previously reported Fourth Amendment to Secured Debenture Purchase Agreement of July 13, 2023. The Conversion Price may be adjusted from time to time pursuant to the other terms and conditions of the Debentures. The new Secured Convertible Debentures contain a standard "buy-in" provision in the event that the Company fails to convert shares within three trading days after receipt of a notice of conversion, and a standard "blocker" provision that limits the right to convert any portion of this new Debenture to the extent that after giving effect to such conversion the holder together with its affiliates would beneficially own more than 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

On January 24, 2024, the Company completed the sale of a new Secured Convertible Debenture for a purchase price of $750,000. Upon the terms and subject to the conditions contained in the Fourth Amended SDPA and this new Secured Convertible Debenture, the Company promises to pay to the Buyer $900,000 on May 27, 2024, (a) subject to earlier redemption at the Company's option and (b) subject to acceleration at the holder's option upon an event of default described in the Debenture. Interest shall accrue on the outstanding Principal Amount hereof at an annual rate equal to 8%; provided that such Interest Rate shall be increased to 18% upon an Event of Default. Upon an event of default, the holder of this new Secured Convertible Debenture is entitled to convert any portion of the outstanding principle and accrued interest into shares of the Company's common stock, at a conversion price per share equal to the lower of (i) $1.23 per share (the "Fixed Price") or (ii) 90% of the lowest daily VWAP during the ten (10) consecutive Trading Days immediately preceding the Conversion Date (the "Variable Price") or other date of determination (the "Variable Measurement Period"), which solely in the case of the Variable Price shall not be lower than the Floor Price of $0.224. The proceeds of this new Secured Convertible Debenture were used to pay costs and fees related to the operation of Wireless Advanced Vehicle Electrification LLC, a wholly owned subsidiary of the Company.

On January 30, 2024, the Company completed the sale of a new Secured Convertible Debenture for a purchase price of $1,500,000. Upon the terms and subject to the conditions contained in the Fourth Amended SDPA and this new Secured

Convertible Debenture, the Company promises to pay to the Buyer $1,800,000 on February 29, 2024, (a) subject to earlier redemption at the Company's option and (b) subject to acceleration at the holder's option upon an event of default described in the Debenture. Interest shall accrue on the outstanding Principal Amount hereof at an annual rate equal to 8%; provided that such Interest Rate shall be increased to 18% upon an Event of Default. Upon an event of default, the holder of this new Secured Convertible Debenture is entitled to convert any portion of the outstanding principle and accrued interest into shares of the Company's common stock, at a conversion price per share equal to the lower of (i) $1.16 per share (the "Fixed Price") or (ii) 90% of the lowest daily VWAP during the ten (10) consecutive Trading Days immediately preceding the Conversion Date (the "Variable Price") or other date of determination (the "Variable Measurement Period"), which solely in the case of the Variable Price shall not be lower than the Floor Price of $0.21. The proceeds of this new Secured Convertible Debenture were used to support the operations of Wireless Advanced Vehicle Electrification LLC, a wholly owned subsidiary of the Company.

On February 29, 2024, the Company consummated the sale of a new Secured Convertible Debenture for a purchase price of $1,500,000. Upon the terms and subject to the conditions contained in the Fourth Amended SDPA and this new Secured Convertible Debenture, the Company promises to pay to the Buyer $1,900,000 on September 30, 2024, (a) subject to earlier redemption at the Company's option and (b) subject to acceleration at the holder's option upon an event of default described in the Debenture. Interest shall accrue on the outstanding Principal Amount hereof at an annual rate equal to 8%; provided that such Interest Rate shall be increased to 18% upon an Event of Default. Upon an event of default, the holder of this new Secured Convertible Debenture is entitled to convert any portion of the outstanding principle and accrued interest into shares of the Company's common stock, at a conversion price per share equal to the lower of (i) $1.12 per share (the "Fixed Price") or (ii) 90% of the lowest daily VWAP during the ten (10) consecutive Trading Days immediately preceding the Conversion Date (the "Variable Price") or other date of determination (the "Variable Measurement Period"), which solely in the case of the Variable Price shall not be lower than the Floor Price of $0.204. The proceeds of this new Secured Convertible Debenture shall be used to support overall operational needs and costs related to Wireless Advanced Vehicle Electrification LLC, a wholly owned subsidiary of the Company; as well as to support the initial costs associated with the Purchase Order from Confidential customer as disclosed previously in the Company's January 18, 2024 Form 8K filing.

Executive Compensation

Effective February 16, 2024, Ideanomics, Inc. (the "Company") agreed (i) to reduce the base salary for Mr. Alfred Poor, the Company's Chief Executive Officer to $325,000 and to (ii) reduce the base salary for Mr. Scott Morrison, the Company's Chief Financial Officer, to $275,000. The employment agreement for Mr. Poor is further amended to have a reduced severance and change in controls provisions of six months, and the severance provisions for Mr. Morrison's employment agreement is removed and the change in control provision amended to six months. The employment agreements for each of Mr. Poor and Mr. Morrison otherwise remain in their current form, respectively. Mr. Poor and Mr. Morrison are granted $175,000 and $125,000 in shares of common stock respectively.

Effective February 16, 2024, the Company agreed to (i) to reduce the annual compensation for Mr. Shane McMahon as Executive Chairman of the Company to $150,000 in cash and $350,000 in shares of common stock and (ii) to set each of the Independent Director annual cash compensation at $100,000 with $25,000 in shares of common stock vesting on a quarterly basis. Each Independent Director is also entitled to an additional $10,000 cash compensation for each committee served as Lead Director with an accompanying $10,000 in shares of common stock.

Effective February 16, 2024, as part of its continuing restructuring and cost reduction efforts, the Company has also reduced its management staff annual compensation by an average of 21%-23% and removed of all applicable severance provisions and amended applicable change in control provisions to six months.

On March 5, 2024, the Company received the resignation of the Company's Chief Financial Officer, Scott Morrison, effective as of that date. Mr. Morrison is resigning for personal reasons. Mr. Morrison shall stay on as a consultant to ensure the timely completion of the Company's annual filings and other regulatory requirements.

On March 8, 2024, the board of directors appointed Mr. Ryan M. Jenkins as Chief Financial Officer of the Company. Mr. Jenkins brings extensive years of advancing responsibilities across multiple business units of major companies, including Walmart and the FedEx Corporation. He has served as the Corporate Treasurer and Head of FP&A for Ideanomics since March 2022, and served as Associate Director of Finance & Treasury and Investor Relations for Walmart from 2020 to 2022. Since 2019 he has been an Adjunct Professor of Finance at the University of Memphis. Mr. Jenkins was the Corporate Financial & Treasury Advisor for the FedEx Corporation from 2005 to 2017. He has significant experience in capital planning, funding and analysis in his prior roles. He obtained his CPA license in 2012, CFA Charter in 2016, and CTP Certification in 2023.

Effective March 8, 2024, Mr. Jenkins's base salary is $275,000 with a change of control provision for six months. Mr. Jenkins is also granted $125,000 in shares of common stock that shall vest upon completion of certain Company and personal milestones.

Tillou Promissory Note

April 25, 2024 Amended and Restated Promissory Note

As previously disclosed on the Company's December 19, 2022 Form 8-K, on December 13, 2022, the Company promised to pay to the order of Tillou Management and Consulting LLC, a New Jersey Limited Liability Company (the "Noteholder" or "Tillou"), an entity controlled by Vince McMahon, the father of our Executive Chairman, the principal amount of $2,000,000, together with all accrued interest thereon as provided in the promissory note entered into between the Company and the Noteholder dated December 13, 2022 (the "Prior Note").

On April 25, 2024, the Company executed an Amended and Restated Promissory Note and promised to pay to the order of Tillou the principal amount of $4,137,095 (the "Loan"), together with all accrued interest thereon, as provided in the promissory note entered into between the Company and the Noteholder dated as of April 25, 2024. The Noteholder agreed to make an additional advance to the Company on April 25, 2024 in the principal amount of $1,397,095. The Company further agreed to pay the aggregate unpaid principal amount of the December 13, 2022 Note as well as accrued and unpaid interest, fees, and expenses relating to the Prior Note which were $740,000.

The Company agreed to repay the principal balance of the Loan in weekly installments, commencing on the Initial Payment Date and continuing on the first Business Day of each calendar week thereafter. Each weekly installment shall be in an amount equal to the greater of (x) $250,000 and (y) 100% of the net proceeds received by the Borrower pursuant to the SEPA during the immediately preceding calendar week. For purposes of this Note, (A) the "Initial Payment Date" means the earlier of (I) the first Business Day of the first calendar week immediately following the first date on which the Borrower receives net proceeds under the SEPA (whether in connection with the sale of Shares (as defined in the SEPA) or otherwise) and (II) July 1, 2024, and (B) "SEPA" means the Standby Equity Purchase Agreement dated January 5, 2024 (as amended, restated, supplemented or otherwise modified from time to time) between the Borrower, as company, and YA II PN, LTD., as investor. The principal amount outstanding under this Amended and Restated Promissory Note has an interest rate at a flat rate equal to 16% per annum (the "Interest Rate"). If any amount payable under the Note is not paid when due, such overdue amount shall bear interest at the Interest Rate plus 2%. The Company may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. The principal amount of the Note shall become due and payable in the event of a default pursuant to the Note.

May 29, 2024 Amended and Restated Promissory Note

Effective on May 29, 2024, the Company executed an Amended and Restated Promissory Note and promised to pay to the order of Tillou the principal amount of $7,217,095 which includes an additional advance to the Company in the principal amount of $3,000,000. It further includes $4,137,095 (the "Prior Existing Principal Balance") and $80,000 of accrued unpaid fees and expenses.

The Company agreed to repay the principal balance of the Loan in weekly installments, commencing on the Initial Payment Date and continuing on the first Business Day of each calendar week thereafter. Each weekly installment shall be in an amount equal to the greater of (x) $250,000 and (y) 100% of the net proceeds received by the Borrower pursuant to the SEPA during the immediately preceding calendar week. For purposes of this Note, (A) the "Initial Payment Date" means the earlier of (I) the first Business Day of the first calendar week immediately following the first date on which the Borrower receives net proceeds under the SEPA (whether in connection with the sale of Shares (as defined in the SEPA) or otherwise) and (II) July 1, 2024, and (B) "SEPA" means the Standby Equity Purchase Agreement dated January 5, 2024 (as amended, restated, supplemented or otherwise modified from time to time) between the Borrower, as company, and YA II PN, LTD., as investor. The principal amount outstanding under this Amended and Restated Promissory Note has an interest rate at a flat rate equal to 16% per annum (the "Interest Rate"). If any amount payable under the Note s not paid when due, such overdue amount shall bear interest at the Interest Rate plus 2%. The Company may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. The principal amount of the Note shall become due and payable in the event of a default pursuant to the Note.

In relation to the Tillou Promissory Notes, the Company has agreed Mr. Shane McMahon, the Executive Chairman of the Company, is entitled to a grant up to 7,217,095 shares of Common Stock.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The information required by this Item 9 was "previously reported" as such term is defined in Rule 12b-2 of the Exchange Act.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures”, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of December 31, 2023 that our disclosure controls and procedures were not effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Exchange Act defines internal control over financial reporting as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Directors;

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessment, we have concluded that our internal control over financial reporting was not effective as of December 31, 2023 due to the material weaknesses described below.

In 2023, our evaluation included Timios, WAVE, Solectrac, US Hybrid and Energica for the first time. In 2022, our evaluation excluded Energica, which was acquired in the year ended December 31, 2022, and was not fully integrated with Ideanomics as of that date. As of and for the year ended December 31, 2023, Energica represented 11% of total assets and 11% of revenue.

Material Weaknesses

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 a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management has determined that the Company has the following material weaknesses in its internal control over financial reporting as of December 31, 2023:

•The design and implementation of internal controls over the review of management's inputs into valuation models and associated valuation outputs from third party valuation specialists .

•The design and implementation of internal controls over the revenue recognition process, specifically the failure to properly evaluate whether the Company was to be considered the principal or the agent in contracts with customers.

•There is a lack of sufficient personnel in accounting and financial reporting functions with sufficient experience and expertise with respect to the application of U.S. GAAP and SEC disclosure requirements.

•Operating effectiveness of internal controls to identify and evaluate the accounting implications of non-routine transactions.

•There is a lack of controls designed to address risk of material misstatement for various financial statement areas and related assertions.

•There is a lack of validation of completeness and accuracy of internally prepared data, including key reports generated from systems, utilized in the operations of controls.

•There is a lack of evidence to support the effective review in the operations of controls.

•There is a lack of controls at the entity level, particularly over the review of subsidiary financial information, including analysis of balance sheet data, operating results, non-routine transactions, litigation accruals and income tax matters.

•Controls are not designed with a sufficient level of precision to prevent or detect a material misstatement.

•An inventory of service organizations utilized to process transactions was not maintained throughout the reporting period. There is a lack of review over service organization reports. In instances in which service organization reports are not available, the Company does not have adequate complementary controls.

•There is a lack of segregation of duties that exists in the information technology environments and payroll and procure to pay cycles at the Company.

•There is a lack of documented compliance related to controls to evaluate potential risk of dealing with inappropriate vendors and/or customers.

•The Company's information technology general controls over certain information technology systems were not designed properly and therefore did not operate effectively.

On July 26, 2022, subsequent to the dismissal of BDO as the Company's auditor, BDO informed the Company of their belief that the Company also had the following material weaknesses as of December 31, 2023:

•There is ineffective oversight from the Company's Audit Committee.

•There is a lack of documented compliance-related controls to evaluate transactions in accordance with the FCPA.

Management's Plan for Remediation

In the fourth quarter of 2023, management analyzed the root causes of the material weaknesses described above with the Audit Committee and has completed the design phase to modify existing controls or add new controls to address risks identified in the material weaknesses identified in 2021. Management has also implemented over half of the proposed remediation measures in the first quarter of 2023 and expected to complete the rollout in the second quarter of 2023. We expect that the deficiencies

identified which aggregate to the material weaknesses noted above, will continue to be subject to testing throughout 2024 subject to the control operation cycles to determine the operating effectiveness. A critical element of the remediation designed includes the monitoring of the operation of controls on a location basis both as to operation and the related documentation of the control operation.

As to the two material weaknesses communicated by BDO following their dismissal, management has discussed the related observations with the Audit Committee:

FCPA

On March 14, 2022, BDO informed the Company that information related to the Company's operations in China indicated that an illegal act may have occurred. In response, the Company's Audit Committee engaged an Am Law 100 law firm and a nationally recognized forensics accounting firm to conduct a complete and thorough investigation and such investigation was completed by such parties to the Audit Committee's satisfaction on July 17, 2022. The investigation concluded with no findings of improper or fraudulent actions or practices by the Company or any of its officers or employees with respect to any matters, including those raised by BDO.

In addition, management believes that the current FCPA compliance program, as designed and currently in operation, is consistent with standard industry policies and practices related to FCPA compliance, which include amongst other activities regular updates to compliance policies as posted on the Company's website, standard procedures for vetting new customers, vendors and contractual counterparties supported by recognized external vendors for KYC and training for employees on the FCPA compliance program.

Following the conclusion of the investigation, the Audit Committee requested management to conduct an assessment of the effectiveness of the current FCPA compliance program in the fourth quarter of 2022 with the objective of ensuring optimization of the program. The review concluded that the transactions in question occurred prior to the currently implemented controls, which include the third-party validation of the beneficial ownership and public compliance history of contractual counter parties. The currently implemented controls are designed to identify counter party risk and have been applied to all commercial contracts entered into since 2023.

Audit Committee Oversight

Prior to the June 30, 2021 testing date, the Company was a smaller reporting company and as of the testing date became a large accelerated filer. Throughout 2021 the Company completed multiple acquisitions and investments into early stage technology growth companies. The Audit Committee discussed with management the implications related to assessment activities for internal control over financial reporting. The change in the plan for the assessment of internal control over financial reporting for 2021 comprehended the risks associated with the change in reporting status and the financial accounting and reporting associated with the acquisitions, including but not limited to purchase price accounting, tax accounting and consolidation.

The response to these risks included amongst other items, the engagement of additional external resources to document and test controls, the engagement of external qualified valuation and tax resources to support financial accounting and reporting related to the acquisitions and the hiring of internal resources to collaborate with the external advisors. The plan was implemented in the first quarter of 2021, concurrent with the operational integration of the acquired businesses.

In 2022, the Audit Committee directed the investigation activities referred to above including but not limited to the establishment of the scope of the investigation, the review of the methodology employed and the basis for conclusions on procedures performed. In addition, the Audit Committee reviewed and approved the scoping for the 2022 evaluation including the risk assessment for new in scope locations, requested bi-weekly updates from management on the timeliness of the evaluation and reviewed the aggregation of deficiencies.

In 2023, the Audit Committee is in the process of recruiting new members for the Committee to enhance the current risk assessment and mitigation skill sets of the Committee. The addition of new independent members is expected to increase the level of engagement with key risk matters. The Committee expects that with the addition of new members and the broader scope of engagement specific to the risk assessment, this material weakness will be fully remediated in 2023.

Management believes that the number and nature of material weaknesses noted above result in a presumption of ineffective oversight and management of the internal control over financial reporting activities. In developing remediation plans to address this presumption, management is evaluating all existing and necessary oversight and operational administration activities associated with internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal year that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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

Directors and Executive Officers.

The following sets forth the name and position of each of our current executive officers and directors as of the filing date of this Annual Report.

Name	Age	Position
Shane McMahon	54	Executive Chairman
Alfred P. Poor	54	Chief Executive Officer and Director
Scott Morrison	53	Chief Financial Officer
James S. Cassano	78	Director
Andrea Hayward	57	Director
Paul Hancock	46	Director

Mr. Shane McMahon. Mr. McMahon was appointed Executive Chairman as of July 23, 2021, previously he was Vice Chairman from January 12, 2016 to the date of his appointment as Executive Chairman and was previously our Chairman from July 2010 to January 2016. Prior to joining us, from 2000 to December 31, 2009, Mr. McMahon served in various executive level positions with World Wrestling Entertainment, Inc. (NYSE: WWE). Mr. McMahon also sits on the Boards of Directors of International Sports Management (USA) Inc., a Delaware corporation, and Global Power of Literacy, a New York not-for-profit corporation.

Mr. Alfred P. Poor. Our Chief Executive Officer is a former Chief Operating Officer at Global Data Sentinel, a cybersecurity company that specializes in identity management, file access control, protected sharing, reporting and tracking, AI and thread response, and backup and recovery. He is the former President and Chief Operating Officer of Agendize Services Inc., a company with an integrated suite of applications that help businesses generate higher quality leads, improve business efficiency and customer engagement. Mr. Poor is a client-focused and profitability-driven management executive with a track record of success at both rapidly-growing technology companies and large, multi-national, organizations.

Mr. Scott Morrison. Mr. Morrison was appointed Chief Financial Officer effective April 1, 2023. Previously, Mr. Morrison served as Chief Financial Officer of Wave Charging, LLC, a subsidiary of the Company. Additionally, he held the position of Chief Executive Officer for Evog Nano, Inc., Finance Director at CRH Americas Materials, Inc. and Vice President-Finance for Honeywell Aerospace, General Aviation Division.

Mr. James S. Cassano. Mr. Cassano has been a director since January 11, 2008. Mr. Cassano is currently a Partner and Chief Financial Officer of CoActive Health Solutions, LLC, a worldwide contract research organization, supporting the pharmaceutical and biotechnology industries. Mr. Cassano has served as executive vice president, chief financial officer, secretary and director of Jaguar Acquisition Corporation a Delaware corporation (OTCBB: JGAC), a blank check company, since its formation in June 2005. Mr. Cassano has served as a managing director of Katalyst LLC, a company which provides certain administrative services to Jaguar Acquisition Corporation, since January 2005. In June 1998, Mr. Cassano founded New Forum Publishers, an electronic publisher of educational material for secondary schools, and served as its chairman of the Board and chief executive officer until it was sold to Apex Learning, Inc., a company controlled by Warburg Pincus, in August 2003. He remained with Apex until November 2003 in transition as vice president business development and served as a consultant to the Company through February 2004. In June 1995, Mr. Cassano co-founded Advantix, Inc., a high volume electronic ticketing software and transaction services company which handled event related client and customer payments, that was renamed Tickets.com and went public through an IPO in 1999. From March 1987 to June 1995, Mr. Cassano served as senior vice president and chief financial officer of the Hill Group, Inc., a privately-held engineering and consulting organization, and from February 1986 to March 1987, Mr. Cassano served as vice president of investments and acquisitions for Safeguard Scientifics, Inc., a public venture development company. From May 1973 to February 1986, Mr. Cassano served as partner and director of strategic management services (Europe) for the strategic management group of Hay Associates. Mr. Cassano received a B.S. in Aeronautics and Astronautics from Purdue University and an M.B.A. from Wharton Graduate School at the University of Pennsylvania.

Ms. Andrea Hayward. On April 18, 2023, Ideanomics, Inc. appointed Andrea Hayward as an independent director of the Company and as a member of the Audit Committee and Compensation Committee of the board, to be effective as of May 15, 2023. Ms. Hayward worked for over 31 years at United Parcel Service, where she has delivered specialized supply chain and logistics services on a global scale. Most recently, she served as Vice President of U.S. Network and Vice President of Transportation Technology, where she led over 8,000 employees with a business unit P&L of $1.5 billion. She served as a board member of the Quad County Urban League in Aurora Illinois, providing strategic direction and operational oversight to an organization that supports economic development and social equity for those who are disadvantaged. Additionally, she is a

former academic advisor for the supply chain department at Governors State University in University Park, Illinois. Other activities included UPS leadership committees - leading their Seasonality Committee and serving as a member of their Women in Operations, Advanced Technology, and Emergency Crisis committees. Ms. Hayward begins her service as an independent director of the Company on May 15, 2023. She has served as a director of Rehrig Pacific Company and Atlanta CASA.

Mr. Paul Hancock. Mr. Hancock has served as Vice President, Deputy CEO & CFO of InoBat AS, a company that specializes in the research, development, production, recycling, and final disposal of custom-designed innovative electric batteries, and he has over 25 years of experience in corporate finance, financial control and strategic planning. From March 2016 to June 2021, Mr. Hancock previously held the position of Deputy Chief Financial Officer at Aston Martin Lagonda, the Iconic British manufacturer of luxury sports cars.

Corporate Governance

Our current corporate governance practices and policies are designed to promote shareholder value and we are committed to the highest standards of corporate ethics and diligent compliance with financial accounting and reporting rules. Our Board provides independent leadership in the exercise of its responsibilities. Our management oversees a system of internal controls and compliance with corporate policies and applicable laws and regulations, and our employees operate in a climate of responsibility, candor and integrity.

Corporate Governance Guidelines

We and our Board are committed to high standards of corporate governance as an important component in building and maintaining shareholder value. To this end, we regularly review our corporate governance policies and practices to ensure that they are consistent with the high standards of other companies. We also closely monitor guidance issued or proposed by the SEC and the provisions of the Sarbanes-Oxley Act, as well as the emerging best practices of other companies. The current corporate governance guidelines are available on the Company's website www.ideanomics.com. Printed copies of our corporate governance guidelines may be obtained, without charge, by contacting our Corporate Secretary at 1441 Broadway, Suite 5116, New York, NY 10018.

The Board and Committees of the Board

The Company is governed by the Board that currently consists of five members: Shane McMahon, Alfred Poor, James S. Cassano, Paul Hancock, and Andrea Hayward. The Board has established three Committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Each of the Audit Committee, Compensation Committee and Nominating and Governance Committee are comprised entirely of independent directors. From time to time, the Board may establish other committees. The Board has adopted a written charter for each of the Committees which are available on the Company's website www.ideanomics.com. Printed copies of these charters may be obtained, without charge, by contacting our Corporate Secretary at 1441 Broadway, Suite 5116, New York, NY 10018.

Governance Structure

Our Board of Directors is responsible for corporate governance in compliance with reporting laws and for representing the interests of our shareholders. As of the date of this Annual report, the Board was composed of six members, four of whom are considered independent, non-executive directors. Details on Board membership, oversight and activity are reported below.

We encourage our shareholders to learn more about our Company's governance practices at our website, www.ideanomics.com.

The Board's Role in Risk Oversight

The Board oversees that the assets of the Company are properly safeguarded, that the appropriate financial and other controls are maintained, and that the Company's business is conducted wisely and in compliance with applicable laws and regulations and proper governance. Included in these responsibilities is the Board of Directors' oversight of the various risks facing the Company. In this regard, the Board seeks to understand and oversee critical business risks. The Board does not view risk in isolation. Risks are considered in virtually every business decision and as part of the Company's business strategy. The Board recognizes that it is neither possible nor prudent to eliminate all risk. Indeed, purposeful and appropriate risk-taking is essential for the Company to be competitive on a global basis and to achieve its objectives.

While the Board oversees risk management, Company management is charged with managing risk. The Company has robust internal processes and a strong internal control environment to identify and manage risks and to communicate with the Board. The Board and the Audit Committee monitor and evaluate the effectiveness of the internal controls and the risk management program at least annually. Management communicates routinely with the Board, Board committees and individual directors on the significant risks identified and how they are being managed. Directors are free to, and indeed often do, communicate directly with senior management.

The Board implements its risk oversight function both as a whole and through Committees. Much of the work is delegated to various Committees, which meet regularly and report back to the full Board. All Committees play significant roles in carrying out the risk oversight function. In particular:

- The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Audit Committee members meet separately with representatives of the independent auditing firm.

- The Compensation Committee evaluates the risks and rewards associated with the Company's compensation philosophy and programs. The Compensation Committee reviews and approves compensation programs with features that mitigate risk without diminishing the incentive nature of the compensation. Management discusses with the Compensation Committee the procedures that have been put in place to identify and mitigate potential risks in compensation.

Independent Directors

In considering and making decisions as to the independence of each of the directors of the Company, the Board considered transactions and relationships between the Company (and its subsidiaries) and each director (and each member of such director's immediate family and any entity with which the director or family member has an affiliation such that the director or family member may have a material direct or indirect interest in a transaction or relationship with such entity). The Board has determined that James S. Cassano, Shane McMahon, Paul Hancock, and Andrea Hayward are independent as defined in applicable SEC and NASDAQ rules and regulations, and that each constitutes an "Independent Director" as defined in NASDAQ Listing Rule 5605.

Audit Committee

Our Audit Committee consists of James S. Cassano, Paul Hancock, and Andrea Hayward with Mr. Cassano acting as Chair. The Audit Committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. Mr. Cassano serves as our Audit Committee financial experts as that term is defined by the applicable SEC rules. The Audit Committee is responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- reviewing with our independent auditors any audit problems or difficulties and management's response;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act of 1933, as amended;
- discussing the annual audited financial statements with management and our independent auditors;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of significant internal control deficiencies;
- annually reviewing and reassessing the adequacy of our Audit Committee charter;
- overseeing the work of our independent auditor, including resolution of disagreements between management and the independent auditor regarding financial reporting;
- reporting regularly to and reviewing with the full Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the independent auditors and any other matters that the Audit Committee deems appropriate or is requested to review for the benefit of the Board.

The Audit Committee may engage independent counsel and such other advisors it deems necessary to carry out its responsibilities and powers, and, if such counsel or other advisors are engaged, shall determine the compensation or fees payable to such counsel or other advisors. The Audit Committee may form and delegate authority to subcommittees consisting of one or more of its members as the Audit Committee deems appropriate to carry out its responsibilities and exercise its powers.

Compensation Committee

Our Compensation Committee consists of James S. Cassano and Andrea Hayward with Mr. Cassano acting as Chair. Our Compensation Committee assists the Board in reviewing and approving the compensation structure of our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. The Compensation Committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating the performance of our chief executive officer in light of those goals and objectives, and setting the compensation level of our chief executive officer based on this evaluation;
- reviewing and making recommendations to the Board with regard to the compensation of other executive officers;
- reviewing and making recommendations to the Board with respect to the compensation of our directors; and
- reviewing and making recommendations to the Board regarding all incentive-based compensation plans and equity-based plans.

The Compensation Committee has sole authority to retain and terminate any consulting firm or other outside advisor to assist the committee in the evaluation of director, chief executive officer or senior executive compensation and other compensation-related matters, including sole authority to approve the firms' fees and other retention terms. The Compensation Committee may also form and delegate authority to subcommittees consisting of one or more members of the Compensation Committee.

Governance and Nominating Committee

Our Governance and Nominating Committee consists of Andrea Hayward and James S. Cassano with Andrea Hayward acting as Chair. The Governance and Nominating Committee assists the Board of Directors in identifying individuals qualified to become our directors and in determining the composition of the Board and its committees. The Governance and Nominating Committee is responsible for, among other things:

- identifying and recommending to the Board nominees for election or re-election to the Board, or for appointment to fill any vacancy;
- selecting directors for appointment to committees of the Board; and
- overseeing annual evaluation of the Board and its committees for the prior fiscal year.

The Governance and Nominating Committee has sole authority to retain and terminate any search firm that is to be used by the Company to assist in identifying director candidates, including sole authority to approve the firms' fees and other retention terms. The Governance and Nominating Committee may also form and delegate authority to subcommittees consisting of one or more members of the Governance and Nominating Committee.

Director Qualifications

Directors are responsible for overseeing the Company's business consistent with their fiduciary duty to shareholders. This significant responsibility requires highly-skilled individuals with various qualities, attributes and professional experience. The Board believes that there are general requirements for service on the Company's Board of Directors that are applicable to all directors and that there are other skills and experience that should be represented on the Board as a whole but not necessarily by each director. The Board and the Governance and Nominating Committee of the Board consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

Qualifications for All Directors

In its assessment of each potential director candidate, including those recommended by shareholders, the Governance and Nominating Committee considers the nominee's judgment, integrity, experience, independence, understanding of the Company's business or other related industries and such other factors the Governance and Nominating Committee determines are pertinent in light of the current needs of the Board. The Governance and Nominating Committee also takes into account the ability of a director to devote the time and effort necessary to fulfill his or her responsibilities to the Company.

The Board and the Governance and Nominating Committee require that each director be a recognized person of high integrity with a proven record of success in his or her field. Each director must demonstrate innovative thinking, familiarity with and respect for corporate governance requirements and practices, an appreciation of multiple cultures and a commitment to sustainability and to dealing responsibly with social issues. In addition to the qualifications required of all directors, the Board assesses intangible qualities including the individual's ability to ask difficult questions and, simultaneously, to work collegially.

The Board does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process.

Qualifications, Attributes, Skills and Experience to be represented on the Board as a Whole

The Board has identified particular qualifications, attributes, skills and experience that are important to be represented on the Board as a whole, in light of the Company's current needs and business priorities. The Company's services are performed in areas of future growth located outside of the United States. Accordingly, the Board believes that international experience or specific knowledge of key geographic growth areas and diversity of professional experiences should be represented on the Board. In addition, the Company's business is multifaceted and involves complex financial transactions. Therefore, the Board believes that the Board should include some directors with a high level of financial literacy and some directors who possess relevant business experience as a Chief Executive Officer or President. Our business involves complex technologies in a highly specialized industry. Therefore, the Board believes that extensive knowledge of the Company's business and industry should be represented on the Board.

Summary of Qualifications of Current Directors

Set forth below is a narrative disclosure that summarizes some of the specific qualifications, attributes, skills and experiences of our directors. For more detailed information, please refer to the biographical information for each director set forth above.

Mr. Shane McMahon. Mr. McMahon has significant marketing and promotion experience and has been instrumental in exploiting pay-per-view programming on a global basis. In light of our business and structure, Mr. McMahon's extensive executive and industry experience led us to the conclusion that he should serve as a director of our Company.

Mr. Alfred P. Poor. Mr. Poor is a client-focused and profitability-driven management executive with a track record of success at both rapidly-growing technology companies and large, multi-national, organizations. In light of our business and structure, Mr. Poor's extensive executive experience and his educational background led us to the conclusion that he should serve as a director of our Company.

Mr. James S. Cassano. Mr. Cassano has substantial experience as a senior executive in management consulting, corporate development, mergers and acquisitions and start up enterprises across a numerous different industries. In light of our business and structure, Mr. Cassano's extensive executive experience and his educational background led us to the conclusion that he should serve as a director of our Company.

Ms. Andrea Hayward. Ms. Hayward worked for over 31 years at United Parcel Service, where she has delivered specialized supply chain and logistics services on a global scale. Most recently, she served as Vice President of U.S. Network and Vice President of Transportation Technology, where she led over 8,000 employees with a business unit P&L of $1.5 billion.

Mr. Paul Hancock. Mr. Hancock has served as Vice President, Deputy CEO & CFO of InoBat AS, a company that specializes in the research, development, production, recycling, and final disposal of custom-designed innovative electric batteries, and he has over 25 years of experience in corporate finance, financial control and strategic planning. From March 2016 to June 2021, Mr. Hancock previously held the position of Deputy Chief Financial Officer at Aston Martin Lagonda, the Iconic British manufacturer of luxury sports cars.

Family Relationships

There are no family relationships among our directors and officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in Item 13 - Certain Relationships and Related Transactions, and Director Independence - Transactions with Related Persons, none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Promoters and Certain Control Persons

We did not have any promoters at any time during the past five fiscal years.

Section 16(a) Reports

Section 16(a) of the Exchange Act requires that our executive officers and directors and other persons who beneficially own more than 10% of a registered class of our equity securities file with the SEC reports of ownership and reports of changes in ownership of shares and other equity securities. Such executive officers and directors and other persons who beneficially own more than 10% of a registered class of our equity securities are required by the SEC to furnish us with copies of all Section 16(a) filed by such reporting persons.

Based solely on our review of such forms furnished to us or written representations provided to us by the reporting persons, we believe that all filing requirements applicable to our executive officers, directors and other persons who beneficially own more than 10% of a registered class of our equity securities were complied with in the year ended December 31, 2023.

Clawback Policy

In 2021, the Board adopted the Clawback Policy (the "Clawback Policy") providing for the recovery of certain incentive-based compensation from current and former executive officers of the Company in the event the Company is required to restate any of its financial statements filed with the SEC under the Exchange Act in order to correct an error that is material to the previously-issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. A copy of the Clawback Policy has been filed herewith, and can also be found as exhibit 97 filed herewith or via the following link: https://ideanomics.com/investors/corporate-governance.

Code of Ethics

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers, employees, subsidiaries, agents, contractors and consultants, which became effective in January 2016 and was updated in December 2021. We have posted a copy of our code of business conduct and ethics, including but not limited to our insider trading policy, on our website at https://ideanomics.com/investors/corporate-governance.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy

The primary goals of our Board with respect to executive compensation are to attract and retain talented and dedicated executives, to tie annual and long-term cash and stock incentives to the achievement of specified performance objectives, and to create incentives resulting in increased stockholder value. To achieve these goals, our Compensation Committee recommends to our Board, executive compensation packages, generally comprising a mix of salary, discretionary bonus and equity awards. Although we have not adopted any formal guidelines for allocating total compensation between equity compensation and cash compensation, we have implemented and maintain compensation plans that tie a substantial portion of our executives' overall compensation to the achievement of corporate goals.

Compensation Committee Judgment and Discretion

The Compensation Committee, consisting entirely of independent directors, reviews and approves the compensation of our Named Executive Officers, or NEOs, and makes recommendations regarding equity awards to our Board, which acts as the administrator for our equity compensation plans.

The Compensation Committee's executive compensation determinations are subjective and the result of the Compensation Committee's business judgment, which is informed by the experience of its members and input provided by market surveys, its independent compensation consultant, our Chief Executive Officer (other than with respect to his own compensation), other members of management, and investors.

The Compensation Committee regularly evaluates our executive compensation program to determine if changes are appropriate. In so doing, the Compensation Committee may consult with its independent compensation consultant and management; however, the Compensation Committee makes final decisions regarding the compensation paid to our NEOs based on its own judgment. The Compensation Committee may consider factors such as individual performance, company performance, market conditions, financial goals, retention and stockholder interests in determining compensation.

The Role of the Compensation Consultant

The Compensation Committee selects and retains the services of an independent compensation consultant. The independent compensation consultant is independent and that the work that it performed in 2021 did not raise any conflicts of interest. During 2021, the Compensation Committee's independent compensation consultant, Metin Aksoy at Frederic W. Cook Executive Compensation Consultants, provided no services to us other than services for the Compensation Committee and worked with our management only on matters for which the Compensation Committee is responsible. The Compensation Committee did not retain a compensation consultant in 2023.

The Role of Executives in Executive Compensation Decisions

The Board and our Compensation Committee generally seek input from our Chief Executive Officer, Alfred P. Poor, when discussing the performance of, and compensation levels for, executives other than himself. In 2021, the Compensation Committee also worked with Conor McCarthy, our then Chief Financial Officer, and currently, Scott Morrison, our Chief Financial Officer, to evaluate the financial, accounting, tax and retention implications of our various compensation programs. Neither Mr. Poor, who is also our director, nor Messrs. McCarthy nor Morrison participated in deliberations relating to their own compensation.

The Role of Investors

Stockholders are provided the opportunity to cast an advisory vote ("Say-On-Pay") on the compensation of our NEOs. In our most recent Say-On-Pay vote, conducted at our 2022 annual meeting of stockholders, held on November 25, 2022, our stockholders approved the compensation of our named executive officers on an advisory basis, with approximately 83% of the votes cast in favor of the fiscal 2021 compensation of our named executive officers. In addition to the Say on Pay vote, the investors were also provided an opportunity to vote on the frequency at which such Say on Pay votes would be held ("Say On Frequency" votes). At the November 2022 annual meeting, the majority (56%) of investors voted for the Say on Frequency votes to occur every three years, with a minority (38%) voting for every year, followed by biannually and those abstaining. In setting fiscal 2024 compensation, we considered the state of the Company as well as consideration of Stockholder opinions during ongoing discussions. Effective February 16, 2024 as part of its continuing restructuring and cost reduction efforts, the

Company reduced our NEO annual compensation by an average of 21%-23% and removed of all applicable severance provisions and amended applicable change in control provisions to six months.

We also have ongoing discussions with many of our investors regarding various corporate governance topics, including environment, social and governance topics and executive compensation. The Compensation Committee also considers these discussions while reviewing our executive compensation program.

The Role of Peer Companies

In 2021, the Compensation Committee reviewed a survey of peer group companies' total standard compensation components for certain executives, including the named executive officers, as provided by our compensation consultant. The peer group was based on market segment, market capitalization of less than $5 Billion, and trailing four quarters revenue of less than $1 Billion. It included companies from Automotive, Renewable Energy; and Fintech. The companies considered were:

Bloom Energy Corporation	Workhorse Group Inc.	Veritone, Inc.
Cerence Inc	Blink Charging Co.	Arcimoto, Inc.
FuelCell Energy, Inc	Gevo, Inc.	CleanSpark, Inc.
Clean Energy Fuels Corp.	CEVA, Inc.	Electrameccanica Vehicles Corp.
PROS Holdings, Inc.	Stoneridge, Inc.	Allied Motion Technologies Inc.

In general, these companies operate in similar industries and many have similar cost structures, business models (subject to the relevant market segment) and global reach. We also considered the following companies in Charging & Energy; EV Components; Vehicle OEM; and CleanTech as additional peers.

ChargePoint	Romeo Power	Hyliion
PG & E	Ayro.	QuantumScape
ABM Industries	Canoo	XL Fleet
Beam Global	Tesla	Plug Power
	Lordstown Motors	Polar Power
First Solar	Navistar	Enphase Energy

The Compensation Committee considers compensation data from the peer companies to the extent the executive positions at these companies are considered comparable to our positions and informative of the competitive environment. Compensation data for our peer group were collected from available proxy-disclosed data. This information was gathered and analyzed for low, medium and high ratings for annual base salary, short-term incentive pay elements and long-term incentive pay elements.

The survey determined that the NEOs as a whole were positioned at the medium to high end of the peer group in terms of cash compensation, but in the very low end of the peer group in terms of total standard compensation and opportunities.

The Compensation Committee considers peer group data provided by its independent compensation consultant to inform its decision-making process so it can set total compensation levels that it believes are commensurate with the relative size, scope, and success of Ideanomics.

Elements of Compensation

We evaluate individual executive performance with a goal of setting compensation at levels the Compensation Committee believes are comparable with executives in other companies of similar size and stage of development while taking into account our relative performance and our own strategic goals. The compensation received by our named executive officers consists of the following elements:

Base Salary

Base salaries for our executives are established based on the scope of their responsibilities and individual experience, taking into account competitive market compensation paid by other companies for similar positions within our industry. The Compensation Committee considers compensation data from the peer companies to the extent the executive positions at these companies are considered comparable to our positions and informative of the competitive environment.

Variable Pay

We design our variable pay programs to be both affordable and competitive in relation to the market. We monitor the market and adjust our variable pay programs as needed. Our variable pay programs, such as our bonus program, are designed to motivate employees to achieve overall goals. Our programs are designed to avoid entitlements, to align actual payouts with the actual results achieved, and to be easy to understand and administer.

Equity-Based Incentives

Salaries and bonuses are intended to compensate our executive officers for short-term performance. We also have adopted an equity incentive program intended to reward longer-term performance and to help align the interests of our NEOs with those of our stockholders. We believe that long-term performance is achieved through an ownership culture that rewards performance by our NEOs through the use of equity incentives. Our 2010 equity incentive plan has been established to provide our employees, including our NEOs, with incentives to help align those employees' interests with the interests of our stockholders.

When making equity-award decisions, the Compensation Committee considers market data, the grant size, the forms of long-term equity compensation available to it under our existing plans and the status of previously granted awards. The amount of equity incentive compensation granted reflects the executives' expected contributions to our future success. Existing ownership levels are not a factor in award determination, as the Compensation Committee does not want to discourage executives from holding significant amounts of our stock.

Future equity awards that we make to our named executive officers will be driven by our sustained performance over time, our NEOs' ability to impact our results that drive stockholder value, their level of responsibility, their potential to fill roles of increasing responsibility, and competitive equity award levels for similar positions in comparable companies. Equity forms a key part of the overall compensation for each executive officer and is evaluated each year as part of the annual performance review process and incentive payout calculation.

The amounts awarded to the NEOs are based on the Compensation Committee's subjective determination of what is appropriate to incentivize the executives. The grants to named executive officers vest over a two-year period with monthly ratable vesting on each anniversary of the grant date. All equity awards to our employees, including NEOs, and to directors have been granted and reflected in our financial statements, based upon the applicable accounting guidance, with the exercise price equal to the fair market value of one share of common stock on the grant date.

In order to encourage a long-term perspective and to encourage key employees to remain with us, our stock options typically have monthly ratable vesting over a two-year period. Generally, vesting ends upon termination of services and exercise rights of vested options cease three months after termination of services. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents.

Benefits Programs

We design our benefits programs to be both affordable and competitive in relation to the market while conforming to local laws and practices. We monitor the market and local laws and practices and adjust our benefits programs as needed. We design our benefits programs to provide an element of core benefits and, to the extent possible, offer options for additional benefits, be tax-effective for employees in any foreign country and balance costs and cost-sharing between our employees and us.

Timing of Equity Awards

Only the Compensation Committee may approve restricted stock or stock option grants to our executive officers. Shares of restricted stock and stock options are generally granted at meetings of the Compensation Committee or pursuant to a unanimous written consent of the Compensation Committee. The exercise price of a newly granted option is the closing price of our common stock on the date of grant.

Treatment of Options for Executives Upon Termination

Options are granted generally at regularly scheduled board meetings during the fiscal year. All options vest pro-rata over the enumerated period depending on the date of hire or relevant employment contract. Upon termination of employment, options cease to vest for executives unless otherwise negotiated under the terms of a severance agreement.

Options to purchase 9,377,000 shares (equivalent to 75,016 shares following the Company's 1-for-125 reverse stock split on August 25,2023) of common stock were granted under the equity incentive program in fiscal year 2021, after which 17,350,746 shares (equivalent to 138,805 shares following the reverse stock split) remained available for granting. At the 2022 annual meeting, our stockholders voted (77%) to increase the number of shares available under the 2010 Stock Option Plan to 120,000,000 (960,000 following the reverse stock split). At the 2023 annual meeting, our stockholders voted (62%) to increase the number of shares available under the 2010 Stock Option Plan to 37,500,000.

Executive Equity Ownership

We encourage our executives to hold a significant equity interest in our company. However, we do not have specific share retention and ownership guidelines for our executives.

2023 Named Executive Officer Compensation

Our executive compensation program is designed to motivate and reward performance in a straightforward and effective way, while recognizing our philosophy, management style and targeted returns. The compensation of our named executive officers has three primary components: (i) annual base salary, (ii) annual cash incentive and (iii) long-term equity awards in the form of performance-based options.

2023 Annual Base Salary

Base salary is a customary, fixed element of compensation intended to attract and retain executives. Weighing the factors listed above, the Compensation Committee recommended that, effective January 1, 2023, the base salaries of Messrs. Poor, Johnston, and Sklar should be $800,000, $525,000, and $475,000 per year, respectively. No executive officer received a salary increase in 2023. Messrs. Poor and Sklar both opted to defer a majority of their 2023 compensation. Effective February 16, 2024 as part of its continuing restructuring and cost reduction efforts, the Company reduced our NEO annual compensation by an average of 21%-23% and removed of all applicable severance provisions and amended applicable change in control provisions to six months.

2023 Annual Incentives.

Our annual cash incentive program is a variable, at-risk component of our named executive officers' compensation that is based on an appraisal of performance using specific metrics. For fiscal year 2023, no annual cash incentives were awarded to our named executive officers.

Summary Compensation Table (2023 and 2022)

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the named persons (our "named executive officers") for services rendered in all capacities during the noted periods. No disclosure is provided for fiscal years for which those persons were not named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock awards ($)	Option awards (#)	Nonequity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Shane McMahon (Executive Chairman) [1]	2022	583,335	—	750,000	6,000	—	218,750	554,987	1,305,088
	2023	40,705	—	—	—	—	709,295	—	750,000
Alfred P. Poor (Chief Executive Officer) [2]	2022	674,047	50,000	750,000	6,000	—	149,968	24,014	1,324,014
	2023	241,106	—	—	6,000	—	558,894	—	800,000
Stephen Johnston (Chief Financial Officer) [3][4]	2022	135,625	—	300,000	12,000	—	—	—	135,625
	2023	162,458	—	—	—	—	—	—	162,458
Scott Morrison (Chief Financial Officer) [4][5]	2023	215,268	—	—	400	—	—	—	414,965
Anthony Sklar (SVP, Investor Relations)[6]	2022	424,093	350,000	930,240	4,000	—	—	—	1,704,333
	2023	242,068	—	—	—		232,932		475,000
Robin Mackie[7]	2022	505,561		450,000	3,600				
	2023	297,916					152,084		450,000

(1) Mr. McMahon was appointed Executive Chairman of the Company on July 23, 2021. Included in the 'other compensation' column is $495,936 in compensation deferred from prior years, as well as $59,051 in travel-related payments. Mr. McMahon deferred $312,499 of his $750,000 annual salary to 2023 in October of 2022. Mr. McMahon further deferred $709.295 of his $750,000 annual salary in 2023.
(2) Mr. Poor's annual salary is $800,000, but he elected to defer $149,968 of his salary to 2023 in October of 2022. Mr. Poor further deferred $677,375 of his annual salary in 2023.
(3) Mr. Johnston's employment at Ideanomics started in September 2022 so this table reflects a partial year payment period.
(4) On April 14, 2023 Stephen Johnston resigned from his position as CFO, so his salary reflects a partial year payment. Scott Morrison replaced him on April 20, 2023.
(5) Mr. Morrison's employment at Ideanomics started on April 20, 2023, so this table reflects a partial year payment period.
(6) Mr. Sklar deferred $253,913 of his annual salary in 2023.
(7) Mr. Mackie deferred $282,998 of his annual salary in 2023.

Employment Agreements

Alfred P. Poor

Effective on July 31, 2020, we entered into employment agreement with Mr. Poor for a term of 2 years pursuant to which Mr. Poor will receive an annual base salary of $500,000, a bonus of $300,000 earned on July 21, 2020, the date the employment contract became effective, and will be entitled to participate in all employment benefit plan and policies of the Company generally available. Mr. Poor was entitled to stock options of up to 2,000,000 shares in 2021. Effective July 23, 2021, Mr. Poor's salary was increased to $800,000.

On February 16, 2024 we agreed to reduce the base salary for Mr. Alfred Poor to $325,000. Mr. Poor was granted $175,000 shares of common stock.

Robin Mackie

Effective on August 29, 2021, we entered into a contract employment agreement with Mr. Mackie pursuant to which Mr. Mackie would receive a monthly base salary of $37,500. Effective February 2023, Mr. Mackie's contract was amended to $45,833 per month. Mr. Mackie is not entitled to participate in any of the employment benefit plan and/or policies of the Company generally available. Mr. Mackie was entitled to stock options of up to 450,000 shares.

Scott Morrison

Effective on April 20, 2023, we entered into an employment agreement with Mr. Morrison pursuant to which Mr. Morrison will receive an annual salary of $350,000 and will be entitled to participate in all employment benefit plans and policies of the Company.

On February 16, 2024 we agreed to reduce the base salary for Mr. Scott Morrison to $275,000. On March 5, 2024, the Company received the resignation of the Company's Chief Financial Officer, Scott Morrison, effective as of that date. Mr. Morrison is resigning for personal reasons.

Ryan Jenkins

On March 8, 2024, the board of directors appointed Mr. Ryan M. Jenkins as Chief Financial Officer of the Company. Mr. Jenkins brings extensive years of advancing responsibilities across multiple business units of major companies, including Walmart and the FedEx Corporation. He has served as the Corporate Treasurer and Head of FP&A for Ideanomics since March 2022, and served as Associate Director of Finance & Treasury and Investor Relations for Walmart from 2020 to 2022. Since 2019 he has been an Adjunct Professor of Finance at the University of Memphis. Mr. Jenkins was the Corporate Financial & Treasury Advisor for the FedEx Corporation from 2005 to 2017. He has significant experience in capital planning, funding and analysis in his prior roles. He obtained his CPA license in 2012, CFA Charter in 2016, and CTP Certification in 2023.

Effective March 8, 2024, Mr. Jenkins's base salary is $275,000 with a change of control provision for six months. Mr. Jenkins is also granted $125,000 in shares of common stock that shall vest upon completion of certain Company and personal milestones.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the equity awards of our named executive officers outstanding at December 31, 2023. On August 25, 2023, the Company effected a reverse stock split at a ratio of 1-for-125. The figures below represent the number and exercise price of options following this reverse stock split.

	Option awards				
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity Incentive plan awards: Number Of Securities underlying unexercised Unearned Options (#)	Option exercise price ($)	Option Expiration Date
Shane McMahon	606	—	—	696.25	November 17, 2027
	4,000	—	—	66.25	February 22, 2029
	4,267	—	—	230	December 10, 2030
	3,000	3,000	—	23.75	December 19, 2032
Alfred P. Poor	16,000	—	—	247.5	February 20, 2029
	6,000	—	—	66.25	May 8, 2030
	16,000	—	—	296.25	July 31, 2031
	3,000	3,000	—	23.75	December 19, 2032
Conor McCarthy [1]	12,000	—	—	66.25	Sept 20, 2029
	6,000	—	—	296.25	July 31, 2031
Anthony Sklar	2,000	—	—	247.5	February 22, 2029
	5,200	—	—	66.25	May 8, 2030
	4,000	—	—	296.25	July 31, 2031
	2,000	2,000	—	23.75	December 19, 2032
Stephen Johnston [2]	2,000	—	—	26.25	July 31, 2031
Paula Whitten-Doolin	600	—	—	102.5	March 13, 2032
Robin Mackie	1,800	1,800	—	23.75	December 19, 2032
Scott Morrison	200	200	—	23.75	December 19, 2032

(1) On September 16, 2022 Conor McCarthy resigned from his position as CFO. Stephen Johnston replaced him as CFO on September 16, 2022.
(2) On March 31, 2023 Stephen Johnston resigned from his position as CFO. Scott Morrison replaced him as CFO on April 1, 2023.

CEO Pay Ratio

In accordance with Section 953(b) of the Dodd-Frank Act and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of our CEO.

- The median of the annual total compensation of our employees (other than our CEO) was $81,041 in 2022.
- The total annual compensation of our CEO, as reported in the Summary Compensation Table, was $850,000 in 2022.
- Based on the foregoing, the ratio of the annual total compensation of our CEO and the median of the annual total compensation of our employees was 10 to 1.

We believe this pay ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. The SEC rules for identifying the median compensated employee and calculating the pay ratio allows companies to apply various methodologies and apply various assumptions and, as a result, the pay ratio we report may not be comparable to the pay ratio reported by other companies.

Identifying the Median Employee

We used December 31, 2022 as the date to determine our workforce for purposes of determining the median compensated employee. As of December 31, 2022, our workforce consisted of approximately 564 employees, with 391 employees (69%) based in the U.S. and 173 employees (31%) based in jurisdictions outside the U.S.

To determine median employee compensation, we utilized the amount reported in Box 5 on Form W-2 Wage and Tax Statement for each U.S. employee on the Company's payroll as of December 31, 2022 and by annualized data provided to us by our international subsidiaries. We captured all full-time and part-time employees employed by us on December 31, 2022. We annualized compensation for permanent full-time and part-time employees who were not employed by us for all of 2022. We believe that Form W-2 compensation is a consistently applied compensation measure because it is readily available and represents a reasonable measure of total annual compensation in the US and annualized compensation provides similar certainty outside the US.

Determining Annual Total Compensation

We determined annual total compensation for our median compensated employee by obtaining compensation data for this employee consistent with the methodology we use to calculate total compensation as it appears in the Summary Compensation Table. We determined annual total compensation for our CEO using the amount reported in the Summary Compensation Table.

Compensation of Directors

The following table sets forth certain information concerning the compensation paid to our directors for services rendered to us during the fiscal year ended December 31, 2023. Ms. Andrea Hayward was appointed as independent director on May 15, 2023. Mr. Paul Hancock was appointed as independent director on September 1, 2023.

Name	Fees earned or paid in cash ($)	Stock awards[1] ($)	Option awards[2] (#)	Non-equity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
James S. Cassano	145,830	—	—	—	29,166	—	174,996
Jerry Fan	28,749	—	—	—	19,166	—	47,915
Andrea Heyward	45,831	—	—	—	16,667	—	62,498
Paul Hancock	33,333	—	—	—	—	—	33,333

Compensation Risk

The Compensation Committee has reviewed and evaluated the incentive compensation policies and practices that cover all employees. On the basis of that review, the Compensation Committee does not believe that its compensation policies and practices pose risks that are reasonably likely to have a material adverse effect on Ideanomics.

We also note with respect to risk factors that none of our executive officers served on the compensation committee (or equivalent, or the board) of any other entity whose executive officers served on the Company's compensation committee. No executive officer served as a director of another entity whose executive officers served on the Company's compensation committee. No executive officer served as a member of the compensation committee or equivalent or the board absent

compensation committee of another entity whose executive officers served as a company director. As of December 31, 2023, none of the directors or executive officers have a 10b5-1 plan in place.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth information known by us regarding the beneficial ownership of the Common Stock and Series A, Series B, and Series C Preferred Stock as of March 31, 2024, by:

- each person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock or Series A Preferred Stock;
- each of our current Named Executive Officers and directors; and
- all of our current executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, 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.

The beneficial ownership percentages set forth in the table below are based on 11,992,552 shares of Common Stock and 7,000,000 shares of Series A Preferred Stock, 2,105,200 Series B Preferred Stock, and 6,650,000 Series C Preferred Stock. There are 7,000,000 shares of Series A Preferred Stock and 342,181 Series C Preferred Stock issued and outstanding as of June 14, 2024. Unless otherwise noted, the address for each beneficial owner listed below is c/o Ideanomics, Inc., at 1441 Broadway, Suite 5116, New York, NY 10018.

	Shares beneficially owned				
	Common Stock		Series A Preferred Stock [9]		
Name and Address of Beneficial Owner	Shares	%	Shares	%	% of Total Voting Power
Directors and Named Executive Officers					
Shane McMahon [1]	52,262	*	0	0	*
Alfred P. Poor [2]	5,650	*	0	0	*
James S. Cassano [3]	10,849	*	0	0	*
Anthony Sklar[4]	15,200	*	0	0	*
Scott Morrison					
Andrea Hayward					
Paul Hancock					
Dr. Bruno Wu (former Chairman) [5][6]	0		7,000,000	100	
All Current Directors and Executive Officers, as a group (6 individuals)	73,958	1.1	7,000,000	100	
Five Percent Holders					

(•) Represents beneficial ownership of less than 1%.

(1) Includes (i) 43,745 shares of Common Stock, (ii) 3,911 shares of Common Stock underlying options exercisable within 60 days at $230 per share, (iii) 4,000 shares of Common Stock underlying options exercisable within 60 days at $247.50 per share; (iv) 607 shares of Common Stock underlying options exercisable within 60 days at $696.25 per share.

(2) Includes (i) 5,650 shares of Common Stock, (ii) 6,000 shares underlying options exercisable within 60 days at $66.25 per share, (iii) 16,000 shares underlying options exercisable within 60 days at $247.50 per share, and 12,333 shares underlying options exercisable within 60 days at $296.25 per share.

(3) Includes (i) 4,075 shares of Common Stock, (ii) 95 shares underlying options exercisable within 60 days at $230 per share, (iii) 72 shares underlying options exercisable within 60 days at $363.75 per share, (iv)607 shares underlying options exercisable within 60 days at $696.25, (v) 4,000 shares underlying options exercisable within 60 days at $247.5 per shares, and (vi) 2,000 shares underlying options exercisable with 60 days at $66.25 per share.

(4) Includes (i) 4,000 shares of Common Stock, (ii) 2,000 shares underlying options exercisable within 60 days at $247.50, (iii) 5,200 shares underlying options exercisable within 60 days at $66.25 per share, and (iv) 4,000 shares underlying options exercisable within 60 days at $296.25 per share.

(5) Consists of 7,000,000 shares of Series A Preferred Stock beneficially owned by the Company's previous Chairman, Dr. Bruno Wu, who exited the Company on Dec 31, 2021. Except under limited circumstances, our Board of Directors holds an irrevocable proxy, pursuant to shareholders agreement between the Company and certain shareholders parties thereto, dated as of December 29, 2021. We are not affiliated with Dr. Wu or any other person and we do not believe that the parties to the shareholders

(6) 7,000,000 shares of Company Series A Preferred Stock, $0.001 par value, are convertible into 7,466 shares of Common Stock. Each holder of Series A Preferred Stock shall be entitled to ten (10) votes for each one (1) share of Common Stock that is issuable upon conversion of a share of Series A Preferred Stock held at the record date for determination of the stockholders entitled to vote.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Review and Approval of Related Party Transactions

We have adopted a written policy with respect to the review, approval and ratification of related person transactions. The Audit Committee has primary responsibility for reviewing all related party transactions involving the Company's directors, officers and directors' and officers' immediate family members. The Board may determine to permit or prohibit the Related Party Transaction. For any ongoing relationships, the Board shall annually review and assess the relationships with the Related Party and whether the Related Party Transaction should continue.

Under the policy, a "related party transaction" means any transaction directly or indirectly involving any Related Party that would need to be disclosed under Item 404 of Regulation S-K. Under Item 404, the Company is required to disclose any transaction occurring since the beginning of the Company's last fiscal year, or any currently proposed transaction, in which the Company was or is a participant and the amount involved exceeds $120,000, and in which any related party had or will have a direct or indirect material interest. "Related Party Transaction" also includes any material amendment or modification to an existing Related Party Transaction. For the purposes of this policy, a "Related Party" means (A) a director, including any director nominee, (B) an executive officer; (C) a person known by the Company to be the beneficial owner of more than 5% of the Company's common stock; or (D) a person known by the Company to be an immediate family member of any of the foregoing. "Immediate family member" means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer, nominee for director, or beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director, or beneficial owner.

The following is a summary of transactions since the beginning of the 2018 fiscal year, or any currently proposed transaction, in which we were or are to be a participant and the amount involved exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end for the last two completed years, and in which any related person had or will have a direct or indirect material interest (other than compensation described under "*Executive Compensation*"). We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm's-length transactions.

Related Party Transactions with Tillou Management and Consulting LLC

Effective on December 13, 2022, the Company promised to pay to the order of Tillou Management and Consulting LLC, a New Jersey Limited Liability Company (the "Noteholder"), an entity controlled by Vince McMahon, the father of the Company's Executive Chairman, the principal amount of $2,000,000 (the "Loan"), together with all accrued interest thereon, as provided in the promissory note entered into between the Company and the Noteholder dated as of the Effective Date (the "Note").

Except as set forth in our discussion above, none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Independent Auditor's Fees

The following is a summary of the fees billed to the Company by its principal accountants for professional services rendered for the years ended December 31, 2023 and 2022 (in thousands):

	Year ended December 31,	
	2023	**2022**
Audit Fees:		
Grassi	$2,800	$2,559
Audit Related Fees:		
Grassi	$72	$0
TOTAL	$2,872	$2,559

"Audit Fees" consisted of the aggregate fees billed for professional services rendered for the audit of our annual consolidated financial statements and the reviews of the interim condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q and for any other services that were normally provided in connection with our statutory and regulatory filings or engagements.

Pre-Approval Policies and Procedures

Under the Sarbanes-Oxley Act, all audit and non-audit services performed by our auditors must be approved in advance by our Audit Committee to assure that such services do not impair the auditors' independence from us. In accordance with its policies and procedures, our Audit Committee pre-approved the audit services performed by Grassi for our consolidated financial statements as of and for the year ended December 31, 2023 and 2022.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Financial Statements and Schedules

The financial statements are set forth under Item 8 of this Annual Report on Form 10-K. Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.

Exhibit List

See the Exhibit Index immediately preceding the signature page of this Annual Report on Form 10-K, which is incorporated by reference here.

ITEM 16. FORM 10-K SUMMARY

None.

Exhibit Index

Exhibit No.	Description
2.1	Agreement and Plan of Merger by and among Ideanomics, Inc. and the stockholders of Wireless Advanced Vehicle Electrification, Inc. [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on January 19, 2021]
2.2	Agreement and Plan of Merger by and among the Company, US Hybrid Corporation, USH Merger Corp. and Dr. Gordon Abas Goodarzi [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on May 14, 2021]

2.3	Agreement and Plan of Merger, dated August 30, 2021. by and among Ideanomics, Inc., Longboard Merger Corp., Via Motors International, Inc. and Shareholder Representative Services LLC [incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 3, 2021]
2.4	Amended and Restated Agreement and Plan of Merger entered into by and among Ideanomics, Inc., Via Motors International, Inc., Longboard Merger Corp., and Shareholder Representative Services LLC, dated as of January 24, 2023 [incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 1, 2023]
2.5	First Amendment to Amended and Restated Agreement and Plan of Merger dated as of January 24, 2023 [incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 6, 2023]
3.1	Articles of Incorporation of the Company, as amended to date [incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K (File No. 001-35561) filed on March 30, 2012]
3.2	Second Amended and Restated Bylaws, adopted on January 31, 2014 [incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 6, 2014]
3.3	Amendment No. 1 to the Second Amended and Restated Bylaws, adopted on March 26, 2015 [incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K (File No. 001-35561) filed on March 30, 2015]
3.4	Amendment No. 2 to the Second Amended and Restated Bylaws, adopted on November 20, 2015. [incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 24, 2015]
3.5	Amendment No. 3 to the Second Amended and Restated Bylaws, adopted November 10, 2021 [incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
3.6	Certificate of Designation of Series A Preferred Stock [incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on August 23, 2010]
3.7	Certificate, Amendment or Withdrawal of Designation, relating to the Series B Preferred Stock, filed with the Secretary of State of Nevada on November 16, 2022. [incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
3.8	Certificate, Amendment or Withdrawal of Designation, relating to the Series C Preferred Stock, filed with the Secretary of State of Nevada on November 16, 2022. [incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
3.9	Certificate, Amendment or Withdrawal of Designation, relating to the Series D Preferred Stock, filed with the Secretary of State of Nevada on November 16, 2022. [incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
3.10	Certificate, Amendment or Withdrawal of Designation, relating to the Series E Convertible Preferred Stock, filed with the Secretary of State of Nevada on November 16, 2022. [incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
3.11	Certificate of Designation of Series B Convertible Preferred Stock of Ideanomics, Inc. [incorporated by reference to Exhibit 3.5 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
3.12	Certificate of Designation of Series C Convertible Preferred Stock. [incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 1, 2023].
3.13	Certificate of Change to Articles of Incorporation. (incorporated by reference to exhibit 3.1 of the form 8K filed on August 25, 2023)
4.1 *	Description of registrant's securities
10.1 †	Amended and Restated 2010 Equity Incentive Plan, dated August 28, 2018
10.2 †	Forms of Stock Option Agreement [Incorporated by reference to Exhibit 4.9 to the Company's Registration Statement on Form S-8 (File No. 001-35561) filed on January 28, 2020]
10.3 †	Form of Restricted Stock Grant Agreement [Incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form S-8 (File No. 001-35561) filed on January 28, 2020]
10.4†	Employment Agreement, dated July 31, 2020, by and between the Company and Mr. Alfred P. Poor [incorporated by reference to Exhibit 10.7 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 11, 2020]

10.5	Stock Purchase Agreement, by and among Ideanomics, Timios Holding Corp. and the stockholders of Timios Holding Corp [incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K (File No. 001-35561) filed on November 12, 2020]
10.6	Investment Agreement between the Company and Energica Motor Company, dated March 3, 2021 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on March 4, 2021]
10.7	Form of Voting and Support Agreement, dated August 30, 2021 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 3, 2021]
10.8	Secured Convertible Promissory Note issued by VIA Motors International, Inc. to Ideanomics, Inc. [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 3, 2021]
10.9	Convertible Debenture between the Company and YA II PN, Ltd, dated October 25, 2021 in the principal amount of $75,000,000 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 29, 2021]
10.10	Framework Agreement, dated September 15, 2021 [incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.11	Shareholders Agreement, dated September 15, 2021 [incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.12†	Employment Agreement of Robin Mackie, dated as of August 29, 2021 [incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.13	Subscription Agreement dated as of July 26, 2021, and entered into between the Company and the MDI Keeper's Fund, L.P. [incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.14	Investment Agreement relating to PRETTL Electronics Automotive GmbH [incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.15	Shareholders' Agreement relating to PRETTL Electronics Automotive GmbH [incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q (File No. 001-35561) filed on November 23, 2021]
10.16	Shareholders Agreement, dated December 29, 2021 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 29, 2021]
10.17	Nominating and Corporate Governance Committee Charter [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on January 12, 2022]
10.18	Amendment No.1 to Agreement and Plan of Merger, by and among the Company, VIA Motors International Inc. and Shareholder Representative Services LLC [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on May 23, 2022]
10.19	Amendment No. 1 to Secured Convertible Promissory Note by and between the Company and VIA Motors International, Inc. [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on May 23, 2022]
10.20	Secured Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of May 20, 2022 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on May 23, 2022]
10.21	Amendment No. 1 to Secured Convertible Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of June 17, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on July 18, 2022]
10.22	Amendment No. 2 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of June 17, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on July 18, 2022]
10.23	Amendment No. 3 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of July 12, 2022 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on July 18, 2022]
10.24	Amendment No. 2 to Secured Convertible Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of July 19, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on July 25, 2022]

10.25	Amendment No. 3 to Secured Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of August 15, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 19, 2022]
10.26	Amendment No. 4 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of August 15, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 19, 2022]
10.25	Amendment Agreement by and between the Company and YA II PN, LTD. dated as of August 29, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 31, 2022]
10.26	Amendment and Restated Convertible Debenture dated as of August 29, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 31, 2022]
10.27	Escrow Agreement by and among the Company, YA II PN, LTD., and Transfer Online, Inc. dated as of August 30, 2022 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 31, 2022]
10.28	Standby Equity Purchase Agreement, dated as of September 1, 2022, by and between Ideanomics, Inc. and YA II PN, Ltd. [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 2, 2022]
10.29	Amendment No. 5 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of September 7, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 13, 2022]
10.30	Amended and Restated Standby Equity Purchase Agreement, dated as of September 14, 2022, by and between Ideanomics, Inc. and YA II PN, Ltd. [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 16, 2022]
10.31	Separation Agreement, dated September 16, 2022, by and between the Company and Mr. Conor J. McCarthy. [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 20, 2022]
10.32†	Employment Agreement, dated September 16, 2022, by and between the Company and Mr. Stephen Johnston. [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 20, 2022]
10.33	Amendment No. 6 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of September 12, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 22, 2022]
10.34	Amendment No. 7 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of September 16, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on September 22, 2022]
10.35	Amendment No. 8 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of September 28, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 3, 2022]
10.36	Secured Debenture Purchased Agreement dated October 25, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 26, 2022]
10.37	Secured Convertible Debenture dated October 25, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 26, 2022]
10.38	Pledge Agreement dated October 25, 2022 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 26, 2022]
10.40	Option Agreement dated October 25, 2022 [incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 26, 2022]
10.41	Amendment No. 9 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of October 27, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on October 28, 2022]
10.42	Amendment No. 10 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of November 2, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 4, 2022]
10.43	Amendment No. 4 to the Secured Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of October 28, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 10, 2022]

10.44	Securities Purchase Agreement dated as of November 14, 2022, by and between the Company and Acuitas Capital, LLC [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
10.45	Warrant Agreement dated as of November 14, 2022, issued by the Company [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
10.46	Registration Rights Agreement dated as of November 14, 2022, by and between the Company and Acuitas Capital, LLC [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 18, 2022]
10.47	Amended and Restated 2010 Equity Incentive Plan [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on November 28, 2022]
10.48	Amendment No. 11 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of December 6, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 12, 2022]
10.49	Amendment No. 5 to Secured Promissory Note No. 1 issued by VIA Motors International, Inc. dated as of December 6, 2022 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 12, 2022]
10.50	Amendment No. 12 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of December 19, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 19, 2022]
10.51	Promissory Note between Ideanomics, Inc. and Tillou Management and Consulting LLC, dated December 13, 2022. [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 19, 2022]
10.52	Pledge Agreement between Ideanomics, Inc. and Tillou Management and Consulting LLC, dated December 13, 2022. [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 19, 2022]
10.53	Subordination Agreement among Ideanomics, Inc., Tillou Management and Consulting LLC and YA PN II, dated December 13, 2022. [incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on December 19, 2022]
10.54	Amendment No. 13 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of December 28, 2022 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on January 4, 2023]
10.55	Amendment No. 14 to Secured Convertible Promissory Note issued by VIA Motors International, Inc. dated as of January 19, 2023 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on January 20, 2023]
10.56	Form of Registration Rights Agreement.[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 1, 2023]
10.57	Promissory Note between Ideanomics, Inc. and Tillou Management and Consulting LLC, dated March 19, 2023. [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on March 23, 2023]
10.58	Pledge Agreement between Ideanomics, Inc. and Tillou Management and Consulting LLC, dated March 19, 2023. [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on March 23, 2023]
10.59	Offer letter, dated January 23, 2023, by and between the Company and Mr. Robin Mackie.
10.60	Employment Agreement, dated January 17, 2023, by and between the Company and Mr. Macy Neshati.
10.61	Secured Debenture Purchase Agreement dated October 25, 2022, as amended as of March 30, 2023 (incorporated by reference to exhibit 10.1 of the Form 8K filed on March 31, 2023)
10.62	Secured Convertible Debenture dated March 30, 2023. (incorporated by reference to exhibit 10.2 of the Form 8K filed on March 31, 2023)
10.63	Amended and Restated Option Agreement dated March 30, 2023 (incorporated by reference to exhibit 10.2 of the Form 8K filed on March 31, 2023)
10.64	Secured Debenture Purchase Agreement dated October 25, 2022, as amended as of March 30, 2023 and further amended as of April 4, 2023. (incorporated by reference to exhibit 10.1 of the Form 8K filed on April 4, 2023)
10.65	Secured Convertible Debenture dated March 30, 2023, as amended as of April 4, 2023. (incorporated by reference to exhibit 10.2 of the Form 8K filed on April 4, 2023)

10.66	Stock Purchase Agreement dated April 14, 2023 (incorporated by reference to exhibit 10.1 of the Form 8K filed on April 20, 2023)
10.67	Second Amended and Restated Option Agreement dated April 17, 2023 (incorporated by reference to exhibit 10.2 of the Form 8K filled on April 20, 2023)
10.68	Second Amended and Restated Secured Debenture Purchase Agreement dated October 25, 2022, as amended most recently as of April 17, 2023 (incorporated by reference to exhibit 10.3 of the Form 8K filled on April 20, 2023)
10.69	Secured Debenture dated April 17, 2023 (incorporated by reference to exhibit 10.4 of the Form 8K filled on April 20, 2023)
10.7	Stock Purchase Agreement dated as of May 1, 2023 (incorporated by reference to exhibit 10.1 of the Form 8K filed on May 5, 2023)
10.71	Third Amendment to the Secured Debenture Purchase Agreement dated as of May 1, 2023 (incorporated by reference to exhibit 10.2 of the Form 8K filed on May 5, 2023)
10.72	Secured Debenture dated May 1, 2023 (incorporated by reference to exhibit 10.3 of the Form 8K filed on May 5, 2023)
10.73	Assignment and Assumption Agreement for Transfer of Limited Partnership Interest, dated June 9, 2023(incorporated by reference to exhibit 10.1 of the Form 8K filed on June 12, 2023)
10.74	Fourth Amendment to the Secured Debenture Purchase Agreement (incorporated by reference to exhibit 10.1 of the Form 8K filed on July 20, 2023)
10.75	Secured Convertible Debenture dated July 13, 2023 (incorporated by reference to exhibit 10.2 of the Form 8K filed on July 20, 2023)
10.76	Amended Secured Convertible Debenture dated March 30, 2023 (incorporated by reference to exhibit 10.3 of the Form 8K filed on July 20, 2023)
10.77	Amended Secured Convertible Debenture dated April 17, 2023 (incorporated by reference to exhibit 10.4 of the Form 8K filed on July 20, 2023)
10.78	Reissued and Amended and Restated Secured Convertible Debenture dated May 1, 2023 (incorporated by reference to exhibit 10.5 of the Form 8K filed on July 20, 2023)
10.79	Secured Convertible Debenture dated September 7, 2023 (incorporated by reference to exhibit 10.2 of the Form 8K filed on September 14, 2023)
10.80	Secured Convertible Debenture dated as of January 30th, 2024, by and between Ideanomics, Inc and YA PN II LTD (incorporated by reference to exhibit 10.1 of the Form 8K filed on January 30, 2024)
10.81	Secured Convertible Debenture dated as of February 29th, 2024, by and between Ideanomics, Inc and YA PN II LTD (incorporated by reference to exhibit 10.1 of the Form 8K filed on February 29, 2024)
10.82	Secured Convertible Debenture dated as of March 14th, 2024, by and between Ideanomics, Inc and YA PN II LTD (incorporated by reference to exhibit 10.1 of the Form 8K filed on March 15, 2024)
19**	Insider Trading Policy
31.1*	Certifications of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certifications of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97**	Clawback Policy
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

*	Filed herewith.
**	Furnished herewith.
†	Indicates management contract or compensatory plan, contract, or agreement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

IDEANOMICS, INC.
(Registrant)

Date: June 18, 2024 By */s/ Alfred P. Poor*
Alfred P. Poor
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date: June 18, 2024 By */s/ Alfred P. Poor*
Alfred P. Poor
Chief Executive Officer and Director
(Principal Executive Officer)

Date: June 18, 2024 By */s/ Ryan Jenkins*
Ryan Jenkins
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: June 18, 2024 By */s/ Shane McMahon*
Shane McMahon
Director

Date: June 18, 2024 By */s/ James S. Cassano*
James S. Cassano
Director

Date: June 18, 2024 By */s/ Paul Hancock*
Paul Hancock
Director

Date: June 18, 2024 By */s/ Andrea Hayward*
Andrea Hayward
Director