

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, 2020**

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

For the transition period from _____ to _____

Commission File No. **001-35561**

IDEANOMICS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

20-1778374
(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	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Exchange 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

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2020 (the last business day of the registrant's most recently completed second fiscal quarter as of the original date of this filing), the market value of the shares of the registrant's common stock held by non-affiliates (based upon the closing price of shares as reported by Nasdaq) was approximately \$388,199,635. Shares of the registrant's common stock held by each executive officer and director and each by each person who owns 10% or more of the outstanding common stock have excluded from the calculation in that such persons may be deemed to be affiliates of the registrant. This determination affiliate status is not necessarily a conclusive determination for other purposes.

There were a total of 419,314,800 shares of the registrant's common stock outstanding as of March 29, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

None.

IDEANOMICS, INC.
Annual Report on FORM 10-K
For the Fiscal Year Ended December 31, 2020

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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 financial technology 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 beliefs regarding the potential benefits and opportunities from integrating digital artificial intelligence and blockchain technology as part of our product and services offerings; 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, and its consolidated subsidiaries and variable interest entities.

In addition, unless the context otherwise requires and for the purposes of this report only:

- “CB Cayman” refers to our wholly-owned subsidiary China Broadband, Ltd., a Cayman Islands company;
- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended;
- “EV” refers to electric vehicles, particularly battery operated electric vehicles;
- “FINRA” refers to the Financial Industry Regulatory Authority;
- “HK SAR” refers to the Hong Kong Special Administrative Region of the People’s Republic of China;
- “Hua Cheng” refers to Hua Cheng Hu Dong (Beijing) Film and Television Communication Co., Ltd., a PRC company that is 39% owned by Sinotop Beijing and is a 20% owner of Zhong Hai Media;
- “Intelligentia” refers to the BDCG investment which was rebranded as Intelligentia;
- “Legacy YOD” business refers to the premium content and integrated value-added service solutions for the delivery of VOD (defined below) and paid video programming to digital cable providers, Internet Protocol Television (“IPTV”) providers, Over-the-Top (“OTT”) streaming providers, mobile manufacturers and operators, as well as direct customers;
- “MEG” refers to Mobile Energy Global the subsidiary that holds all of the Company’s EV;
- “PRC,” “China,” and “Chinese,” refer to the People’s Republic of China;
- “Renminbi” and “RMB” refer to the legal currency of the PRC;
- “SEC” refers to the United States Securities and Exchange Commission;
- “Securities Act” refers to the Securities Act of 1933, as amended;
- “Sinotop Beijing” refers to Beijing Sino Top Scope Technology Co., Ltd., a PRC company controlled by YOD Hong Kong through contractual arrangements;
- “U.S. dollars,” “dollars,” “USD,” “US\$,” and “\$” refer to the legal currency of the United States;
- “U.S. Tax Reform” refers to the Tax Cuts and Jobs Act, enacted by the United States of America on December 22, 2017;

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- “VOD” refers to video on demand, which includes near video on demand (“NVOD,”) subscription video on demand (“SVOD,”) and transactional video on demand (“TVOD;”)
- “WFOE” refers to Beijing China Broadband Network Technology Co., Ltd., a PRC company and a “wholly foreign-owned enterprise,” which we previously wholly owned and which was sold during the quarter ended March 31, 2014;
- “YOD Hong Kong” refers to YOU On Demand (Asia) Limited, formerly Sinotop Group Limited, a Hong Kong company, which is wholly-owned by CB Cayman;
- “YOD WFOE” refers to YOU On Demand (Beijing) Technology Co., Ltd., a PRC company and a “wholly foreign-owned enterprise,” which is wholly-owned by YOD Hong Kong; and
- “SSSIG” refers to Sun Seven Stars Investment Group Limited, a British Virgin Islands corporation, an affiliate of Bruno Wu (“Dr. Wu”), the former Chairman of the Company.

PART I

ITEM 1. BUSINESS

Overview

Ideanomics, Inc. (“Ideanomics” or the “Company”) (Nasdaq: IDEX) was incorporated in the State of Nevada on October 19, 2004. From 2010 through 2017, our primary business activities were providing premium content video on demand (“VOD”) services, with primary operations in the PRC, through our subsidiaries and variable interest entities (“VIEs”) under the brand name You-on-Demand (“YOD.”) We closed the YOD business during 2019.

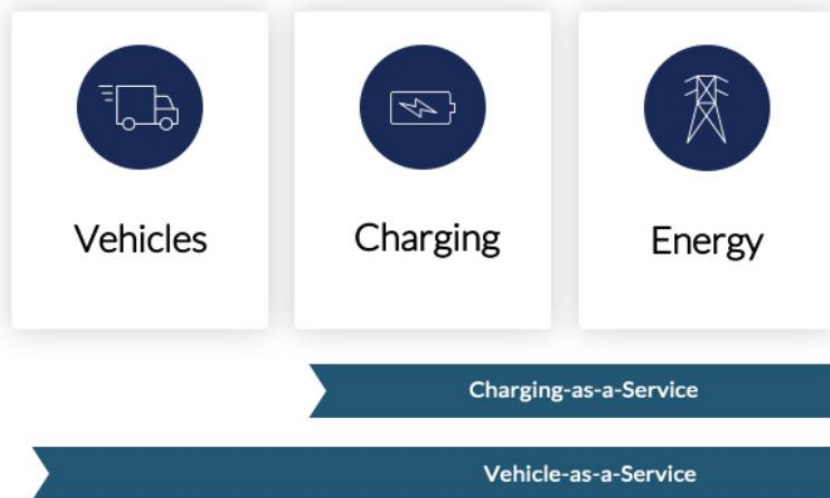
Starting in early 2017, the Company transitioned its business model to become a next-generation financial technology (“fintech”) company. The Company built a network of businesses, operating principally in the trading of petroleum products and electronic components that the Company believed had significant potential to recognize benefits from blockchain and artificial intelligence (“AI”) technologies including enhancing operations, addressing cost inefficiencies, improving documentation and standardization, unlocking asset value and improving customer engagement. During 2018, the Company ceased operations in the petroleum products and electronic components trading businesses and disposed of the businesses during 2019. As we looked to deploy fintech solutions in late 2018 and into 2019, we identified a unique opportunity in the Chinese Electric Vehicle (“EV”) industry to facilitate large scale conversion of fleet vehicles from internal combustion engines to EV. This led us to establish our Mobile Energy Global (“MEG”) business unit. Fintech continues to be a sector of interest to us as we look to invest in and develop businesses that can improve the financial services industry, particularly as it relates to deploying blockchain and AI technologies.

Principal Products or Services and Their Markets

Overview

Ideanomics Mobility

Ideanomics Mobility is driving EV adoption by assembling a synergistic ecosystem of subsidiaries and investments across the 3 key pillars of EV: Vehicles, Charging, and Energy. These three pillars provide the foundation for Ideanomics Mobility’s planned offering of unique business solutions such as Charging as a Service (“CaaS”) and Vehicle as a Service (“VaaS.”)



Each operating company within Ideanomics Mobility offers its own unique products and participates in a shared services ecosystem fulfilling Ideanomics' Sales-to-Financing-to-Charging ("S2F2C") model, with centralized supply chain operations and marketing expertise designed to accelerate growth and business opportunities across the group.

The combination of products from within its subsidiaries and investments, coupled with Ideanomics Mobility's shared services, will provide the Company with the opportunity to bring to market unique business solutions intended to drive commercial fleet electrification such as Charging-as-a-Service and Vehicle-as-a-Service. These solutions offer fleet operators an opportunity to benefit from an OpEx-driven model which lowers the barrier to entry for the adoption of zero emissions fleets.

The Company believes that the EV market is poised for rapid growth. Bloomberg NEF estimates that global commercial EV sales will reach 1.2 million units in 2023. The global EV charging infrastructure market is expected to grow at a compound annual growth rate of 33.4% from 2021 to 2028 to \$144.97 billion. President Biden's administration is supportive of EV with a goal to achieve a 100% clean-energy economy and states such as California have accelerated timelines to phase out internal combustion engine ("ICE") vehicles.

Ideanomics Mobility's mission is to leverage its ecosystem of synergistic operating companies to generate efficiencies and increase business opportunities across the group. With a diverse commercial EV product offering, the company plans to use EV and EV battery sales and financing solutions to attract commercial fleet operators that will generate large scale demand for energy. The Company operates as an end-to-end solutions provider for the procurement, financing, charging and energy management needs for fleet operators of commercial EV. Ideanomics Mobility focuses on commercial EV rather than passenger personal EV, as commercial EV is on an accelerated adoption path when compared to consumer EV adoption – which is expected to take between ten to fifteen years. We focus on four distinct commercial vehicle types with supporting income streams: 1) Closed-area heavy commercial, in sectors such as Mining, Airports, and Sea Ports 2) Last-mile delivery light commercial 3) Buses and Coaches 4) Taxis. The vehicle financing solutions (such as purchase or leasing) would generate fee-based revenues whereas the charging and energy management would yield recurring revenue streams.

Ideanomics Mobility's revenues are generated from its S2F2C operating model. The Company's planned EV revenues will come from the sale of EVs under our Medici Motor Works and Treeletrik brands outside of the China and within China through our MEG operating units sale of other manufacturers vehicles and batteries.

The Company's presence in the China market creates a deep knowledge of the logistics and supply chain for the manufacture of EVs, batteries and related components; this in turn enables the sourcing of high quality components at competitive prices for the Company's operations outside of China.

Within the Ideanomics Mobility business unit there are four operating companies:

Mobile Energy Global ("MEG")

The Company's MEG business operates in China where government clean air regulations and subsidy programs provide a strong impetus for the adoption of commercial EV. The Company competes in China using its S2F2C. Using this model the Company helps the customer find the best vehicle for its needs and earns fees for every completed sale; revenue is derived from the spread between group buying of vehicles and price sold, fees for the arrangement of financing, and payments from subsequent charging and energy management.

Tree Technologies Sdn. Bhd. ("Tree Technologies")

Tree Technologies is headquartered in Kuala Lumpur, Malaysia and through its Treeletrik brand sells EV bikes, scooters, and batteries throughout the ASEAN region. Two-wheel bikes and scooters form a large part of the transport infrastructure in the ASEAN region; according to Deloitte Consulting, there were 13.7 million motor bikes sold in the six major ASEAN countries in 2019. Environmental regulations in the ASEAN region help accelerate the adoption of EV bikes. The Company has also started to import Treeletrik brand EV bikes into the United States.

Medici Motor Works

Medici Motor Works plans to sell its own brand vehicles in the United States, Latin America and Europe. Presently, the Company is working with manufacturers based in China to design and build trucks, buses and closed-area vehicles for mining, airports and seaports.

Soletrac, Inc. (“Soletrac”)

On October 21, 2020 the Company acquired 15%, and on November 23, 2020 the Company subsequently increased its ownership to 24% in California-based Soletrac, Inc. Soletrac develops, assembles and distributes 100% battery-powered electric tractors—an alternative to diesel tractors—for agriculture and utility operations.

According to Research And Markets, the global agricultural tractor market is currently valued at \$75 billion, with the North American agricultural tractor market expected to reach \$20 billion by 2023. The largest segment for agricultural tractors is the below-40HP segment, where Soletrac's initial three models address the broad needs of the market. Its tractors are specifically designed to serve the needs of community-based farms, vineyards, orchards, equestrian arenas, greenhouses, and hobby farms.

Founded in 2012 to take electric tractors into commercial production, Soletrac was incorporated as a California Benefit Corp in 2019. It has received grants from the Indian U.S. Science and Technology Fund and the National Science Foundation. In 2020, Soletrac received the World Alliance Solar Impulse Efficient Solutions label from the Solar Impulse Foundation. The label was awarded for being one of the one thousand most efficient and profitable solutions that can transition society to being economically viable while being environmentally sustainable.

Recent Developments Since December 31, 2020

Since December 31, 2020 the Company has completed a number of transactions that have expanded the scope of the Company's EV activities.

WAVE

On January 15, 2021 acquired 100% of privately held Wireless Advanced Vehicle Electrification, Inc. (“WAVE.”)

Founded in 2011, and headquartered in Salt Lake City, Utah, WAVE is a leading provider of inductive (wireless) charging solutions for medium and heavy-duty EVs. Embedded in roadways and depot facilities, the WAVE system automatically charges vehicles during scheduled stops. The hands-free WAVE system eliminates battery range limitations and enables fleets to achieve driving ranges that match that of internal combustion engines.

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. With commercially available wireless charging systems up to 250kW and higher power systems in development, WAVE provides custom fleet solutions for mass transit, logistics, airport and campus shuttles, drayage fleets, and off-road vehicles at ports and industrial sites.

Wireless charging systems offer several compelling benefits over plug-in-based charging systems, including reduced maintenance, improved health and safety, and expedited energy connection and are important to the deployment of autonomous driving vehicles. Furthermore, wireless in-route charging enables greater route lengths or smaller batteries while also maintaining battery life, thereby reducing costs for fleet operators. WAVE customers include what is currently the largest EV bus system in the U.S., the Antelope Valley Transit Authority, and its partnerships include Kenworth, Gillig, BYD, Complete Coach Works and the Department of Energy.

Energica Motor Company, S.P.A. (“Energica”)

On March 3, 2021 the Company purchased 20% of Energica, the world's leading manufacturer of high-performance electric motorcycles and the sole manufacturer of the FIM Enel MotoE™ World Cup. Energica has combined zero emission EV technology with the pedigree of high-performance mobility synonymous with Italy's Motor Valley to create a range of exceptional products for the high-performance motorcycle market. To support its products, it has developed proprietary EV battery and DC fast-charging in-house that has applications and synergies with Ideanomics' broader interests in the global EV sector.

Silk EV Cayman LP (“Silk”)

On January 28, 2021, the Company invested \$15.0 million in Silk EV via a promissory note. Silk is an Italian engineering and design services company that has recently partnered with FAW to form a new company (Silk-FAW) to produce fully electric, luxury vehicles for the Chinese and Global auto markets. Silk-FAW has exclusive rights to develop Hongqi-S brand high-end electric sports cars. The Hongqi brand is the most well-known luxury auto brand in China. Silk-FAW vehicles are being designed in Italy’s Motor Valley and is attracting talent from the luxury and high-performance auto market. Partnering with Silk provides access to Silk-FAW’s Innovation Centers providing us insight into technological advancements and all best-in-breed technology evaluated at those centers to support the development of high-performance sportscars (battery tech, power management systems, high performance motors.)

Ideanomics Capital

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.

Technology Metals Market Limited (“TM2”)

TM2 is a London based digital commodities issuance and trading platform for technology metals. It connects institutional investors, proprietary traders and retail investors with metals suppliers – miners, refiners, recyclers and mints. The platform focuses specifically on new metals that currently don’t have an active trading marketplace, such as rhodium, lithium, cobalt, rhenium, etc. The Company’s ownership interest in TM2 provides valuable data and insight into the global technology metals market, which is critical to the future of the Cleantech and EV industries. TM2 connects both pillars of Cleantech and Fintech. The types of metals and materials traded on the TM2 platform are critical to Cleantech (for EV battery production, energy storage systems, solar cells, etc.,) while the Fintech platform is innovative in representing these commodities which do not exist on traditional exchanges.

On January 28, 2021, the Company entered into a simple agreement for future equity with TM2 pursuant to which Ideanomics invested \$2.1 million. This investment is a follow-on investment further the Company’s prior investment of \$1.2 million in stock-based consideration in December 2019.

Delaware Board of Trade (“DBOT”)

The Delaware Board of Trade (“DBOT”) is a broker dealer that also operates an Alternative Trading System (“ATS,”) presently DBOT is not trading; the business remains in full regulatory compliance. Recent developments have pointed to increased recognition of digital securities’ relevance in regulated global capital markets. As well, regulatory easing of certain restrictions such as the threshold for private securities (Reg A+), along with good demand for products such as pre-IPO issuance, provide good tailwind for the broker dealers business. The Company has filed a continuing membership application for private placement activities in the primary markets. The Company believes that growing demand for private placements, along with increased attention in digital securities, provide a favorable environment for DBOT’s future growth.

Timios

On January 8, 2021 the Company acquired 100% of privately-held Timios Holdings Corp. (“Timios.”) Timios, a nationwide title and escrow services provider, which has been expanding in recent years through offering innovative and freedom-of-choice-friendly solutions for real estate transactions. The products include residential and commercial title insurance, closing and settlement services, as well as specialized offerings for the mortgage process industry.

Ideanomics expects that Timios will become one of the cornerstones of Ideanomics Capital. Timios combines difficult to obtain local and state licenses, a knowledgeable and experienced team, and a scalable platform to deliver best-in-class services through both centralized processing and localized branch networks. Ideanomics will assist Timios in scaling its business in various ways, including referring client acquisitions and product innovation.

Founded in 2008 by real estate industry veteran Trevor Stoffer, Timios’ vision is to bring transparency to real estate transactions. The company offers title and settlement, appraisal management, and real-estate-owned (“REO”) title and closing services in 44 states and currently serves more than 280 national and regional clients.

Non-Core Assets

The Company has identified a number of business units that it considers non-core and is evaluating strategies for divesting these assets. The non-core assets are Grapevine, a marketing and ecommerce platform focused on influencer marketing, and FinTech Village a 58-acre development site in West Hartford, Connecticut.

On January 28, 2021, the Company's Board of Directors accepted an offer of \$2.75 million for Fintech Village, and subsequently signed a non-binding sale contract on March 15, 2021. The Company believes that Fintech Village met the criteria for held for sale classification on January 28, 2021.

Sources and Availability of Raw Materials

The Company's Tree Technologies business located in Malaysia and its WAVE business located in Utah, United States, (acquired in the first quarter of 2021 – see Recent Developments section) assemble and manufacture motor bikes and inductive charging systems respectively. These businesses depend on a ready supply of components that are sourced domestically and internationally and any interruption to the supply of components could have an adverse impact on the Company's results. The Company's suppliers that manufacture EVs 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 had received. The Company may also be adversely impacted if global logistic and supply chains are interrupted.

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. The Company's 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. From time to time the Company's MEG operating division in China has the opportunity to purchase a large number of vehicles at a favorable price, the terms of the purchase contract frequently require the Company to pay some or all of the cost in advance of the delivery of the vehicles with the resultant need to commit material amounts of working capital. The Company's Tree Technologies subsidiary requires working capital to support the assembly of EV motor bikes and scooters for the ASEAN market. The Company acquired WAVE and Solectrac in the first quarter of 2021 (see the Recent Developments section), both of these businesses will require working capital to fund the purchase of components for the assembly of wireless charging systems and electric tractors, respectively. The Company will continue to raise both debt and equity capital to support the working capital needs of these businesses and its U.S. Head Office functions.

Trade marks, Patents and Licenses

The Company's Intelligenta business operates under a license granted by Seasail Ventures Limited ("Seasail.") The license does not have a stated term.

Customer Concentration

The Company is in the process of building out its Ideanomics Mobility unit 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.

Reliance on Government Contracts

The Company does not contract directly with the government of the PRC, however it does have investments, partnerships and agreements with the State Own Entities ("SOE") described above. Additionally, the rate at which commercial fleets convert to EV is heavily

influenced by federal and provincial policies in the PRC as they relate to clean air and adoption of EV technology. Consequently, the Company's results may be adversely impacted by changes in regulations in the PRC.

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

Ideanomics Mobility

Purchasers of commercial vehicles have the choice between traditional ICE vehicles and EVs and this is likely to continue for at least the next five years and possibly longer. The most important drivers for the development of the commercial fleet EV market are federal and provincial regulations relating to clean air and electronic vehicles including subsidies and incentives to help owners of fleets of commercial vehicles to 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 internal combustion engine vehicles.

In addition to its directly owned operations the Company operates through a network of investment arrangements, partnerships and formal and informal alliances; consequently, its competitive position could be adversely impacted if one of the members of the alliance was not able to meet the demand for its products, decides not to continue to cooperate with the Company, or goes out of business.

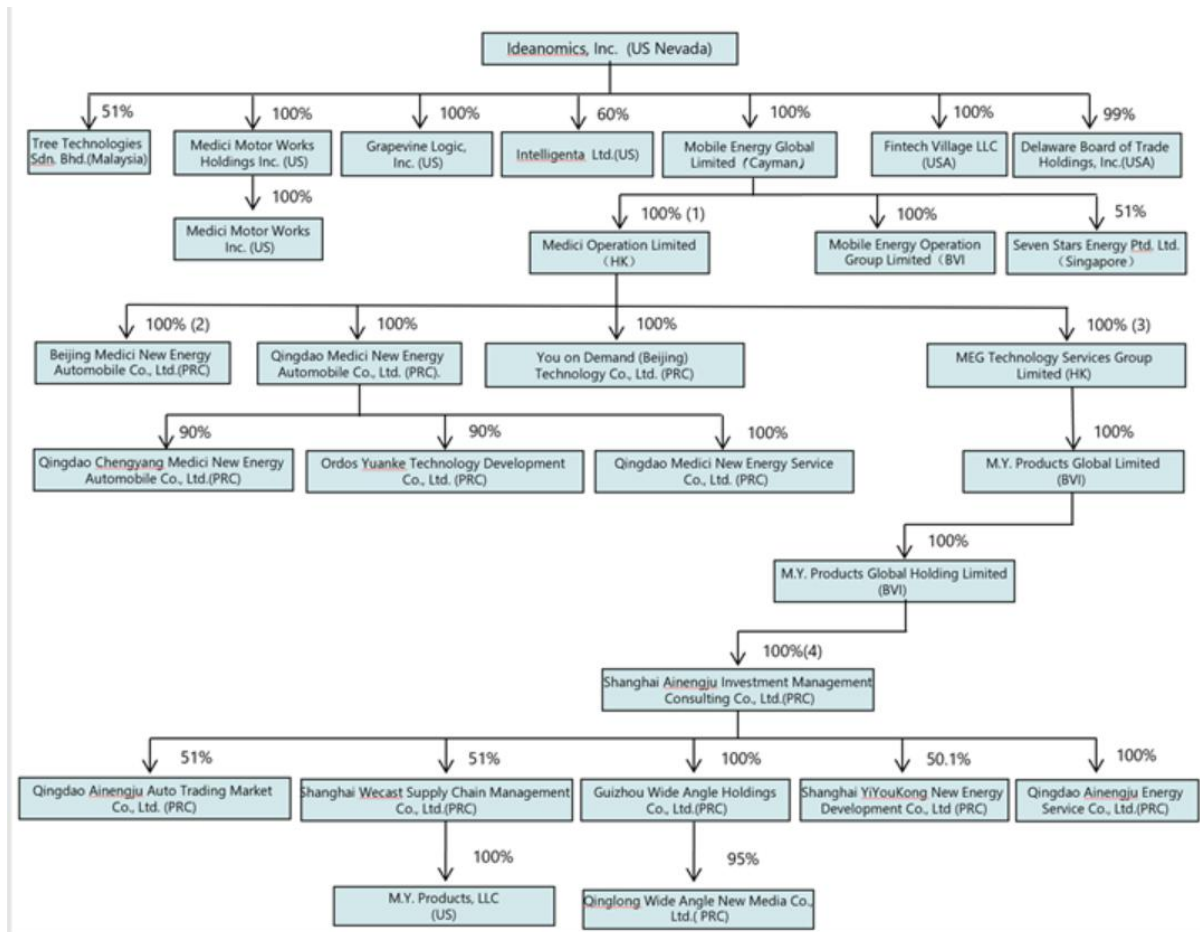
Ideanomics Capital

The Company’s Ideanomics Capital business unit operates in sectors that are undergoing rapid change.

DBOT is a broker dealer that also operates an ATS. In April 2020 the Company ceased trading OTC equities, terminated the employees assigned to DBOT and the services needed to operate the business. The Company has continued to maintain DBOT’s regulatory licenses and required regulatory capital. The Company has applied for regulatory approval to broker digital securities and tokens, this is a nascent market which the Company believes has good long term potential.

Corporate Structure

The following chart depicts our corporate structure as of December 31, 2020:



(1) In 2020, the Company renamed You On Demand (Asia) Limited to Medici Operation Limited.

(2) In 2020, the Company renamed You On Demand (Beijing) Information Consulting Co., Limited. to Beijing Medici New Energy Automobile Co., Ltd.

- (3) In 2020, the Company renamed Wecast Services Group Limited to MEG Technology Services Group Limited.
- (4) In 2020, the Company renamed Shanghai Boqu Investment Management Consulting Co., Ltd. to Shanghai Ainengju Investment Management Consulting Co., Ltd.

VIE Structure and Arrangements

The Company consolidated certain VIEs located in the PRC in which it held variable interests and was the primary beneficiary through contractual agreements. The Company was the primary beneficiary because it had the power to direct activities that most significantly affected their economic performance and had the obligation to absorb or right to receive the majority of their losses or benefits. The results of operations and financial position of these VIEs are included in the consolidated financial statements for the year ended December 31, 2019. A shareholder in one of the VIEs is the spouse of Bruno Wu (“Dr. Wu,”) the former Chairman of the Company.

Refer to Note 10 of the Notes to Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K for further information.

The contractual agreements listed below, which collectively granted the Company the power to direct the VIEs activities that most significantly affected their economic performance, as well to cause the Company to have the obligation to absorb or right to receive the majority of their losses or benefits, were terminated by all parties on December 31, 2019. As a result, the Company deconsolidated the VIEs as of December 31, 2019. The deconsolidation resulted in a net loss of \$2.0 million recorded in “Gain (loss) on disposal of subsidiaries, net” in the consolidated statements of operations, and a statutory income tax of \$0.2 million in the year ended December 31, 2019.

For these consolidated VIEs, their assets were not available to the Company and their creditors did not have recourse to the Company. Prior to December 31, 2019, in order to operate certain legacy business in the PRC and to comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provides value-added telecommunication services, the Company entered into a series of contractual agreements with two VIEs. These contractual agreements were initially set to expire in March 2030 and April 2036, respectively, and could not be terminated by the VIEs, except with the consent of, or a material breach, by the Company. A shareholder in one of the VIEs is the spouse of Dr. Wu, the former Chairman of the Company.

The key terms of the VIE Agreements are summarized as follows:

- Equity Pledge Agreement - The VIEs’ shareholders pledged all of their equity interests in the VIEs to a wholly-owned subsidiary of the Company in the PRC;
- Call Option Agreement - The VIEs’ shareholders granted an exclusive option to a wholly-owned subsidiary of the Company in the PRC, or its designee, to purchase all or any portion of the VIEs’ Shareholders’ equity in the VIEs;
- Power of Attorney - The VIEs’ shareholders granted to a wholly-owned subsidiary of the Company in the PRC the irrevocable right, for the maximum period permitted by law, all of its voting rights as shareholders of VIEs;
- Technical Service Agreement – A wholly-owned subsidiary of the Company in the PRC had the exclusive right to provide technical service, marketing and management consulting service, financial support service and human resource support services to the VIEs, and the VIEs were required to take all commercially reasonable efforts to permit and facilitate the provision of the services;
- Spousal Consent - The spouses of the VIEs’ shareholders unconditionally and irrevocably agreed to the execution of the Equity Pledge Agreement, Call Option Agreement and Power of Attorney agreement;
- Letter of Indemnification – A wholly-owned subsidiary of the Company in the PRC agreed to indemnify such nominee shareholder against any personal, tax or other liabilities incurred in connection with their role in equity transfer to the greatest extent permitted under PRC law;

- **Management Services Agreement** - In addition to agreements described above, another of the Company's wholly-owned subsidiaries entered into a Management Services Agreement with each VIE. Pursuant to such Management Services Agreement, the wholly-owned subsidiary had the exclusive right to provide to the VIE management, financial and other services related to the operation of the VIE's business, and the VIE was required to take all commercially reasonable efforts to permit and facilitate the provision of the services by the subsidiary. In addition, at the sole discretion of the subsidiary, the VIE was obligated to transfer to the subsidiary, or its designee, any part or all of the business, personnel, assets and operations of the VIE which could be lawfully conducted, employed, owned or operated by the subsidiary; and
- **Loan Agreement** - Pursuant to the Loan Agreement dated April 5, 2016, a wholly-owned subsidiary of the Company in the PRC agreed to lend RMB 19.8 million and RMB 0.2 million, respectively, to the VIEs' Shareholders, one of whom is the spouse of Dr. Wu, the Company's former Chairman. The termination of the Loan Agreement resulted in a loss of \$5.1 million in the year ended December 31, 2019.

Our Unconsolidated Equity Investments

We hold a 34.0% ownership interest in Glory, which through its subsidiary Tree Manufacturing, holds a domestic EV manufacturing license in Malaysia. Tree Manufacturing had entered into a product supply and a product distribution arrangement for EVs with Tree Technologies, a consolidated subsidiary of the Company.

In 2018, we signed an investment agreement to establish Intelligenta for providing services for financial or energy industries by utilizing AI and big data technology in the United States. We hold a 60.0% ownership interest and Seasail holds 40% of Intelligenta.

On October 22, 2020, the Company acquired 1.4 million common shares, representing 15.0% of the total common shares outstanding, of Soletract for a purchase price of \$0.91 per share, for total consideration of \$1.3 million. On November 19, 2020, Ideanomics acquired an additional 1.3 million shares of common stock for \$1.00 per share, for a subsequent investment of \$1.3 million. With this subsequent investment, Ideanomics owned 2.7 million common shares out of a total number of issued and outstanding common shares of 10.2 million after the transaction, or 27.0%.

Soletract develops, assembles and distributes 100% battery-powered electric tractors-an alternative to diesel tractors-for agriculture and utility operations. Soletract tractors provide an opportunity for farmers around the world to power their tractors by using the sun, wind, and other clean renewable sources of energy.

Our investments in Glory, BDCG and Soletract, where we may exercise significant influence, but not control, are classified as a long-term equity investments and accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and adjusted for our share of undistributed earnings or losses of the investee. Investment losses are recognized until the investment is written down to nil, provided that we do not guarantee the investee's obligations or we are committed to provide additional funding.

In the years ended December 31, 2020 and 2019, the Company recorded impairment losses with respect to its equity method investments of \$16.6 million and \$13.1 million, respectively.

Refer to Note 10 of the Notes to Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K for further information.

Our Competition

Ideanomics Mobility Business Unit

The Company's EV business operates in the market for fleet commercial vehicles, this market is still in its development stage. The Company could face competition from other companies that develop and operate a similar integrated platform for the procurement, purchase, financing, charging and energy management needs of fleet EV operators. The Company could also face competition from companies that only operate in one part of the vehicle purchase and operation cycle, for example, an EV vehicle or battery manufacturer may sell directly to EV fleet operators while also participating in the platform operated by the Company's MEG business.

Other

Grapevine competes in the consumer marketing sector and specializes in designing and managing “influencer” led social media campaigns for brands and advertising agencies that do not have a capability to manage influencer marketing campaigns directly. This is a very competitive sector with multiple competitors.

Revenue Recognition

The Company records and reports revenues in accordance with generally accepted accounting principles in the U.S., particularly ASC 606, *Revenue from Contracts with Customers* which provides guidance on how revenues should be reported and the timing of when revenues should be reported. ASC 606 includes guidance on when revenue should be recognized on a Gross (Principal) or Net (Agent) basis, the Company’s contracts are typically with large enterprises and consequently are heavily negotiated as to the services 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 Principal (Gross) or Agent (Net) basis.

Regulation

General Regulation of Businesses in the PRC

We are required to obtain government approval from or filing with the Ministry of Commerce of the PRC (“MOFCOM”) 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.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures for Access of Foreign Investment (Negative List) (“Negative List”) and the Catalogue of Industries for Encouraged Foreign Investment (“Encouraged Foreign Investment Catalogue,” together with the Negative List, the “Catalogue,”) which was promulgated and is amended from time to time by the MOFCOM and the National Development and Reform Commission. The Catalogue sets forth the industries in which foreign investments are encouraged, restricted, or prohibited. Industries that are not listed in any of the above three 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.

Under PRC law, the establishment of a wholly foreign owned enterprise is subject to the approval of or filing with the MOFCOM or its local counterparts and the 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.

In addition, the transportation sector is subject to regulation at the central and provincial level. 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.

Chinese regulations will also significantly impact our MEG business unit. For example, in September 2017, reports were published that the PRC may begin prohibiting the practice of using digital assets for capital fundraising. In 2018, reports surfaced that the PRC had banned local digital asset exchanges from operating within the country. On January 10, 2019, the Cyberspace Administration of China passed the Administrative Provisions on Blockchain Information Services (“Provisions on Blockchain,”) which took effect on February 19, 2019. The Provisions on Blockchain clarify terms of the scope of blockchain information services, the filing process for blockchain information services, the responsibilities for blockchain information service providers, and the consequences of violations. Until there is greater regulatory clarity and acceptance of digital token and blockchain-based financial products in the PRC, we may not be able to provide services under our MEG business unit in the PRC.

Taxation

On March 16, 2007, the National People's Congress of the PRC passed the Enterprise Income Tax law ("EIT Law,") and on November 28, 2007, the State Council of China passed its implementing rules which took effect on January 1, 2008. The EIT Law and its implementing rules impose a unified earned income tax ("EIT") rate of 25.0% on all domestic-invested enterprises and foreign invested enterprises ("FIEs") 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 normally 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%. 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 PRC State Administration of Foreign Exchange ("SAFE,") 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 SAFE. In particular, if our PRC operating entities borrow foreign currency through loans from us or other foreign lenders, these loans must be registered with SAFE, 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 of the State Administration of Taxation on Negotiated Reduction of Dividends and Interest Rates ("Notice 112,") which was issued on January 29, 2008, dividends from our PRC operating subsidiaries paid to us through our entities will be 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 of the holder of the PRC subsidiary. Dividends declared and paid from before January 1, 2008 on distributable profits are grandfathered under the EIT Law and are not subject to withholding tax.

We intend to reinvest profits, if any, and do not intend on making cash distributions of dividends in the near future.

Regulation Regarding our Fintech Businesses

Securities and Commodities Laws

In order for a securities exchange to operate, it must register as a broker-dealer with the SEC, and become a member of FINRA. Depending on a securities exchange's activities, it may be required to also register as a broker dealer on the state level. DBOT is a registered broker dealer with an ATS. Depending upon the jurisdiction, we may also be required to comply with laws applicable to securities exchanges.

Financial Crimes and Sanctions Compliance

The jurisdictions in which we operate and intend to operate generally have adopted laws to prevent money laundering, terrorist financing, fraud and other financial crime, as well as to ensure compliance with applicable sanctions regimes. Various aspects of our business require us to develop and implement policies and procedures that confirm the identity of customers, detect suspicious activities and ensure we do not do business with blocked persons.

Environmental Disclosures

As part of the acquisition of the Fintech Village property (see Part I—Item 2—“Properties,”) we agreed to assume responsibility for completing environmental remediation, previously initiated by the prior owner, relating to the cleanup of asbestos and polychlorinated biphenyls (“PCBs”) from building materials on the property and any contamination of soil and groundwater on the land, an existing condition cited by the Department of Energy and Environmental Protection for the State of Connecticut (“DEEP.”) We were required, as part of the purchase of the land, to post an \$8.0 million surety bond, the approximate cost of previous remediation costs. The surety bond will serve either serve as collateral to the state if we do not complete the environmental remediation to state and federal requirements or be returned to us in full if remediation efforts are successful and completed.

On January 28, 2021, the Company’s Board of Directors accepted an offer of \$2.75 million for Fintech Village, and subsequently signed a non-binding sale contract on March 15, 2021. The Company is required to remove or renovate the contaminated buildings on the property. If we elect to sell, transfer or change the use of the facility, additional environmental testing may be required. We cannot assure that we will not discover further environmental contamination, that any planned timeline for remediation will not be delayed, that we would not be required by DEEP or the EPA to incur significant expenditures for environmental remediation in the future.

Human Capital Management

Human Capital Resources

As of December 31, 2020, we had more than 110 employees in four countries. Within this total, 100% of the employee base is comprised of full-time employees and 32.4% are in the United States.

We are an organization built on strong values, employee engagement and ownership. At our core, we are committed to our employees by providing them with an opportunity to participate in our success. By cultivating a dynamic mix of people and ideas, we enrich our businesses’ performance, the experience of an increasingly diverse employee base, and our communities’ engagement.

Human Capital Measures and Objectives

In operating our businesses, human capital measures and objectives are critical drivers of revenues and margins. We continually work to expand service offerings and geographies and seek to manage human capital resources to maximize profitability in the face of shifting client demands.

Our human capital measures and objectives include revenue per employee and profit per employee. The Company is transforming itself and in a phase of rapid growth, consequently these measures may not be comparable between time periods or may be distorted by a change in the nature of our business.

We continue to invest in the business by adding talented professionals across all of our businesses and functional areas. In 2020, we hired approximately 50 new employees.

Human Capital and Social Policies and Practices

We are committed to our people and the communities we serve, investing in our employees’ long-term development and engagement by delivering training, programs and a culture where our people can thrive. We are committed to equal opportunity, diversity and other policies and practices, and an abiding pledge to community service and charity. We take seriously the health, safety and welfare

of our employees, clients, vendors and the broader communities in which we operate and are taking extraordinary measures in light of the current COVID-19 pandemic.

Environmental, Social and Governance (“ESG”) / Sustainability Information

To learn more about policies and practices and our continuing efforts related to human capital and ESG matters, please refer to our website at www.ideanomics.com for further information. You may also find our Corporate Governance Guidelines, the charters of the committees of our Board of Directors. 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.

Our employees are not represented by a labor organization or covered by a collective bargaining agreement. We have not experienced any work stoppages.

We are required under PRC law to make contributions to employee benefit plans at specified percentages of employee salary. In addition, we are required by the PRC law to cover employees in the PRC with various types of social insurance. We believe that we are in compliance with the relevant PRC laws.

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.

RISKS RELATED TO OUR BUSINESS AND STRATEGY

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. 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.

We are in the process of transforming our business model, such that there is only a limited basis to evaluate our business and prospects. This transformation may continue to evolve, and ultimately may not be successful.

We are in the process of transforming our business model to develop a platform for the procurement, purchase, and financing of vehicles, charging and energy solutions for commercial fleets of Electric Vehicles. In connection with this transformation, we are in the process of considerable changes, including initiatives to assemble a new management team, reconfigure the business structure, and expand our mission and business lines. 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 the business. This includes having or hiring the right talent to execute our business strategy, and building a team with the technological capability and know-how to build the products and provide the services we envision. 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.

Even if we implement our plan in accordance with our expectations, our assumptions regarding costs and growth of revenue may differ substantially from reality. Furthermore, even if the anticipated benefits and savings are realized in part, there may be consequences,

internal control issues, or business impacts that were not expected. Additionally, as a result of our restructuring efforts in connection with our business transformation plan, we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating activities and growing our business. If we fail to achieve some or all of the expected benefits of these activities, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. Such transformations may lead to a significant fluctuation in operating results and they may vary materially from market expectations.

The success of the Company's efforts to develop its Ideanomics Mobility business unit 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 unique challenges to fleet owners trying to finance the purchase of fleets of EV and the related charging, storage and battery infrastructure. Unlike vehicles powered by Internal Combustion Engines, the power source in an EV, the battery, can be separated from the vehicle which creates unique 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 EV similar to those that currently exist to finance the purchasing and leasing of traditional internal combustion engine 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 Ideanomics Mobility business may not be successful and generate minimal revenues and incur substantial losses.

The transformation of our business will put added pressure on our management and operational infrastructure, impeding our ability to meet any potential increased demand for our services and possibly hurting our future operating results.

Our business plan is to significantly grow our operations to meet anticipated growth in demand for the services that we offer, and by the introduction of new goods or services. Growth in our businesses will place a significant strain on our personnel, management, financial systems and other resources. The evolution of our business also presents numerous risks and challenges, including:

- our ability to successfully and rapidly expand sales to potential new distributors in response to potentially increasing demand;
- the costs associated with such growth, which are difficult to quantify, but could be significant; and
- rapid technological change.

To accommodate any such growth and compete effectively, we will need to obtain additional funding for working capital and to improve develop supply chain and logistics capabilities, information systems, procedures and controls and expand, train, motivate and manage our employees, and such funding may not be available in sufficient quantities, if at all. If we are not able to manage these activities and implement these strategies successfully to expand to meet any increased demand, our operating results could suffer.

The success of our business is dependent on our ability to hire and retain 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 the 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.

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 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.

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;
- government regulation and restrictive governmental actions (such as trade protection measures, including export duties and quotas and custom 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 IP 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 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;
- geopolitical events, including 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, IP 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.

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 important element of our management strategy is 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 inability 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.

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 IP 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 IP litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Our ability to conduct our businesses may be materially adversely impacted by catastrophic events, including natural disasters, pandemics and other international health emergencies, weather-related events, terrorist attacks, and other disruptions.

We may encounter disruptions involving power, communications, transportation or other utilities or essential services depended on by us or by third parties with whom we conduct business. This could include disruptions as the result of natural disasters, pandemics, other international health emergencies, or weather-related or similar events (such as fires, hurricanes, earthquakes, floods, landslides and other natural conditions including the effects of climate change), political instability, labor strikes or turmoil, or terrorist attacks. The global coronavirus pandemic had a significant impact on global commerce. Similar potential disruptions may occur in any of the locations in which we, our counterparties or our customers do business. We continue to assess the potential impact on our counterparties and customers of such events, and what impact, if any, these events could have on our businesses, financial condition, results of operations and prospects.

If we fail to develop and maintain effective disclosure controls and an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected, and investor confidence and market price of our shares may be adversely impacted.

Our reporting obligations as a public company place a significant strain on our management and our operational and financial resources and systems and will continue to do so for the foreseeable future. We are subject to Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act,”) which requires us to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Material weaknesses and significant deficiencies may be identified during the audit process or at other times.

If we fail to develop and maintain effective internal control over financial reporting, our management may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in the loss of investor confidence in the reliability of our financial statements. If we fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to produce reliable financial reports. Any failure to improve and maintain the effectiveness of our internal controls over financial reporting could lead to future errors in our financial statements that could require a restatement or untimely filings, which could cause investors to lose confidence in our reported financial information, and result in a decline in our stock price.

The Sarbanes-Oxley Act also requires that we maintain effective disclosure controls and procedures. As a publicly traded company, we are required to file periodic reports containing our consolidated financial statements with the SEC within a specified time following the completion of quarterly and annual periods. Maintaining effective disclosure controls and procedures is necessary to identify information we must disclose in our periodic reports. Our disclosure controls and procedures have been ineffective in the past, and to the extent that our disclosure controls and procedures are found to be ineffective in the future, such finding could result in the loss of investor confidence in the reliability of our disclosures, harm our business, and negatively impact the trading price of our common stock.

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.

The Company and certain of its former officers and directors are defendants in a purported class action captioned Rudani v. Ideanomics, Inc., et al, pending in the United States District Court for the Southern District of New York against the Company. The Amended Complaint alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934. Among other things, the Amended Complaint alleges purported misstatements made by the Company in 2017 and 2018. The Company and certain of its current and former officers and directors are also defendants in a consolidated purported securities class action captioned In Re Ideanomics, Inc. Securities Litigation, pending in the United States District Court for the Southern District of New York, which alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 arising from certain purported misstatements by the Company beginning in March 2020 regarding its MEG division. The Company is also a nominal defendant, and certain of its former officers and directors are named as defendants, in a consolidated shareholder derivative action pending in the United States District Court for the Southern District of New York, captioned In re Ideanomics, Inc. Derivative Litigation which alleges violations of violations of Section 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and corporate waste and seeks monetary damages and other relief on behalf of the Company. The Company is also a nominal defendant, and certain of its former officers and directors are named as defendants, in a shareholder derivative action pending in the United States District Court for the District of Nevada, captioned Zare v. Wu, et al., 20-cv-608, which alleges breach of fiduciary duties, gross mismanagement, and contribution against certain defendants under Section 10(b) and 21D of the Securities Exchange Act of 1934. While the Company believes that these lawsuits are without merit and plans to vigorously defend itself against these claims, there can be no assurance that the Company will prevail in the lawsuits. The Company cannot currently estimate the possible loss or range of losses, if any, that it may experience in connection with these litigations. There is currently a mediation scheduled for April 2021 for all of the pending actions that have been filed and discussed above.

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 exposed to potential liabilities and reputational risk associated with litigation, regulatory proceedings and government investigations and enforcement actions. In addition, we are obligated to indemnify and advance expenses to certain individuals involved in certain of these proceedings. Further, volatility in our stock price may also make us vulnerable to future class action litigation. Any adverse judgment in or settlement of any pending or any future litigation or investigation could result in payments, fines and penalties that could adversely affect our business, results of operations and financial condition. 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.

RISKS RELATED TO OUR IDEANOMICS MOBILITY BUSINESS UNIT

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

The Company's Ideanomics Mobility business unit is operating in the fleet 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 internal combustion engine (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 and (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, (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 EV is lower than expected due to a change in regulation or regulations favor 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 EV are still being developed and large scale conversion from internal combustion 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 our Ideanomics Mobility business unit, and 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, and for the foreseeable future will have, limited direct IP rights related to our new Ideanomics Mobility business unit. The IP relevant to the products and services we plan to provide 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 IP, 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 IP 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 IP provides to us.

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.

A substantial part of our assets and our current operations are conducted in the PRC, and some of our officers, directors and other professional service providers are nationals and residents of 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, 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.

Our business operations have a material 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.

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. In addition, some of our executive officers and directors are residents of the PRC and not of the United States, and substantially all the assets of these persons are located outside the United States. As a result, 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.

Most of our operations are located outside of the United States and part of our current operations are conducted in the PRC. 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 under 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 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.

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.

At present, a substantial part of our sales will be 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 dividend 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 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 and the VIEs. 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.

At present, part of our sales are 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 reaches 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 Foreign Corrupt Practice Act (“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 affect 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. Unlike public reporting companies whose operations are located primarily in the United States, however, substantially all of our operations are located in the PRC, Hong Kong and Singapore. Since substantially all of our operations and business takes place outside of 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. These same obstacles are not present for similar companies whose operations or business take place entirely or primarily in the United States. 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 are not subject to the review of the CSRC. 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.

RISKS RELATED TO OUR STOCK

The market price of our common stock is volatile, leading to the possibility of its value being depressed at a time when you may want to sell your holdings.

The market price of our common stock is volatile, and this volatility may continue. Numerous factors, many of which are beyond our control or are not discernible or determinable by our Company, may cause the market price of our common stock to fluctuate significantly. In addition to market and industry factors, the price and trading volume for our common stock may be highly volatile for specific business reasons. Factors such as variations in our revenues, earnings and cash flow, announcements of new investments, cooperation arrangements or acquisitions, and fluctuations in market prices for our products could cause the market price for our shares to change substantially. Following periods of such volatility in the market price of a company's securities, securities class action as well as derivative litigation has often been brought against that company and its officers and directors. Because of the potential volatility of the Company's common stock price, it may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from its business.

Moreover, the trading market for our common stock will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our common stock, the market price for our common stock would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price for our common stock or trading volume to decline.

The market price of our common stock could be also subject to volatility if the value of our business and common stock is viewed as being linked to the price and value of digital assets. If investors view our business and the value of our common stock as dependent upon or linked to the value or growth of digital assets, whether or not tokenized on our blockchain platforms, the price of such digital assets may influence significantly the market price of shares of our common stock.

Furthermore, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our Company at a time when you want to sell your interest in us.

Provisions in our articles of incorporation and bylaws 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 authorize our Board to issue up to 50,000,000 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 the Board without further action by the shareholders. 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 shareholders 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.

In addition, 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.

Certain of our shareholders hold a significant percentage of our outstanding voting securities.

As of March 29, 2021, Dr. Wu, is the beneficial owners of approximately 11.1% of our outstanding voting securities (through their ownership of the Common Stock and 100% our Series A Preferred Stock, which entitle the holder to cast ten votes for every share of common stock that is issuable upon conversion of a share of Series A Preferred Stock (each share of Series A Preferred Stock is convertible into 0.1333333 shares of common stock), or a total of 9,333,330 votes). Mr. Shane McMahon, our Vice Chairman, is the beneficial owner of approximately 2.2% of our outstanding voting securities. As a result, each possesses significant influence over the election of our directors and the authorization of any proposed significant corporate transactions. Their respective ownership and control may also have the effect of delaying or preventing a future change in control, impeding a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer.

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 shareholders.

Even if we are able to pay dividends on our common stock or Series A preferred stock, our Board may choose not to declare dividends on our capital stock. In addition, financing agreements that we may enter into in the future may limit our ability to pay cash dividends. Fluctuations in exchange rates could adversely affect our business and the value of our securities.

The value of our common stock will be indirectly affected by the foreign exchange rate between the U.S. dollar and those currencies in which our sales may be denominated. Appreciation or depreciation in the value of currencies in which are sales are denominated relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue that will be exchanged into U.S. dollars, as well as earnings from, and the value of, any U.S. dollar-denominated investments we make in the future.

Very limited hedging transactions are available in the PRC to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions to reduce our exposure to exchange rate fluctuations. While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure at all.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved Staff Comments.

ITEM 2. PROPERTIES

In 2018, we relocated our principal executive office from Beijing, China to New York, New York. We lease our principal executive office, which is located at 1441 Broadway, Suite 5116, New York, NY 10018. We lease an approximately 6,085 square foot office space in Beijing, China, which is used by both our Mobile Energy Group Services business unit and legacy YOD business for our PRC-based operations. In October 2018, we completed the \$5.2 million acquisition of a 58-acre property located at 1700 and 1800 Asylum Avenue in West Hartford, Connecticut, which was formerly part of the University of Connecticut campus and will be the site of our new “Fintech Village.”

In response to the COVID-19 pandemic the company closed its New York City office at 55 Broadway in the first quarter of 2020. The Company concluded that it did not require the 55 Broadway office and terminated the lease in the third quarter of 2020. The Company has entered into a short term lease for a very limited amount of office space at 1441 Broadway, New York, NY 10018. The Company has a 15 year lease on showroom and office space in the city of Qingdao in the PRC. The Company's Tree Technologies subsidiary has office space in Kuala Lumpur in Malaysia and a long term lease on 250 acres of vacant land zoned for industrial development on the Gebeng Industrial Estate, Kuantan, Pahang Darul Makmur, Malaysia which is near the port of Kuantan.

Except for FinTech Village, the Company believes that all its properties have been adequately maintained, are generally in good condition, and are suitable and adequate for our business.

ITEM 3. LEGAL PROCEEDINGS

Refer to Note 19 of the Notes to Consolidated Financial Statements included in Part 4, 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

Market Price Information

The Company's common stock is quoted on the Nasdaq Capital Market under the symbol "IDEX." The following table sets forth, for the periods indicated, the high and low closing bid prices of the Company's common stock.

	Closing Bid Prices	
	High	Low
Year Ended December 31, 2020		
1st Quarter	\$ 1.34	\$ 0.30
2nd Quarter	\$ 3.29	\$ 0.38
3rd Quarter	\$ 1.78	\$ 0.81
4th Quarter	\$ 3.15	\$ 0.82
Year Ended December 31, 2019		
1st Quarter	\$ 2.07	\$ 1.13
2nd Quarter	\$ 2.46	\$ 1.28
3rd Quarter	\$ 2.80	\$ 1.46
4th Quarter	\$ 1.59	\$ 0.66

Approximate Number of Holders of Our Common Stock

As of March 29, 2021, there were approximately 365 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 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."

Recent Sales of Unregistered Securities

The Company did not sell any equity securities during the fiscal year ended December 31, 2020 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 2020 fiscal year.

Purchases of Equity Securities

No repurchases of the Company's common stock were made in the year ended December 31, 2020.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

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, Inc. (Nasdaq: IDEX) was incorporated in the State of Nevada on October 19, 2004. From 2010 through 2017, our primary business activities were providing premium content video on demand ("VOD") services, with primary operations in the PRC, through our subsidiaries and variable interest entities under the brand name You-on-Demand ("YOD.") We closed the YOD business during 2019.

Starting in early 2017, the Company transitioned its business model to become a next-generation financial technology ("fintech") company. The Company built a network of businesses, operating principally in the trading of petroleum products and electronic components that the Company believed had significant potential to recognize benefits from blockchain and AI technologies including, for example, enhancing operations, addressing cost inefficiencies, improving documentation and standardization, unlocking asset value and improving customer engagement. During 2018 the Company ceased operations in the petroleum products and electronic components trading businesses and disposed of the businesses during 2019. As we looked to deploy fintech solutions in late 2018 and into 2019, we found a unique opportunity in the Chinese EV industry to facilitate large scale conversion of fleet vehicles from internal combustion engines to EV. This led us to establish our MEG business unit to take advantage of this opportunity, subsequently we have extended our EV business to the ASEAN countries and have made an acquisition in the U.S. in the first quarter of 2021.

Fintech continues to be an important area for us as we look to invest in and develop businesses that can improve the financial services industry, particularly as it relates to digital securities.

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, 2020 and 2019:

- **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 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.

Liquidity Improvements

In the year ended December 31, 2020, the Company improved its liquidity position by raising a total of \$225.5 million: \$191.4 million through the issuance of common stock and exercise of warrants, \$7.1 million from noncontrolling interest shareholders, and \$27.0 million through the issuance of senior secured convertible notes. The Company converted senior secured convertible notes of \$34.4 million plus accrued interest of \$0.3 million to common stock. Additionally, the Company converted \$4.6 million of convertible notes payable and accrued interest to related parties and an additional \$1.5 million due to related parties to common stock. As a result of these actions, the Company reduced its the principal amount of its indebtedness by \$50.9 million, and as of December 31, 2020, had cash and cash equivalents of \$165.8 million, \$163.8 million of which is held in U.S. financial institutions.

Based upon its business projections and its cash and cash equivalents balance as of December 31, 2020, the Company believes it has the ability to continue as a going concern.

Effects of COVID-19

Novel Coronavirus 2019 (“COVID-19”) is an infectious disease cause by severe acute respiratory syndrome coronavirus. The disease was first identified in December 2019 in Wuhan, the capital of China’s Hubei province, and has since spread globally, resulting in the ongoing COVID-19 pandemic. As of March 21, 2021, over 122.9 million cases had been reported across the globe, resulting in 2.7 million deaths.

The spread of COVID-19 has caused significant disruption to society as a whole, including the workplace. The resulting impact to the global supply chain has disrupted most aspects of national and international commerce, with government-mandated social distancing measures imposing stay-at-home and work-from-home orders in almost every country. The effects of social distancing have shut down significant parts of the local, regional, national, and international economies, for limited or extended periods of time, with the exception of government designated essential services.

In many parts of the world, stay-at-home and work-from-home orders were relaxed during the summer of 2020 as the effects of the Coronavirus appeared to lessen, and economic activity began to recover. However, commencing in the autumn and fall of 2020, the U.S. as well as countries in Europe, South America and Asia began to experience an increase in new COVID-19 cases, and in some cases local, state, and national governments began to reinstate restrictive measures to stem the spread of the virus. The U.S. and other countries also experienced an increase in new COVID-19 cases after the fall and winter holiday season, with new, more infectious variants of COVID-19 identified. Various vaccines have been developed, with vaccinations programs in effect worldwide, though reaching acceptable levels for worldwide immunization against COVID-19 remains challenging.

The future effects of the virus are difficult to predict, due to uncertainty about the course of the virus, different variants that may evolve, and the supply of the vaccine on a local, regional, and global basis, as well as the ability to implement vaccination programs in a short time frame.

Many of the Company’s operations are in the development or early stage, have not had significant revenues to date, and the Company does not anticipate significant adverse effects on its operations’ revenue as compared to its business plan in the near- or mid-term, although the future effects of COVID-19 may result in regional restrictive measures which may constrain the Company’s operations.

The Company continues to monitor the overall situation with COVID-19 and its effects on both local, regional and global economies.

Information about segments

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.

Our Unconsolidated Equity Investments

The investments where the Company exercises significant influence, but not control, are classified as long-term equity investments and accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and adjusted for our share of undistributed earnings or losses of the investee. Investment losses are recognized until the investment is written down to nil, provided that we do not guarantee the investee's obligations or we are committed to provide additional funding. Refer to Note 10 of the Notes to Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K for further information.

Taxation

United States

Ideanomics, Inc., M.Y. Products, LLC, Grapevine Logic, Inc., Delaware Board of Trade Holdings, Inc., Fintech Village, LLC are United States companies subject to the provisions of the Internal Revenue Code. No provision for income taxes has been provided as none of the companies had taxable profit since inception. At the acquisition of Grapevine Logic, Inc. in 2018, deferred tax liabilities were recorded relating to intangible assets recorded for financial reporting purposes but not recognized for income tax purposes. The intangible assets consequently could not provide deductible amortization expense for income tax purposes. The deferred tax liabilities were recorded on the acquisition date to the extent that they could not be offset by usable net operating loss carryforwards acquired in the acquisition. These deferred tax liabilities were reduced, providing an income tax benefit, to the extent that the intangible assets were reduced by amortization expense and additional net operating loss carry forwards were created to offset the liabilities. These benefits include \$152,875 in 2019. The 2019 amount related to activities in the first two quarters of 2019. Ideanomics, Inc. increased its ownership in Grapevine Logic, Inc. such that beginning with the third quarter of 2019, the result of which was that Grapevine Logic, Inc. activities would be included in the consolidated tax return of Ideanomics, Inc. As a result, the valuation allowance provided against Ideanomics' deferred tax assets were reduced by \$361,059, the amount of Grapevine Logic, Inc.'s remaining deferred tax liabilities as that portion of Ideanomics Inc.'s net operating loss carryovers could now be utilized to offset these liabilities.

The Tax Cut and Jobs Act ("TCJA") of 2017 includes provision for Global Intangible Low-Taxed Income ("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 Base Erosion and Anti-Abuse Tax ("BEAT") under which taxes are imposed on certain base eroding payments to related foreign companies, subject to certain requirements.

Based on current year financial results, the company has determined that there is no GILTI nor 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, net operating losses ("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%. Tax expense of \$0.1 million was recorded in the year ended December 31, 2019 relating to the income on one Hong Kong subsidiary relating to a gain recorded on the sale of VIE related assets. All other Hong Kong subsidiaries had losses for 2019 and the resulting deferred tax assets relating to the loss carryovers were fully offset by a valuation allowance.

The People's Republic of China

Under the PRC's Enterprise Income Tax Law, the company's Chinese subsidiaries and VIEs 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 year ended December 31, 2019, one of the Company's PRC subsidiaries incurred a tax obligation of \$0.6 million relating to its EV sales. The entity did not have operating loss carryovers and is not able to utilize the loss carryovers of other subsidiaries. The transactions under which the VIE agreements were terminated resulted in gains to one VIE entity, prior to deconsolidation, that triggered a tax expense of \$0.2 million. Other PRC entities either had losses that created additional operating loss carryovers, where the related deferred tax assets were offset by a valuation allowance, or had income that would have resulted in a current tax liability, except that they were able to offset those liabilities with operating loss carryovers from prior years. The use of prior year carryovers, in all cases for which the related deferred tax assets all had previously been offset by a valuation allowance, avoided \$0.2 million of income tax expense.

RESULTS OF OPERATIONS
Comparison of Years Ended December 31, 2020 and 2019 (USD in thousands, except per share amounts)

For the years ended December 31,	2020	2019	Amount Change	% Change
Revenue	\$ 26,759	\$ 44,566	\$ (17,807)	(40)%
Cost of revenue	24,702	1,458	23,244	n/m
Gross profit	2,057	43,108	(41,051)	(95)%
Operating expenses:				
Selling, general and administrative expenses	32,399	24,862	7,537	30 %
Research and development expense	1,635	—	1,635	n/m
Professional fees	12,541	5,828	6,713	n/m
Depreciation and amortization	5,310	2,229	3,081	n/m
Impairment losses	42,554	73,669	(31,115)	(42)%
Change in fair value of contingent consideration, net	(5,503)	5,094	(10,597)	n/m
Total operating expenses	88,936	111,682	(22,746)	(20)%
Loss from operations	(86,879)	(68,574)	(18,305)	27 %
Interest and other income (expense):				
Interest expense, net	(15,970)	(5,616)	(10,354)	n/m
Expense due to conversion of notes	(2,266)	—	(2,266)	n/m
Gain (loss) on extinguishment of debt	8,891	(3,940)	12,831	n/m
Impairment of and equity in loss of equity method investees	(16,698)	(13,718)	(2,980)	22 %
Gain (loss) on disposal of subsidiaries, net	276	(952)	1,228	n/m
Loss on remeasurement of DBOT investment	—	(3,179)	3,179	n/m
Other income (expense), net	6,603	(433)	7,036	n/m
Loss before income taxes and non-controlling interest	(106,043)	(96,412)	(9,631)	10 %
Income tax (expense) benefit	—	(417)	417	n/m
Net loss	(106,043)	(96,829)	(9,214)	10 %
Deemed dividend related to warrant repricing	(184)	(827)	643	(78)%
Net loss attributable to common shareholders	(106,227)	(97,656)	(8,571)	9 %
Net (income) loss attributable to non-controlling interest	7,827	(852)	8,679	n/m
Net loss attributable to IDEX common shareholders	\$ (98,400)	\$ (98,508)	\$ 108	0 %
Basic and diluted loss per share	\$ (0.46)	\$ (0.82)		

Revenues (USD in thousands)

For the years ended December 31,	2020	2019	Amount Change	% Change
Digital asset management services	\$ —	\$ 40,700	\$ (40,700)	n/m
Electric vehicles	19,462	2,693	16,769	n/m
Combustion engine vehicles	5,160	—	5,160	n/m
Charging and batteries	506	—	506	n/m
Digital advertising services	1,631	1,173	458	39 %
Total	<u>\$ 26,759</u>	<u>\$ 44,566</u>	<u>\$ (17,807)</u>	(40)%

n/m = Not Meaningful

Revenue for the year ended December 31, 2020 was \$26.8 million as compared to \$44.6 million for the same period in 2019, a decrease of \$17.8 million, or 40%. The decrease was due to a change to our business focus from digital asset management services to the EV business. The Company generated \$19.5 million from the sale of EVs as compared to \$2.7 million in the prior year, an increase of \$16.8 million. In the current year, the Company earned revenues of \$5.2 million from the sale of combustion engine vehicles; the sale of combustion engine vehicles is not the Company's primary focus, however, from time to time, the Company will sell combustion engine vehicles if a client places an order. During 2020, the Company made its first sales of charging and battery equipment. The Company believes this is very encouraging development as the provision of charging, battery and battery swap services is an important strategic focus for the Company. Revenues from Grapevine, the Company's business focused on digital advertising services were \$1.6 million as compared to \$1.2 million in the prior year, an increase of \$0.5 million or 39%. Grapevine is considered a non-core asset for Ideanomics.

The revenues for the years ended December 31, 2020 and 2019 were recorded on either a Principal or Agent basis, depending on the terms of the underlying transaction, including the ability to control the product and the level of inventory risk taken. The majority of the revenue from the sale of EVs, as well as revenue from the sale of the combustion engine vehicles and charging and batteries for the year ended December 31, 2020 were recorded on a Principal basis because the Company has inventory risk in the transactions. The revenue from the sale of EVs for the year ended December 31, 2019 was recorded on an Agent basis due to the terms of the transaction.

Cost of revenue (USD in thousands)

<u>For the years ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>Amount Change</u>	<u>% Change</u>
Digital asset management services	\$ —	\$ 467	\$ (467)	n/m
Electric vehicles	18,035	—	18,035	n/m
Combustion engine vehicles	5,121	—	5,121	n/m
Charging and batteries	488	—	488	n/m
Digital advertising services	1,058	991	67	6.7 %
Total	<u>\$ 24,702</u>	<u>\$ 1,458</u>	<u>\$ 23,244</u>	n/m

n/m = Not Meaningful

Cost of revenues was \$24.7 million for the year ended December 31, 2020, as compared to \$1.5 million for the year ended December 31, 2019. The cost of revenues increased by \$23.2 million. From a comparability perspective, the cost of revenue during 2019 is not indicative of the new business in 2020. The cost of revenue during 2019 was primarily associated with the digital asset management services and creator payments from the Grapevine business. The cost of revenue from the sale of EVs was \$18.0 million; there was no cost of revenue recorded for the sale of EVs during 2019 as the company acted as agent in the sale of EVs in 2019 and consequently revenues were recorded on "net" basis without any corresponding cost of revenues. Cost of revenues from the sale of combustion engine vehicles was \$5.1 million; there were no sales of combustion engine vehicles in the prior year. Cost of revenues for charging and batteries was \$0.5 million; there were no sales of charging and batteries in the prior year. The cost of revenues for the digital advertising services provided by Grapevine were \$1.1 million as compared to \$1.0 million in the prior year, an increase of almost \$0.1 million or 6.7%.

Gross profit (USD in thousands)

<u>For the years ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>Amount Change</u>	<u>% Change</u>
Digital asset management services	\$ —	\$ 40,233	\$ (40,233)	n/m
Electric vehicles	1,427	2,693	(1,266)	n/m
Combustion engine vehicles	39	—	39	n/m
Charging and batteries	18	—	18	n/m
Digital advertising services	573	182	391	n/m
Total	<u>\$ 2,057</u>	<u>\$ 43,108</u>	<u>\$ (41,051)</u>	n/m

n/m = Not Meaningful

Gross profit ratio

For the years ended December 31,	2020	2019
Digital asset management services	— %	99 %
Electric vehicles	7	100
Combustion engine vehicles	1	—
Charging and batteries	4	—
Digital advertising services	35	16
Total	<u>8 %</u>	<u>97 %</u>

The gross profit for the year ended December 31, 2020 was \$2.1 million, as compared to \$43.1 million during the same period in 2019, a decrease of \$41.1 million. The decrease was due to the Company recorded service revenue from digital asset management services in 2019 which was not repeated in 2020 and had a low cost of revenue. The gross profit earned from the sale of EVs was \$1.4 million a decrease of \$1.3 million from the prior year. The Company acted in an agent capacity in the sale of EVs in 2019 and consequentially the revenue was recorded on a “net” basis without any cost of revenue which resulted in a higher gross profit and gross margin.

Selling, general and administrative expenses

Our selling, general and administrative expense for the year ended December 31, 2020 was \$32.4 million as compared to \$24.9 million for the same period in 2019, an increase of \$7.5 million or 30%. The majority of the increase was due to increased stock based compensation expense, bonuses and sales commissions and salaries resulting from the increase in employee numbers and sales activity, and bad debt expense which was partially offset by lower spending on travel and entertainment due to the restrictions on travel and entertaining arising from COVID-19 and lower severance expense.

Research and development expense

Research and development expense for the year ended December 31, 2020 represents the fees paid for EV technical development and design.

Professional fees

Professional fees for the year ended December 31, 2020 were \$12.5 million as compared to \$5.8 million for the same period in 2019, an increase of \$6.7 million. The majority of this increase was due to increased expense for investor relations programs, legal fee expense related to regulatory enquires, fund raising and merger and acquisition activities, and class action lawsuits. Expenses for consultants and contractors increased as a result of the Company’s continued expansion.

Depreciation and amortization

Depreciation and amortization for the year ended December 31, 2020 was \$ 5.3 million as compared to \$2.2 million for the same period in 2019, an increase of \$3.1 million. The increase was mainly due to the increase in amortization expense of \$2.1 million arising from the shortening of the useful life on an intellectual property intangible asset.

Impairment losses

The following table summarizes the impairment losses recorded in the years ended December 31, 2020 and 2019 (in thousands):

Asset Impaired	Note	Caption	Amount	
			2020	2019
GTB – digital currency	Note 9 – Goodwill and Intangible Assets	Impairment losses	\$ —	\$ 61,124
Equity method investments	Note 10 - Long-term Investments	Impairment of and equity in loss of equity method investments	16,650	13,062
Intangible assets	Note 9 – Goodwill and Intangible Assets	Impairment losses	20,446	5,715
Goodwill	Note 9 – Goodwill and Intangible Assets	Impairment losses	9,323	—
Right of use assets	Note 11 - Leases	Impairment losses	6,424	—
Fintech buildings, land and capitalized fees	Note 8 - Property and Equipment, net	Impairment losses	3,315	2,299
Fintech buildings asset retirement cost	Note 8 - Property and Equipment, net	Impairment losses	1,996	1,504
Fixed assets and other			923	—
Cost method investments	Note 10 - Long-term Investments	Impairment losses	241	3,026
Total			<u>\$ 59,318</u>	<u>\$ 86,730</u>

Additional information related to the impairment losses recorded in the years ended December 31, 2020 and 2019 is as follows:

Year Ended December 31, 2020

- The Company recorded impairment losses of \$16.7 million related to its equity method investments, Glory and BDCG. In the fourth quarter of 2020, Tree Technologies obtained its own domestic manufacturing license, and determined that it would not purchase vehicles from Tree Manufacturing, Glory’s subsidiary, and that the investment in Glory was therefore impaired. The Company evaluated the business prospects of BDCG in light of the continued political tensions between China and the U.S., and determined that its business prospects had diminished.
- The Company recorded impairment losses of \$20.4 million related to intangible assets:
 - An impairment loss of \$12.5 million related to Tree Technologies marketing and distribution agreement with Tree Manufacturing after Tree manufacturing obtained its own domestic manufacturing license, and determining that it would not purchase vehicles from Tree Manufacturing.
 - Impairment losses of \$7.1 million related to DBOT’s intangible assets, its continuing membership agreement and customer list.
 - An impairment loss of \$0.8 million related to Grapevine’s influencer network, after determining that the attrition rate of the influencer network was higher than expected.
- The Company recorded an impairment loss of \$9.3 million related to the goodwill of its consolidated subsidiary, DBOT, after evaluating its business prospects.

- The Company recorded impairment losses of \$6.4 million related to right of use assets after ceasing to use the related real estate premises.
- The Company recorded impairment losses of \$3.3 million related to its investment in Fintech Village, and recorded an impairment loss of \$2.0 million for the related asset retirement cost.
- The Company recorded an impairment loss of \$0.2 million related to a cost method investment after its price per share declined in the fourth quarter of 2020.

Year Ended December 31, 2019

- The Company recorded an impairment loss of \$61.1 million in the fourth quarter of 2019 related to GTB which the Company had received in connections with a services agreement and an asset purchase agreement with GT Dollar Pte, a minority shareholder at the time of the transaction. On October 29, 2019, GTB had an unexpected significant decline in quoted price, from \$17.00 to \$1.84. This decline continued through the fourth quarter of 2019, and on December 31, 2019 the quoted price was \$0.23. As a result of this decline in quoted price, and its inability to convert GTB into other digital currencies which were more liquid, or fiat currency, the Company performed an impairment analysis and recorded an impairment loss.
- The Company recorded a \$13.1 million impairment loss in Glory, an equity method investment, in the fourth quarter of 2019, when it became apparent that Glory's subsidiary, Tree Manufacturing, would not receive the land use rights to 250 acres of vacant land and other assets.
- The Company recorded a \$5.7 million impairment loss related to a secure mobile financial information, social, and messaging platform that has been designed for streamlining financial-based communication for professional and retail users. Management determined these assets had no future use and recorded an impairment loss.
- The Company recorded impairment losses of \$3.0 million in two non-marketable equity investments after management evaluated their performance.
- The Company recorded an impairment loss of \$2.3 million in the third quarter of 2019 in connection with four buildings in Fintech Village, which were later demolished, and recorded an impairment loss of \$1.5 million for the related asset retirement cost.

Change in fair value of contingent consideration, net

For the year ended December 31, 2020, Change in fair value of contingent consideration, net of \$5.5 million represents the remeasurement loss of \$1.5 million of the contingent consideration payable to the former DBOT shareholder and remeasurement gain of \$7.0 million of the contingent consideration payable to the Tree Technology shareholders.

For the year ended December 31, 2019, Change in fair value of contingent consideration, net of \$5.1 million represents the remeasurement of the contingent consideration payable to the former DBOT shareholders due to the decline in Ideanomics' stock price.

Loss from operations

Loss from operations for the year ended December 31, 2020 was \$86.9 million as compared to loss of \$68.6 million for the year ended December 31, 2019 an increase of \$18.3 million. The increased Loss from Operations is due to number of factors, the gross profit for 2019 included revenues from digital asset services which had a gross profit margin of almost 100% which was not repeated in 2020, increased expenses for selling, general and administrative, research and development, professional fees, and depreciation and amortization expense partially offset by lower impairment charges and a gain resulting from a change in the fair value of contingent consideration.

Interest expense, net

Our interest expense increased \$10.4 million to \$16.0 million for the year ended December 31, 2020, from \$5.6 million during 2019. The interest expense increase during 2020 was primarily due to the amortization of beneficial conversion features and the interest associated with convertible notes issued in 2020. The following table summarizes the breakdown of the interest expense (in thousands):

	Year ended December 31, 2020	Year ended December 31, 2019
Interest, net	\$ 1,485	\$ 1,381
Amortization of discount	14,485	4,235
Total	\$ 15,970	\$ 5,616

Expense due to conversion of notes

Expense due to conversion of notes for the year ended December 31, 2020 represents the expense recognized as a result of the reduction of conversion price to induce the conversion of the convertible notes from the related parties.

Gain (loss) on extinguishment of debt

In the year ended December 31, 2020, the Company recorded a gain on the extinguishment of debt of \$8.9 million, as it paid a promissory note prior to its scheduled maturity. The Company also settled several outstanding balances with vendors and recorded a gain of \$0.5 million.

In the year ended December 31, 2019, the Company recorded a loss on extinguishment of debt of \$3.9 million which resulted from modifications made to various convertible notes.

Impairment of and equity in loss of equity method investees

Impairment of and equity in loss of equity method investments increased by \$3.0 million to \$16.7 million in the year ended December 31, 2020 from \$13.7 million in the year ended December 31, 2019. The increase was due to impairments losses of \$16.7 million recorded in the year ended December 31, 2020, as compared to an impairment loss of \$13.1 million recorded in the year ended December 31, 2019. Refer to "Impairment losses" above.

Gain (loss) on disposal of subsidiaries, net

The following table summarizes gains and (losses) recorded in "Gain (loss) on disposal of subsidiaries, net" in the years ended December 31, 2020 and 2019 (in thousands):

Subsidiary	Year ended December 31, 2020	Year ended December 31, 2019
Guang Min	\$ 276	\$ —
Red Rock Global Capital LTD	—	552
Amer Global Technology Limited	—	505
Deconsolidation of VIEs	—	(2,009)
Total	\$ 276	\$ (952)

Gain (loss) on disposal of subsidiaries was a gain of \$0.3 million for year ended December 31, 2020 as compared to a loss of \$1.0 million in the same period in 2019.

Loss on remeasurement of DBOT investment

In the year ended December 31, 2019, the Company increased its ownership in DBOT and consolidated DBOT in July 2019. Immediately prior to the consummation of the acquisition, the Company's investment in DBOT had a fair value of \$3.1 million, and the Company recorded a loss of \$3.2 million to record the investment in DBOT to its fair value.

Other income (expense), net

Other income (expense), net increased \$7.0 million for the year ended December 31, 2020 in comparison to the same period of 2019 mainly because of a gain of \$4.9 million from the lease settlement of its New York City headquarters at 55 Broadway with the landlord, a gain of \$0.8 million from the DBOT lease settlement with the landlord and sublease income \$0.1 million.

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

Net (income)/loss attributable to non-controlling interests was a \$7.8 million loss in 2020 as compared to a net income of \$0.9 million in 2019. The loss in 2020 is primarily due to net loss from our investments in entities formed and acquired in 2019. The gain in 2019 is primarily due to the taxis commission revenue recognized in an entity we have 51% ownership during the third quarter of 2019.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2020, we had cash of \$165.8 million. Approximately \$164.5 million was held in our Hong Kong, U.S., Malaysia and Singapore entities and \$1.2 million was held in our PRC entities.

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.

As a broker-dealer, DBOT has minimum capital requirements. DBOT had cash of \$0.2 million as of December 31, 2020, which was necessary for DBOT to meet its minimum capital requirements. The Company consolidates a 51.0% owned investment in an entity which is based in Singapore. This entity venture had cash of \$0.6 million as of December 31, 2020. The agreement of the Company's partner in this entity is required prior to disbursement of this entity's funds for certain defined expenditures.

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

	Year Ended	
	December 31, 2020	December 31, 2019
Net cash used in operating activities	\$ (41,468)	\$ (13,784)
Net cash used in investing activities	(3,500)	(1,794)
Net cash provided by financing activities	208,049	15,114
Effect of exchange rate changes on cash	50	(9)
Net increase/(decrease) in cash, cash equivalents and restricted cash	163,131	(473)
Total cash, cash equivalents and restricted cash at beginning of period	2,633	3,106
Cash and cash equivalents at end of period	<u>\$ 165,764</u>	<u>\$ 2,633</u>

Operating Activities

Cash used in operating activities decreased by \$27.7 million for the year ended December 31, 2020 compared to 2019, primarily due to (1) an increase in net loss from \$96.8 million in 2019 to \$106.0 million in 2020, (2) total non-cash adjustments to net loss was \$75.9 million and \$67.9 million for the years ended December 31, 2020 and 2019, respectively; and (3) total changes in operating assets and liabilities resulted in an increase of \$11.3 million and \$15.1 million in cash used in operating activities for the years ended December 31, 2020 and 2019, respectively.

Investing Activities

Cash used in investing activities was \$3.5 million for the year ended 2020 mainly due to the investment to Solectrac. Cash used in investing activities was \$1.8 million for the year ended December 31, 2019 primarily due to the payment of \$1.8 million for Fintech Village.

Financing Activities

For the year ended December 31, 2020. The Company received \$182.5 million from the issuance of common stock, \$8.9 million from warrant and option exercise, \$27.0 million from the issuance of convertible notes, \$7.1 million from noncontrolling shareholders contribution and made repayments of \$17.5 million, primarily of a \$12.0 million convertible note and other borrowings. For the year ended December 31, 2019, the Company received \$9.1 million from the issuance of convertible notes, \$2.8 million in proceeds in a private placement from the issuance of common shares, warrant and options for the year ended December 31, 2019.

Effects of Inflation

Inflation and changing prices have had an effect on our business and we expect that inflation or changing prices could materially affect our business in the foreseeable future. Our management will closely monitor the price change and make efforts to maintain effective cost control in operations.

Off-Balance Sheet Arrangements

Off-balance sheet arrangements are obligations the Company has with nonconsolidated entities related to transactions, agreements or other contractual arrangements. The Company holds variable 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.

Contractual Obligations

The tabular presentation of contractual obligations is not required for Smaller Reporting Companies.

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. The Company's 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.

OUTLOOK

The Company believes that the investment made to build out its sales capacity in China and a related capability in sourcing and supply chain and related logistics in China will help drive growth in China using the Company's S2F2C business model and enable the Company to source high quality components and completed vehicles at competitive prices for its Medici, Treeletrik, WAVE and Solectrac businesses outside of China. The global focus on climate change and the related regulatory changes to encourage the adoption of EVs is very favorable for the Company's business, particularly the charging and battery businesses, which are critical to the widespread adoption of EVs. Providing customers with easy access to financing options for their purchases of vehicles, batteries and charging infrastructure is an important enabler for the deployment of EV and related technologies and the Company will continue to work to develop funding sources in conjunction with manufactures and established lenders.

Fintech continues to provide opportunities which could generate high rates of return through the deployment of technology to disrupt existing business models. The Company's acquisition of Timios in the first quarter of 2021 marks the first entrance into the real estate title agency and closing market. Management believes that through deployment of advanced technology and complimentary acquisitions it can increase Timios' value. The regulatory environment for the adoption of digital securities is improving with regulators and central bankers in the world's most developed economies acknowledging that digital securities should be part of the financial ecosystem. This change favors companies like Ideanomics that have assets such as DBOT that are fundamental building blocks of any move towards digital securities.

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.

Variable Interest Entities

The Company accounts for variable interest entities in accordance with Financial Accounting Standards Boards ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation*. Management evaluates the relationships between the Company and the various VIEs and the economic benefit flow of the contractual arrangement with the VIEs. In connection with such evaluation, management also considers whether or not, as a result of such contractual arrangements, the Company controls the legal shareholders' voting interests and has power of attorney in the VIEs, and therefore which counterparty is able to direct all business activities of the VIEs. As a result of such evaluation, management concluded that the Company is the primary beneficiary of certain VIEs, which are consolidated, and that the Company is not the primary beneficiary of one investment in which the Company holds a 60.0% interest, and of one investment in which the Company holds a 34.0% investment and which had a supply agreement with a consolidated entity. Both of these investments are accounted for as an equity method investments.

As of December 31, 2019, the Company has terminated the agreements with the PRC VIEs and will not consolidate them beyond that date.

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, *Revenue from Contracts with Customers* ("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.

The Company's contracts are typically with large enterprises and consequently are heavily negotiated as to the services 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.

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 Company received a specific type of digital currency, GTB, as a result of two transactions in the three months ended March 31, 2019, and recorded the GTB currency as indefinite-lived intangible assets. On October 29, 2019, GTB had an unexpected significant decline in quoted price, from \$17.00 to \$1.84. This decline continued through the fourth quarter of 2019, and on December 31, 2020 the quoted price was \$0.23. As a result of this decline in quoted price, and its inability to convert GTB into other digital currencies which were more liquid, or fiat currency, the Company performed an impairment analysis in the fourth quarter of 2019 and recorded an impairment loss of \$61.1 million.

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, 2020, the Company recorded impairment losses related to land, asset retirement costs, influencer networks, a membership agreement, and a marketing and distribution agreement of \$22.5 million.

As part of the impairment analyses discussed above in the year ended December 31, 2020, the Company also evaluated the remaining useful life of intangible assets, and determined that one intangible asset, intellectual property, no longer had a useful life and recorded amortization expense of \$2.1 million.

As a result of the impairment analyses performed in the year ended December 31, 2019, the Company recorded an impairment loss related to a secure mobile financial information, social and messaging platform of \$5.7 million.

Acquisition accounting

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 comparables, 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 (during the fourth quarter), 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.

As a result of its goodwill impairment analyses performed in the year ended December 31, 2020, the Company recorded goodwill impairment losses of \$9.3 million. The Company recorded no goodwill impairment losses in the year ended December 31, 2019.

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 since the Company does not guarantee the investees' obligations nor is the Company 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 Accounting Standards Update ("ASU") No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10)* ("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.

The Company recorded impairment losses of \$0.2 million and \$3.0 million in the years ended December 31, 2020 and 2019, respectively, for equity investments accounted for under the measurement alternative, and recorded impairment losses of \$16.6 million and \$13.1 in the years ended December 31, 2020 and 2019, respectively, for investments accounted for as equity method investments.

New Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 2 of the Notes to the Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This Item 7A is not required for Smaller Reporting Companies.

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 sheets of Ideanomics Inc. (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control – Integrated Framework (2013) issued by COSO.

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.

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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, and whether effective internal control over financial reporting was maintained in all material respects.

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, 2020. As part of our 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 as of December 31, 2020.

Our audits of the financial statements 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit of internal control over financial reporting also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Accounts Receivable

As described in Note 2 to the financial statements, the Company reviews its allowance for doubtful accounts receivable on 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. The Company has \$7.4 million of accounts receivable carrying value as of December 31, 2020.

The principal considerations for our determination that auditing management's assessment of allowance for doubtful accounts is a critical audit matter are there was significant judgment made by management when considering factors in management's assessment on collectability of the accounts receivables as described above, as well as the likelihood of the occurrence of these factors impacting the collectability. In turn, such management's assessment led to challenging and subjective auditor judgment in performing our audit procedures.

Our audit procedures included, among others, understanding of controls relating to management assessment of accounts receivable allowance, interviewing client account managers, examining transaction-related documents, testing historical collections for estimation accuracy, and reviewing collections subsequent to the balance sheet date. Our procedures also included confirming balances with clients, searching public information for the operating and financial conditions of the clients, and interviewing the business contacts of the Company. Our audit procedures also included testing their adequacy of footnote disclosures.

Impairment assessment of intangible assets and goodwill

As described in Note 2 to the 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 recoverable. These intangible assets and goodwill have carrying value of \$29.7 million and \$1.2 million as of December 31, 2020, respectively.

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, tax rates, and discount rate, as applicable.

We obtained an understanding of the controls over the Company's annual impairment assessments of intangible assets and goodwill. We compared, by searching online information, management's assessment in qualitative factors, to public information including economic growth forecast, industry outlook, and business environment, relating to the intangible assets and goodwill. We also tested the estimated future cash flows, including but not limited to, comparing significant inputs to observable third party and industrial sources, comparing to the historical performance of the Company, and evaluating the reasonableness of management's projected financial information by comparing to observable average industry historical trends and projections, and other internal and external data. For certain intangible asset with comparable current market value such of land use rights, we looked for nearby areas for their market value and price trending of similar lands. We performed sensitivity analyses of significant assumptions to evaluate the reasonableness of the Company's cash flow forecasts. We assessed the Company's disclosure of its impairment assessments included in Note 2 as well as the sufficiency of footnote disclosure of impairment assessment of intangible assets and goodwill in Note 9.

Fair value measurement of acquisition contingent consideration

As described in the Note 2 to the financial statements, accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date including the identification of and estimates for intangible assets, contractual obligations assumed, restructuring liabilities, pre-acquisition contingencies and contingent consideration, where applicable. The Company recognized \$5.5 million of remeasurement gain for the year ended December 31, 2020.

Auditing the fair value of contingent liabilities, or earn-out liabilities, relating to business combination involved complex judgment due to subjective evaluation of indicators and significant estimation required in determining the fair value of the liabilities. Specifically, the discounted cash flow forecasts commonly used in the valuation 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, tax rates, and discount rate, as applicable.

We obtained an understanding of the controls over the Company's financial reporting process for business acquisitions. We tested the estimated future cash flows, including but not limited to, comparing significant inputs to observable third party and industrial sources, and evaluating the reasonableness of management's projected financial information by comparing to observable average industry historical trends and projections, and other internal and external data. We performed sensitivity analyses of significant assumptions to evaluate the reasonableness of management's cash flow analyses of the fair value of the liabilities. We then agreed the Company's conclusion to the relevant terms of contingent consideration in the business acquisition agreements. We assessed the Company's disclosure of its business combination accounting policies and fair value measurement included in Note 2 as well as the sufficiency of footnote disclosures to the changes in contingent consideration in Note 23.

/s/ **B F Borgers CPA PC**

We have served as the Company's auditor since 2018.

Lakewood, Colorado

March 31, 2021

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

As of December 31,	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 165,764	\$ 2,633
Accounts receivable, net (including due from related parties of \$0 and \$2,284 as of December 31, 2020 and 2019, respectively)	7,400	2,405
Amount due from related parties	240	1,256
Prepaid expenses	2,629	572
Other current assets	3,726	587
Total current assets	179,759	7,453
Property and equipment, net	330	378
Fintech Village	7,250	12,561
Intangible assets, net	29,705	52,771
Goodwill	1,165	23,344
Long-term investments	8,570	22,621
Operating lease right of use assets	7,117	6,934
Other non-current assets	516	883
Total assets	\$ 234,412	\$ 126,945
LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED STOCK, REDEMABLE NON-CONTROLLING INTEREST AND EQUITY		
Current liabilities		
Accounts payable	\$ 5,057	\$ 3,380
Deferred revenue	1,129	477
Accrued salaries	1,750	923
Amount due to related parties	882	3,962
Other current liabilities	1,920	6,466
Current portion of operating lease liabilities	430	1,113
Current contingent consideration	1,325	12,421
Promissory note-short term	568	3,000
Convertible promissory note due to third-parties-short term	—	1,753
Convertible promissory note due to related parties-short term	—	3,260
Total current liabilities	13,061	36,755
Asset retirement obligations	4,653	5,094
Convertible promissory note due to third-parties-long term	—	5,089
Convertible promissory note due to related parties-long term	—	1,551
Operating lease liability-long term	6,759	6,222
Non-current contingent liabilities	7,635	12,235
Other long-term liabilities	535	—
Total liabilities	32,643	66,946
Commitments and contingencies (Note 19)		
Convertible redeemable preferred stock and Redeemable non-controlling interest:		
Series A - 7,000,000 shares issued and outstanding, liquidation and deemed liquidation preference of \$3,500,000 as of December 31, 2020 and 2019, respectively	1,262	1,262
Redeemable non-controlling interest	7,485	—
Equity:		
Common stock - \$0.001 par value; 1,500,000,000 shares authorized, 344,906,295 and 149,692,953 shares issued and outstanding as of December 31, 2020 and 2019, respectively	345	150
Additional paid-in capital	531,866	282,556
Accumulated deficit	(346,883)	(248,483)
Accumulated other comprehensive loss	1,256	(664)
Total IDEX shareholder's equity	186,584	33,559
Non-controlling interest	6,438	25,178
Total equity	193,022	58,737
Total liabilities, convertible redeemable preferred stock, redeemable non-controlling interest and equity	\$ 234,412	\$ 126,945

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

IDEANOMICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (USD in thousands, except per share data)

For the years ended December 31,	2020	2019
Revenue from third-parties	\$ 26,749	\$ 1,295
Revenue from related parties	10	43,271
Total revenue	26,759	44,566
Cost of revenue from third-parties	24,701	991
Cost of revenue from related parties	1	467
Gross profit	2,057	43,108
Operating expenses:		
Selling, general and administrative expenses	32,399	24,862
Research and development expense	1,635	—
Professional fees	12,541	5,828
Depreciation and amortization	5,310	2,229
Change in fair value of contingent consideration, net	(5,503)	5,094
Impairment losses	42,554	73,669
Total operating expenses	88,936	111,682
Loss from operations	(86,879)	(68,574)
Interest and other income (expense):		
Interest expense, net	(15,970)	(5,616)
Expense due to conversion of notes	(2,266)	—
Gain (loss) on extinguishment of debt	8,891	(3,940)
Impairment of and equity in loss of equity method investees	(16,698)	(13,718)
Gain (loss) on disposal of subsidiaries, net	276	(952)
Loss on remeasurement of DBOT investment	—	(3,179)
Other income (expense), net	6,603	(433)
Loss before income taxes and non-controlling interest	(106,043)	(96,412)
Income tax (expense) benefit	—	(417)
Net loss	(106,043)	(96,829)
Deemed dividend related to warrant repricing	(184)	(827)
Net loss attributable to common stockholders	(106,227)	(97,656)
Net (income) loss attributable to non-controlling interest	7,827	(852)
Net loss attributable to IDEX common shareholders	\$ (98,400)	\$ (98,508)
Basic and diluted loss per share	\$ (0.46)	\$ (0.82)
Weighted average shares outstanding:		
Basic and diluted	213,490,535	119,766,859

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,	2020	2019
Net loss	\$ (106,043)	\$ (96,829)
Other comprehensive loss, net of nil tax		
Foreign currency translation adjustments	3,208	407
Comprehensive loss	(102,835)	(96,422)
Deemed dividend related to warrant repricing	(184)	(827)
Comprehensive loss attributable to non-controlling interest	6,539	(844)
Comprehensive loss attributable to IDEX common shareholders	\$ (96,480)	\$ (98,093)

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

IDEANOMICS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
For the years ended December 31, 2020 and 2019 (USD in thousands, except per share data)

	Series E Preferred Stock	Series E Par Value	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, 2018	—	\$ —	102,766,006	\$ 103	\$ 195,780	\$ (149,975)	\$ (1,665)	\$ 44,243	\$ (1,031)	\$ 43,212
Share-based compensation	—	—	—	—	9,113	—	—	9,113	—	9,113
Common stock issued under employee stock incentive plan	—	—	129,840	—	—	—	—	—	—	—
Common stock issuance for acquisitions, investments, and assets	—	—	37,966,908	38	53,183	—	—	53,221	24,598	77,819
Common stock issuance for convertible notes	—	—	8,186,890	8	22,997	—	—	23,005	—	23,005
Disposal of subsidiary	—	—	—	—	1,374	—	586	1,960	446	2,406
Non-controlling shareholder contribution	—	—	575,431	1	(1)	—	—	—	321	321
Common stock issued to settle debt	—	—	67,878	—	110	—	—	—	—	110
Net loss**	—	—	—	—	—	(98,508)	—	(98,508)	852	(97,656)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	—	—	415	415	(8)	407
Balance, December 31, 2019	—	—	149,692,953	150	282,556	(248,483)	(664)	33,559	25,178	58,737
Share-based compensation	—	—	—	—	11,971	—	—	11,971	—	11,971
Common stock issuance for professional fees	—	—	1,804,033	2	1,640	—	—	1,642	—	1,642
Common stock issuance for convertible notes	—	—	40,662,420	40	45,627	—	—	45,667	—	45,667
Common stock issuance for acquisitions, investments, and assets	—	—	13,056,055	13	8,179	—	—	8,192	—	8,192
Common stock issuance for warrant exercise	—	—	8,995,906	9	7,206	—	—	7,215	—	7,215
Measurement period adjustment	—	—	—	—	—	—	—	—	(11,584)	(11,584)
Non-controlling shareholder contribution	—	—	—	—	—	—	—	—	100	100
Common stock issued to settle debt	—	—	4,577,876	5	2,309	—	—	2,314	—	2,314
Common stock issued under employee stock incentive plan	—	—	2,634,666	3	1,723	—	—	1,726	—	1,726
Extinguishment of convertible note	—	—	—	—	(12,000)	—	—	(12,000)	—	(12,000)
Common stock issuance	—	—	123,437,386	123	182,655	—	—	182,778	(280)	182,498
Net loss**	—	—	—	—	—	(98,400)	—	(98,400)	(8,264)	(106,664)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	—	—	1,920	1,920	1,288	3,208
Balance, December 31, 2020	—	\$ —	344,861,295	\$ 345	\$ 531,866	\$ (346,883)	\$ 1,256	\$ 186,584	\$ 6,438	\$ 193,022

* Excludes accretion of dividend for redeemable non-controlling interest

** Excludes deemed dividend related to warrant repricing

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,	2020	2019
Cash flows from operating activities:		
Net loss	\$ (106,043)	\$ (96,829)
Adjustments to reconcile net loss to net cash used in operating activities		
Share-based compensation expense	11,971	9,113
Depreciation and amortization	5,310	2,229
Non-cash interest expense	14,785	5,511
Allowance for doubtful accounts	1,219	—
Bad debt expense	1,643	—
Expense due to conversion of notes	2,266	—
Change in fair value of contingent consideration, net	(5,503)	5,094
Loss (gain) on extinguishment of debt	(8,891)	3,940
Impairment of and equity in losses of equity method investees	16,698	13,718
Settlement of ROU operating lease liabilities	(5,926)	—
Loss on impairment of assets	42,554	73,669
Loss (gain) on disposal of subsidiaries, net	(276)	952
Loss on remeasurement of DBOT investment	—	3,179
Digital tokens received as payment for services	—	(40,700)
Disposal of equity method investments	—	245
Change in assets and liabilities:		
Accounts receivable	(6,214)	(2,278)
Prepaid expenses and other assets	(6,745)	2,881
Accounts payable	2,206	2,862
Deferred revenue	652	168
Amount due to related parties (interest)	1,269	(1,256)
Accrued expenses, salary and other current liabilities	(2,443)	3,718
Net cash used in operating activities	(41,468)	(13,784)
Cash flows from investing activities:		
Acquisition of property and equipment	(191)	(1,816)
Disposal of subsidiaries, VIEs, net of cash disposed	—	645
Acquisition of subsidiaries, net of cash acquired	—	(623)
Investments in long term investment	(2,850)	—
Loans to third parties	(1,988)	—
Proceeds from loan repayment	1,529	—
Net cash used in investing activities	(3,500)	(1,794)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes	27,000	9,132
Repayment of convertible notes	(12,000)	—
Proceeds from issuance of shares, stock options and warrant	191,440	2,821
Proceeds from noncontrolling interest shareholder	7,148	—
Proceeds (repayments) due from/to related parties	(2,999)	3,161
Borrowings(repaysments) from/to third parties	(2,540)	—
Net cash provided by financing activities	208,049	15,114
Effect of exchange rate changes on cash	50	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	163,131	(473)
Cash, cash equivalents and restricted cash at the beginning of the year	2,633	3,106
Cash, cash equivalents and restricted cash at the end of the year	\$ 165,764	\$ 2,633
Supplemental disclosure of cash flow information:		
Cash paid for income tax	\$ —	\$ —
Cash paid for interest	3,004	73
Issuance of shares for contingent consideration	8,192	—
Issuance of shares for convertible notes conversion	45,114	—
Tree Technologies measurement period adjustment on goodwill, non-controlling interest and intangible assets	12,848	—
Disposal of assets in exchange of GTB	—	20,219
Issuance of shares for acquisition of intangible assets	—	10,005
Issuance of shares for acquisition of long-term investments	—	40,715

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 and the United States through its subsidiaries and variable interest entities (“VIEs.”) 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, Inc. (“Ideanomics”) its consolidated subsidiaries and variable interest entities.

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, formally referred to as the Mobile Energy Group (“MEG,”) and Ideanomics Capital. MEG is a subsidiary which holds the Company’s China based vehicle operations.

Ideanomics Mobility’s mission is to use electronic vehicles (“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.

The Company also seeks to identify industries and business processes where blockchain and artificial intelligence (“AI”) technologies can be profitably deployed to disrupt established industries and business processes.

Liquidity Improvements

In the year ended December 31, 2020, the Company improved its liquidity position by raising a total of \$225.5 million: \$191.4 million through the issuance of common stock and exercise of warrants, \$7.1 million from noncontrolling interest shareholders, and \$27.0 million through the issuance of senior secured convertible notes. The Company converted senior secured convertible notes of \$34.4 million plus accrued interest of \$0.3 million to common stock. Additionally, the Company converted \$4.6 million of convertible notes payable and accrued interest to related parties and an additional \$1.5 million due to related parties to common stock. As a result of these actions, the Company reduced the principal amount of its indebtedness by \$50.9 million, and as of December 31, 2020, had cash and cash equivalents of \$165.8 million, \$163.8 million of which is held in U.S. financial institutions.

Based upon its business projections and its cash and cash equivalents balance as of December 31, 2020, the Company believes it has the ability to continue as a going concern.

Effects of COVID-19

Novel Coronavirus 2019 (“COVID-19”) is an infectious disease cause by severe acute respiratory syndrome coronavirus. The disease was first identified in December 2019 in Wuhan, the capital of China’s Hubei province, and has since spread globally, resulting in the ongoing COVID-19 pandemic. As of March 21, 2021, over 122.9 million cases had been reported across the globe, resulting in 2.7 million deaths.

The spread of COVID-19 has caused significant disruption to society as a whole, including the workplace. The resulting impact to the global supply chain has disrupted most aspects of national and international commerce, with government-mandated social distancing measures imposing stay-at-home and work-from-home orders in almost every country. The effects of social distancing have shut down significant parts of the local, regional, national, and international economies, for limited or extended periods of time, with the exception of government designated essential services.

In many parts of the world, stay-at-home and work-from-home orders were relaxed during the summer of 2020 as the effects of the Coronavirus appeared to lessen, and economic activity began to recover. However, commencing in the autumn and fall of 2020 and continuing, the U.S. as well as countries in Europe, South America and Asia began to experience an increase in new COVID-19 cases, and in some cases local, state, and national governments began to reinstate restrictive measures to stem the spread of the virus. The U.S. and other countries also experienced an increase in new COVID-19 cases after the fall and winter holiday season, with new, more infectious variants of COVID-19 identified. Various vaccines have been developed, with vaccinations programs in effect worldwide, though reaching acceptable levels for worldwide immunization against COVID-19 remains challenging.

The future effects of the virus are difficult to predict, due to uncertainty about the course of the virus, different variants that may evolve, and the supply of the vaccine on a local, regional, and global basis, as well as the ability to implement vaccination programs in a short time frame.

Many of the Company's operations are in the development or early stage, have not had significant revenues to date, and the Company does not anticipate significant adverse effects on its operations' revenue as compared to its business plan in the near- or mid-term, although the future effects of COVID-19 may result in regional restrictive measures which may constrain the Company's operations.

The Company continues to monitor the overall situation with COVID-19 and its effects on both local, regional and global economies.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of Ideanomics, its subsidiaries and VIEs were prepared in accordance with accounting principles generally accepted in the United States of America ("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 bad debt allowance, 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. Refer to Notes 20 (d) and (e) 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 doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company reviews its allowance for doubtful accounts receivable on 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.

(e) Licensed Content

The Company previously obtained content through content license agreements with studios and distributors. The Company recognized licensed content when the license fee and the specified content titles were known or reasonably determinable. Prepaid license fees were classified as an asset (licensed content) and accrued license fees payable were classified as a liability on the consolidated balance sheets.

The Company amortized licensed content in cost of revenues over the contents' contractual availability based on the expected revenue derived from the licensed content, beginning with the month of first availability, such that our revenues bore a representative amount of the cost of the licensed content. Management reviewed factors that impacted the amortization of licensed content at each reporting date, including factors that may have had a direct impact on expected revenue from specific content titles. Changes in the expected revenue from licensed content could have had a significant impact on the amortization pattern.

Management evaluated the recoverability of the licensed content whenever events or changes in circumstances indicated that its carrying amount may not have been recoverable. No impairment losses were recorded in the year ended December 31, 2019. The Company sold the entire licensed content in March 2019.

(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 years for furniture and electronic equipment and vehicles, and the lesser of lease terms or the estimated useful lives of the assets 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. Construction in progress at December 31, 2020 and 2019 represents Fintech Village under construction. The Company recorded impairment losses of \$3.3 million and \$2.3 million in the years ended December 31, 2020 and 2019, respectively, related to construction in progress. Refer to Note 8 for additional information.

Asset Retirement Obligations

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction or development and the normal operation of a long-lived asset. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs. Asset retirement costs associated with asset retirement obligations are capitalized with the carrying amount of the related long-lived assets and depreciated over the related asset's estimated useful life. The Company's asset retirement obligations as of December 31, 2020 and 2019 are associated with the acquisition of Fintech Village, in which the Company is contractually obligated to remediate certain existing environmental conditions. The Company will start to amortize the asset retirement costs if and when the related assets are completed, put into use and depreciation commences. Refer to Note 24 for additional information regarding Fintech Village.

The Company recorded impairment losses of \$2.0 million and \$1.5 million in the years ended December 31, 2020 and 2019, respectively, subsequent to recording impairment losses related to asset retirement costs for construction in progress. Refer to Note 8 for more information.

(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.

(h) Intangible Assets and Goodwill

The Company accounts for intangible assets and goodwill in accordance with Accounting Standards Codification (“ASC”) 350, *Intangibles – Goodwill and Other* (“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, in the fourth quarter of the fiscal 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.

The Company recorded an impairment loss of \$9.3 million related to goodwill in the year ended December 31, 2020. Refer to Note 9 for additional information.

The Company has other intangible assets, excluding goodwill, which consist primarily of customer relationships and contracts, trademarks and tradenames and other intellectual property, 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.

The Company recorded impairment losses related to intangible assets acquired in various acquisitions of \$20.4 million in the year ended December 31, 2020. The Company recorded an impairment loss related to a secure mobile financial information, social and messaging platform of \$5.7 million in the year ended December 31, 2019. Refer to Notes 9(b) , 9(c), 9(d), and 9(e) for additional information.

(i) Digital Currency

The Company may, from time to time, enter into transactions denominated in digital currency, which may consist of GTDollar Coins (“GTB,”) Bitcoin, Ethereum and/or other types of digital currency.

Digital currency is a type of digital asset that is not a fiat currency and is not backed by hard assets or other financial instruments. As a result, the value of digital currency is determined by the value that various market participants place on the respective digital currencies through their transactions. Holders of digital currency make or lose money from buying and selling digital currency.

Given that there is limited precedent regarding the classification and measurement of cryptocurrencies and other digital currencies under U. S. GAAP at the time of the transactions, the Company determined to account for these currencies as indefinite-lived intangible assets in accordance with ASC 350.

In the year ended December 31, 2019, the Company entered into transactions in which it received 8.3 million GTB, valued at the time at \$61.1 million. On October 29, 2019, GTB had an unexpected significant decline in quoted price, from \$17.00 to \$1.84. This decline continued through the fourth quarter of 2019, and on December 31, 2019 the quoted price was \$0.23. As a result of this decline in quoted price, and its inability to convert GTB into other digital currencies which were more liquid, or fiat currency, the Company performed an impairment analysis in the fourth quarter of 2019 and recorded an impairment loss of \$61.1 million. Refer to Note 9(f) for additional information.

(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 since the Company does not guarantee the investees' obligations nor is the Company 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 Accounting Standards Update ("ASU") No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10)* ("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.

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 \$0.2 million and \$3.0 million in the years ended December 31, 2020 and 2019, respectively, for equity investments accounted for under the measurement alternative, and recorded impairment losses of \$16.7 million and \$13.1 million in the years ended December 31, 2020 and 2019, respectively, for investments accounted for as equity method investments. Refer to Note 10 for additional information on impairment losses related to investments.

(k) Leases

The Company adopted ASU No. 2016-02 ("ASU 2016-02") as of January 1, 2019 using a modified retrospective method. The Company leases certain office space 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 nonlease 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 Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. All 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, *Leases*, ("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 to determine the discount rate for any new leases.

In the year ended December 31, 2020, the Company recorded impairment losses of \$6.3 million related to right of use assets subsequent to vacating the real estate.

Refer to Note 11 for additional information.

(l) Convertible Promissory Notes

The Company accounts for its convertible notes at issuance by allocating the proceeds received among freestanding instruments according to ASC 470, *Debt* ("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 option-pricing model. Convertible notes are subsequently carried at amortized cost. The fair value of the warrants is recorded as additional paid-in capital, with a corresponding debt discount from the face amount of the convertible note.

Each convertible note is analyzed for the existence of a beneficial conversion feature, defined as the fair value of the common stock at the commitment date for the convertible note less the effective conversion price. Beneficial conversion features are recognized at their intrinsic value, and recorded as an increase to additional paid-in capital, with a corresponding reduction in the carrying amount of the convertible note (as a debt discount from the face amount of the convertible note.) The discounts on the convertible notes, consisting of amounts ascribed to warrants and beneficial conversion features, are amortized to interest expense, using the effective interest method, over the terms of the related convertible notes. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

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.

(m) Fair Value Measurements

U.S. GAAP requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The various levels of the fair value hierarchy are described as follows:

- Level 1 - Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
- Level 2 - Quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company reviews the valuation techniques used to determine if the fair value measurements are still appropriate on an annual basis, and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

Our financial assets and liabilities that are measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, accounts payable, accrued other expenses, and other current liabilities. The fair values of these assets and liabilities approximate carrying amounts because of the short-term nature of these instruments.

Our financial and non-financial assets and liabilities that are measured at fair value on a nonrecurring basis include goodwill and other intangible assets, asset retirement obligations, 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. Refer to Notes 2(f), 2(h), 2(i), 2(j), and 2(k) for additional information on impairment losses.

(n) 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.

(o) Foreign Currency Translation

The Company uses the United States dollar (" \$" or "USD") 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, and the local records are maintained in USD. This occurs when the subsidiary is considered an extension of the parent. The functional currency of certain subsidiaries and VIEs located in the Peoples Republic of China ("PRC" or "China") and Hong Kong is either the Renminbi ("RMB") or Hong Kong dollars ("HKD.") 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. The resulting exchange differences are recorded in "Other income (expense), net" in the consolidated statements of operations.

(p) Revenue Recognition

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 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.

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 in advance of performance, including amounts which are refundable. Substantially all of the deferred revenue as of December 31, 2019 was recognized as revenue in the year ended December 31, 2020.

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

(q) Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs were \$0.2 million and \$24,394 in the years ended December 31, 2020 and 2019, respectively.

(r) 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.

(s) 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.

(t) 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 uncertain tax positions as a component of income tax expense. There were no such interest or penalty for the years ended December 31, 2020 and 2019.

On December 22, 2017 the Tax Cut and Jobs Act of 2017 ("the Tax Act") was signed into law, which among other effects, reduces the U.S. federal corporate income tax rate to 21.0% from 34.0% (or 35.0% 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 Tax Act 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.

(u) Net Loss Per Share Attributable to IDEX Shareholders

Net loss per share attributable to our shareholders is computed in accordance with ASC 260, *Earnings Per Share (Topic 260)* ("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 IDEX 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 IDEX 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.

(v) Reclassifications of a General Nature

The Company has renamed captions in its consolidated balance sheet, consolidated statement of operations, and its consolidated statement of cash flows. There were no changes to the composition of these accounts, and therefore no change to the consolidated financial accounts aside from the renaming of the captions.

Statement	Previous caption	Current caption
Consolidated balance sheet	Acquisition earn-out liability	Contingent consideration
Consolidated statement of operations	Acquisition earn-out/true up expense, net	Change in fair value of contingent consideration, net
Consolidated statement of cash flows	Acquisition earn-out expense	Change in fair value of contingent consideration, net

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net loss, total assets, or cash flows.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-02 which requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses depends on classification as a finance or operating lease. The Company adopted ASU 2016-02 as of January 1, 2019, using a modified retrospective transition method.

The lease liability was based on the present value of the remaining minimum lease payments, determined under ASC 842, discounted using the Company’s incremental borrowing rate at the effective date of January 1, 2019, using the original lease term as the tenor. As permitted under the transition guidance, the Company elected several practical expedients that permitted the Company to not reassess (1) whether a contract is or contains a lease, (2) the classification of existing leases, and (3) whether previously capitalized costs continue to qualify as initial indirect costs. The application of the practical expedients did not have a significant impact on the measurement of the operating lease liability. The adoption of ASU 2016-02 resulted in the recording of operating right-of-use assets and the related lease liabilities of \$3.6 million and \$3.7 million, respectively, as of January 1, 2019. The difference between the additional right-of-use assets and lease liabilities was immaterial. The adoption of ASU 2016-02 did not materially impact the consolidated statement of operations and had no impact on the consolidated statement of cash flows. Refer to Note 11 for additional information.

In July 2017, the FASB issued ASU No. 2017-11 (“ASU 2017-11”) “*Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception,*” which applies to issuers of financial instruments with down round features. A down round feature is a term in an equity-linked financial instrument (i.e. a freestanding warrant contract or an equity conversion feature embedded within a host debt or equity contract) that triggers 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. ASU 2017-11 amends (1) the classification of such instruments as liabilities or equity by revising the certain guidance relative to evaluating if they must be accounted for as derivative instruments, and (2) the guidance on recognition and measurement of freestanding equity-classified instruments. The Company adopted ASU 2017-11 as of January 1, 2019 on a prospective basis. Refer to Note 13 for additional information.

In June 2018, the FASB issued ASU No. 2018-07 (“ASU 2018-07”) “*Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting,*” which largely aligns the measurement and classification guidance for share-based payments to nonemployees with the guidance for share-based payments to employees. ASU 2018-07 also clarifies that any share-based payment issued to a customer should be evaluated under ASC 606, “*Revenue from Contracts with Customers.*” The Company adopted ASU 2018-07 as of January 1, 2019 on a modified retrospective basis. There was no impact to the consolidated financial statements because the Company did not have material payments in the year ended December 31, 2019.

Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13 (“ASU 2016-13”) *“Financial Instruments - Credit Losses” (“ASC 326”): Measurement of Credit Losses on Financial Instruments*” which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires the use of forward-looking information to calculate credit loss estimates. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in earlier recognition of credit losses. In November 2019, the FASB issued ASU 2019-10 *“Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)” (“ASC 2019-10,”)* which defers 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. The Company will adopt ASU 2016-13 effective January 1, 2023. Management is currently evaluating the effect of the adoption of ASU 2016-13 on the consolidated financial statements. The effect will largely depend on the composition and credit quality of our investment portfolio and the economic conditions at the time of adoption.

In December 2019, the FASB issued ASU No. 2019-12 (“ASU 2019-12”) *“Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes.”* ASU 2019-12 will simplify the accounting for income taxes by removing certain exceptions currently provided for in ASC 740, *“Income Taxes”* (“ASC 740,”) and by amending certain other requirements of ASC 740. The changes resulting from ASU 2019-12 will be made on a retrospective or modified retrospective basis, depending on the specific exception or amendment. For public business entities, the amendments in ASU 2019-12 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company will adopt ASU 2019-12 effective January 1, 2021. The adoption of this standard is not expected to be material.

In August 2020, the FASB issued ASU No. 2020-06 (“ASU 2020-06”) *“Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.”* ASU 2020-06 will simplify the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being separately recognized from the host contract as compared with current U.S. GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting, and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as additional paid-in capital. ASU 2020-06 also amends the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. For public business entities, the amendments in ASU 2020-06 are effective for public entities which meet the definition of a smaller reporting company are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. The Company will adopt ASU 2020-06 effective January 1, 2021. Management is currently evaluating the effect of the adoption of ASU 2020-06 on the consolidated financial statements. The effect will largely depend on the composition and terms of the financial instruments at the time of adoption.

Note 3. Notes Receivable

(a) Zhu Note Receivable

In May 2020, a subsidiary of the Company, Qingdao Chenyang Ainengju New Energy Sales and Service Company Limited (“Energy Sales”) provided a note receivable to Mr. Jianya Zhu (“Mr. Zhu”) in the amount of 10.0 million RMB (\$1.4 million). Mr. Zhu, through his wholly-owned entity Prime Capital Enterprise Pte. Ltd., provided collateral in the form of its 50.0% ownership of Seven Stars Founder Space Industrial Pte. Ltd (“Founder Space.”) Founder Space is also 50.0% owned by a related party, Seven Stars Innovative Industries Group Limited, an affiliate of Dr. Bruno Wu (“Dr. Wu,”) the former Chairman of the Company. Mr. Zhu agreed to repay 10.5 million RMB (\$1.5 million) one month from the disbursement date. In September 2020, a third-party satisfied the note receivable and accrued interest in the amount of 10.5 million RMB (\$1.5 million) on behalf of Mr. Zhu, and the Company terminated the note and collateral agreement.

(b) Fuzhou Note Receivable

In May 2020, Energy Sales provided a note receivable to Fuzhou Zhengtong Hongxin Investment Management Company Limited ("Zhengtong") in the amount of 3.0 million RMB (\$0.4 million). The note receivable is not collateralized. Zhengtong agreed to repay 3.3 million RMB (\$0.5 million) within three months of the disbursement date. The Company has recorded a reserve of \$0.5 million against this note receivable.

Note 4. 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, 2020	December 31, 2019
Geographic Markets		
Malaysia	\$ 83	\$ —
USA	1,631	41,873
PRC	25,045	2,693
Total	<u>\$ 26,759</u>	<u>\$ 44,566</u>
Product or Service		
Digital asset management services	\$ —	\$ 40,700
Digital advertising services and other	1,631	1,173
Electric vehicles*	19,462	2,693
Combustion engine vehicles*	5,160	—
Charging and batteries*	506	—
Total	<u>\$ 26,759</u>	<u>\$ 44,566</u>
Timing of Revenue Recognition		
Products and services transferred at a point in time	\$ 26,729	\$ 3,866
Services provided over time	30	40,700
Total	<u>\$ 26,759</u>	<u>\$ 44,566</u>

*The revenues for the years ended December 31, 2020 and 2019 were recorded on either a Principal or Agent basis, depending on the terms of the underlying transaction, including the ability to control the product and the level of inventory risk taken. The majority of the revenue from the sale of electric vehicles, as well as revenue from the sale of the combustion engine vehicles and charging and batteries for the year ended December 31, 2020 were recorded on a Principal basis because the Company has inventory risk in the transactions. The revenue from the sale of electric vehicles for the year ended December 31, 2019 was recorded on an Agent basis due to the terms of the transaction.

In the year ended December 31, 2020, the balance of deferred revenue increased primarily as the Company sold vehicles with on-site maintenance agreement and allocated a portion of the transaction price to this performance obligation and will recognize this revenue over the service period.

In the year ended December 31, 2020 the Company sold vehicles whose contractual terms contained provisions which gave rise to variable consideration or other obligations. The Company has estimated the variable consideration and other obligations, and will continue to revise these estimates in the future. The liabilities associated with these estimates are recorded as "Deferred revenue" or "Other long-term liabilities," as appropriate, in the consolidated balance sheet.

Note 5. VIE Structure and Arrangements

The Company consolidated certain VIEs located in the PRC in which it held variable interests and was the primary beneficiary through contractual agreements. The Company was the primary beneficiary because it had the power to direct activities that most significantly affected their economic performance and had the obligation to absorb or right to receive the majority of their losses or benefits. The results of operations and financial position of these VIEs are included in the consolidated financial statements for the year ended December 31, 2019. A shareholder in one of the VIEs is the spouse of Bruno Wu (“Dr. Wu,”) the former Chairman of the Company.

Refer to Note 10 for information on an additional VIE.

The contractual agreements listed below, which collectively granted the Company the power to direct the VIEs activities that most significantly affected their economic performance, as well to cause the Company to have the obligation to absorb or right to receive the majority of their losses or benefits, were terminated by all parties on December 31, 2019. As a result, the Company deconsolidated the VIEs as of December 31, 2019. The deconsolidation resulted in a net loss of \$2.0 million recorded in “Gain (loss) on disposal of subsidiaries, net” in the consolidated statements of operations, and a statutory income tax of \$0.2 million in the year ended December 31, 2019.

For these consolidated VIEs, their assets were not available to the Company and their creditors did not have recourse to the Company.

Prior to December 31, 2019, in order to operate certain legacy business in the PRC and to comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provides value-added telecommunication services, the Company entered into a series of contractual agreements with two VIEs. These contractual agreements were initially set to expire in March 2030 and April 2036, respectively, and could not be terminated by the VIEs, except with the consent of, or a material breach, by the Company.

The key terms of the VIE agreements are summarized as follows:

- Equity Pledge Agreement - The VIEs’ shareholders pledged all of their equity interests in the VIEs to a wholly-owned subsidiary of the Company in the PRC;
- Call Option Agreement - The VIEs’ shareholders granted an exclusive option to a wholly-owned subsidiary of the Company in the PRC, or its designee, to purchase all or any portion of the VIEs’ shareholders’ equity in the VIEs;
- Power of Attorney - The VIEs’ shareholders granted to a wholly-owned subsidiary of the Company in the PRC the irrevocable right, for the maximum period permitted by law, all of its voting rights as shareholders of VIEs;
- Technical Service Agreement – A wholly-owned subsidiary of the Company in the PRC had the exclusive right to provide technical service, marketing and management consulting service, financial support service and human resource support services to the VIEs, and the VIEs were required to take all commercially reasonable efforts to permit and facilitate the provision of the services;
- Spousal Consent - The spouses of the VIEs’ shareholders unconditionally and irrevocably agreed to the execution of the Equity Pledge Agreement, Call Option Agreement and Power of Attorney agreement;
- Letter of Indemnification – A wholly-owned subsidiary of the Company in the PRC agreed to indemnify such nominee shareholder against any personal, tax or other liabilities incurred in connection with their role in equity transfer to the greatest extent permitted under PRC law;

- Management Services Agreement - In addition to agreements described above, another of the Company's wholly-owned subsidiaries entered into a Management Services Agreement with each VIE. Pursuant to such Management Services Agreement, the wholly-owned subsidiary had the exclusive right to provide to the VIE management, financial and other services related to the operation of the VIE's business, and the VIE was required to take all commercially reasonable efforts to permit and facilitate the provision of the services by the subsidiary. In addition, at the sole discretion of the subsidiary, the VIE was obligated to transfer to the subsidiary, or its designee, any part or all of the business, personnel, assets and operations of the VIE which could be lawfully conducted, employed, owned or operated by the subsidiary; and
- Loan Agreement - Pursuant to the Loan Agreement dated April 5, 2016, a wholly-owned subsidiary of the Company in the PRC agreed to lend RMB 19.8 million and RMB 0.2 million, respectively, to the VIEs' shareholders, one of whom is the spouse of Dr. Wu, the Company's former Chairman. The termination of the Loan Agreement resulted in a loss of \$5.1 million in the year ended December 31, 2019.

Note 6. Acquisitions and Divestitures

2020 Acquisitions and Divestitures

The Company has not acquired any companies nor disposed of any subsidiaries in the year ended December 31, 2020, with the exception of the disposition of its remaining 10.0% interest in Amer Global Technology Limited ("Amer") as disclosed in Note 6(e).

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.

In the year ended December 31, 2020, the Company commenced the liquidation of a consolidated entity and therefore deconsolidated the entity. As a result of the deconsolidation, the Company recorded a gain of \$0.3 million in "Gain (loss) on disposal of subsidiaries, net" and bad debt expense of \$0.2 million in "Selling, general and administrative expense" in the consolidated statements of operations.

2019 Acquisitions

(a) Acquisition of Tree Technologies Sdn. Bhd. ("Tree Technologies")

On December 26, 2019, the Company completed the acquisition of a 51.0% interest in Tree Technologies, a Malaysian company engaged in the EV market. The acquisition price was comprised of (1) \$0.9 million in cash, (2) 9.5 million shares of Ideanomics common stock, and (3) contingent consideration of up to \$32.0 million over three years, to be paid in cash or Ideanomics common shares at the election of the Company. The contingent consideration was initially based upon revenue targets over three 12 month periods beginning in the three months ended December 31, 2019; due to financing delays and resulting production delays, these three 12 month periods commenced on July 1, 2020. In the year ended December 31, 2020, the Company recorded remeasurement gains of \$7.0 million in "Change in fair value of contingent consideration, net" in the consolidated statements of operations. As of December 31, 2020, the recorded balance of this liability was \$8.3 million.

The fair value of the Ideanomics stock was based upon the closing price of \$0.82 on December 26, 2019, and the fair value of the contingent consideration was estimated to be \$15.5 million, and revised to \$15.3 million upon finalization of the purchase, and was recorded as a liability on the date of acquisition. The Company estimated the fair value of the contingent consideration using a scenario-based method which incorporates various estimates, including projected gross revenue for the periods, probability estimates, discount rates and other factors. This fair value measurement is based on significant Level 3 inputs. The resulting probability-weighted cash flows were discounted using the Company's estimated weighted average cost of capital of 15.0%.

Tree Technologies holds the land use rights for 250 acres of vacant land zoned for industrial development in the Begeng Industrial Area adjacent to Kuantan Port. Kuantan is the capital city of the state of Pahang on the east coast of Peninsular Malaysia. The Company intends to develop this land and lease it to Tree Manufacturing for the manufacture of EVs. As part of the acquisition, Tree Technologies acquired an exclusive right to market and distribute the EVs manufactured by Tree Manufacturing. The goodwill arising from the acquisition consists largely of the synergies expected from the fulfillment of these contracts. None of the goodwill recognized is expected to be deductible for tax purposes.

The following table summarizes the acquisition-date fair value of assets acquired and liabilities assumed, as well as the fair value of the non-controlling interest in Tree Technologies recognized. The Company has completed the fair value analysis of the assets acquired, liabilities assumed, the noncontrolling interest, and the contingent consideration, and therefore the adjustments are incorporated in the table below (in thousands):

Land use rights	\$ 27,140
Accounts payable	(743)
Noncontrolling interest	(15,452)
Goodwill	468
Marketing and distribution agreement	12,590
	<u>\$ 24,003</u>

The completion of the fair value analysis resulted in measurement period adjustments of \$12.8 million, primarily to the amount initially assigned to the noncontrolling interest, and reduced the amount of goodwill recorded.

The accounts payable above of \$0.7 million primarily represents the transfer tax payable for the land use rights for the 250 acres of vacant land, which the Company paid in the three months ended September 30, 2020.

Tree Technologies had not commenced operations as of the acquisition date, therefore pro forma results as if the acquisition had occurred as of January 1, 2019, and related information, are not presented.

Refer to Note 9(e) for information regarding the impairment of the marketing and distribution agreement.

(b) Acquisition of Grapevine Logic, Inc. (“Grapevine”)

On September 4, 2018, the Company completed the acquisition of 65.7% share of Grapevine for \$2.4 million in cash. Fomalhaut Limited (“Fomalhaut,”) a British Virgin Islands company and an affiliate of Dr. Wu, was the non-controlling equity holder of 34.4% in Grapevine (the “Fomalhaut Interest.”) Fomalhaut entered into an option agreement, effective as of August 31, 2018 (the “Option Agreement,”) with the Company pursuant to which the Company provided Fomalhaut with the option to sell the Fomalhaut Interest to the Company. The aggregate sale price for the Fomalhaut Interest was the fair market value of the Fomalhaut Interest as of the close of business on the date preceding the date upon which the right to sell the Fomalhaut Interest to the Company is exercised by Fomalhaut. If the option was to be exercised, the sale price for the Fomalhaut Interest was payable in a combination of 1/3 in cash and 2/3 in the Company’s shares of common stock at the then market value on the exercise date.

In May 2019, the Company entered into two amendments to the Option Agreement. The aggregate exercise price for the Option was amended to the greater of: (1) fair market value of the Fomalhaut Interest in Grapevine as of the close of business on the date preceding the date upon which the option is exercised; and (2) \$1.84 per share of the Company’s common stock. It was also agreed that the full amount of the exercise price was to be paid in the form of common stock of the Company.

In June 2019, the Company issued 0.6 million shares in exchange for a 34.3% ownership in Grapevine as a result of the exercise of the Option. At the completion of this transaction the Company owned 100.0% of Grapevine. At the date of the transaction, the carrying amount of the non-controlling interest in Grapevine was \$0.5 million. The difference between the value of the consideration exchanged of \$1.1 million and the carrying amount of the non-controlling interest in Grapevine is recorded as a debit to additional paid-in capital based on ASC 810, *Consolidation* (“ASC 810.”)

Refer to Note 9(c) for information regarding the impairment of Grapevine’s influencer network.

(c) Acquisition of Delaware Board of Trade Holdings, Inc. (“DBOT”)

In April 2019, the Company entered into a securities purchase agreement to acquire 6.9 million shares in DBOT in exchange for 4.4 million shares of the Company’s common stock at \$2.11 per share. In July 2019, the Company entered into another securities purchase agreement to acquire an additional 2.2 million shares in DBOT in exchange for 1.4 million shares of the Company’s common stock at \$2.11 per share. The two transactions, which increased the Company’s ownership in DBOT to 99.0% as of that date, were completed in July 2019. The securities purchase agreements required the Company to issue contingent consideration in the form of additional shares of the Company’s common stock in the event the stock price of the common stock falls below \$2.11 at the close of trading on the date immediately preceding the lock-up date, which was 9 months from the closing date. The Company accounted for the contingent consideration as a liability in accordance with ASC 480, *Distinguishing Liabilities from Equity*. The Company recorded this liability at fair value of \$2.2 million on the date of acquisition. As of December 31, 2019, the Company remeasured this liability to \$7.3 million and the remeasurement loss of \$5.1 million was recorded in “Change in fair value of contingent consideration, net” in the consolidated statements of operations. In the year ended December 31, 2020, the Company recorded remeasurement losses of \$1.5 million in “Change in fair value of contingent acquisition, net” in the consolidated statements of operations, and partially satisfied the liability with the issuance of 13.1 million shares of common stock. As of December 31, 2020, the recorded balance of this liability was \$0.6 million. The contractual period which required periodic remeasurement has expired, and therefore the Company will not remeasure this liability in the future.

Immediately prior to the consummation of the transaction, the Company’s investment in DBOT consisted of 37.0% of the common shares outstanding, which had a fair value of \$3.1 million, and the Company recorded a loss of \$3.2 million to record the investment in DBOT to its fair value. This loss was recorded in “Loss on remeasurement of DBOT investment” in the consolidated statements of operations in the year ended December 31, 2019. The fair value of the investment in DBOT immediately prior to the consummation of the transaction was determined in conjunction with the overall fair value determination of the DBOT assets acquired and liabilities assumed.

DBOT operated three companies: (1) DBOT ATS LLC, an SEC recognized Alternative Trading System (“ATS;”) (2) DBOT Issuer Services LLC, focused on setting and maintaining issuer standards, as well as the provision of issuer services to DBOT designated issuers; and (3) DBOT Technology Services LLC, focused on the provision of market data and marketplace connectivity. The goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Company and DBOT, as the Company expected to execute its business plan of selling digital tokens and digital assets and other commodities on an approved ATS.

The consolidated statements of operation for the year ended December 31, 2019 include the results of DBOT from July 2019 to December 31, 2019. For the time period from July 2019 through December 31, 2019, DBOT contributed \$15,838 and \$1.9 million to the Company’s revenue and net loss, respectively.

The following table summarizes supplemental information on an unaudited pro forma basis, as if the acquisition had been consummated as of January 1, 2018 (in thousands):

	<u>December 31, 2019</u>
Revenue	\$ 44,675
Net loss attributable to IDEX common shareholders	\$ (99,417)

The unaudited pro forma results of operations do not purport to represent what the Company’s results of operations would actually have been had the acquisition occurred on January 1, 2019. Actual future results may vary considerably based on a variety of factors beyond the Company’s control.

The following table summarizes the acquisition-date fair value of assets acquired and liabilities assumed, as well as the fair value of the non-controlling interest in DBOT recognized (in thousands):

Cash	\$	247
Other financial assets		1,686
Financial liabilities		(4,411)
Noncontrolling interest		(105)
Goodwill		9,324
Intangible asset – continuing membership agreement		8,255
Intangible asset – customer list		59
	\$	<u>15,055</u>

The excess of the consideration over the fair value of the net assets acquired has been recorded as goodwill, of which none is expected to be deductible for tax purposes. For all intangible assets acquired, the continuing membership agreements were determined to have a useful life of 20 years and the customer list a useful life of 3 years.

Refer to Note 9 for information regarding the impairment of DBOT's goodwill, continuing membership agreement, and customer list.

2019 Divestitures

(d) Red Rock Global Capital LTD (“Red Rock”)

In May 2019, the Company determined to sell the Red Rock business and entered into an agreement with Redrock Capital Group Limited, an affiliate of Dr. Wu, to sell its entire interest in Red Rock for consideration of \$0.7 million. The Company decided to sell Red Rock primarily because it had incurred operating losses and its business was no longer needed based on the Company's business plan. The transaction was completed in July 2019 and the Company recorded a disposal gain of \$0.6 million recorded in “Gain (loss) on disposal of subsidiaries, net” in the consolidated statements of operations in the year ended December 31, 2019.

(e) Amer Global Technology Limited

On June 30, 2019, the Company entered into an agreement with BCC Technology Company Limited (“BCC”) and Tekang Holdings Technology Co., Ltd (“Tekang”) pursuant to which Tekang will inject certain assets in the robotics and electronic internet industry and Internet of Things business consisting of manufacturing data, supply chain management and financing, and lease financing of industrial robotics into Amer in exchange for 71.8% of ownership interest in Amer. The parties subsequently entered into several amendments including: (1) changing the name of Amer to Logistorm Technology Limited, (2) issuing 39,500 new shares in Amer or 71.8% ownership interest to BCC instead of Tekang, (3) issuing 5,500 new shares in Amer or 10.0% ownership interest to Merry Heart technology Limited, and (4) the Company is responsible for 20.0% of any potential tax obligation associated with Amer, if Amer fails to be publicly listed in 36 months from the closing date of this transaction. The Company concluded that it's not probable that this contingent liability would be incurred. As a result of this transaction, the Company's ownership interest in Amer was diluted from 55.0% to 10.0%. The transaction was completed on August 31, 2019.

The Company recognized a disposal gain of \$0.5 million as a result of the deconsolidating Amer, and such gain was recorded in “Gain (loss) on disposal of subsidiaries, net” in the consolidated statements of operations in the year ended December 31, 2019. \$0.1 million of the gain is attributable to the 10.0% ownership interest retained in Amer. In addition, on the date Amer was deconsolidated, the Company recorded a bad debt expense of \$0.6 million relating to a receivable due from Amer to a subsidiary of the Company, which was recorded in “Selling, general and administrative expense” in the consolidated statements of operations in the year ended December 31, 2019.

Pro forma results of operations for the year ended December 31, 2019 have not been presented because they are not material to the consolidated results of operations. Amer had no revenue and minimal operating expenses in the year ended December 31, 2019.

In the three months ended September 30, 2020, the Company sold its remaining 10.0% interest in Amer to Fintalk Media Inc., a related party, for a nominal amount. As the Company had no basis in its remaining interest in Amer, the gain recognized on the sale was de minimis. As part of this transfer, the Company is no longer liable for the contingent liability mentioned above.

Note 7. Accounts Receivable

The following table summarizes the Company's accounts receivable (in thousands):

	December 31, 2020	December 31, 2019
Accounts receivable, gross	\$ 8,619	\$ 2,405
Less: allowance for doubtful accounts	(1,219)	—
Accounts receivable, net	<u>\$ 7,400</u>	<u>\$ 2,405</u>

As of December 31, 2020 and 2019, the gross balance includes the taxi commission revenue receivables from the related party Guizhou Qianxi Green Environmentally Friendly Taxi Service Co. of \$1.2 million and \$2.3 million, respectively.

The following table summarizes the movement of the allowance for doubtful accounts (in thousands):

	December 31, 2020	December 31, 2019
Balance at the beginning of the year	\$ —	\$ —
Increase in the allowance for doubtful accounts	(1,219)	—
Balance at the end of the year	<u>\$ (1,219)</u>	<u>\$ —</u>

In the year ended December 31, 2020, the Company increased its allowance for doubtful accounts by \$1.2 million for the accounts receivable from the related party Guizhou Qianxi Green Environmentally Friendly Taxi Service Co.

Note 8. Property and Equipment, net

The following table summarizes the Company's property and equipment (in thousands):

	December 31, 2020	December 31, 2019
Furniture and office equipment	\$ 315	\$ 441
Vehicle	229	62
Leasehold improvements	246	243
Total property and equipment	790	746
Less: accumulated depreciation	(460)	(368)
Property and equipment, net	<u>330</u>	<u>378</u>
Fintech Village		
Land	2,750	3,043
Building	—	309
Assets retirement obligations - environmental remediation	4,500	6,496
Capitalized direct development cost	—	2,713
Construction in progress (Fintech Village)	7,250	12,561
Property and Equipment, net	<u>\$ 7,580</u>	<u>\$ 12,939</u>

The Company recorded depreciation expense of \$0.1 million and \$0.1 million in the years ended December 31, 2020 and 2019, respectively.

Global Headquarters for Technology and Innovation in Connecticut (“Fintech Village”)

On October 10, 2018, the Company purchased a 58-acre former University of Connecticut campus in West Hartford from the State of Connecticut for \$5.2 million in cash and also assumed responsibility of the environmental remediation. The Company obtained a surety bond in favor of the University of Connecticut and the State of Connecticut (the “Seller”) in connection with the Company’s environmental remediation obligations. The Company initially recorded asset retirement obligations in the amount of \$8.0 million, which was the estimate performed by the Seller and at a discount to the purchase price, therefore, the Company considered it a reasonable estimate of fair value of its asset retirement obligation pursuant to ASC 410. The Company will assess asset retirement obligations periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available.

The following table summarizes the activity in the asset retirement obligation for the year ended December 31, 2020 (in thousands):

	January 1, 2020	Liabilities Incurred	Remediation Performed	Accretion Expense	Revisions	December 31, 2020
Asset retirement obligation	\$ 5,094	\$ —	\$ (441)	\$ —	\$ —	\$ 4,653

The Company capitalized direct costs incurred on Fintech Village and the capitalized cost is recorded as part of Construction in progress. Capitalized costs were \$0 million and \$2.7 million as of December 31, 2020 and 2019, respectively, and are primarily related to legal and architect costs.

In the year ended December 31, 2020, the Company impaired the remaining building with a carrying amount of \$0.3 million and land with a carrying amount of \$0.3 million and the related asset retirement cost with a carrying amount of \$2 million and the capitalized architect costs with a carrying amount of \$2.7 million.

In the year ended December 31, 2019, the Company impaired buildings with a carrying amount of \$2.3 million, which were subsequently demolished, and impaired related asset retirement costs of \$1.5 million.

In connection with the acquisition, the Company also entered into an Assistance Agreement by and between the State of Connecticut, acting by the Department of Economic and Community Development (the “Assistance Agreement,”) pursuant to which the State of Connecticut may provide up to \$10.0 million of financial assistance (the “Funding”) which in such case shall be evidenced by a promissory note, provided, however, that the aggregate principal of the funding shall not exceed 50% of the cost of the project. The Company will provide security for its obligation to repay the Funding to the State of Connecticut in the form of a first position mortgage. The Company agrees that in exchange for the Funding it will provide a minimum number of jobs at a minimum annual amount of compensation by December 31, 2021. Failure of the Company to do so will subject it to certain cash penalties for each employee below the minimum employment threshold. If the Company meets the employment obligations it is eligible for forgiveness of up to \$10.0 million of the Funding. The Company will agree to certain covenants with respect to the Funding and such Funding may become immediately due and payable upon the occurrence of certain standard events of default. There were no borrowings from the Funding as of December 31, 2020 and 2019.

Note 9. Goodwill and Intangible Assets

Goodwill

The following table summarizes changes in the carrying amount of goodwill for the years ended December 31, 2020 and 2019 (in thousands):

Balance as of January 1, 2019	\$ 705
Acquisitions	22,639
Balance as of December 31, 2019	23,344
Measurement period adjustments*	(12,848)
Effect of change in foreign currency exchange rates	(8)
Impairment loss	(9,323)
Balance as of December 31, 2020	\$ 1,165

*During the three months ended December 31, 2019, the Company completed the acquisition of a 51.0% interest in Tree Technologies, a Malaysian company engaged in the EV market. The Company adjusted goodwill balance in connection with the completion of acquisition accounting. Refer to Note 6(a) for additional information related to the acquisition.

Impairment of DBOT Goodwill

Throughout 2020, the Company pursued its initial business goals for DBOT involving the sale of digital securities and brokering commodity products, more specifically investigating applications to new and underserved markets, or targeting of specific transactions, such as the origination of foreign securities, the formation of an investment vehicle with a third-party, or the securitization of digital assets. These efforts have not come to fruition, and although the Company continues these efforts, the Company concluded sufficient impairment indicators existed to evaluate the fair value of DBOT’s intangible assets. As part of this fair value analysis, the Company determined that the goodwill associated with the DBOT acquisition was fully impaired, and recorded an impairment loss of \$9.3 million. Refer to Note 9(d) for information regarding the impairment of DBOT’s continuing membership agreement and customer list.

Intangible Assets

The following table summarizes information regarding amortizing and indefinite lived intangible assets (in thousands):

	Weight Average Remaining Useful Life	December 31, 2020				December 31, 2019			
		Gross Carrying Amount	Accumulated Amortization	Impairment Loss	Net Balance	Gross Carrying Amount	Accumulated Amortization	Impairment Loss	Net Balance
Amortizing Intangible Assets									
Software and licenses	—	\$ 97	\$ (97)	\$ —	\$ —	\$ 97	\$ (97)	\$ —	\$ —
Solid Opinion IP (a)	—	4,655	(4,655)	—	—	4,655	(776)	—	3,879
Fintalk intangible assets (b)	—	635	(635)	—	—	635	(635)	—	—
Influencer network (c)	2	1,980	(462)	(843)	675	1,980	(264)	—	1,716
Customer contract (c)	0.6	500	(389)	—	111	500	(222)	—	278
Continuing membership agreement (d)	18.5	8,255	(619)	(7,076)	560	8,255	(206)	—	8,049
Customer list (d)	—	59	(29)	(30)	—	59	(10)	—	49
Trade name (c)	12.7	110	(17)	—	93	110	(10)	—	100
Technology platform (c)	1	290	(97)	—	193	290	(55)	—	235
Land use rights (e)	98.0	28,162	(142)	—	28,020	27,079	—	—	27,079
Marketing and distribution agreement (e)	—	12,817	(320)	(12,497)	—	11,333	—	—	11,333
Total		57,560	(7,462)	(20,446)	29,652	54,993	(2,275)	—	52,718
Indefinite lived intangible assets									
Website name		25	—	—	25	25	—	—	25
Patent		28	—	—	28	28	—	—	28
Total		\$ 57,613	\$ (7,462)	\$ (20,446)	\$ 29,705	\$ 55,046	\$ (2,275)	\$ —	\$ 52,771

- a) During the first quarter of 2019, the Company completed the acquisition of certain assets from Solid Opinion in exchange for 4.5 million shares of the Company’s common stock with a fair value of \$7.2 million. The assets acquired included cash of \$2.5 million and intellectual property (“IP”) which was thought to be complementary to the IP of Grapevine. The parties agreed that 0.5 million of such shares of common stock (“Escrow Shares”) would be held in escrow until February 19, 2020 in connection with SolidOpinion’s indemnity obligations pursuant to the agreement. SolidOpinion had the rights to vote and receive the dividends paid with respect to the Escrow Shares. The Escrow Shares were scheduled to be released on February 19, 2020, and were released in April 2020. During the three months ended December 31, 2020, the Company performed a business analysis of Grapevine, and determined that the IP acquired was no longer complimentary to that of Grapevine. For that reason and other factors, the Company determined that the SolidOpinion IP had no remaining useful life and, accordingly, amortized the remaining unamortized net balance.

- b) In September 2018, the Company entered into an agreement to purchase Fintalk Assets from Sun Seven Star International Limited, a Hong Kong company and an affiliate of Dr. Wu. FinTalk Assets include the rights, titles and interest in a secure mobile financial information, social, and messaging platform that has been designed for streamlining financial-based communication for professional and retail users. The initial purchase price for the Fintalk Assets was \$7.0 million payable with \$1.0 million in cash and shares of the Company's common stock with a fair market value of \$6.0 million. The Company paid \$1.0 million in October 2018 and recorded this amount in prepaid expenses as of December 31, 2018 because the transaction had not closed. The purchase price was later amended to \$6.4 million, payable with \$1.0 million in cash and shares of the Company's common stock with a value of \$5.4 million. The Company issued 2.9 million common shares in June 2019 and completed the transaction. In the fourth quarter of 2019, management determined these assets had no future use and recorded an impairment loss of \$5.7 million.
- c) During the third quarter of 2018, the Company completed the acquisition of 65.7% share of Grapevine. Refer to Note 6(b). In connection with the previously mentioned business analysis of Grapevine, the Company determined that the attrition rate of the influencer network had accelerated, and performed an impairment analysis, and recorded an impairment loss of \$0.8 million. As a result of this analysis of the influencer network, the Company also determined that the remaining useful life of the influencer network should be reduced to two years, effective January 1, 2021.
- d) During the third quarter of 2019, the Company completed the acquisition of additional shares in DBOT, which increased its ownership to 99.0%. Intangible assets of \$8.3 million were recognized on the date of acquisition. As part of the determination of the fair value of DBOT's intangible assets mentioned above, the Company utilized the cost method to determine the fair value of the continuing membership agreement, and determined the fair value was \$0.6 million, and recorded an impairment loss of \$7.1 million. The Company also recorded an impairment loss of \$30,000 related to DBOT's customer list. Refer to Note 6(c) for additional information related to the acquisition.
- e) During the fourth quarter of 2019, the Company completed the acquisition of a 51.0% interest in Tree Technologies, a Malaysian company engaged in the EV market. As part of the acquisition, Tree Technologies acquired an exclusive right to market and distribute the EVs manufactured by Tree Manufacturing. Upon acquisition, the fair value of this agreement was determined to be \$11.3 million. In the three months ended December 31, 2020, Tree Technologies obtained a domestic EV manufacturing license in Malaysia; and therefore determined it would not purchase vehicles from Tree Manufacturing. The Company intends to sever all commercial relationships with Tree Manufacturing, and believes it has the ability to do so. Accordingly, the Company determined there was no underlying value to the marketing and distribution agreement, and recorded an impairment loss of \$12.5 million. Refer to Note 6(a) for additional information related to the acquisition.
- f) During the first quarter of 2019, the Company completed the sale of certain intangible assets to GTD, and entered into a service agreement with GTD, a minority shareholder, in exchange for GTB. As a result of these transactions, the Company received 8.3 million GTB. On October 29, 2019, GTB had an unexpected significant decline in quoted price, from \$17.00 to \$1.84. This decline continued through the fourth quarter of 2019, and on December 31, 2019 the quoted price was \$0.23. As a result of this decline in quoted price, and its inability to convert GTB into other digital currencies which were more liquid, or fiat currency, the Company performed an impairment analysis in the fourth quarter of 2019 and recorded an impairment loss of \$61.1 million. Refer to Note 15(b) for additional information on the transactions denominated in GTB.

Amortization expense, excluding impairment losses of \$20.5 million and \$66.8 million for the years ended December 31, 2020 and 2019, respectively, mentioned above, relating to intangible assets was \$5.2 million and \$2.1 million for the years ended December 31, 2020, and 2019, respectively.

The following table summarizes future expected amortization expense (in thousands):

Years ending December 31,	Amortization to be recognized
2021	\$ 984
2022	640
2023	322
2024	322
2025	322
2026 and thereafter	27,062
Total	\$ 29,652

Note 10. Long-term Investments

The following table summarizes the composition of long-term investments (in thousands):

	December 31, 2020	December 31, 2019
Non-marketable equity investments	\$ 6,014	\$ 5,967
Equity method investments	2,556	16,654
Total	<u>\$ 8,570</u>	<u>\$ 22,621</u>

Non-marketable equity investments

Our non-marketable equity investments are investments in privately held companies without readily determinable fair values and are carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

The Company reviews its equity securities without readily determinable fair values on a regular basis to determine if the investment is impaired. For purposes of this assessment, the Company considers the investee’s cash position, earnings and revenue outlook, liquidity and management ownership, among other factors, in its review. If management’s assessment indicates that an impairment exists, the Company estimates the fair value of the equity investment and recognizes in current earnings an impairment loss that is equal to the difference between the fair value of the equity investment and its carrying amount. Based on management’s analysis of certain investment’s performance, impairment losses of \$0.2 million and \$3.0 million were recorded in the years ended December 31, 2020 and 2019 and are recorded in “Impairment losses” in the consolidated statements of operations.

The Company sold one non-marketable equity investment with a carrying amount of \$3.2 million for GTB and recognized no gain or loss on the sale in the year ended December 31, 2019. Refer to Note 15(b) for additional information.

Equity method investments

The following table summarizes the Company’s investment in companies accounted for using the equity method of accounting (in thousands):

		December 31, 2020							
		January 1, 2020	Addition	Income (loss) on investment	Reclassification to subsidiaries	Impairment losses	Disposal	Foreign currency translation adjustments	December 31, 2020
BDCG	(a)	\$ 9,800	\$ —	\$ —	\$ —	\$ (9,800)	\$ —	\$ —	\$ —
Glory	(b)	6,854	—	(4)	—	(6,850)	—	—	—
Solectrac	(c)	—	2,600	(44)	—	—	—	—	2,556
Total		<u>\$ 16,654</u>	<u>\$ 2,600</u>	<u>\$ (48)</u>	<u>\$ —</u>	<u>\$ (16,650)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,556</u>

		December 31, 2019							
		January 1, 2019	Addition	Income (loss) on investment	Reclassification to subsidiaries	Impairment losses	Disposal	Foreign currency translation adjustments	December 31, 2019
Wecast									
Internet	(d)	\$ 4	\$ —	\$ —	\$ —	\$ (6)	\$ —	\$ 2	\$ —
Hua Cheng	(e)	308	—	(33)	—	—	(245)	(30)	—
BDCG	(a)	9,800	—	—	—	—	—	—	9,800
DBOT	(f)	6,844	—	(3,720)	(3,124)	—	—	—	—
Glory	(b)	—	19,992	(76)	—	(13,062)	—	—	6,854
Total		<u>\$ 16,956</u>	<u>\$ 19,992</u>	<u>\$ (3,829)</u>	<u>\$ (3,124)</u>	<u>\$ (13,068)</u>	<u>\$ (245)</u>	<u>\$ (28)</u>	<u>\$ 16,654</u>

All the investments above are privately held companies; therefore, quoted market prices are not available. The Company has received no dividends from equity method investees in the years ended December 31, 2020 and 2019.

a) BBD Digital Capital Group Ltd. (“BDCG”)

In 2018, the Company signed an investment agreement with two unrelated parties to establish BDCG, subsequently renamed Intelligenta, for providing block chain services for financial or energy industries by utilizing artificial intelligence and big data technology in the United States. On April 24, 2018, the Company acquired 20.0% equity ownership in BDCG from one noncontrolling party for total consideration of \$9.8 million which consisted of \$2.0 million in cash and \$7.8 million paid in the form of the Company’s capital stock (valued at \$2.60 per share and equal to 3.0 million shares of the Company’s common stock), increasing the Company’s ownership to 60.0%. The remaining 40.0% of BDCG are held by Seasail Ventures Limited (“Seasail.”) The accounting treatment for the investment is based on the equity method due to variable substantive participating rights (in accordance with ASC 810) granted to Seasail.

Intelligenta’s target customer base is financial institutions and large energy companies in the U. S.; however, due to the political relations between the U.S. and China, Intelligenta has been unable to commercialize its product as such companies are hesitant to engage a company with China-based ownership to perform AI and block chain services. The Company evaluated the business prospects of Intelligenta, and determined the investment was impaired, and the impairment was other-than-temporary. Accordingly, the Company recorded an impairment loss of \$9.8 million in “Impairment of and equity in loss of equity method investees” in the consolidated statements of operations in the year ended December 31, 2020.

Intelligenta has yet to record revenue or earnings or losses, and therefore its statement of operations and balance sheet data are not material.

As of December 31, 2019, the excess of the Company’s investment over its proportionate share of Intelligenta’s net assets was \$9.8 million. The difference represented goodwill and was not amortized.

b) Glory Connection Sdn. Bhd (“Glory”)

On July 18, 2019, the Company entered into an acquisition agreement to purchase a 34.0% interest in Glory, a Malaysian company, from its shareholder Beijing Financial Holding Limited, a Hong Kong registered company, for the consideration of 12.2 million restricted common shares of the Company, initially representing \$24.4 million at \$2.00 per share, the contract price, and subsequently revised to \$20.0 million at \$1.64 per share, the closing price on the date of acquisition. As part of this transaction, the Company was also granted an option to purchase a 40.0% interest in Bigfair Holdings Limited (“Bigfair”) from its shareholder Beijing Financial Holding Limited for an exercise price of \$13.2 million in the form of common shares of the Company. Bigfair holds a 51.0% ownership stake in Glory. The option is exercisable from July 18, 2020 to July 19, 2021. If the option is exercised, the Company would have 20.4% indirect ownership in Glory in addition to the 34.0% direct ownership it already has.

Upon the initial investment, the Company performed a valuation analysis and allocated \$23.0 million and \$1.4 million of the consideration transferred to the equity method investment and the call option, respectively, which was subsequently revised to \$20.0 million and \$0, respectively.

As initially contemplated, Glory, through its subsidiary Tree Manufacturing, would hold a domestic EV manufacturing license in Malaysia, a marketing and distribution agreement for EVs in the ASEAN region, as well as the land use rights for 250 acres of vacant land zoned for industrial development in the Begeng Industrial Area adjacent to Kuantan Port. Kuantan is the capital city of the state of Pahang on the east coast of Peninsular Malaysia, which was to be the site of the manufacturing operations.

In December 2019, the Company acquired a 51.0% ownership interest in Tree Technologies. Tree Technologies had previously been granted the land use rights to the 250 acres of vacant land mentioned above, which was previously anticipated would be owned by Glory. As Glory would no longer receive the land use rights to the 250 acres of vacant land, the Company evaluated its investment in Glory for impairment, and recorded an impairment loss of \$13.1 million in “Impairment of and equity in loss of equity method investees” in the consolidated statements of operations in the year ended December 31, 2019.

Tree Technologies had also entered into a product supply arrangement and a product distribution arrangement with a subsidiary of Glory. The Company performed an assessment of these arrangements, and determined that Glory is a variable interest entity, but that the Company is not the prime beneficiary. As of December 31, 2019, the Company accounted for Glory as an equity method investment. Refer to Note 6(a) for additional information on the acquisition of Tree Technologies.

In the three months ended December 31, 2020, Tree Technologies obtained a domestic EV manufacturing license in Malaysia; and therefore determined it would not purchase vehicles from Glory's subsidiary, Tree Manufacturing. As Glory's value was predicated on the underlying manufacturing agreement between Tree Technologies and Tree Manufacturing, the Company evaluated the business prospects of Glory, and determined that its investment was impaired, and the impairment was other-than-temporary. Accordingly, the Company recorded an impairment loss of \$6.9 million in "Impairment of and equity in loss of equity method investees" in the consolidated statements of operations in the year ended December 31, 2020. Refer to Note 9(e) for information on the impairment loss recorded with respect to the manufacturing agreement with Tree Manufacturing.

As of December 31, 2019, the excess of the Company's investment over its proportionate share of Glory's net assets was \$6.6 million. The difference represented an amortizing intangible asset.

The following table summarizes the income statement information of Glory for the year ended December 31, 2019 (in thousands):

	December 31, 2019	
Revenue	\$	33
Gross profit		10
Net loss from operations		(597)
Net loss		(586)
Net loss attributable to Glory		(324)

(c) Soletrac, Inc. ("Soletrac")

On October 22, 2020, the Company acquired 1.4 million common shares, representing 15.0% of the total common shares outstanding, of Soletrac for a purchase price of \$0.91 per share, for total consideration of \$1.3 million. On November 19, 2020, Ideanomics acquired an additional 1.3 million shares of common stock for \$1.00 per share, for a subsequent investment of \$1.3 million. With this subsequent investment, Ideanomics owned 2.7 million common shares out of a total number of issued and outstanding common shares of 10.2 million after the transaction, or 27.0%.

Soletrac develops, assembles and distributes 100% battery-powered electric tractors-an alternative to diesel tractors-for agriculture and utility operations. Soletrac tractors provide an opportunity for farmers around the world to power their tractors by using the sun, wind, and other clean renewable sources of energy.

(d) Wecast Internet limited ("Wecast Internet")

As of January 1, 2019, the Company had a 50.0% interest in Wecast Internet. Wecast Internet was in the process of liquidation and the remaining carrying amount of \$6,000 was impaired in the year ended December 31, 2019.

(e) Hua Cheng Hu Dong (Beijing) Film and Television Communication Co., Ltd. ("Hua Cheng")

As of January 1, 2019, the Company held a 39.0% equity ownership in Hua Cheng, a company established to provide integrated value-added service solutions for the delivery of video on demand and enhanced content for cable providers. This investment was held by a PRC VIE and was deconsolidated on December 31, 2019. Refer to Note 5 for additional information on the PRC VIEs.

(f) Delaware Board of Trade Holdings, Inc.

DBOT is an approved and licensed FINRA and SEC regulated electronic trading platform. One of the Company's subsidiaries was powered by DBOT's platform, trading system and technology. The Company previously accounted for this investment using the cost method as the Company then owned less than 4.0% of the common shares and the Company did not have significant influence over DBOT.

In October 2018, the Company issued 2.3 million shares of the Company's common stock to acquire additional shares in DBOT, thereby increasing its holdings to 36.9%. As a result, the Company changed its method of accounting for this investment to the equity method. The effect of the change from cost method to equity method was immaterial.

In July 2019, the Company issued 6.7 million shares of the Company’s common stock to acquire additional shares in DBOT, thereby increasing its holdings to 99.0%. As a result, the Company began to consolidate DBOT. Refer to Note 6(c) for additional information on the acquisition and consolidation of DBOT.

Note 11. Leases

On May 1, 2020, the Company took possession of premises in Qingdao, China in furtherance of a larger public/private initiative to promote EV business in the region and reduce the reliance on traditional combustion engines. The premises are indirectly and partially owned by local governmental entities, and were provided to the Company at no charge. The Company, pursuant to the underlying lease, has use of the premises until November 30, 2034.

The Company has determined the fair value of the lease and recorded the lease in accordance with ASC 842, ASC 845 *Nonmonetary Transactions* (“ASC 845,”) and ASC 958, *Not-for-Profit Entities* (“ASC 958.”) In connection with this lease agreement, the Company recorded operating right of use assets of \$7.2 million, and an operating lease liability of \$7.2 million. The fair value of the annual lease payments is \$0.7 million.

As of December 31, 2020, the Company’s operating lease right of use assets and operating lease liability are \$7.1 million and \$7.2 million, respectively. The weighted-average remaining lease term is 13.7 years and the weighted-average discount rate is 4.4%.

The following table summarizes the components of lease expense (in thousands):

	Year Ended	
	December 31, 2020	December 31, 2019
Operating lease cost	\$ 1,600	\$ 1,708
Short-term lease cost	349	317
Sublease income	(74)	(42)
Total	<u>\$ 1,875</u>	<u>\$ 1,983</u>

The following table summarizes supplemental information related to leases (in thousands):

	Year Ended	
	December 31, 2020	December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 991	\$ 1,407
Right-of-use assets obtained in exchange for new operating lease liabilities	7,692	935

The following table summarizes the maturity of operating lease liabilities (in thousands):

Years ending December 31	Leased Property Costs
2021	\$ 732
2022	634
2023	632
2024	645
2025	646
2026 and thereafter	6,363
Total lease payments	<u>9,652</u>
Less: Interest	(2,463)
Total	<u>\$ 7,189</u>

In the three months ended March 31, 2020 the Company ceased to use the premises underlying one lease and vacated the real estate. As a result, the Company recorded an impairment loss related to the right of use asset of \$0.9 million. 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 is due and payable on December 31, 2021. The Company recorded a gain of \$0.8 million in “Other income (expense), net” in the consolidated statements of operations for the settlement of the operating lease liability.

In the three months ended June 30, 2020 the Company ceased to use its New York City headquarters at 55 Broadway, which are subject to two leases, and vacated the real estate. As a result, the Company recorded an impairment loss related to the right of use asset of \$5.3 million. The Company had an operating use liability of \$5.8 million with respect to these leases, excluding \$0.6 million in accounts payable. In the three months ended September 30, 2020, the Company completed negotiations with the landlord to settle the remaining amounts due of \$6.4 million for a cash payment of \$1.5 million. The Company recorded a gain of \$4.9 million in “Other income (expense), net” in the consolidated statements of operations for the settlement of the operating lease.

Note 12. Supplementary Information

Other Current Assets

“Other current assets” were \$3.7 million and \$0.6 million as of December 31, 2020 and 2019, respectively. “Other current assets” as of December 31, 2020 includes a deposit with amount of \$3.4 million to a third-party supplier for EV purchases.

Other Current Liabilities

“Other current liabilities” were \$1.9 million and \$6.5 million as of December 31, 2020 and 2019, respectively. Components of "Other current liabilities" as of December 31, 2020 and 2019 that were more than 5 percent of total current liabilities were other payables to third-parties in the amount of \$0.8 million and \$5.9 million, respectively. Three suppliers individually accounted for more than 10% of the “Other current liabilities” balance as of December 31, 2019.

Note 13. Promissory Notes

The following is the summary of outstanding promissory notes as of December 31, 2020 and 2019 (in thousands):

	Interest rate	December 31, 2020		December 31, 2019	
		Principal Amount	Carrying Amount*	Principal Amount	Carrying Amount*
Convertible Note-Mr. McMahon(Note 15 (a))	4.0%	\$ —	\$ —	\$ 3,000	\$ 3,260
Convertible Note -SSSIG (Note 15 (a))	4.0%	—	—	1,252	1,301
Convertible Note-SSSIG (Note 15 (a))	4.0%	—	—	250	250
Convertible Note-Advantech (a)	8.0%	—	—	12,000	3,193
Senior Secured Convertible Note (b)	10.0%	—	—	850	348
Senior Secured Convertible Note (c)	10.0%	—	—	3,580	1,896
Senior Secured Convertible Note (d)	4.0%	—	—	3,000	1,405
Convertible Debenture (e)	4.0%	—	—	—	—
Promissory Note (f)	6.0%	—	—	3,000	3,000
Vendor Note Payable (g)	0.25%-4%	105	105	—	—
Small Business Association Paycheck Protection Program (h)	1%	460	463	—	—
Total		\$ 565	\$ 568	\$ 26,932	\$ 14,653
Less: Current portion			(568)		(8,013)
Long-term Note, less current portion			\$ —		\$ 6,640

*Carrying amount includes the accrued interest.

As of December 31, 2020 and 2019, the Company was in compliance with all ratios and covenants.

(a) \$12.0 Million Convertible Note - Advantech

In June 28, 2018, the Company entered into a convertible note purchase agreement with Advantech Capital Investment II Limited (“Advantech”) in the aggregate principal amount of \$12.0 million (the “Advantech Note.”) The Advantech Note bore interest at a rate of 8.0% and was initially scheduled to mature on June 28, 2021, and was convertible into the shares of the Company’s common stock at a stated conversion price, subject to adjustment if subsequent equity shares have a lower conversion price (“down round provision.”) The stated conversion price was initially \$1.82 per share, which was subsequently reset to \$1.00 in October 2019, \$0.5869 on April 22, 2020, then further reduced to \$0.36 on May 20, 2020 due to the down round provision.

The Company received aggregate gross proceeds of \$12.0 million, net of \$34,133 for the issuance expenses paid by Advantech.

The initial difference between the conversion price and the fair value of the common stock on the commitment date resulted in a beneficial conversion feature (“BCF”) recorded of \$1.4 million and increased by \$10.6 million due to the down round provision adjustment in October 2019.

No additional BCF was recognized because the discount assigned to the BCF is already equal to the proceeds allocated to the convertible instrument.

In December 2020, the Company entered the into a payoff letter agreement with Advantech, and repaid in full all remaining obligations under the Advantech Note in cash. The payoff amount, including the outstanding principal and interest, was \$14.5 million. The Company recognized the gain of \$8.4 million as of the payoff.

Total interest expense recognized for the Advantech Note was \$7.7 million and \$1.5 million for the years ended December 31, 2020 and 2019, respectively. The agreement also required the Company to comply with certain covenants, including restrictions on the use of the proceeds and other conditions of the convertible note offering.

(b) \$2.05 Million Senior Secured Convertible Debenture due in August 2020 - ID Venturas 7

On February 22, 2019, the Company executed a security purchase agreement with ID Venturas 7, LLC (“IDV”), whereby the Company issued \$2.1 million of senior secured convertible note (“February IDV Note.”) The February IDV Note bore interest at a rate of 10.0% per year payable either in cash or in kind at the option of the Company on a quarterly basis and was scheduled to mature on August 22, 2020. In addition, IDV was entitled to the following: (1) the convertible note was senior secured; (2) convertible at an adjusted price per share of Company common stock at the option of IDV, subject to adjustments if subsequent equity shares had a lower conversion price (original conversion price of \$1.84, \$1.00 after October 30, 2019 and \$0.5869 after April 22, 2020), (3) 1.2 million shares of common stock of the Company; and (4) a warrant exercisable for 1.6 million shares of common stock, which the February IDV Note was convertible into at an adjusted exercise price (original conversion price of \$1.84, \$1.00 after October 30, 2019 and \$0.5869 after April 22, 2020) per share and initially expired in 7 years, which was extended from 5 years on December 19, 2019.

The Company received aggregate gross proceeds of \$2.0 million, net of \$50,000 for the issuance expenses paid by IDV. Total funds received were allocated to the February IDV Note, common shares and warrants based on their relative fair values in accordance with ASC 470 , *Debt* (“ASC 470.”) The fair value of the February IDV Note and common shares was based on the closing price of the Company’s common stock on February 22, 2019. The fair value of the warrants was determined using the Black-Scholes option-pricing model, with the following assumptions: expected life of 5 years, expected dividend rate of 0%, volatility of 111.83% and an interest rate of 2.48%. The fair value of the warrants was recorded as additional paid-in capital and a corresponding discount on the carrying amount of the February IDV Note. The Company recognized a BCF of \$0.6 million as an increase in additional paid-in capital and corresponding discount on the carrying amount of the February IDV Note, which was the fair value of the common shares at the commitment date for the February IDV Note, less the effective conversion price.

Interest on the February IDV Note was payable quarterly starting from April 1, 2019. The February IDV Note was redeemable at the option of the Company in whole at an initial redemption price of the principal amount of the February IDV Note plus additional warrants and accrued and unpaid interest to the date of redemption.

The Company was also subject to penalty fee at 8.0% per annum for late payments of interests and compensation for the loss of IDV on failure to timely deliver conversion shares upon conversion.

The security purchase agreement contained customary representations, warranties, and covenants. The February IDV Note was collateralized by the Company's equity interest in Grapevine and the Company had the right to request the removal of the guarantee and collateral by the issuance of additional 250,000 shares of common stock.

Modification/Extinguishment

On September 27, 2019, the Company issued 250,000 shares of common stock to IDV in exchange for the release of Grapevine as collateral. The issuance of the common shares in exchange for the removal of collateral was treated as a modification of the February IDV Note pursuant to the guidance of ASC 470. The Company concluded that the February IDV Note qualified for debt extinguishment as the 10.0% cash flow test was met. As a result, the carrying amount of \$0.8 million of the February IDV Note was written off and the amended note was recorded at its fair value of \$1.7 million. The Company recognized a non-cash loss on extinguishment of debt in the amount of \$1.2 million and the intrinsic value of reacquisition of BCF is zero as of September 27, 2019.

Down Round Price Adjustment on October 30, 2019

As a result of the additional financing on October 30, 2019, the Company entered into a letter agreement with IDV pursuant to which the Company agreed to reduce the conversion price of the February IDV Note and the exercise price of the warrants from \$1.84 to \$1.00. The Company recognized \$1.4 million of remeasured BCF as an increase in additional paid-in capital and a corresponding discount on the carrying amount of the February IDV Note and \$0.2 million of deemed dividend on warrant repricing for the difference between the fair value of the unadjusted warrants and adjusted warrants. The fair value of the adjusted warrants was determined using the Black-Scholes option-pricing model based on the following assumptions: expected life of 5 years, expected dividend rate of 0%, volatility of 112.0%, and an interest rate of 2.48%.

Down Round Price Adjustment on April 22, 2020

As a result of the additional financing on April 22, 2020, the conversion price of the February IDV Note and the exercise price of the warrants was reduced from \$1.00 to \$0.5869. The Company recognized \$0.3 million of remeasured BCF as an increase in additional paid in capital and a corresponding discount on the carrying amount of the February IDV Note and \$59,372 of deemed dividend on warrant repricing for the difference between the fair value of the unadjusted warrants and adjusted warrants. The fair value of the adjusted warrants was determined using the Black-Scholes option-pricing model based on the following assumptions: expected life of 7 years, expected dividend rate of 0%, volatility of 122.4%, and an interest rate of 1.84%.

Conversion

As of December 31, 2019, \$1.2 million of the February IDV Note, plus accrued and unpaid interest, were converted into 1.2 million shares of common stock of the Company.

During year ended December 31, 2020, the remaining \$0.85 million of the February IDV note, plus accrued and unpaid interest, were converted into 1.4 million shares of common stock of the Company.

As a result of the conversions, the Company recognized associated unamortized discount at the date of conversion as interest expense. Total interest expense recognized was \$0.9 million and \$1.2 million for the years ended December 31, 2020 and 2019, respectively.

(c) \$3.58 Million Senior Secured Convertible Debenture due in March 2021 - ID Venturas 7

On September 27, 2019, the Company executed a security purchase agreement with IDV (“IDV September Agreement,”) whereby the Company issued \$2.5 million of senior secured convertible note in September (“September IDV Note”) and issued an additional \$1.1 million of secured convertible notes subsequently based on additional investment rights in the IDV September Agreement. The September IDV Notes bore interest at a rate of 10.0% per year payable either in cash or in kind at the option of the Company on a quarterly basis and was scheduled to mature on March 27, 2021. In addition, IDV was entitled to the following: (1) the convertible note was senior secured; (2) convertible at an adjusted price per share of Company common stock at the option of IDV, subject to adjustments if subsequent equity shares had a lower conversion price (original \$1.84, \$1.00 after October 30, 2019 and \$0.5869 after April 22, 2020), (3) 1.5 million shares of common stock of the Company, and (4) a warrant exercisable for 4.7 million shares of common stock at an adjusted exercise price (original \$1.84 , \$1.00 after October 30, 2019 and \$0.5869 after April 22, 2020) per share and will expire in 7 years, which was extended from 5 years.

The Company received net proceeds of \$3.5 million (aggregate gross proceeds of \$3.6 million, net of \$65,000 for the issuance expenses paid to IDV). Total gross proceeds were allocated to the September IDV Note, common shares and warrants based on their relative fair values in accordance with ASC 470. The fair value of the September IDV Note and common shares was based on the closing price of the common stock on September 27, 2019. The fair value of the warrants was determined using the Black-Scholes option-pricing model, with the following assumptions: expected life of 5 years, expected dividend rate of 0%, volatility of 122.44% and an average interest rate of 1.66%. The fair value of the warrants was recorded as additional paid-in capital and corresponding discount on the carrying amount of the September IDV Note. The Company recognized a BCF as a discount on September IDV Note at its intrinsic value, which was the fair value of the common shares at the commitment date, less the effective conversion price. The Company recognized \$1.3 million of BCF in total as an increase in additional paid-in capital and corresponding discount on the carrying amount of the September IDV Note.

The September IDV Note was redeemable at the option of the Company in whole at an initial redemption price of the principal amount of the September IDV Note plus additional warrants and accrued and unpaid interest to the date of redemption.

The security purchase agreement contains customary representations, warranties, and covenants. The September IDV Note was collateralized by the Company’s equity interest in DBOT.

The Company was also subject to penalty fee at 8.0% per annum for late payments of interests and compensation for the loss of IDV on failure to timely deliver conversion shares upon conversion.

Down Round Price Adjustment on October 30, 2019

On October 29, 2019 the Company entered into a letter agreement with IDV pursuant to which the Company agreed to reduce the conversion price of the debentures and the exercise price of the warrants from \$1.84 to \$1.00 due to the lower conversion price and exercise price agreed in the additional issuance in October, 2019. The Company recognized \$0.2 million of remeasured BCF as an increase in additional paid-in capital and corresponding discount on the carrying amount of the September IDV note and \$0.1 million of deemed dividend on warrant repricing for the difference between the fair value of the unadjusted warrants and adjusted warrants.

Additional Issuance for No Additional Consideration - Consent of IDV for Subsequent Financing with YA II PN

On December 19, 2019, the Company executed an additional issuance agreement with IDV, pursuant to which the Company obtained a consent from IDV for subsequent financing with YA II PN in exchange for: (1) 2.0 million shares of the Company’s common stock; (2) the warrant to purchase 1.0 million shares of the Company’s common stock at an exercise price of \$1.00 with a 7 year term in the form of prior warrants issued to IDV; and (3) a 2 year extension of the exercise period for all outstanding warrants held by IDV.

The additional issuance above and the exercise period extension in exchange for the consent was treated as a modification of the September IDV Note pursuant to the guidance of ASC 470. The Company concluded that the September IDV Note qualified for debt extinguishment as the 10.0% cash flow test was met. As a result, the carrying amount of \$0.4 million of the September IDV Note was written off and the amended note was recorded at its fair value of \$2.2 million along with a BCF at intrinsic value of \$0.5 million. The Company measured and recognized the intrinsic value of the BCF at its reacquisition price \$0.5 million on December 19, 2019 and recognized a non-cash loss on extinguishment of debt in the amount of \$2.7 million in accordance with ASC 470. In addition, the Company recognized a deemed dividend of \$0.5 million for the extension of exercise period for all applicable warrants issued to IDV.

Down Round Price Adjustment on April 22, 2020

As a result of the additional financing on April 22, 2020, the conversion price of the September IDV Note and the exercise price of the warrants was reduced from \$1.00 to \$0.5869. The Company recognized \$0.3 million of remeasured BCF as an increase in additional paid-in capital and a corresponding discount on the carrying amount of the amended note and \$0.1 million of deemed dividend on warrant repricing for the difference between the fair value of the unadjusted warrants and adjusted warrants. The fair value of the adjusted warrants was determined using the Black-Scholes option-pricing model based on the following assumptions: expected life of 7 years, expected dividend rate of 0%, volatility of 122.4%, and an interest rate of 1.84%.

Down Round Price Adjustment on May 20, 2020

In order to facilitate the additional financing, the Company entered into an amendment and waiver agreement with IDV pursuant to which the Company agreed to reduce the conversion price of \$1.0 million principal amount of debenture to the lowest price per share sold in the financing but not less than \$0.36. No additional BCF is recognized because the discount assigned to the BCF is already equal to the proceeds allocated to the convertible instrument.

Conversion

During the nine months ended September 30, 2020, \$3.6 million of the amended note, plus accrued and unpaid interest, were converted into 7.3 million shares of common stock of the Company.

As a result of the conversions, the Company recognized associated unamortized discount at the date of conversion as interest expense. Total interest expense recognized was \$2.1 million and \$0.7 million for the years ended December 31, 2020 and 2019, respectively.

(d) \$5.0 Million Senior Secured Convertible Debenture due in December 2020 - YA II PN

On December 19, 2019, the Company completed the initial closing with respect to a securities purchase agreement with YA II PN, Ltd, a company incorporated under the laws of the Cayman Islands ("YA II PN"), where YA II PN agreed to purchase from the Company up to \$5.0 million (with 4.0% discount) in units consisting of secured convertible debentures (the "YA II PN Note,") which was convertible into shares of the Company's common stock at lower of: (1) \$1.50 per share, or (2) 90.0% of the lowest 10 day volume weighted average price ("VWAP") with a floor price at \$1.00, subject to adjustments if subsequent equity shares had a lower conversion price, and shares of the Company's common stock. The purchase and sale of the units occurred in three closings:

1. First Closing: \$2.0 million of YA II PN Note and 1.4 million shares of common stock closed on December 19, 2019;
2. Second Closing \$1.0 million of YA II PN Note and 0.7 million shares of common stock closed on December 31, 2019 upon filing the registration statement; and
3. Third Closing: \$2.0 million of YA II PN Note and 1.4 million shares of common stock closed on February 13, 2020 when such registration statement was declared effective by the SEC.

The YA II PN Note was scheduled to mature in December 2020 and accrued interest at an 4.0% interest rate. YA II PN also received: (1) a warrant (the "Warrant I") exercisable for 1.7 million shares of common stock at \$1.50 with an expiration date 60 months from the date of the agreement, and (2) a warrant (the "Warrant II") exercisable for 1.0 million shares of common stock at \$1.00 with an expiration date of 12 months from the date of the agreement.

The Company received aggregate gross proceeds of \$2.9 million (net of \$0.1 million discount) as of December 31, 2019 and received \$2.0 million in February 2020. Total funds received were allocated to the YA II PN Note, common shares and warrants based on their relative fair values in accordance with ASC 470. The fair value of the YA II PN Note and common shares was based on the closing price of the common stock on December 19, 2019. The fair value of the warrants was determined using the Black-Scholes option-pricing model, with the following assumptions: expected life of 5 years (1 year for Warrant II), expected dividend rate of 0%, volatility of 122.44% and an interest rate of 1.66% (1.54% for Warrant II). The fair value of the warrants was recorded as additional paid-in capital and a corresponding discount on the carrying amount of the YA II PN Note. There was no BCF because its intrinsic value is zero since the stock price of the common shares at the commitment date for the YA II PN Note is greater than the effective conversion price.

The YA II PN Note was redeemable at the option of the Company in whole or in part at an initial redemption price of the principal amount of the YA II PN Note plus a redemption premium equal to 15.0% of the amount being redeemed and accrued and unpaid interest to the date of redemption. The security purchase agreement contains customary representations, warranties, and covenants.

Down Round Price Adjustment on April 22, 2020

As a result of the additional financing on April 22, 2020, the conversion price of the YA II PN Note was reduced from \$1.00 to \$0.5869. The Company recognized \$2.7 million of remeasured BCF as an increase in additional paid-in capital and a corresponding discount on the carrying amount of the amended Note.

Down Round Price Adjustment on May 20, 2020

In order to facilitate the additional financing, the Company entered into an amendment and waiver agreement with YA II PN pursuant to which the Company agreed to reduce the conversion price of \$1.0 million principal amount of debenture to the lowest price per share sold in the financing but not less than \$0.36. No additional BCF was recognized because the discount assigned to the BCF was already equal to the proceeds allocated to the convertible instrument.

Conversion

During year ended December 31, 2020, \$5.0 million of the YA II PN Note, plus accrued and unpaid interest, were converted into 9.7 million shares of common stock of the Company.

As a result of the conversions, the Company recognized associated unamortized discount at the date of conversion as interest expense. Total interest expense recognized was \$5.0 million and \$70,000 for the years ended December 31, 2020 and 2019, respectively.

(e) \$25.0 Million Convertible Debenture due in June 2021 – YA II PN

On December 14, 2020, the Company executed a security purchase agreement with YA II PN, whereby the Company issued \$25.0 million of convertible note (“December YA Note.”) The December YA Note was scheduled to mature on June 14, 2021 and bore interest at an annual rate of 4.0% , The Interest Rate shall be increased to 18% upon an Event of Default. The Note has a fixed conversion price of \$1.93. 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 (“Optional Redemption”) 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, if any; provided that the Company provides YA II PN with at least 15 business days’ prior written notice of its desire to exercise an Optional Redemption and the volume weighted average price of the Company’s common stock over the 10 Business Days’ immediately prior to such redemption notice is less than the Conversion Price. The YA II PN may convert all or any part of the Note after receiving a redemption notice, in which case the redemption amount shall be reduced by the amount so converted. The Note contains customary events of default, indemnification obligations of the Company and other obligations and rights of the parties.

Conversion

During the year ended December 31, 2020, \$25.0 million of the YA II PN Note, plus accrued and unpaid interest, were converted into 13.0 million shares of common stock of the Company.

The Company received aggregate gross proceeds of \$25.0 million. Total interest expense recognized was \$44,384 for the years ended December 31, 2020.

(f) \$3.0 Million Promissory Note due in November 2020 – New Castle County

On November 25, 2015, DBOT, the subsidiary which the Company acquired in 2019, entered into a promissory note with New Castle County, a political subdivision of the State of Delaware in the aggregate principal amount of \$3.0 million (the “New Castle County Notes.”) The New Castle County Notes bore interest at a rate of 6.0%, and was paid off when matured on November 25, 2020. Total interest expense recognized was \$0.2 million and \$0.2 million for the years ended December 31, 2020 and 2019, respectively. The agreement also requires the Company to comply with certain covenants, including restrictions on new indebtedness offering and liens.

(g) Vendor Notes Payable

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 is due on December 31, 2020 and was repaid, the remaining payment is due on August 31, 2021.

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 is due and payable on December 31, 2021.

(h) 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. The Company may apply for forgiveness of this loan in the next twelve months in an amount equal to the sum of the following costs incurred in the eight weeks following the disbursement of the loan: (1) payroll costs, (2) interest on a covered mortgage obligation, (3) payment on a covered rent obligation, and (4) any covered utility payment.

On May 1, 2020 Grapevine borrowed \$0.1 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 approximately \$7,000 commencing on December 1, 2020, with a final payment due on May 1, 2022. With several amendments, the loan is currently payable commencing on October 1, 2021, with a final payment due on April 10, 2025. The Company may apply for forgiveness of this loan in an amount equal to the sum of the following costs incurred in the eight weeks following the disbursement of the loan: (1) payroll costs, (2) interest on a covered mortgage obligation, (3) payment on a covered rent obligation, and (4) any covered utility payment.

Total interest expense recognized was \$3,211 in the year ended December 31, 2020.

Note 14. Stockholders’ Equity, Convertible Preferred Stock and Redeemable Non-controlling Interest

Convertible Preferred Stock

Our Board of Directors has authorized 50.0 million shares of convertible preferred stock, \$0.001 par value, issuable in series. As of December 31, 2020 and 2019, 7.0 million shares of Series A 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.

Common Stock

Our Board of Directors has authorized 1,500 million shares of common stock, \$0.001 par value.

Redeemable Non-controlling Interest

The Company and Qingdao Chengyang Xinyang Investment Company Limited (“Qingdao”) formed an entity named Qingdao Chengyang Mobo New Energy Vehicle Sales Service Company Limited (“New Energy.”) Qingdao entered into a capital subscription agreement for a total of RMB 200.0 million (\$28.0 million), and made the first capital contribution of RMB 50.0 million in the three months ended March 31, 2020. The remaining RMB 150.0 million (\$21.0 million) are payable in three installments of RMB 50.0 million (\$7.0 million) upon New Energy attaining certain revenue or market value benchmarks.

The investment agreement stipulates that New Energy must pay Qingdao dividends at the rate of 6.0%. After one year, Qingdao 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 is neither mandatory nor certain. Due to the redemption feature, the Company has classified the investment outside of permanent equity.

The following table summarizes activity for the redeemable non-controlling interest for the year ended December 31, 2020 (in thousands):

January 1, 2020	\$	—
Initial investment		7,047
Accretion of dividend		438
Loss attributable to non-controlling interest		(135)
Adjustment to redemption value		135
December 31, 2020	\$	<u>7,485</u>

Standby Equity Distribution Agreement (“SEDA”)

The Company entered into a SEDA with YA II PN on April 3, 2020 and amended the SEDA to reduce the aggregate amount of facility from \$50.0 million to \$45.0 million on June 9, 2020, and terminated the SEDA on September 10, 2020. The SEDA establishes what is sometimes termed an equity line of credit or an equity draw-down facility. The Company has the right to issue and sell to YA II PN up to \$45.0 million of the Company’s common stock over 36 months following the date of the SEDA’s entrance into force, the maximum amount of each of which is limited to \$1.0 million. In connection with the SEDA, the Company issued 1.0 million shares of the Company’s common stock as a commitment fee (the “Commitment Shares”) to a subsidiary of YA II PN on April 3, 2020. The Company recognized such Commitment Shares as deferred offering costs and additional paid-in capital for a total of \$0.9 million and, subsequently fully charged against the gross proceeds received from SEDA for the year ended December 31 2020.

The Company entered into the second SEDA with YA II PN on September 4, 2020, the Company will be able to sell up to \$150,000,000 of its common stock at the Company’s request any time during the 36 months following the date of the SEDA’s entrance into force.

For each share of common stock purchased under the SEDA, YA II PN will pay 90% of the lowest VWAP of the Company’s shares during the five trading days following the Company’s advance notice to YA II PN. In general, the VWAP represents the sum of the value of all the sales of the Company’s common stock for a given day (the total shares sold in each trade times the sales price per share of the common stock for that trade), divided by the total number of shares sold on that day.

YA II PN’s obligation under the SEDA is subject to certain conditions, including the Company maintaining the effectiveness of a registration statement for the securities sold under the SEDA. In addition, the Company may not request advances if the common shares to be issued would result in YA II PN owning more than 4.99% of the Company’s outstanding common stock, with any such request being automatically modified to reduce the advance amount.

The SEDA contains customary representations, warranties and agreements of the Company and YA II PN, indemnification rights and other obligations of the parties. YA II PN has covenanted not to cause or engage in any direct or indirect short selling or hedging of the Company’s shares of common stock.

During the year ended December 31, 2020, the Company issued 122.9 million shares of common stock for a total of \$182.5 million under the SEDA.

2020 Equity Transactions

Refer to Note 13 for information related to issuance of common stock resulting from the conversion of convertible notes, Note 15 for information related to the issuance of common stock resulting from the conversion of convertible notes with related parties, Note 16 for information related to the issuance to common stock for warrant and option exercise, and Note 6(c) for the information related to the issuance of common stock for DBOT contingent consideration.

2019 Equity Transactions

Refer to Note 13 for information related to issuance of common stock resulting from the conversion of convertible notes, Note 6 for information related to the issuance of common stock resulting from the business acquisitions, Note 9 for information related to the issuance to common stock for asset acquisition, and Note 10 for the information related to the issuance of common stock for long term investment .

Note 15. Related Party Transactions

(a) Convertible Notes

\$3.0 Million Convertible Note with Mr. Shane McMahon (“Mr. McMahon”)

On May 10, 2012, Mr. McMahon, our Vice Chairman, made a loan to the Company in the amount of \$3.0 million. In consideration for the loan, the Company issued a convertible note to Mr. McMahon in the aggregate principal amount of \$3.0 million (the “Note”) at a 4.0% interest rate computed on the basis of a 365-day year. The Company entered several amendments with respect to the effective conversion price (changed from \$1.75 to \$1.50), convertible stocks (changed from of Series E Preferred Stock to Common Stock) and extension of the maturity date to December 31, 2020.

The accumulated interest payable as of December 31, 2019 was \$0.3 million.

On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of conversion price to \$0.59, contingent upon the immediate conversion of the Note. On June 5, 2020, the Note was converted into 5.1 million shares of common stock. The Company paid the accumulated interest \$0.3 million in cash prior to the conversion.

For the years ended December 31, 2020 and 2019, the Company recorded interest expense of \$0.1 million and \$0.1 million, respectively, related to the Note. The Company did not pay such interest to Mr. McMahon in the year ended December 31, 2019.

\$2.5 Million Convertible Promissory Note with SSSIG

On February 8, 2019, the Company entered into a convertible promissory note agreement with SSSIG, an affiliate of Dr. Wu, in the aggregate principal amount of \$2.5 million. The convertible promissory note bore interest at a rate of 4.0%, was scheduled to mature on February 8, 2020, and was convertible into shares of the Company’s common stock at a conversion price of \$1.83 per share anytime at the option of SSSIG. As of December 31, 2019, the Company was in the process of negotiating an extended due date, and believed it had the ability to do so.

As of December 31, 2019, the Company received \$1.3 million from SSSIG. The Company did not receive the remaining \$1.2 million due under this note. For the years ended December 31, 2020 and 2019, the Company recorded interest expense of \$21,546 and \$48,357, respectively, related to the note. The Company did not pay such interest to SSSIG in the year ended December 31, 2019.

On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of the conversion price to \$0.59, contingent upon the immediate conversion of the convertible promissory note. On June 5, 2020, the convertible promissory note including accumulated interest was converted into 2.2 million shares of common stock.

\$1.0 Million Convertible Promissory Note with SSSIG

On November 25, 2019, the Company entered into a convertible promissory note agreement with SSSIG, an affiliate of Dr. Wu, in the aggregate principal amount of \$1.0 million. The convertible promissory note bore interest at a rate of 4.0%, was initially scheduled to mature on November 25, 2021, and was convertible into the shares of the Company's common stock at a conversion price of \$1.25 per share anytime at the option of SSSIG.

As of December 31, 2019, the Company received \$0.25 million from SSSIG. The Company did not receive the remaining \$0.975 million due under this note. For the years ended December 31, 2020 and 2019, the Company recorded interest expense of \$4,301 and \$1,000, respectively, related to the note. The Company did not pay such interest to SSSIG in the year ended December 31, 2019.

On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of conversion price to \$0.59, contingent upon the immediate conversion of the convertible promissory note. On June 5, 2020, the convertible promissory note, including accumulated interest, was converted into 0.4 million shares of common stock.

(b) Transactions with GTD

Disposal of Assets in exchange of GTB

In March 2019, the Company completed the sale of the following assets (with total carrying amount of \$20.4 million) to GTD, a minority shareholder based in Singapore, in exchange for 1.3 million GTB. The Company considers the arrangement as a nonmonetary transaction and the fair values of GTB are not reasonably determinable due to the reasons described below. Therefore, GTB received are recorded at the carrying amount of the assets exchanged and the Company did not recognize any gain or loss based on ASC 845.

- License content (net carrying amount \$17.0 million.)
- 13% ownership interest in Nanjing Shengyi Network Technology Co., Ltd ("Topsgame") (carrying amount of \$3.2 million which was included in long-term investment as a non-marketable equity investment.)
- Animation copy right (net carrying amount \$0.2 million which was included in intangible assets.)

Digital asset management services

The Company recognized revenue for the master plan development services over the contract period based on the progress of the services provided towards completed satisfaction. Based on ASC 606, at contract inception, the Company considered the following factors to estimate the value of GTB (noncash consideration): 1) it only trades in one exchange, which operations have been less than one year; 2) its historical volatility is high; and 3) the Company's intention at the time to hold the majority of GTB, as part of its digital asset management services; and 4) associated risks related to holding GTB. Therefore, the value of 7.1 million GTB using Level 2 measurement was \$40.7 million with a 76.0% discount to the fixed contract price agreed upon by both parties when signing the contract. The Company considered similar assets exchanges in Singapore and considered the volatility of the quoted prices and determined a discount of 76.0%. The estimated value of GTB is calculated using the Black-Scholes valuation model using the following assumptions: expected terms 3.0 years; volatility 155%; dividend yield: zero and risk-free interest rate 2.25%. As of December 31, 2019, all performance obligations associated with the development of the master plan for GTD's assets had been satisfied. Accordingly, the Company recognized revenue of \$40.7 million in the year ended December 31, 2019.

Refer to Note 9(f) for information concerning the impairment loss of \$61.1 million recorded related to GTB in the year ended December 31, 2019.

(c) Severance payments

On February 20, 2019, the Company accepted the resignation of its former Chief Executive Officer, former Chief Investment Officer and former Chief Strategy Officer and agreed to pay \$0.8 million in total for salary, severance and expenses. The Company paid \$0.6 million in the first quarter of 2019, paid \$0.1 million in the second quarter of 2020, and recorded the remaining \$0.1 million in "Other current liabilities" on its consolidated balance sheet as of December 31, 2019. The \$0.8 million severance expenses were recorded in "Selling, general and administrative expenses" in the consolidated statements of operations for the year ended 2019.

(d) Borrowing from Dr. Wu and his affiliates

In the year ended December 31, 2020, the Company's net borrowings from Dr. Wu and his affiliates decreased by \$3.5 million. In the year ended December 31, 2019, the Company's net borrowings from Dr. Wu and his affiliates increased by \$3.3 million.

The Company recorded these borrowings in "Amount due to related parties" in its consolidated balance sheet as of December 31, 2020 and 2019. These borrowings bear no interest.

On June 5, 2020, the Audit Committee and the Board of Directors approved the conversion of some borrowings at a conversion price of \$0.59 per common share, contingent upon the immediate conversion of these amounts. On June 5, 2020, the borrowings of \$1.5 million, including the \$0.4 million transferred from Beijing Financial Holding Limited, were converted into 2.6 million shares of common stock.

(e) Zhu Note Receivable

Refer to Note 3 for this note collateralized by equity in a company partially-owned by a related party.

(f) Disposal of the ownership in Amer

Refer to Note 6(e) for the disposal of 10.0% ownership in Amer to a related party.

(g) Service agreement with SSSIG

The Company entered a service agreement with SSSIG for the period from July 1, 2020 through June 30, 2021 for \$1.4 million in exchange for consulting services from SSSIG, the services include but are not limited to human resources, finance and legal advice. The Company recorded the service charges of \$0.7 million in "professional fees" for the year ended December 31 2020, and \$0.2 million in "Amount due to related parties" as of December 31 2020. The Company is currently in process of negotiating the agreement with SSSIG.

(h) Amounts due from and due to Glory

Glory has made partial payment of \$0.5 million on behalf of the Company to acquire the land use rights and the Company has made payments of \$0.2 million on behalf of Glory for some of its operational expenses. The net balance of \$0.3 million due to Glory as result of these payments is recorded in "Amount due to related parties" as of December 31 2020.

(i) Research and development contract with a related party

The Company has entered a research and development contract with an entity with the total amount of \$2.8 million for EV design and technology development. The Company has paid \$1.6 million for the year ended 2020 and recorded this amount in "Research and development expense." One of the shareholders of this entity held a senior position in several of Dr. Wu's affiliated entities.

(j) Borrowing from DBOT

During the three months ended June 30, 2019, the Company obtained several borrowings, \$550,000 in total, from DBOT, and recorded these borrowings in amount due to related parties on the consolidated balance sheet as of June 30, 2019. These borrowings bear no interest. The Company has paid \$300,000 in July 2019. It was considered the related party transaction for the three months ended June 30 2019. DBOT becomes the subsidiary starting from July 2019.

(k) Acquisition of Fintalk Assets

Refer to Note 9(b) for additional information.

(l) Sale of Red Rock Global Capital LTD (“Red Rock”)

Refer to Note 6(d) for additional information.

(m) Acquisition of Grapevine Logic. (“Grapevine”)

Refer to Note 6(b) for additional information.

(n) Sale of Amer Global Technology Limited (“Amer”)

Refer to Note 6(e) for additional information.

(o) Taxis commission revenue from Guizhou Qianxi Green Environmentally Friendly Taxi Service Co. (“Qianxi”)

During the second quarter of 2019, the Company signed an agreement with iUnicorn (also known as Shenma Zhuanche) to form a strategic entity that will focus on green finance and integrated marketing services for new energy taxi vehicles as part of Ideanomics' Mobile Energy Group ("MEG.") The Company agreed to contribute advisory and sales resources which include arranging ABS-based auto financing with its bank partners, and will have 50.01% ownership interest in the investment and will have control of the board. iUnicorn, which will own 49.99% of the of the joint venture, agreed to contribute its vehicles sales orders in Sichuan province. The entity will generate revenues from commissions on vehicle sales order and ABS fees related to the financing, which will vary accordingly to manufacturer and vehicle model.

During the third quarter of 2019, the joint venture took over an order of 4,172 EV taxis from a third-party and helped facilitate the completion of the order in that quarter. As part of the transaction, Qianxi agreed to pay a commission of \$2.7 million to the joint venture for facilitating the completion of this order. There is no other remaining performance obligation relating to this commission. In addition, the commission revenue is considered revenue from a related party as the minority shareholder of the joint venture is an affiliate of our customer, Qianxi.

(p) Long Term Investment to Qianxi

In November 2019, the Company entered into a share transfer agreement with Sichuan Shenma Zhixing Technology Co. ("Shenma") to acquire its 1.72% ownership in Qianxi with the consideration of \$4.9 million, which will be paid in six installments. Shenma need to complete the share transfer registration prior to May 31, 2020, otherwise it will return the investment payment to the Company. The Company has paid \$0.5 million as of December 31, 2019 and December 31, 2020, and recorded it on the "Other Non-Current Assets" since the share transfer registration is not completed yet. the Company is currently taking actions to resolve these matters.

Note 16. Share-Based Compensation

As of December 31, 2020, the Company had 25.1 million options, 0.1 million restricted shares and 0.9 million warrants outstanding.

The Company awards common stock and stock options to employees and directors as compensation for their services, and accounts for its stock option awards to employees and directors pursuant to the provisions of ASC 718, *Stock Compensation*. 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 of Directors approved the 2010 Stock Incentive Plan ("the 2010 Plan") pursuant to which options or other similar securities may be granted. On October 22, 2020, 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 31.5 million shares to 56.8 million shares. As of December 31, 2020, options available for issuance are 24.7 million shares.

For the years ended December 31, 2020 and 2019, total share-based payments expense was \$12.0 million and \$9.1 million, respectively.

(a) Stock Options

The following table summarizes stock option activity for the year ended December 31, 2020:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregated Intrinsic Value
Outstanding at January 1, 2020	14,936,726	\$ 2.13	—	\$ —
Granted	15,854,166	0.60	—	—
Exercised	(2,421,657)	0.78	—	—
Expired	(1,682,658)	2.72	—	—
Forfeited	(1,599,161)	1.58	—	—
Outstanding at December 31, 2020	<u>25,087,416</u>	1.29	7.92	18,554,241
Vested as of December 31, 2020	<u>15,219,708</u>	1.64	6.99	6,331,116
Expected to vest as of December 31, 2020	9,867,708	0.75	9.36	12,223,125

As of December 31, 2020, \$5.8 million of total unrecognized compensation expense related to non-vested share options is expected to be recognized over a weighted average period of 1.2 years. The total intrinsic value of shares exercised in the years ended December 31, 2020 and 2019 was \$2.4 million and \$0, respectively. The total fair value of shares vested in the years ended December 31, 2020 and 2019 was \$11.8 million and \$8.5 million, respectively. Cash received from options exercised in the years ended December 31, 2020 and 2019 was \$1.7 million and \$0, respectively.

The following table summarizes the assumptions used to estimate the fair values of the share options granted in the year ended December 31, 2020 and 2019.

	2020	2019
Expected term (in years)	5.15-5.52	5.52
Expected volatility	101%-122 %	98 %
Expected dividend yield	— %	— %
Risk free interest rate	0.39%-0.44 %	2.51 %

(b) Warrants

In connection with certain of the Company’s financings and service agreements, the Company issued warrants to service providers to purchase common stock of the Company. The warrants issued to Warner Brother expired without exercise on January 31, 2019. The weighted average exercise price was \$3.06 , and the weighted average remaining life was 1.52 years. Refer to Note 13 for additional information on warrants issued with senior secured convertible notes.

Warrants Outstanding	2020	2019	Exercise Price	Expiration Date
	Number of Warrants Outstanding and Exercisable	Number of Warrants Outstanding and Exercisable		
2018 IDV (Senior secured convertible note)**	—	1,671,196	\$ 1.00	2/22/2026
2019 IDV (Senior secured convertible note)**	—	4,658,043	0.59	9/27/2026
2019 YA II PN, Ltd. (Senior secured convertible debenture)*	—	1,666,667	1.50	12/13/2024
2019 YA II PN, Ltd. (Senior secured convertible debenture)*	—	1,000,000	1.00	12/13/2020
Service providers	200,000	—	5.00	7/1/2022
Service providers	700,000	—	2.50	2/28/2022-10/1/2022
	<u>900,000</u>	<u>8,995,906</u>		

* YA II PN exercised 1.0 million and 1.7 million warrants on March 31, 2020 and June 22, 2020 and the Company received \$1.0 million and \$2.5 million proceeds, respectively.

** ID Venturas exercised 5.3 million and 1.0 million warrants in June 2020 and October 2020. The Company received \$3.1 million and \$0.6 million proceeds, respectively.

On September 24, 2018, the Company entered into an employment agreements with three executives and subsequently resigned in February 2019. As part of their employment agreements, they were entitled to warrants for an aggregate of 8,000,000 shares at an exercise price of \$5.375 per share, which is a 25% premium to the \$4.30 per share closing market price of the Company’s common stock on September 7, 2018. As a result of the resignation, all the warrants were forfeited.

(c) Restricted Shares

In November 2020, the Company granted 0.1 million restricted shares to one employee under the “2010 Plan” which was approved by the Board of Directors. The restricted shares were all vested immediately on the commencement date. The aggregated grant date fair value of all those restricted shares was \$0.1 million.

A summary of the unvested restricted shares is as follows:

	Shares	Weighted-average fair value
Non-vested restricted shares outstanding at January 1, 2020	—	\$ —
Granted	70,000	0.82
Forfeited	—	—
Vested	(70,000)	0.82
Non-vested restricted shares outstanding at December 31, 2020	<u>—</u>	<u>—</u>

As of December 31, 2020, there was \$0 of unrecognized compensation cost related to unvested restricted shares.

Note 17. Loss Per Common Share

The following table summarizes the Company's earnings (loss) per share (USD in thousands, except per share amounts):

	2020	2019
Net loss attributable to IDEX common stockholders	\$ (98,400)	\$ (98,508)
Basic		
Basic weighted average common shares outstanding	213,490,535	119,766,859
Diluted		
Diluted weighted average common shares outstanding	213,490,535	119,766,859
Net loss per share:		
Basic	\$ (0.46)	\$ (0.82)
Diluted	\$ (0.46)	\$ (0.82)

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, 2020	December 31, 2019
Warrants	900	8,996
Options and RSUs	25,172	14,937
Series A Preferred Stock	933	933
DBOT contingent shares	1,013	8,501
Convertible promissory note and interest	—	21,678
Total	<u>28,018</u>	<u>55,045</u>

Note 18. Income Taxes

(a) Corporate Income Tax ("CIT")

Ideanomics, Inc., M.Y. Products LLC, Grapevine Logic, Inc., Delaware Board of Trade Holdings, Inc., Fintech Village, LLC and Red Rock Global Capital Ltd. are subject to U.S. federal and state income tax.

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.

YOD WFOE, Sinotop Beijing, and Sevenstarflix 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 Corporate Income Tax Law of the PRC ("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.

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The CIT Law imposes a 10.0% withholding income tax, subject to reduction based on tax treaty where applicable, for dividends distributed by a foreign invested enterprise 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 and the provision for income tax benefit consists of the following components (in thousands):

	2020	2019
Loss before tax		
United States	\$ (82,916)	\$ (88,688)
PRC/Hong Kong/Singapore	(23,127)	(7,723)
	<u>\$ (106,043)</u>	<u>\$ (96,411)</u>
Deferred tax expense (benefit) of net operating loss		
United States	\$ —	\$ —
PRC/Hong Kong/Singapore	—	(176)
	<u>—</u>	<u>\$ (176)</u>
Deferred tax expense (benefit) other than benefit of net operating loss		
United States	\$ —	\$ (514)
PRC/Hong Kong	—	—
Total deferred income tax (expense) benefit	<u>—</u>	<u>(514)</u>
Current tax expense (benefit) other than benefit of net operating loss		
United States	\$ —	\$ —
PRC/Hong Kong	—	1,107
Total current income tax (expense) benefit	<u>—</u>	<u>1,107</u>
Total income tax expense (benefit)	<u>\$ —</u>	<u>\$ 417</u>

A reconciliation of the expected income tax derived by the application of the U.S. corporate income tax rate to the Company's loss before income tax benefit is as follows:

	2020	2019
U. S. statutory income tax rate	21.0 %	21.0 %
Non-deductible expenses:		
Non-deductible stock awards	(0.7)	(1.9)
Non-deductible loss on contingent consideration	1.2	(1.1)
Others	(3.3)	(0.3)
Non-deductible interest expenses	(2.2)	(1.2)
Increase in valuation allowance	(17.2)	(16.4)
Tax rate differential	1.2	(0.5)
Effective income tax rate	<u>0.0 %</u>	<u>(0.4)%</u>

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, 2020 and 2019 are as follows (in thousands):

	December 31, 2020	December 31, 2019
U.S. NOL	\$ 23,585	\$ 17,471
Foreign NOL	5,967	6,846
U.S. capital loss carryover	4,371	4,377
Accrued payroll and expense	—	172
Nonqualified options	1,927	772
Convertible notes	827	752
Impaired assets	7,996	1,436
Equity investment loss and others	3,596	115
	<hr/>	<hr/>
Total deferred tax assets	48,269	31,941
Less: valuation allowance	(46,670)	(30,276)
Property and equipment	(76)	(36)
Intangible assets	(1,523)	(1,629)
Total deferred tax liabilities	(1,599)	(1,665)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2020 and 2019, the Company had U.S. domestic cumulative tax loss carryforwards of \$99.3 million and \$83.1 million, respectively, and foreign cumulative tax loss carryforwards of \$24.0 million and \$28.3 million, respectively, which may be available to reduce future income tax liabilities in certain jurisdictions. \$26.8 million of the U.S. carryforwards expire in the years 2027 through 2037. The remaining U.S. tax loss is not subject to expiration. These PRC tax loss carryforwards will expire beginning year 2020 to year 2024. The Company also has a U.S. capital loss utilization of net operating losses 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 net operating losses before utilization.

Realization of the Company's net deferred tax assets is 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 net operating loss carryforwards. The valuation allowance increased by \$18.3 million in the year ended December 31, 2020.

(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. there were no identified uncertain tax positions as of December 31, 2020 and 2019.

As of December 31, 2020 and 2019, the Company did not accrue any material interest and penalties.

The Company's United States income tax returns are subject to examination by the Internal Revenue Service for at least 2007 and later years. 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 2020 as applicable.

Note 19. Contingencies and Commitments

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.

Vendor Settlement

In the three months ended September 30, 2020, Ideanomics preliminarily settled a payable of \$1.7 million with one vendor for \$1.3 million. The settlement were conditioned upon factors which did not expire until three months from the date of the settlement; therefore, the Company recognized the gain of \$0.4 million in the three months ended December 31, 2020.

Shareholder Class Actions and Derivative Litigations

On July 19, 2019, a purported class action, now captioned *Rudani v. Ideanomics, et al. Inc.*, was filed in the United States District Court for the Southern District of New York against the Company and certain of its current and former officers and directors. The Amended Complaint alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934. Among other things, the Amended Complaint alleges purported misstatements made by the Company in 2017 and 2018.

On June 28, 2020, a purported securities class action, captioned *Lundy v. Ideanomics et al. Inc.*, was filed in the United State District Court for the Southern District of New York against the Company and certain current officers and directors of the Company. Additionally, on July 7, 2020, a purported securities class action captioned *Kim v. Ideanomics, et al*, was filed in the Southern District of New York against the Company and certain current officers and directors of the Company. Both cases alleged violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 arising from certain purported misstatements by the Company beginning in March 2020 regarding its MEG division. On November 4, 2020, the *Lundy* and *Kim* actions were consolidated and is now titled “*In re Ideanomics, Inc. Securities Litigation.*” In December 2020, the Court appointed Rene Aghajanian as lead plaintiff and an amended complaint was filed in February 2021, alleging violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 arising from certain purported misstatements by the Company beginning in March 2020 regarding its MEG division

On March 20, 2020, the Company received a formal demand letter to the Board of Directors ascertain allegations similar to those alleged in the Rudani Complaint and demanding that the Board pursue causes of action on behalf of the Company against certain of the Company’s former and current directors and officers. In response to this stockholder demand letter, the Board established a demand review committee to review the demand and make a recommendation to the Board of Directors regarding a response to the demand. The demand review committee has not yet completed its review.

On July 10, 2020, the Company was named as a nominal defendant, and certain of its former officers and directors were named as defendants, in a shareholder derivative action filed in the United States District Court for the Southern District of New York, captioned *Toorani v. Ideanomics, et al.*, 1:20-cv-05333. The Complaint alleges violations of Section 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and corporate waste and seeks monetary damages and other relief on behalf of the Company. Additionally, on September 11, 2020, the Company was named as a nominal defendant, and certain of its former officers and directors were named as defendants, in a shareholder derivative action filed in the United States District Court for the Southern District of New York, captioned *Elleisy, Jr. v. Ideanomics, et al*, 20-cv-5333, alleging violations and allegations similar to the *Toorani* litigation. On October 10, 2020, the Court in the *Elleisy* and *Toorani*, consolidated these two actions. Additionally, on October 27, 2020, the Company was named as a nominal defendant, and certain of its former officers and directors were named as defendants, in a shareholder derivative action filed in the United States District Court for the District of Nevada, captioned *Zare v. Ideanomics, et al*, 20-cv-608, alleging violations and allegations similar to the *Toorani* and *Elleisy* litigations.

While the Company believes that the above litigations are without merit and plans to vigorously defend itself against these claims, there can be no assurance that the Company will prevail in the lawsuits. The Company cannot currently estimate the possible loss or range of losses, if any, that it may experience in connection with these litigations. There is currently a mediation scheduled for April 2021 for all of the pending actions that have been filed and discussed above.

SEC Investigation

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

Note 20. Concentration, Credit and Other Risks

a) PRC Regulations

The PRC market in which the Company operates poses certain macro-economic and regulatory risks and uncertainties. These uncertainties extended to the ability of the Company to conduct wireless telecommunication services through contractual arrangements in the PRC since the industry remains highly regulated. The Company conducted legacy YOD business in China through a series of contractual arrangements, which were terminated as of December 31, 2019. Refer to Note 5 for additional information. The Company believed that these contractual arrangements were in compliance with PRC law and were legally enforceable, or their respective legal shareholders failed to perform their obligations under the contractual arrangements or any dispute relating to these contracts remained unresolved, the Company could enforce its rights under the VIE contracts through PRC law and courts. However, uncertainties in the PRC legal system could limit the Company's ability to enforce these contractual arrangements. In particular, the interpretation and enforcement of these laws, rules and regulations involve uncertainties.

b) Major Customers

For the year ended December 31, 2020, three customers individually accounted for more than 10.0% of the Company's revenue (77.0% of revenue.) Three customers individually accounted for more than 10.0% of the Company's net accounts receivable as of December 31, 2020 (98.2% of accounts receivable.)

For the year ended December 31, 2019, one customer individually accounted for more than 10.0% of the Company's revenue (91% of revenue.) One customer individually accounted for more than 10.0% of the Company's net accounts receivable as of December 31, 2019 (95% of accounts receivable.)

c) Major Suppliers

For the year ended December 31, 2020, four suppliers individually accounted for more than 10.0% of the Company's cost of revenues (73.7% of cost of revenue.) Two suppliers individually accounted for more than 10.0% of the Company's accounts payable as of December 31, 2020 (61.1% of accounts payable.)

For the year ended December 31, 2019, no suppliers individually accounted for more than 10.0% of the Company's cost of revenues. Two suppliers individually accounted for more than 10.0% of the Company's accounts payable as of December 31, 2019.

(d) 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, 2020 and 2019, the Company's cash was held by financial institutions (located in the PRC, Hong Kong, Malaysia, the U.S. and Singapore) 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.

(e) Foreign Currency Risks

A majority 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 People's Bank of China ("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, 2020, the Company had cash of \$165.8 million. Approximately \$163.8 million was held in U.S. entities and \$2.0 million was held in Hong Kong, Singapore, Malaysia, and PRC entities.

As of December 31, 2020 and 2019 deposits of \$1.3 million and \$0.4 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 the PRC, HK SAR, U.S., Singapore and Cayman with acceptable credit ratings.

Note 21. Defined Contribution Plan

For U.S. employees, during 2011, the Company began sponsoring a 401(k) defined contribution plan ("401(k) Plan") that provides for a 100.0% employer matching contribution of the first 4.0% of eligible pay that the employee contributed to the plan. Employees are immediately 100.0% vested in the Company's non-discretionary contribution to the 401(k) Plan. The Company's 401(k) matching contributions were \$84,426 and \$27,244 in the years ended December 31, 2020 and 2019, respectively.

Full time employees in the PRC participate in a government-mandated defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. PRC labor regulations require the Company to make contributions based on certain percentages of the employees' basic salaries. Other than such contributions, there is no further obligation under these plans. The total contributions for such PRC employee benefits were \$0.4 million and \$0.4 million in the years ended December 31, 2020 and 2019, respectively.

Note 22. Geographic Areas

The following table summarizes geographic information for long-lived assets (in thousands):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
United States	\$ 8,965	\$ 64,360
Malaysia	28,185	51,733
British Virgin Islands	—	3,000
Other	135	511
Total	\$ 37,285	\$ 119,604

Note 23. Fair Value Measurement

The following table summarizes information about the Company's financial instruments 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):

	<u>December 31, 2020</u>			<u>Total</u>
	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	
Contingent consideration ¹	\$ —	\$ —	\$ 649	\$ 649
Contingent consideration ²	—	—	8,311	8,311
Total	\$ —	\$ —	\$ 8,960	\$ 8,960

Note

¹ 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 as disclosed in Note 6(c). The contractual period which required periodic remeasurement has expired, and therefore the Company will not remeasure this liability in the future. The Company issued 13.1 million shares for the year ended months ended December 31, 2020 and partially satisfied this liability.

² This represents the liability incurred in connection with the acquisition of Tree Technology shares during the three months ended December 31, 2019 and as subsequently remeasured as of December 31, 2020 as disclosed in Note 6(a).

The fair value of the DBOT contingent consideration as of March 31, 2020 and December 31, 2019 was valued using the Black-Scholes Merton model.

The following table summarizes the significant inputs and assumptions used in the model:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Risk-free interest rate	0.1 %	1.6 %
Expected volatility	30 %	30 %
Expected term	0.08 years	0.25 years
Expected dividend yield	0 %	0 %

The significant unobservable inputs used in the fair value measurement of the contingent consideration includes the risk-free interest rate, expected volatility, expected term and expected dividend yield. Significant increases or decreases in any of those inputs in isolation would result in a significantly different fair value measurement.

The fair value of the Tree Technology contingent consideration as of December 31, 2020 and 2019 was valued using a scenario-based method which incorporates various estimates, including projected gross revenue for the periods, probability estimates, discount rates and other factors.

The following table summarizes the significant inputs and assumptions used in the scenario-based method:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Weighted-average cost of capital	15.0 %	15.0 %

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 reconciliation of Level 3 fair value measurements (in thousands):

	<u>Contingent Consideration</u>
January 1, 2020	\$ 24,656
Measurement period adjustment	(1,990)
Settlement	(8,203)
Remeasurement (loss)/gain recognized in the income statement	(5,503)
December 31, 2020	<u>\$ 8,960</u>

Note 24. Subsequent Events

Held for Sale

Fintech Village

On January 28, 2021, the Company's Board of Directors accepted an offer of \$2.75 million for Fintech Village, and subsequently signed a sale contract on March 15, 2021. The Company believes that Fintech Village met the criteria for held for sale classification on January 28, 2021.

Acquisitions and Investments

WAVE Acquisition

On January 4, 2021, the Company entered into an agreement and plan of merger (the "WAVE Agreement") to acquire 100.0% of Wireless Advanced Vehicle Electrification, Inc. ("WAVE") for an aggregate purchase price of \$50.0 million in a combination of \$15.0 million of cash and Ideanomics common stock with a value of \$35.0 million. In addition to the cash and common stock to be paid and issued at closing, the WAVE Agreement contains contingent consideration that could result in additional payments of up to \$30.0 million to the sellers based upon revenue and gross profit margin metrics for 2021 and 2022. Ideanomics has also agreed to a performance and retention plan for the benefit of certain WAVE's employees which could result in up to \$10.0 million paid to such employees if certain

gross revenue targets and certain gross profit margins are achieved for 2021 and 2022. WAVE is a provider of wireless charging solutions for medium and heavy-duty electric vehicles. The Company closed the acquisition of WAVE on January 15, 2021.

Timios Acquisition

On January 8, 2021 the Company completed the acquisition of Timios Holdings Corp. (“Timios”) pursuant to the stock purchase agreement (the “Timios Agreement”) entered into on November 11, 2020. Pursuant to the Timios Agreement, the Company acquired 100.0% of the outstanding capital stock of Timios for \$40.0 million in cash consideration plus \$6.5 million for cash on hand. Timios provides title and escrow services for real estate transactions.

Technology Metals Investment

On January 28, 2021, the Company entered into a simple agreement for future equity (the “SAFE”) with Technology Metals Market Limited (“TM2”) pursuant to which Ideanomics invested £1.5 million (\$2.1 million.) TM2 is a London based commodities issuing and trading platform for technology metals connecting institutional investors, proprietary traders and retail investors with digital metals issuers – miners, refiners, recyclers and mints.

Silk EV Investment

On January 28, 2021, the Company entered into a convertible promissory note (the “SilkEV Note”) with SilkEV Cayman LP (“SilkEV”) pursuant to which the Company invested \$15.0 million. The SilkEV Note will accrue 6.0% interest and is due and payable upon request by the Company on the maturity date, January 28, 2022. SilkEV is a U.S./Italian automotive engineering and design services company, primarily engaged in the design, development and production services for fully electric premium, high luxury, and hypercars.

Energica Investment

On March 3, 2021, the Company entered into an investment agreement with Energica Motor Company S.P.A (“Energica.”) The Company invested €10.9 million (\$13.2 million) for 6.1 million ordinary shares of Energica at a subscription price of €1.78 (\$2.15) for each ordinary share. Pursuant to the purchase of the shares the Company will hold at least 20.0% of Energica’s share capital. From March 3, 2021 through September 30, 2021 the Company has the right to participate in any equity financing by Energica. Ideanomics will not be able to sell any of the shares for a period of 90 days. Energica is the world’s leading manufacturer of high performance electric motorcycles and the sole manufacturer of the FIM Enel MotoE™ World Cup. Energica motorcycles are currently on sale through the official network of dealers and importers.

Debt Transactions

YA Notes

On various dates subsequent to the balance sheet date, the Company entered into convertible debentures (“YA Note(s)”) with YA II PN, Ltd (“YA.”) The table below summarizes the issuances respectively:

Date of Issuance	Principal Amount	Fixed Conversion Price	Maturity Date
January 4, 2021	\$37.5 million	\$2.00	July 4, 2021
January 15, 2021	\$37.5 million	\$3.31	July 15, 2021
January 28, 2021	\$65.0 million	\$4.12	July 28, 2021
February 8, 2021	\$80.0 million	\$4.95	August 8, 2021

For each issuance, at any time before the maturity date, the Investor may convert the YA Note(s) at their option into shares of Company common stock at the fixed conversion price noted in the table. The Company has the right, but not the obligation, to redeem a portion or all amounts outstanding under the YA Note(s) prior to the maturity date at a cash redemption price equal to the principal amount to be redeemed, plus accrued and unpaid interest, if any. The Investor may convert all or any part of the YA Note(s) after receiving a redemption notice, in which case the redemption amount shall be reduced by the amount converted. No public market currently exists for the YA Note(s), and the Company does not intend to apply to list the YA Note(s) on any securities exchange or for quotation on any inter-dealer quotation system. The Note contains customary events of default, indemnification obligations of the Company and other obligations and rights of the parties.

Equity Transactions

Roth Capital Share Placement

On February 26, 2021, the Company entered into a sales agreement with Roth Capital Partners, LLC (“Roth Capital.”) In accordance with the terms of the sales agreement, the Company may offer and sell from time to time through Roth Capital the Company’s common stock having an aggregate offering price of up to \$150.0 million (the “Placement Shares”). The Placement Shares will be offered and sold pursuant to the Company’s shelf registration statement on Form S-3 (Registration No. 333- 252230). The Company is not obligated to sell any Placement Shares pursuant to the sales agreement. Subject to the terms and conditions of the sales agreement, Roth Capital will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of the Nasdaq Stock Market (“Nasdaq”), to sell the Placement Shares from time to time based upon the Company’s instructions, including any price, time or size limits or other customary parameters or conditions the Company may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. The Company shall pay to Roth Capital in cash, upon each sale of Placement Shares pursuant to the Agreement, an amount equal to 3.0% of the gross proceeds from each sale of Placement Shares.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information that would be required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including to our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 under the Exchange Act, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2020. Based on that evaluation, our chief executive officer and chief financial officer concluded that as of December 31, 2020, and as of the date that the evaluation of the effectiveness of our disclosure controls and procedures was completed, our disclosure controls and procedures were effective to satisfy the objectives for which they are intended.

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, 2020, 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 effective as of December 31, 2020. During our assessment, we did not identify any material weaknesses in our 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.

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 March 29, 2020.

NAME	AGE	POSITION
Shane McMahon	51	Vice Chairman
Alf Poor	50	Chief Executive Officer, Director and Interim Chairman
Conor McCarthy	63	Chief Financial Officer
James Cassano	74	Director
Jerry Fan	51	Director
Harry Edelson	87	Director

Shane McMahon. Mr. McMahon was appointed Vice Chairman as of January 12, 2016 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. Alf 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 threat 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. Conor McCarthy. Mr. McCarthy was appointed as our Chief Financial Officer on September 9, 2019. Mr. McCarthy has over 30 years of experience as a Chief Financial Officer in areas such as corporate strategy and corporate finance including capital raising and Mergers and Acquisitions. Mr. McCarthy most recently served as the Chief Financial Officer of OS33, a private equity backed FinTech SaaS platform for compliance and productivity enablement for the wealth management industry with 200 employee from July 2018 to May 2019. Prior to that, Mr. McCarthy served as the (i) Chief Financial Officer of Intent from May 2016 to July 2018; (ii) the Chief Financial Officer of Convergen Group from June 2014 to July 2015 and (iii) the Chief Financial Officer and Finance Director of the Americas for GFI Group, Inc., a NYSE-listed fintech wholesale money broker with revenues of almost \$1 billion (now part of BGC Partners, Nasdaq: BGCP), from March 2005 to June 2014. Mr. McCarthy, holds a CA from the Institute of Chartered Accountants in Ireland. Mr. McCarthy started his career as an auditor with KPMG in Ireland. Mr. McCarthy then transitioned into financial services, working as CFO, Treasurer, and in other executive finance roles, with trading and brokerage firms, as well as high growth fintech partners supporting the financial services industry.

James S. Cassano. Mr. Cassano was appointed as director of the Company effective as of 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.

Jerry Fan. Mr. Fan was appointed as director of the Company on January 12, 2016. Mr. Fan has served as Managing Director and Country Manager for the Greater China region at Analog Devices, Inc. (NASDAQ: ADI), a global semiconductor company since November, 2012. Prior to ADI, Mr. Fan worked for Cisco Systems, Inc. (NASDAQ: CSCO) for 15 years between 1997 and 2012 in a number of senior management roles, including Sales Managing Director for Cisco China, Sale Director for Cisco Australia and Senior Manager for Operations and Strategy for the Cisco Service Provider business based in Hong Kong. Mr. Fan started his career in 1998 working at Fudan University as a faculty member in both teaching and research roles. He graduated from Fudan University with a Computer Science Bachelor degree and an Executive MBA degree from CEIBS (China European International Business School) in 1999.

Harry Edelson. Mr. Edelson was appointed as director of the Company effective as of September 15, 2019, CFA, CCP, CDP, is the Founder of Edelson Technology Partners, and President since 1980 of Edelson Technology, Inc., a company involved in consulting, fundraising, Mergers and Acquisitions, and investments. From 1984 until 2005 Mr. Edelson was an advisor and consultant for 10 multinational corporations (AT&T, Viacom, 3M, Ford Motor, Cincinnati Bell, Colgate-Palmolive, Reed Elsevier, Imation, Asea Brown Boveri and UPS). During this time he managed four technology-oriented strategic venture capital funds for the aforementioned 10 companies using corporate rather than pension money. He has served on over 150 boards of directors, 12 as chairman. At some time in the past five years, Harry Edelson served as a director of four private companies, Airwire, PogoTec, eChinaCash, Pathway Genomics, and one public company, China Gerui. Executive positions in industry include Senior Systems Computer Engineer for Unisys, Transmission Engineer for AT&T (1962-1967), CTO for Cities Service (1967-1970) and Director of Marketing for a terminal manufacturer serving the nascent internet industry (1971-1973). His experience in technology led him to a 12 year career as a securities analyst on Wall Street covering telecommunications, computers, and office equipment for three leading investment banking firms in the 1970s and 1980s. Harry obtained a BS in Physics from Brooklyn College in 1962, MBA from New York University Graduate School of Business in 1965, and completed a Graduate Program in Telecommunications Engineering at the Cornell Graduate School of Electrical Engineering in 1966. In 2007, Harry served as Chairman and Chief Executive Officer for China Opportunity Acquisition Corp., a SPAC that raised \$40 million and merged with China Gerui in 2009. Mr. Edelson was a Council member of The Julliard School of Music, Dance and Drama, and is the founder and still Chairman of the China Investment Group; and the founder and current member of the Chinese Cultural Foundation. Harry's qualifications to serve as a director include decades of experience on Wall Street and various venture capital ventures. He has SPAC experience, vast board experience, and participated in numerous Mergers and Acquisitions transactions.

There are no agreements or understandings between any of our executive officers or directors and any other persons to resign at the request of another such other person and to act on behalf of or at the direction of any such other person.

Directors are elected for one-year term and until their successors are duly elected and qualified.

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 No.4 Drive-in Movie Theater Park, No. 21 Liangmaqiao Road, Chaoyang District, Beijing, 100125, China.

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 Cassano, Jerry Fan, and Harry Edelson. 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 nine members, five 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.

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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 Cassano, Shane McMahon, Jerry Fan, and Harry Edelson 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 Cassano, Harry Edelson and Jerry Fan 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 Cassano, Harry Edelson and Jerry Fan 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 Harry Edelson, Jim Cassano and Jerry Fan with Harry Edelson 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.

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.

Alfred 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.

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.

Harry Edelson. Mr. Edelson is the Founder of Edelson Technology Partners, and President since 1980 of Edelson Technology, Inc., a company involved in consulting, fundraising, Mergers and Acquisitions, and investments. In light of our business and structure, Mr. Edelson's extensive executive experience and his educational background led us to the conclusion that he should serve as a director of our Company.

Jerry Fan. Mr. Fan has more than 20 years of experience in top management positions in China and the Asia Pacific region, working for several multinational technology companies. He also has served in senior management positions of several U.S. public companies. In light of our business and structure, Mr. Fan's extensive industry and business experience and his educational background led us to the conclusion that he should serve as a director of our Company.

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 offences);
- 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.

Section 16(A) Beneficial Ownership Reporting Compliance

Under U.S. securities laws, directors, certain executive officers and persons holding more than 10% of our common stock must report their initial ownership of the common stock, and any changes in that ownership, to the SEC. The SEC has designated specific due dates for these reports. Based solely on our review of copies of such reports filed with the SEC by and representations of our directors and executive officers, except for the Form 3 Initial Statement of Beneficial Ownership to be filed by our director Jerry Fan and chief financial officer, Conor McCarthy, and the Form 4 in connection with grants of stock options to be filed by our directors Jim Cassano, Shane McMahon, Harry Edelson and Jerry Fan, the Company is not aware of any failures to file reports or report transactions in a timely manner during the year ended December 31, 2020.

Code of Ethics

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers, employees and advisors, which became effective in January 2015. We have posted a copy of our code of business conduct and ethics on our website at www.ideanomics.com.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table (2020 and 2019)

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.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock awards (3) (\$)	Option awards (#)	Nonequity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Bruno Wu (Former Chief Executive Officer)(1)	2019	250,000	—	—	2,500,000	—	—	—	250,000
	2020	250,000	—	—	—	—	—	—	250,000
Alf Poor (Chief Executive Officer)	2019	300,000	50,000	—	2,000,000	—	—	—	350,000
	2020	383,333	500,000	—	1,000,000	—	—	—	883,333
Conor McCarthy (Chief Financial Officer)(2)	2019	116,667	50,000	—	1,500,000	—	—	—	166,667
	2020	289,900	350,000	—	—	—	—	—	639,900
Carla Oiong Zhou (Chief Revenue Officer)	2019	250,000	—	—	1,000,000	—	—	—	250,000
	2020	250,000	—	—	—	—	—	—	250,000

- (1) On November 12, 2018, Bruno Wu resigned from his position as a Chief Executive Officer of the Company. On February 22, 2019 Bruno Wu rejoined the Company as Executive Chairman. On December 31, 2020 Bruno Wu resigned his position as Executive Chairman.
- (2) Mr. McCarthy joined The Company on September 9, 2019, the salary represents a prorated amount for the year.
- (3) Reflects the aggregate grant date fair value of option or restricted stock units determined in accordance with FASB ASC Topic 718.

Employment Agreements

Alfred 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 will be entitled to stock options of up to 2,000,000 shares in 2021.

Conor McCarthy

Effective on July 31, 2020, we entered into an employment agreement with Mr. McCarthy for a term of 2 years pursuant to which Mr. McCarthy will receive an annual salary of \$350,000 and will be entitled to participate in all employment benefit plan and policies of the Company. Mr. McCarthy will be entitled to stock options of up to 750,000 shares in 2021.

We have not provided retirement benefits (other than a state pension scheme in which all of our employees in China participate) or change of control benefits to our named executive officers.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the equity awards of our named executive officers outstanding at December 31, 2020.

Name	Option awards						Market value of shares of units of stock that have not vested (\$)
	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	Number of shares or units of stock that have not vested (#)	
Bruno Wu	1,041,666	1,458,334	—	1.98	February 20, 2029	1,458,334	\$ 2,902,084
Alf Poor	833,333	1,166,667	—	1.98	February 20, 2029	1,166,667	2,231,667
	250,000	499,998	—	0.53	December 7, 2030	499,998	994,996
Conor McCarthy	937,500	562,500	—	0.53	September 20, 2029	562,500	1,119,375

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, 2020.

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 (\$)
Bruno Wu	250,000	—	—	—	—	—	250,000
Shane McMahon	36,000	—	—	—	—	—	36,000
Alf Poor	383,333	—	1,000,000	500,000	—	—	833,333
James Cassano	81,504	—	263,333	—	—	50,000	131,504
Jerry Fan	36,000	—	—	—	—	—	36,000
John Wallace	—	—	—	—	—	—	—
Steven Fadem	19,894	—	—	—	—	—	19,894
Harry Edelson	13,473	—	500,000	—	—	—	13,473

(1) Reflects the aggregate grant date fair value of restricted stock determined in accordance with FASB ASC Topic 718.

(2) Reflects the number of stock options granted in 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding beneficial ownership of our common stock as of March 29, 2021 (i) by each person who is known by us to beneficially own more than 5% of our common stock; (ii) by each of our executive officers and directors as a group; and (iii) by all of our executive officers and directors as a group. Unless otherwise specified, the address of each of the persons set forth below is in care of Ideanomics, Inc., at 1441 Broadway, Suite 5116, New York, NY 10018

Name and Address of Beneficial Owner	Office, If Any	Common Stock(2)		Series A Preferred Stock (3)		Combined Common Stock and Series A(4)	
		Shares	% of Class	Shares	% of Class	Votes	Percentage
Directors and Officers							
Shane McMahon	Vice Chairman	6,090,589 (3)	2.3 %	0	*	6,101,767	2.2 %
Alfred Poor	CEO and Interim Chairman	2,500,000 (4)	*	0	*	2,500,000	*
James Cassano	Director	938,366 (5)	*	0	*	938,364	* %
Harry Edelson	Director	395,827 (6)	*	0	*	395,827	
Jerry Fan	Director	519,806 (7)	*	0	*	519,806	* %
Conor McCarthy	CFO	1,250,000 (8)	*	0	*	1,250,000	* %
All officers and directors as a group (6 persons named above)		14,484,298	3.5 %			14,484,298	3.5 %

5% Securities Holders

Bruno Wu		40,138,232 (9)	9.5 %	7,000,000 (10)	100 %	49,471,565 ()	11.5 %
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*Less than 1%.

- (1) Beneficial Ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to our securities. For each beneficial owner above, any options exercisable within 60 days have been included in the denominator.
- (2) Applicable percentage ownership is based on 419,314,800 shares of common stock outstanding as of March 29, 2021 and the number of convertible securities held by each beneficial owner that has the right to acquire stock through the exercise of such convertible securities within 60 days from March 29, 2021.
- (3) Includes (i) 8,166,208 shares of Common Stock, (ii) 111,110 shares of Common Stock underlying options exercisable within 60 days at \$1.84 per share, (iii) 40,000 shares of Common Stock underlying options exercisable within 60 days at \$4.50 per share; (iv) 166,666 shares of Common Stock underlying options exercisable within 60 days at \$2.00 per share, (v) 75,800 shares of Common Stock underlying options exercisable within 60 days at \$5.57 per share
- (4) Includes (i) 250,000 shares of Common Stock, (ii) 250,000 shares underlying options exercisable within 60 days at \$0.53 per share, and (iii) 2,000,000 shares underlying options exercisable within 60 days at \$1.98 per share.
- (5) Includes (i) 225,808 shares of Common Stock, (ii) 2,780 shares underlying options exercisable within 60 days at \$1.84 per share, (iii) 8,974 shares underlying options exercisable within 60 days at \$2.91 per share, (iv) 75,800 shares underlying options exercisable within 60 days at \$5.57, (v) 500,000 shares underlying options exercisable within 60 days at \$1.98 per shares, and (vi) 125,004 shares underlying options exercisable with 60 days at \$0.53 per share.

- (6) Includes 395,827 shares underlying options exercisable within 60 days at \$0.53.
- (7) Includes (i) 269,806 shares of Common Stock, (ii) 250,000 shares underlying options exercisable within 60 days at \$1.98 .
- (8) Includes 1,250,000 shares underlying options exercisable within 60 days at \$0.53
- (9) Includes 37,638,232 (ii) 2,500,000 options exercisable within 60 days at \$1.98
- (10) Based on 7,000,000 shares of Series A Preferred Stock issued and outstanding as of March 25, 2019, with the holders thereof being entitled to cast ten (10) votes for every share of Common Stock that is issuable upon conversion of a share of Series A Preferred Stock (each share of Series A Preferred Stock is convertible into 0.1333333 shares of Common Stock), or a total of 9,333,330 votes.
- (11) Represents total voting power with respect to all shares of our Common Stock and Series A Preferred Stock.

Changes in Control

There are no arrangements known to us, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of the Company.

Securities Authorized for Issuance under Equity Compensation Plans

The following table includes the information as of December 31, 2020 for each category of our equity compensation plan:

Plan category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	25,172,209	\$ 1.29	24,721,195
Equity compensation plans not approved by security holders	—	—	—
Total	25,172,209	\$ 1.29	24,721,195

⁽¹⁾ On August 3, 2018, our Board of Directors approved and on August 28, 2018 our shareholders approved the Ideanomics Amended and Restated 2010 Equity Incentive Plan (the “Plan”) to increase the number of shares authorized for issuance under the Plan to 31,500,000 pursuant to which incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares may be granted to employees, directors and consultants of the Company and its subsidiaries. On October 22, 2020 our shareholders at our Annual General Meeting approved an increase of 25,300,000 in the number of shares authorized for issuance under the Plan to 56,800,000.

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 Item 11—“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 Bruno Wu, Chairman

On November 25, 2019, the Company entered into a convertible promissory note agreement with SSSIG, an affiliate of Dr. Wu, in the aggregate principal amount of \$1.0 million. The convertible promissory note bore interest at a rate of 4.0%, was initially scheduled to mature on November 25, 2021, and was convertible into the shares of the Company’s common stock at a conversion price of \$1.25 per share anytime at the option of SSSIG. As of December 31, 2019, the Company received \$0.25 million from SSSIG. The Company did not receive the remaining \$0.975 million due under this note. On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of conversion price to \$0.59, contingent upon the immediate conversion of the convertible promissory note. On June 5, 2020, the convertible promissory note, including accumulated interest, was converted into 0.4 million shares of common stock.

On February 8, 2019, the Company entered into a convertible promissory note agreement with SSSIG, an affiliate of Dr. Wu, in the aggregate principal amount of \$2.5 million. The convertible promissory note bore interest at a rate of 4.0%, was scheduled to mature on February 8, 2020, and was convertible into shares of the Company’s common stock at a conversion price of \$1.83 per share anytime at the option of SSSIG. As of December 31, 2019, the Company received \$1.3 million from SSSIG. The Company did not receive the remaining \$1.2 million due under this note. On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of the conversion price to \$0.59, contingent upon the immediate conversion of the convertible promissory note. On June 5, 2020, the convertible promissory note including accumulated interest was converted into 2.2 million shares of common stock.

In connection with our acquisition with Grapevine on September 4, 2018, Fomalhaut Limited (“Fomalhaut”), a British Virgin Islands company and an affiliate of Bruno Wu (“Dr. Wu”), the Chairman of the Company, is the non-controlling equity holder of 34.35% in Grapevine (the “Fomalhaut Interest.”) Fomalhaut entered into an option agreement, effective as of August 31, 2018 (the “Option Agreement”), with the Company pursuant to which the Company provided Fomalhaut with the option to sell the Fomalhaut Interest to the Company. In May 2019, the Company entered into two amendments to the Option Agreement. The aggregate exercise price for the Option was amended to the greater of: (1) fair market value of the Fomalhaut Interest in Grapevine as of the close of business on the date preceding the date upon which the option is exercised; and (2) \$1.84 per share of the Company’s common stock. It was also agreed that the full amount of the exercise price shall be paid in the form of common stock of the Company. In June 2019, the Company issued 0.6 million shares in exchange for a 34.3% ownership in Grapevine as a result of the exercise of the Option.

On September 7, 2018, the Company entered into an agreement to purchase FinTalk Assets with Sun Seven Star International Limited, a Hong Kong company and an affiliate of Dr. Wu. FinTalk Assets are the rights, titles and interest in a secure mobile financial information, social, and messaging platform that has been designed for streamlining financial-based communication for professional and retail users. The purchase price for Fintalk Assets is \$7.0 million payable with \$1.0 million in cash and shares of the Company’s common stock with a fair market value of \$6.0 million. The Company paid \$1.0 million in October 2018 and recorded in prepaid expense because the transaction had not closed. The purchase price was later amended to \$6.4 million, payable with \$1.0 million in cash and

shares of the Company's common stock with a value of \$5.4 million. The Company issued 2.9 million common shares in June 2019 and completed the transaction.

In May 2019, the Company determined to sell the Red Rock business and entered into an agreement with Redrock Capital Group Limited, an affiliate of Dr. Wu, to sell its entire interest in Red Rock for consideration of \$0.7 million. The Company decided to sell Red Rock primarily because it has incurred operating losses and its business is no longer needed based on the Company's business plan. The transaction was completed in July 2019 and the Company recorded a disposal gain of \$0.6 million recorded in "Gain (loss) on disposal of subsidiaries, net" in the consolidated statements of operations.

In June 2020, the Audit Committee and the Board of Directors approved the conversion of some borrowings from Dr. Wu at a conversion price of \$0.59 per common share, contingent upon the immediate conversion of these amounts. On June 5, 2020, the borrowings of \$1.5 million, including the \$0.4 million transferred from Beijing Financial Holding Limited, were converted into 2.6 million shares of common stock.

In June 2020, the Company entered a service agreement with SSSIG for the period from July 1, 2020 through June 30, 2021 for \$1.4 million in exchange for consulting services from SSSIG, the services include but are not limited to human resources, finance and legal advice. The Company recorded the service charges of \$0.7 million in "professional fess" for the year ended December 31 2020, and \$0.2 million in "Amount due to related parties" as of December 31 2020. The Company is currently in process of negotiating the agreement with SSSIG.

Other Related Party Transactions

On May 10, 2012, Mr. McMahon, our Vice Chairman, made a loan to the Company in the amount of \$3.0 million. In consideration for the loan, the Company issued a convertible note to Mr. McMahon in the aggregate principal amount of \$3.0 million (the "Note") at a 4.0% interest rate computed on the basis of a 365-day year. The Company entered several amendments with respect to the effective conversion price (changed from \$1.75 to \$1.50), convertible stocks (changed from of Series E Preferred Stock to Common Stock) and extension of the maturity date to December 31, 2020. On June 5, 2020, the Audit Committee and the Board of Directors approved the reduction of conversion price to \$0.59, contingent upon the immediate conversion of the Note. On June 5, 2020, the Note was converted into 5.1 million shares of common stock. The Company paid the accumulated interest \$0.3 million in cash prior to the conversion.

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.

Promoters and Certain Control Persons

We did not have any promoters at any time during the past five fiscal years.

ITEM 14. PRINCIPAL ACCOUNTING 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, 2020 and 2019 (in thousands):

	Year Ended December 31,	
	2020	2019
Audit Fees:		
BF Borgers (BFB)	\$ 850	\$ 856
TOTAL	\$ 850	\$ 856

* "Audit Fees" consisted of the aggregate fees billed for professional services rendered for the audit of our annual financial statements and the reviews of the financial statements included in our Forms 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 BFB for our consolidated financial statements as of and for the year ended December 31, 2020 and 2019.

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
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	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].
3.6	Certificate of Designation of Series C Preferred Stock [incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on August 31, 2012].
3.7	Certificate of Designation of Series D 4% Convertible Preferred Stock [incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on July 11, 2013].
3.8	Certificate of Designation of Series E Convertible Preferred Stock [incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-35561) filed on February 6, 2014].

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- [4.2](#) [Form of Warrant issued on July 30, 2010 to Shane McMahon \[incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed August 23, 2010\].](#)
- [4.4](#) [Form of Warrant issued pursuant to the Securities Purchase Agreement, dated August 30, 2012 \[incorporated by reference to exhibit 4.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on August 31, 2012\].](#)
- [4.5†](#) [YOU On Demand Holdings, Inc. 2010 Equity Incentive Plan \[incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 \(File No. 001-35561\) filed on June 16, 2015\].](#)
- [4.6†](#) [Forms of Stock Option Agreement \[incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 \(File No. 001-35561\) filed on June 16, 2015\].](#)
- [4.7†](#) [Form of Restricted Stock Grant Agreement \[incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 \(File No. 001-35561\) filed on June 16, 2015\].](#)
- [4.8](#) [Warrant issued on December 21, 2015 to Beijing Sun Seven Stars Culture Development Limited \[incorporated by reference to Exhibit 4.8 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [4.9](#) [Description of the Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934](#)
- [10.1](#) [Management Services Agreement, dated March 9, 2010, by and between Sinotop Beijing and Sinotop Hong Kong \[incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 31, 2014\].](#)
- [10.2†](#) [Employment Agreement, dated January 31, 2014 between the Company and Shane McMahon \[incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on February 6, 2014\].](#)
- [10.3](#) [Form of Securities Purchase Agreement, dated August 30, 2012, by and among the Company, the Investors and Chardan Capital Management \[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, 2012\].](#)
- [10.4](#) [Form of Registration Rights Agreement, dated August 30, 2012, by and between the Company and the Investors \[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, 2012\].](#)
- [10.5](#) [Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 15, 2012\].](#)
- [10.6](#) [Amendment No. 1 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on May 21, 2012\].](#)
- [10.7](#) [Amendment No. 2 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on October 23, 2012\].](#)
- [10.8](#) [Amendment No. 3 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 15, 2013\].](#)
- [10.9](#) [Amendment No. 4 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on February 6, 2014\].](#)

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- [10.10](#) [Amendment No. 5 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on January 2, 2015\].](#)
- [10.11](#) [Amendment No. 6 to the Convertible Promissory Note, dated December 31, 2016 \[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on January 6, 2017\].](#)
- [10.12](#) [Amendment No. 7 to the Convertible Promissory Note, dated November 9, 2017 \[incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 10-Q \(File No. 001-35561\) filed on November 13, 2017\].](#)
- [10.13](#) [Waiver, dated November 4, 2013, between Shane McMahon and the Company \[incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on November 8, 2013\].](#)
- [10.14](#) [Form of Series E Preferred Stock Purchase Agreement, dated as of January 31, 2014, between the Company and certain investors \[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on February 6, 2014\].](#)
- [10.15](#) [Voting Agreement, dated as of November 23, 2015, by and between the Company and certain stockholders \[incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on November 24, 2015\].](#)
- [10.16](#) [Amended and Restated Securities Purchase Agreement, dated as of December 21, 2015, between the Company and Beijing Sun Seven Stars Culture Development Limited \[incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.17](#) [Content License Agreement, dated as of December 21, 2015, by and between the Company and Beijing Sun Seven Stars Culture Development Limited \[incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.18](#) [Amended and Restated Share Purchase Agreement, dated as of December 21, 2015, by and between the Company and Tianjin Enternet Network Technology Limited \[incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.19](#) [Convertible Promissory Note issued to Beijing Sun Seven Stars Culture Development Limited, dated December 21, 2015 \[incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.20†](#) [Employment Agreement, dated as of March 28, 2016 by and between the Company and Mei Chen \[incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.21†](#) [Employment Agreement, dated as of March 28, 2016 by and between the Company and Bing Yang \[incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.22](#) [Termination Agreement among Sinotop Beijing, YOD WFOE and Zhang Yan, dated January 22, 2016 \[incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.23](#) [Call Option Agreement among YOD WFOE, Sinotop Beijing, Bing Wu and Yun Zhu, dated as of January 25, 2016 \[incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)

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- [10.24](#) [Equity Pledge Agreement among YOD WFOE, Sinotop Beijing, Bing Wu and Yun Zhu, dated as of January 25, 2016 \[incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.25](#) [Power of Attorney agreements among YOD WFOE, Sinotop Beijing, Bing Wu and Yun Zhu, dated as of January 25, 2016 \[incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.26](#) [Technical Services Agreement among YOD WFOE and Sinotop Beijing, dated as of January 25, 2016 \[incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.27](#) [Spousal Consents, dated January 25, 2016 \[incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.28](#) [Letter of Indemnification among YOD WFOE, Bing Wu and Yun Zhu, dated as of January 25, 2016 \[incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2016\].](#)
- [10.29](#) [Equity Pledge Agreement among YOD WFOE, Lan Yang and Yun Zhu, dated April 5, 2016 \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 16, 2016\].](#)
- [10.30](#) [Call Option Agreement among YOD WFOE, Tianjin Sevenstarflix Network Technology Limited, Lan Yang and Yun Zhu, dated April 5, 2016 \[incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 16, 2016\].](#)
- [10.31](#) [Amendment No. 1 to Convertible Promissory Note issued to Beijing Sun Seven Stars Culture Development Limited, dated May 12, 2016 \[incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 16, 2016\].](#)
- [10.32](#) [Joint Venture Agreement by and between YOU on Demand \(Asia\) Limited, and Megtron Hongkong Investment Group Co., Limited, dated May 30, 2016 \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 15, 2016\].](#)
- [10.33](#) [Common Stock Purchase Agreement by and between the Company and Seven Stars Works Co., Ltd., dated July 6, 2016 \[incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 15, 2016\].](#)
- [10.34](#) [Common Stock Purchase Agreement by and between the Company and Harvest Alternative Investment Opportunities SPC, dated August 11, 2016 \[incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 15, 2016\].](#)
- [10.35](#) [Common Stock Purchase Agreement by and between the Company and Sun Seven Stars Hong Kong Cultural Development Limited, dated November 11, 2016 \[incorporated by reference to Exhibit 10.53 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 31, 2017\].](#)
- [10.36](#) [Securities Purchase Agreement by and between the Company and BT Capital Global Limited, dated January 30, 2017 \[incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 31, 2017\].](#)
- [10.37](#) [Convertible Promissory Note issued BT Capital Global Limited, dated January 30, 2017 \[incorporated by reference to Exhibit 10.55 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 31, 2017\].](#)

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- [10.38](#) [Securities Purchase Agreement by and between the Company, BT Capital Global Limited and Sun Seven Stars Media Group Limited, dated January 31, 2017 \[incorporated by reference to Exhibit 10.56 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 31, 2017\].](#)
- [10.39](#) [English translation of Equity Agreement, dated March 31, 2017, by and between Shanghai Blue World Investment Management Consulting Limited and Shanghai Pulse Consulting Company Limited \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on May 15, 2017\].](#)
- [10.40](#) [Form of Subscription Agreement, dated May 19, 2017, by and between Company and its certain investors, including officers, directors and other affiliates of the Company \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 14, 2017\].](#)
- [10.41](#) [Securities Purchase Agreement, dated June 9, 2017, by and between the Company and Redrock Capital Group Limited \[incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 14, 2017\].](#)
- [10.42](#) [Securities Purchase Agreement, dated June 30, 2017, by and between the Company and BT Capital Global Limited \[incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on August 14, 2017\].](#)
- [10.43](#) [Form of Stockholder Proxy and Lock-Up Agreement, by and between Ideanomic, Inc., Bruno Wu and certain stockholders \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 13, 2017\].](#)
- [10.44](#) [License Agreement, dated October 17, 2017, by and between Wecast Services Group Limited and Guangxi Dragon Coin Network Technology Co., Ltd \[incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 13, 2017\].](#)
- [10.45](#) [Securities Purchase Agreement, dated October 23, 2017, by and between Ideanomic, Inc., and Hong Kong Guo Yuan Capital Holdings Limited \[incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 13, 2017\].](#)
- [10.46](#) [Amendment to Securities Purchase Agreement dated of June 30, 2017, by and between the Company and BT Capital Global Limited \[incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.47](#) [Securities Purchase Agreement, dated December 7, 2017, by and between Ideanomic, Inc., and Tiger Sports Media Limited \[incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.48](#) [Securities Purchase Agreement, dated December 7, 2017, by and among Ideanomic, Inc., Tianjin Sun Seven Stars Culture Development Co. Ltd., Beijing Nanbei Huijin Investment Co., Ltd. And Shanghai Guangming Investment Management Limited \[incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.49](#) [Stock Purchase Agreement, dated December 18, 2017, by and among Ideanomic, Inc., Certain existing DBOT shareholders, and Delaware Board of Trade Holdings, Inc. \("DBOT"\) \[incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.50](#) [First Addendum to Stock Purchase Agreement, dated December 18, 2017, by and among Ideanomic, Inc., Certain existing DBOT shareholders, and Delaware Board of Trade Holdings, Inc. \[incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)

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- [10.51](#) [Second Addendum to Stock Purchase Agreement, dated December 18, 2017, by and among Ideanomic, Inc., Certain existing DBOT shareholders, and Delaware Board of Trade Holdings, Inc. \[incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.52](#) [Stock Purchase Agreement, dated January 12, 2018, by and among Ideanomic, Inc., Certain existing DBOT shareholders, and Delaware Board of Trade Holdings, Inc. \[incorporated by reference to Exhibit 10.51 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.53](#) [Amendment No. 1 to Convertible Promissory Note issued BT Capital Global Limited \[incorporated by reference to Exhibit 10.52 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.54](#) [Stock Purchase Agreement, dated February 28, 2018, by and among Ideanomic, Inc., Certain existing DBOT shareholders, and Delaware Board of Trade Holdings, Inc. \[incorporated by reference to Exhibit 10.53 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.55†](#) [Employment Agreement, dated March 14, 2017 between the Company and Mr. Simon Wang \[incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.56†](#) [Employment Agreement, dated November 1, 2017 between the Company and Mr. Robert Benya \[incorporated by reference to Exhibit 10.55 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.57](#) [Subscription Agreement, dated March 17, 2018, by and between Ideanomic, Inc., and GT Dollar Pte. Ltd. \[incorporated by reference to Exhibit 10.56 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.58](#) [Form of Convertible Promissory Note issued to GT Dollar Pte, Ltd. In the amount of U.S. \\$10 million \[incorporated by reference to Exhibit 10.57 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.59](#) [Form of Convertible Promissory Note issued to GT Dollar Pte, Ltd. In the amount of U.S. \\$4,933,121.80 \[incorporated by reference to Exhibit 10.58 to the Company's Annual Report on Form 10-K \(File No. 001-35561\) filed on March 30, 2018\].](#)
- [10.60](#) [Employment Agreement, dated as of June 1, 2018, by and between Ideanomics, Inc. and Mr. Federico Tovar \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on June 7, 2018\].](#)
- [10.61](#) [Purchase and Sale Agreement, dated July 11, 2018, by and between Seven Stars Cloud Group, Inc. and the State of Connecticut \[incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.62](#) [Assistance Agreement, dated July 11, 2018, y and between Seven Stars Cloud Group, Inc. and the State of Connecticut \[incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.63](#) [Share Purchase & Option Agreement, dated July 24, 2018, by and between Seven Stars Cloud Group, Inc. and Star Thrive Group Limited \[incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.64](#) [Agreement and Plan of Merger, dated July 18, 2018, by and among Seven Stars Cloud Group, Inc., Grapevine Logic, Inc., GLI Acquisition Corp., and Mr. Grant Deken, as the representative of the holders of capital stock of Grapevine Logic, Inc. \[incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)

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- [10.65](#) [Stock Option Agreement, effective August 31, 2018, by and among Seven Stars Cloud Group, Inc. and Formalhut Limited \[incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.66](#) [Employment Agreement, dated September 24, 2018, by and between Ideanomics, Inc. and Mr. Brett McGonegal \[incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.67](#) [Amended and Restated Convertible Note Purchase Agreement, dated June 28, 2018, by and between Seven Stars Cloud Group, Inc. and Advantech Capital Investment II Limited \[incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.68](#) [Convertible Bond Agreement, dated June 28, 2018, by and between Seven Stars Cloud Group, Inc. and Advantech Capital Investment II Limited \[incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.69](#) [Amended and Restated 2010 Equity Incentive Plan, dated August 28, 2018 \[incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2018\].](#)
- [10.70](#) [Amended and Restated Subscription Agreement, dated June 21, 2018, by and between Seven Stars Cloud Group, Inc. and GT Dollar PTE Ltd. \[incorporated by reference to Exhibit 10.3 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on August 20, 2018\].](#)
- [10.71](#) [Registration Rights Agreement, dated June 28, 2018, by and between Seven Stars Cloud Group, Inc. and Advantech Capital Investment II Limited \[incorporated by reference to Exhibit 10.4 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on August 20, 2018\].](#)
- [10.72](#) [Supplementary Financial Advisory Agreement, dated December 24, 2018, by and among Ideanomics, Inc., Shenzhen National Transport Service Co., Ltd. and Shanghai Blue Investment Management Consulting Co. Ltd \[incorporated by reference to Exhibit 10.72 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on April 1, 2019\].](#)
- [10.73](#) [Financial Advisory Service Agreement, dated October 18, 2018, by and between Ideanomics, Inc. and Zhonjinhui Resources Co., Ltd. \[incorporated by reference to Exhibit 10.73 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on April 1, 2019\].](#)
- [10.74](#) [Trade Finance Services Agreement, dated January 9, 2019, by and among the Company, Ningbo Free Trade Zone Cross-Border Supply Chain Management and Settlement Technology Co., Ltd. \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on March 31, 2019\].](#)
- [10.75](#) [Asset Purchase Agreement, dated February 19, 2019, by and between the Company and Solid Opinion, Inc \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on March 31, 2019\].](#)
- [10.76](#) [Registration Rights Agreement, dated February 19, 2019, by and between the Company and Solid Opinion, Inc. \[incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on March 31, 2019\].](#)
- [10.77](#) [Convertible Note Purchase Agreement, dated February 22, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on March 31, 2019\].](#)
- [10.78](#) [Convertible Note, dated February 22, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.5 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on March 31, 2019\].](#)

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<u>10.79</u>	<u>Warrant, dated February 22, 2019, by and between the Company and ID Venturas 7, LLC [incorporated by reference to Exhibit 10.6 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.80</u>	<u>Registration Rights Agreement, dated February 22, 2019, by and between the Company and ID Venturas, LLC [incorporated by reference to Exhibit 10.7 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.81</u>	<u>Acquisition Agreement, dated March 5, 2019, by and between the Company and Tree Motion Sdn. Bhd. [incorporated by reference to Exhibit 10.8 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.82</u>	<u>Asset Purchase Agreement, March 14, 2019, by and between the Company and GT Dollar PTE Ltd [incorporated by reference to Exhibit 10.9 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.83</u>	<u>Employment Agreement, dated February 15, 2019, by and between the Company and Mr. Alfred Poor [incorporated by reference to Exhibit 10.10 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.84</u>	<u>Termination Agreement, dated February 12, 2019 by and between the Company and Brett McGonegal [incorporated by reference to Exhibit 10.11 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.85</u>	<u>Termination Agreement, dated February 12, 2019 by and between the Company and Evangelos Kalimtgis [incorporated by reference to Exhibit 10.12 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.86</u>	<u>Termination Agreement, dated February 12, 2019 by and between the Company and Uwe Henke [incorporated by reference to Exhibit 10.13 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.87</u>	<u>GT Dollar Service Agreement, dated March 14, 2019 by and between the Company, Thai Setakij Insurance Plc and GT Dollar Ltd [incorporated by reference to Exhibit 10.14 to the Company's Report on Form 10-Q (File No. 001-35561) filed on March 31, 2019].</u>
<u>10.88</u>	<u>Stock Purchase Agreement, dated May 3, 2019, by and between Redrock Capital Group Limited and Ideanomics, Inc. [incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 14, 2019].</u>
<u>10.89</u>	<u>1st Amendment to Stock Option Agreement, dated May 7, 2019, by and between Ideanomics, Inc. and Fomalhaut Limited [incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 14, 2019].</u>
<u>10.90</u>	<u>2nd Amendment to Stock Option Agreement, dated May 30, 2019, by and between Ideanomics, Inc. and Fomalhaut Limited [incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 14, 2019].</u>
<u>10.91</u>	<u>1st Amendment to Intellectual Property Purchase and Assignment Agreement, dated June 11, 2019, by and between Ideanomics, Inc. and Sun Seven Star International Limited. [incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 14, 2019].</u>
<u>10.92</u>	<u>Share Transfer Agreement, dated July 18, 2019, by and between Ideanomics, Inc. and Beijing Financial Holdings Limited. [incorporated by reference to Exhibit 10.5 to the Company's Report on Form 10-Q (File No. 001-35561) filed on August 14, 2019].</u>
<u>10.93</u>	<u>Convertible Note Purchase Agreement, dated September 27, 2019, by and between the Company and ID Venturas 7, LLC [incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-Q (File No. 001-35561) filed on November 14, 2019].</u>

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- [10.94](#) [Convertible Note, dated September 27, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2019\].](#)
- [10.95](#) [Warrant, dated September 27, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2019\].](#)
- [10.96](#) [Registration Rights Agreement, dated September 27, 2019, by and between the Company and ID Venturas, LLC \[incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on November 14, 2019\].](#)
- [10.97](#) [Employment Agreement, dated September 5, 2019, by and between the Company and Mr. Conor McCarthy \[incorporated by reference to Exhibit 10.97 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.98](#) [Tree Technology Acquisition Agreement \[incorporated by reference to Exhibit 10.98 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.99](#) [Additional Issuance Agreement, dated October 29, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.99 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.100](#) [Convertible Note, dated October 29, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.100 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.101](#) [Warrant, dated October 29, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.101 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.102](#) [Additional Issuance Agreement, dated November 8, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.102 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.103](#) [Convertible Note, dated November 8, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.103 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.104](#) [Warrant, dated November 8, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.104 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.105](#) [Additional Issuance Agreement, dated November 13, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.105 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.106](#) [Convertible Note, dated November 13, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.106 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.107](#) [Warrant, dated November 13, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.107 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.108](#) [Additional Issuance Agreement, dated November 27, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.108 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.109](#) [Convertible Note, dated November 27, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.109 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)

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- [10.110](#) [Warrant, dated November 27, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.110 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.111](#) [Additional Issuance Agreement, dated December 19, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.111 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.112](#) [Amendment to Transaction Documents, dated October 30, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.112 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.113](#) [Securities Purchase Agreement, dated December 19, 2019, with YA II PN, Ltd \[incorporated by reference to Exhibit 10.113 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.114](#) [Convertible Note, dated December 19, 2019, in the amount of \\$2,000,000 with YA II PN, Ltd \[incorporated by reference to Exhibit 10.114 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.115](#) [Warrant, dated December 19, 2019, with YA II PN, Ltd. exercisable for 1,666,667 shares of common stock \[incorporated by reference to Exhibit 10.115 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.116](#) [Warrant, dated December 19, 2019, with YA II PN, Ltd. Exercisable for 1,000,000 shares of common stock \[incorporated by reference to Exhibit 10.116 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.117](#) [Subsidiary Guarantee, dated September 27, 2019, from certain of the Company's subsidiaries \(the "Sub-Guarantee"\) to ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.117 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.118](#) [Registration Rights Agreement, dated December 19, 2019, with ID YA II PN, Ltd \[incorporated by reference to Exhibit 10.118 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.119](#) [Warrant, dated December 19, 2019, by and between the Company and ID Venturas 7, LLC \[incorporated by reference to Exhibit 10.119 to the Company's Report on Form 10-K \(File No. 001-35561\) filed on March 16, 2020\].](#)
- [10.120](#) [Amendment No. 9 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on May 11, 2020\].](#)
- [10.121](#) [Strategic Cooperation agreement between Qingdao Chengyang Xingyang Development and Investment Co., Ltd., Beijing Seven Star Global Culture Development Co., Ltd. and Ideanomics \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on May 11, 2020\].](#)
- [10.122](#) [Convertible Note, dated February 14, 2020, in the amount of \\$2,000,000 with YA II PN, Ltd \[incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on May 11, 2020\].](#)
- [10.123](#) [Convertible Note, dated December 31, 2019, in the amount of \\$1,000,000 with YA II PN, Ltd \[incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on May 11, 2020\].](#)
- [10.124](#) [Standby Equity Distribution Agreement, dated as of April 3, 2020, by and between Ideanomics, Inc. and YA II PN, Ltd \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on April 6, 2020\].](#)
- [10.125](#) [Debenture Conversion Agreement, dated May 20, 2020, between Ideanomics, Inc. and ID Venturas 7, L.L.C \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on May 20, 2020\].](#)

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- [10.126](#) [Debenture Conversion Agreement, dated May 20, 2020, between Ideanomics, Inc. and YA II PN Ltd \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on May 20, 2020\].](#)
- [10.127](#) [Standby Equity Distribution Agreement, dated as of September 4, 2020, by and between Ideanomics, Inc. and YA II PN, Ltd \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on September 10, 2020\].](#)
- [10.128](#) [Letter Agreement, dated as of September 10, 2020, by and between, Ideanomics, Inc. and YA II PN, Ltd \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on September 10, 2020\].](#)
- [10.129](#) [Letter Agreement, dated June 9, 2020, by and between YA II and the Ideanomics, Inc \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.130](#) [Debenture Amendment Agreement, dated June 9, 2020, by and between YA II and Ideanomics, Inc \[incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.131](#) [Subscription Agreement, dated June 9, 2020, by and between D-Beta One EQ, Ltd. and Ideanomics, Inc \[incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.132](#) [Amendment No. 9 to Convertible Promissory Note in \\$3,000,000 principal amount issued to Shane McMahon \[incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.133](#) [Amendment to Terms of Convertible Promissory Note and Advance Payments \[incorporated by reference to Exhibit 10.5 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.134](#) [Employment Agreement, dated August 5, 2020, by and between the Company and Mr. Conor J. McCarthy \[incorporated by reference to Exhibit 10.6 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.135](#) [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\].](#)
- [10.136](#) [Consulting Agreement, dated August 10, 2020, by and between the Company and Mr. Steven Fadem \[incorporated by reference to Exhibit 10.8 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.137](#) [Supplement to the Cooperation Agreement, dated August 4, 2020, by and among Ideanomics, Inc., Mobile Energy Global Limited, Shenzhen National Transportation Service Co., Ltd. and Qingdao Enengju New Energy Sales Service Co., Ltd \[incorporated by reference to Exhibit 10.9 to the Company's Report on Form 10-Q \(File No. 001-35561\) filed on August 11, 2020\].](#)
- [10.138](#) [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\].](#)
- [10.139](#) [Convertible Debenture between the Company and YA II PN, Ltd, dated December 14, 2020 in the principal amount of \\$25,000,000 \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on December 18, 2020\].](#)
- [10.140](#) [Payoff Letter Agreement between the Company and Advantech Capital Investment II Ltd. for the \\$12,000,000 Note, June 28, 2018, issued by the Company to Advantech Capital Investment II Ltd \[incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K \(File No. 001-35561\) filed on December 22, 2020\].](#)

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10.141	Convertible Debenture between the Company and YA II PN, Ltd, dated January 4, 2021 in the principal amount of \$37,500,000 [incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K (File No. 001-35561) filed on January 8, 2021].
10.142*	An automobile sales contract between the Company and Meihao Travel (Hangzhou) Automobile Technology Co., Ltd.
10.143*	Payment agreement among the Company, Meihao Travel (Hangzhou) Automobile Technology Co., and BYD (HK) Co., Ltd.
10.144*	Stock purchase agreement, dated October 2, 2020, between the Company and Solectrac, Inc.
10.145*	Shareholder agreement, dated October 20, 2020, by and among Solectrac, Inc. and each of the shareholders
21*	List of subsidiaries of the registrant.
23.1*	Consent of BF Borgers CPA PC.
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.
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.
*	Filed 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.

Date: March 31, 2021

IDEANOMICS, INC.

By: /s/ Alf Poor
Alf Poor
Chief Executive Officer

By: /s/ Conor McCarthy
Conor McCarthy
Chief Financial Officer

IDEANOMICS, INC.

**Description of the Securities Registered Pursuant to
Section 12 of the Securities Exchange Act of 1934**

The following description is a summary of the terms of our common stock, which are registered under Section 12(b) of the Securities Exchange Act of 1934, as amended. The following description is qualified in its entirety by reference to our Articles of Incorporation, as amended (“Articles of Incorporation”), and Bylaws, as amended (“Bylaws”), each of which is incorporated by reference as an exhibit to this Annual Report on Form 10-K, and certain applicable provisions of the Nevada Revised Statutes.

General

Our authorized capital stock consists of 1,500,000,000 shares of common stock, par value \$0.001 per share, and 50,000,000 shares of preferred stock, par value \$0.001 per share, of which 7,000,000 shares are designated as series A preferred stock. As of March 29, 2021, 419,314,800 shares of common stock were issued and outstanding.

Common Stock

Dividend Rights. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock may, pursuant to our Bylaws, receive dividends out of funds legally available if our board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board may determine. We have not paid any dividends on our common stock and do not contemplate doing so in the foreseeable future.

Voting Rights. In accordance with Nevada Revised Statutes Section 78.350, holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our Articles of Incorporation.

No Preemptive or Similar Rights. In accordance with Nevada Revised Statutes Section 78.267, our common stock is not entitled to preemptive rights and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distribution. In accordance with Nevada Revised Statutes Sections 78.565 to 78.620, if we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable among the holders of our common stock and our participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences on any outstanding shares of preferred stock.

Fully Paid and Non-Assessable. In accordance with NRS Sections 78.195 and 78.211 and the assessment of our board, all of the outstanding shares of our common stock are fully paid and nonassessable.

Nasdaq Capital Market. Our shares of common stock trade on The Nasdaq Capital Market under the symbol IDEX.

Transfer Agent and Registrar. The transfer agent and registrar for our common stock is TransferOnline.

Blank Check Preferred Stock

We are authorized to issue 50,000,000 shares of preferred stock, par value \$0.001 per share. Pursuant to our Articles of Incorporation, our board is authorized to authorize and issue preferred stock and to fix the designations, preferences and rights of the preferred stock pursuant to a board resolution. Our board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting

rights, redemption rights, liquidation preference, sinking fund terms and the number of shares constituting any series or the designation of any series.

Anti-Takeover Effects of Nevada Law and Our Articles of Incorporation and Bylaws

Provisions of the Nevada Revised Statutes and our Articles of Incorporation and Bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, would be expected to discourage certain types of takeover practices and takeover bids our board may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us will outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Blank Check Preferred. Our Articles of Incorporation permit our board to issue preferred stock with voting, conversion and exchange rights that could negatively affect the voting power or other rights of our common stockholders. The issuance of our preferred stock could delay or prevent a change of control of our company.

Board Vacancies to be filled by Remaining Directors. Our Bylaws provide that casual vacancies on the board may be filled by the remaining directors then in office.

Removal of Directors by Stockholders. Our Bylaws and the Nevada Revised Statutes provide that directors may be removed with or without cause at any time by a vote of two-thirds of the stockholders entitled to vote thereon, at a special meeting of the stockholders called for that purpose.

Stockholder Action. Our Bylaws provide that special meetings of the stockholders may be called by the board or such person or persons authorized by the board.

Amendments to our Articles of Incorporation and Bylaws. Under the Nevada Revised Statutes, our Articles of Incorporation may not be amended by stockholder action alone. Amendments to our Articles of Incorporation require a board resolution approved by the majority of the outstanding capital stock entitled to vote. Our Bylaws may only be amended by a majority vote of the stockholders at any annual meeting or special meeting called for that purpose. Subject to the right of stockholders as described in the immediately preceding sentence, the board has the power to make, adopt, alter, amend and repeal, from time to time, our Bylaws.

Nevada Anti-Takeover Statute. We may be subject to Nevada's Combination with Interested Stockholders Statute (Nevada Revised Statutes Sections 78.411 to 78.444) which prohibits an "interested stockholder" from entering into a "combination" with the corporation, unless certain conditions are met. An "interested stockholder" is a person who, together with affiliates and associates, beneficially owns (or within the prior two years, did beneficially own) 10% or more of the corporation's capital stock entitled to vote.

Limitations on Liability and Indemnification of Officers and Directors

The Nevada Revised Statutes limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors. Our Bylaws include provisions that require the company to indemnify our directors or officers against monetary damages for actions taken as a director or officer of our company. We are also expressly authorized to carry directors' and officers' insurance to protect our directors, officers, employees and agents for certain liabilities. Our Articles of Incorporation do not contain any limiting language regarding director immunity from liability.

The limitation of liability and indemnification provisions under Nevada Revised Statutes and in our Articles of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against

directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's fiduciary duties. Moreover, the provisions do not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval, except as may be required under the listing rules of any stock exchange on which our common stock is then listed. We may use additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

AUTOMOBILE SALE AND PURCHASE CONTRACT

Contract No.: QCMHHT-Qingdao Chengyang Medici-2020

Party A (Seller): Meihao Travel (Hangzhou) Automobile Technology Co., Ltd.

Registered Address: Room 311-315, Building 2, 253 Tinglan Street, Qiaosi Sub-District, Yuhang District, Hangzhou City, Zhejiang Province

Party B (Buyer): Qingdao Chengyang Medici Zhixing New Energy Automobile Co., Ltd.

Registered Address: A2 Office Zone, Fidelity International Trade City, 881 Qingwei Road, Chengyang Street, Chengyang District, Qingdao City, Shandong Province

Party A and Party B hereby enter into this contract for the purchase and sale of automobiles on the basis of equality, voluntariness and consensus through negotiation in accordance with relevant laws and regulations.

1. Basic Vehicle information

The subject matter of the purchase and sale under this contract is a BYD brand car (hereinafter referred to as the "subject matter"). The specific information is as follows:

Brand	Car Series/Model	Colour	Quantity (unit)	Unit Price (RMB/unit)	Withholding Tax Amount of National Subsidy (RMB/unit)	Withholding Tax Amount of Local Subsidy (RMB/unit)
BYD	D1	Two-coloured (Crystal White and Fruity Green)	2000	112000	15750	/

2. National and Local Subsidy Deposit

2.1 Within [1] days after the signing of this contract, Party B shall pay Party A the national and local subsidy deposit of RMB [1]/unit (in words: RMB /unit). The deposit shall be used by Party B to assist Party A in applying for national and local subsidies as required by Party A.

2.2 Party A shall return the national and local subsidy deposits (without interest) to Party B when the national and local subsidy deposits meet the following conditions at the same time:

2.2.1 The subject vehicle shall meet the requirement of reaching [2] million kilometres of driving mileage on the "New Energy Vehicle Service Platform" within the agreed period of the contract confirmed by both parties (if there is any adjustment to the kilometre standard, it shall be implemented according to the national policy and the licensing policy at that time);

2.2.2 Party B shall provide Party A with all the information required for the subsidy of new energy vehicles according to the national and/or local subsidy policies for new energy vehicles within 15 days after the completion of vehicle registration;

2.2.3 Party A shall review the above materials and match the mileage information with the "New Energy Vehicle Service Platform".

2.3 Regardless of whether Party B pays the national or local subsidy deposit, Party B has the obligation to perform the provisions of Article 2.2.1-2.2.3.

3. Purchase Price and Payment Method

3.1 Purchase Price

3.1.1 The unit price for the purchase of the subject matter to be paid by Party B to Party A under this contract is RMB [112000]/unit (in words: one hundred twelve thousand yuan/unit) (including 13% tax), that is, the total price to be paid by Party B to Party A under this contract is (including 13% tax): RMB [224000000] (in words: two hundred twenty-four million yuan), of which the amount excluding tax is RMB [198230088.50].

3.1.2 The unit price of the above-mentioned car purchase shall be withheld according to the national subsidy ("national subsidy") RMB (15750)/unit and the local subsidy RMB (/)/unit of the licensed city (Changsha). Party B shall provide Party A with the corresponding national subsidy materials and cooperate with Party A to apply for the national subsidy as required by Party A. If Party B fails to reach the mileage of [2] million kilometres within the specified time (if there is any adjustment to the kilometre standard, it shall be implemented according to the national policy and the licensing policy at that time), or fails to provide the relevant materials on time, or the materials provided are unqualified (including but not limited to the untrue materials provided) and other reasons of Party B, resulting in the failure to apply for the national subsidy or the failure to apply for in full amount, Party B shall, within (7) working days from the date of receiving Party A's notice, make up for the part of the subsidy that cannot be claimed or has not been claimed in full.

3.1.3 Party A and Party B confirm that the price of the subject vehicles under this contract has taken into account local subsidies, and Party B undertakes that if the contract vehicles can apply for local subsidies ("local subsidies"), the local subsidies shall be owned by Party A. If the policy stipulates that Party B should apply for the subsidy, Party B shall pay it to Party A within 10 days of the applied subsidy amount. If the policy stipulates that Party A should apply for the subsidy, Party B shall collect and provide the qualified information required for applying for local subsidies.

3.1.4 If the actual amount of subsidy applied by Party A is less than the deductible amount (RMB 15750/unit for national subsidy, RMB 10000/unit for local subsidy) due to policy or Party B's reasons, Party B shall make up the subsidy difference to Party A within 10 working days after the date when the subsidy policy is issued or the date when Party A receives the subsidy (whichever is earlier).

3.2 Party B shall make payment to Party A in the following ways:

3.2.1 Down payment: Within 3 days after signing the contract, Party B shall pay the down payment for the subject vehicles, which is RMB [22400000].

3.2. Party B shall, after receiving the notice of departure from Party A, pay Party A the balance of the subject vehicles in cash within [3] months after Party A's departure, which is, RMB [201600000] (in words: two hundred one million six hundred thousand yuan).

3.3. After the vehicles of the subject matter under this Agreement is dispatched, Party A shall issue a special value-added tax invoice to Party B according to the unit price of each subject matter.

3.4 The collection account information designated by Party A under this contract is as follows:

Account Name: Meihao Travel (Hangzhou) Automobile Technology Co., Ltd.

Bank: Business Department, Hangzhou Branch of China Zheshang Bank

Account Number: 3310010010120100885435

4. Responsibilities of Each Party

4.1 Responsibilities of Party A

4.1.1 Party A undertakes to provide Party B with qualified products for sale.

4.1.2 Party A shall be responsible for applying for national subsidy for all vehicles under this contract, and the amount of subsidy applied for shall be owned by Party A. Party B shall cooperate with Party A to provide qualified materials required for applying for the national subsidy.

4.1.3 When delivering the vehicle to Party B, Party A shall provide:

- (1) Vehicle certificate and conformity certificate.
- (2) Quality service card or warranty manual.
- (3) Vehicle operation manual or user manual.
- (4) Car tools and spare parts.

4.1.4 Party A agrees to transport the vehicle to the place designated by [Party B] in accordance with the contract.

4.2 Responsibilities of Party B

4.2.1 Before using the vehicle purchased from Party A, Party B shall carefully read the warranty manual, operation manual and other documents carried by Party A when delivering the vehicle.

4.2.2 Party B shall accept and inspect the vehicle and accompanying items in accordance with this contract.

4.2.3 Party B undertakes to provide the necessary information for Party A to apply for national subsidy and/or local subsidy.

5. Vehicle Delivery and Acceptance

5.1 Place of Vehicle Delivery: [Place designated by Party B].

5.2 Time of Vehicle Delivery: Party A and Party B shall negotiate and determine separately.

5.3 Method of Vehicle Delivery: Party A and Party B agree to deliver the vehicles under this Agreement using the method under [5.3.2].

5.3.1 After Party B receives Party A's instruction to pick up the vehicles, Party B shall pick up all the subject vehicles under this contract at one time.

5.3.2 Party B shall send the vehicle pick-up schedule for the next month to the email address [qi.zhen@byd.com] of the recipient [Qi Zhen] designated by Party A before the 5th of each month, and Party A shall arrange the vehicle departure plan after receiving the vehicle pick-up schedule. If Party A delays the delivery of the vehicle due to Party B's delay in sending the vehicle pick-up schedule, Party A shall not be liable for breach of contract.

5.3.3 Party A and Party B agree that the vehicles under this contract shall be picked up in [1] batches, and the number of vehicles picked up by Party B in each batch shall not be less than [1] units. Dates of Batch Pick-Ups: Party B shall pick up a batch of vehicles on each [1] working day and shall pick up all vehicles in the batch on the [1] working day of each pick-up cycle.

5.4 Delivery and Acceptance of Vehicles:

5.4.1 When the vehicles are delivered, both parties shall check and accept the vehicles on the spot, and Party B shall carefully inspect and confirm the appearance and basic functions of the purchased vehicles. If Party B finds that the model, specification, quantity and technical performance of the vehicles are not in conformity with the contract, unsatisfactory or defective during the acceptance, Party B shall submit it to Party A within [3] working days after the delivery of the vehicles.

5.4.2 When Party A hands over the vehicles to Party B for actual control and delivers the documents attached to the vehicle to Party B, Party B shall provide Party A with a sealed "Commodity Vehicle Handover Letter", which shall be deemed as the official delivery of the vehicles. If Party B fails to carry out the acceptance inspection within [3] working days after the delivery of the vehicles, and/or raises no objection to the vehicles, and/or fails to sign the "Commodity Vehicle Handover Letter", it shall be deemed that the vehicles have passed the acceptance inspection.

5.4.3 If Party B fails to pick up, inspect and accept the car according to the date notified by Party A, it shall be deemed that Party A has fulfilled the delivery obligations agreed in this contract, and Party B shall not require Party A to return any money already paid.

6. Transfer of Ownership and Risk

6.1 The risk of the subject vehicles shall be transferred to Party B from the time when Party B notifies Party A of the departure of the vehicles, and the risk of damage to and loss of the vehicles after the transfer of vehicle risk shall be borne by Party B. If Party B delays receiving the vehicle, Party B shall be responsible for the risk of the vehicle, and Party B shall bear full responsibility for any additional losses or expenses caused to Party A.

6.2 The ownership of the subject vehicles shall be transferred to Party B after Party B pays the full amount and delivers the vehicles.

7. Quality and After-Sales Service

7.1 The vehicles sold by Party A to Party B are new production vehicles without ownership or intellectual property disputes. The quality of the vehicles complies with the national automobile product

standards or industry standards, complies with the safety driving and basic use requirements stated in the manual, and complies with the new energy vehicle quality assurance policy.

7.2 The vehicles sold by Party A to Party B must be a product listed in the automobile product catalog published and filed by the relevant national departments, and can pass the inspection of the public security traffic management department, and can be licensed for driving.

7.3 Party A shall provide the vehicle-mounted information for the license plate of the vehicle, accompanied by the Chinese operation manual and necessary maintenance instructions.

7.4 Vehicle Warranty

7.4.1 The warranty of the subject vehicles shall refer to the after-sales warranty policy of the BYD vehicle manufacturer.

7.4.2 Party A undertakes that the vehicles purchased by Party B can be maintained normally.

7.4.3 During the warranty period, Party B's vehicles shall be maintained at the repair station authorised by Party A or agreed in writing by both parties. The repair station authorised by Party A or agreed in writing by both parties shall be responsible for the regular maintenance of the vehicles and main parts under this agreement.

7.4.4 The warranty period for the entire vehicle of the BYD [D1] model is [1 year or 100000 kilometres], whichever comes first. The warranty range of the three electricity (battery, motor, electronic control) is [6] years or [60]0,000 kilometers, whichever comes first. The date of issuance of the unified invoice for motor vehicle sales shall be taken as the starting date of the extended warranty.

8. Liability for Breach of Contract

8.1 Party B undertakes to complete the task of picking up all the subject matter before the date agreed by both parties. No matter what reason causes the failure to complete the task of picking up the subject matter, Party A has the right to request Party B to bear the penalty according to the number of vehicles not picked up* RMB [L]/unit

8.2 If Party B fails to provide Party A with the required qualified materials for applying for the national subsidy and/or local subsidy within [15] working days after the completion of licensing, resulting in Party A's failure to apply for the national subsidy or apply for it in full, Party B shall bear full responsibility for Party A's failure to apply for or insufficient application for partial losses.

8.3 If Party B fails to pay the performance deposit, order deposit, vehicle purchase payment, national and local subsidy deposit, subsidy difference and other payments within the time specified in the contract, Party A has the right to require Party B to bear the liability for breach of contract according to [0.01]/day of the overdue amount. If the overdue period exceeds [30] days, Party A shall have the right to unilaterally terminate the contract and confiscate the deposit, vehicle payment and other payments made by Party B.

8.4 Party B agrees to complete the driving mileage of the subject vehicles displayed on the "New Energy Vehicle Service Platform" to reach more than [2]0000 km (if there is any adjustment to the kilometre standard, it shall be implemented according to the national policy and the licensing policy at that time) before [31] [December] [2022], and provide the qualified data required for applying for subsidies according to Party

A's requirements; otherwise, Party B shall pay Party A 1%/day of the "amount of subsidy for each subject matter (national subsidy RMB [15750]/unit; local subsidy RMB []/unit) * the quantity of subject matter" as penalty from the next day after Party B fails to complete the vehicle registration within the agreed time. If the penalty is not enough to cover all the losses of Party A, Party B shall also compensate Party A for the remaining losses (including but not limited to the difference between the amount of subsidies actually applied by Party A and the amount of subsidies already deducted).

8.5 Party B undertakes that the vehicles purchased from Party A under this contract will not be used for product retail and/or registered under the name of an individual before Party A successfully applies for the national subsidy and/or the local subsidy of the place where the vehicles are registered, and that Party B will not resell/transfer/gift the vehicles to others/other entities and register the vehicles in the name of another individual/other entities before Party A successfully applies for the national subsidy and/or the local subsidy of the place where the vehicles are registered, and that Party B shall not use the purchased vehicle for any activities that may damage the brand image of Party A and the vehicle; otherwise, Party B shall pay Party A a penalty at [30]% of the total purchase price of the contract.

8.6 Due to Party B's reasons, the registration of the contract vehicles cannot be completed before [30] [September] [2021] (subject to the registration date on the vehicle license). If Party B fails to complete the registration of the vehicles within the above period, and as a result, the actual amount of subsidy (including but not limited to the national subsidy and local subsidy of the registration place) applied by Party A is less than the amount of subsidy deducted from the contract price, Party A has the right to ask Party B to make up the difference between the subsidy already withheld and the subsidy actually received by Party A. If Party B is unable to complete the registration of the vehicle within the aforementioned period due to the departure of Party A, Party A shall bear the loss of the subsidy amount that has been deducted.

8.7 The nature of use of the vehicles purchased by Party B is an [operational nature]. If Party B needs to resell the subject vehicles in the future, Party B shall clearly inform the buyer of the actual warranty period of the vehicle in the sales contract. If Party B fails to inform the buyer of the actual warranty period of the vehicle, resulting in the buyer's or vehicle owner's complaints against Party A or the manufacturer of the subject matter, or requiring Party A or the manufacturer to undertake the warranty beyond the warranty conditions agreed in this agreement, Party B shall bear the corresponding responsibilities. If Party A or the manufacturer has undertaken the warranty responsibility required by the end customer, Party A or the manufacturer shall have the right to claim compensation from Party B.

8.8 If the liquidated damages under this contract are insufficient to cover the losses of Party A, Party B shall bear the responsibility of further compensating Party A for all losses. The losses of Party A include but are not limited to: the amount of national subsidies and local subsidies that Party A fails to apply for but has been deducted under this contract, legal fees, litigation fees, appraisal fees, warehousing management fees, labour costs, investigation fees, transportation costs, and other expenses, loss of stagnant materials, etc. At the same time, Party A and/or Party A's affiliated companies have the right to directly deduct all liquidated damages and compensation under this contract from the vehicle purchase payment paid by Party B and any expenses payable to Party B and Party B's affiliated companies. If the above expenses are insufficient to be deducted, Party B shall pay them to Party A within [3] days.

9. Force Majeure

9.1 If either party of Party A and Party B is unable to perform this contract due to force majeure, it shall promptly inform the other party of the reasons for its failure to perform or fully perform the contract, and at the same time, take various reasonable measures to reduce the impact of force majeure on both parties, and shall provide proof within [5] days to allow delay in performance, partial performance or non performance of the contract, and may be partially or completely exempted from the liability for breach of contract according to the situation.

9.2 Force majeure refers to the events that neither party can foresee, avoid and overcome its occurrence and consequences when entering into this contract, and it is not the fault or negligence of the party that causes the delay or failure to perform its obligations under this contract, including but not limited to natural disasters (flood, earthquake, etc.), fire, riot, explosion, war, natural disasters, interruption or pause of means of transportation or other public utilities, or strike or shutdown in the factory of the vehicle supplier.

10. Confidentiality Obligation

Party A and Party B undertake to keep confidential the documents, materials and information (including but not limited to trade secrets such as the price and conditions of the purchased vehicles, company plans, operation activities, financial information, technical information, operation information and the information specified in this contract) that belong to the other party and cannot be obtained from public channels that they learn of during the discussion, signing and execution of this contract. Without the consent of the provider of the data, documents and information, the information receiver shall not disclose all or part of the trade secret to any third party. Otherwise, once the information provider finds out, the information receiver will be liable to the information provider for breach of contract at a rate of RMB [10]0000 per time, and the information provider can unilaterally request to terminate the contract and confiscate all the expenses paid by the information receiver (including but not limited to: deposit, performance bond, vehicle payment, etc.). If required by Party A, Party B shall sign a separate confidentiality agreement with Party A.

11. Methods of Dispute Resolution

Any dispute between Party A and Party B arising from the performance of this contract shall be resolved through negotiation. If the negotiation fails, a lawsuit shall be brought to the people's court with jurisdiction in the place where the contract was signed (Pingshan District, Shenzhen).

12. Others

12.1 Matters not covered in this contract and matters to be changed during the performance of this contract shall be agreed by both parties through the signing of supplementary terms or supplementary agreements. The supplementary terms, supplementary agreements and appendices of this contract are integral parts of this contract.

12.2 This contract is signed on [5] [December] [2020], and takes effect from the date when the legal representatives or authorised representatives of both parties (hereinafter referred to as "signing representatives") sign and seal the contract. This contract is made in quadruplicate, with Party A and Party B holding two copies respectively, each of which has the same effect.

(The Remainder Of This Page Is Intentionally Left Blank)

Party A (seal): Meihao Travel (Hangzhou) Automobile Technology Co., Ltd.

Legal representative/authorised representative (signature): *[seal: [illegible signature] Meihao Travel
(Hangzhou) Automobile Technology Co., Ltd.
3301100381750]*

Party B (seal): Qingdao Chengyang Medici Zhixing New Energy Automobile Co., Ltd.

Legal representative/authorised representative (signature): *[seal: [illegible signature] Qingdao Chengyang
Medici Zhixing New Energy Automobile Co.,
Ltd. special contract seal 3702020566222]*

[handwritten: 20201223-1]

Four-Party Payment Agreement

Agreement No.: SFFKXY-Qingdao Chengyang Medici-2020

Party A: Meihao Travel (Hangzhou) Automobile Technology Co., Ltd.

Party B: Qingdao Chengyang Medici Zhixing New Energy Automobile Co., Ltd.

Party C: Ideanomics Inc.

Party D: BYD (HK) CO LTD

Party A and Party B signed the "Auto Sale Contract" (hereinafter referred to as the "original contract") numbered [QCMMHT-Qingdao Chengyang Medici-2020] on [15 December 2020], which stipulates that Party B shall purchase [2000] BYD brand vehicles from Party A for a total price of RMB [224000000], in words [two hundred twenty-four million yuan].

The four parties of A, B, C and D, after friendly negotiation and following the principles of equality, voluntariness, fairness, and good faith, entered into this payment agreement (hereinafter referred to as "this Agreement") on [23 December 2020] for the down payment (RMB [22400000], in words: twenty-two million four hundred thousand yuan) of BYD brand new energy vehicles under the original contract.

1. In order to ensure that Party B pays the down payment to Party A in full and on time in accordance with this Agreement (Article 3.2.1 of the original contract is no longer applicable), Party C (the affiliated company of Party B) agrees to pay a deposit equivalent to the down payment of the original contract (hereinafter referred to as "guarantee") to Party A's designated account (i.e. Party D's bank account specified in Article 7 of this Agreement) on 23 December 2020 (U.S. time) after the signing of this Agreement, that is, the U.S. dollar equivalent of RMB [22400000] (the exchange rate shall be subject to the central parity of the RMB exchange rate in the inter-bank foreign exchange market announced by the China Foreign Exchange Trade System & National Interbank Funding Center authorised by the People's Bank of China on 23 December 2020 (China time)), and a copy of the bank

receipt for the deposit shall be submitted to Party A and Party D for filing. The parties agree that Party D and Party A shall urge Party D to return all the deposit to the bank account designated by Party C (subject to the bank receipt) (i.e. the bank account of Party C as stipulated in Article 6 of this Agreement) within [2] working days after Party A receives the down payment made by Party B in accordance with this Agreement, otherwise, for each day overdue, Party D shall pay Party C an overdue fine (hereinafter referred to as "overdue fine") at the rate of 0.01%/day of the deposit. If Party D still fails to return the deposit and pay the overdue fine to Party C 30 days after Party A receives the down payment, Party B has the right to deduct the corresponding amount (deposit and overdue fine) from the balance agreed in the original contract.

2. After the signing of this Agreement, Party C agrees to provide necessary financial assistance for Party B to pay down payment to Party A through its affiliated companies, subject to the relevant laws and regulations of the State Administration of Foreign Exchange of the People's Republic of China. Party B shall pay such down payment to Party A after receiving the down payment equivalent to that paid by the affiliated company of Party C. Party B is obliged to pay Party A the down payment in full before [20 January 2021]. If Party B is unable to receive the amount equivalent to the down payment due to reasons other than Party C, Party C's affiliated company and Party B, and is then unable to make the down payment to Party A before [20 January 2021] (including but not limited to the documents required for foreign exchange supervision due to reasons other than Party C, Party C's affiliated company or Party B), the new path of down payment shall be negotiated by all parties. If Party B is still unable to make such down payment to Party A before [31 January 2021] after negotiation between the parties, Party A shall have the right to instruct Party D to return the remaining amount to Party C after deducting 0.01%/day of the overdue down payment from the deposit from 1 February 2021 to the actual payment date of Party B (excluding the date of down payment). If Party A still does not receive the down payment from Party B on 1 March 2021, the contract will be automatically terminated, and Party D has the right not to return the Party C's deposit.

3. Before Party B pays the down payment to Party A in accordance with this Agreement, if there is a serious breach of contract by Party B under the original contract, Party C agrees that Party A has

the right to instruct Party D to deduct the penalty or compensation agreed in the original contract before returning the remaining deposit to Party C.

4. This Agreement shall be governed by the laws of the People's Republic of China (except for Hong Kong, Macau and Taiwan, where the rules for exclusion of conflict of laws apply). Disputes related to this Agreement shall be settled through friendly negotiation among the four parties. If the negotiation fails, a lawsuit shall be brought to the people's court with jurisdiction in the place where the contract is signed (Pingshan District, Shenzhen City).

5. This Agreement shall come into force after being signed and sealed by the legal representative or authorised representative of Party A, Party B, Party C and party D. This agreement is made in eight copies, two for each party.

6. Account of Party C under this Agreement:

Ideanomics Inc

Bank: Vectra Bank

SWIFT: ZFNBUS55

Account Number: 4093912758

7. Account of Party C under this Agreement:

BYD (HK) CO LTD

Bank: CITIBANK, N.A., HONGKONGBRANCH

SWIFT: CITIHKHX

Account Number: 1153218001 (USD)

8. This Agreement consists of four copies. Each party shall seal/sign on their respective copies and provide a scanned copy. All parties agree that the scanned copy has the same legal effect.

(The following has no text; it is the signature page of the "Four-Party Payment Agreement")

(The following is the signature page of the "Four-Party Payment Agreement")

Party A: Meihao Travel (Hangzhou) Automobile Technology Co., Ltd. (official seal) [*seal: Meihao Travel (Hangzhou) Automobile Technology Co., Ltd. contract seal 33011003817 [partially illegible numbers]*]

Address: Room 311-315, Building 2, 253 Tinglan Street, Qiaosi Sub-District, Yuhang District, Hangzhou City, Zhejiang Province

Party B: Qingdao Chengyang Medici Zhixing New Energy Automobile Co., Ltd. (official seal)

Address: A2 Office Zone, Fidelity International Trade City, 881 Qingwei Road, Chengyang Street, Chengyang District, Qingdao City, Shandong Province

Party C: Ideanomics Inc

Signature of legal representative or authorised representative:

Address: 55 Broadway, 19th Floor, New York, New York, USA

Party D: BYD (HK) CO LTD

*[stamp:
For and on behalf of
BYD (H.K.) CO., LIMITED
[illegible signature]
Authorised Signature(s)]*

Signature of legal representative or authorised representative:

Address: Unit 1712, 17/F, Tower 2, Grand Central Plaza, No.138 Shatin Rural Committee Rd, Shatin, HK.

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this “**Agreement**”), is made as of is made as of October 20, 2020, by and among Solectrac, Inc., a California benefit corporation (the “**Company**”) and Ideanomics, Inc., a Nevada corporation (“**Purchaser**”).

The parties hereby agree as follows:

1. Purchase and Sale.

1.1 Sale and Issuance of Common Stock. Subject to the terms and conditions of this Agreement, Purchaser agrees to purchase at the Closing (as defined below) and the Company agrees to sell and issue to Purchaser at the Closing 1,428,571 shares of Common Stock, \$0.0001 par value per share (the “**Common Stock**”), at a purchase price of \$0.91 per share. The shares of Common Stock issued to Purchaser pursuant to this Agreement shall be referred to in this Agreement as the “**Shares.**”

1.2 Closing; Delivery.

(a) The purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures, at 10:00 a.m., on the date of this Agreement, or at such other time and place as the Company and Purchaser mutually agree upon, orally or in writing (which time and place are designated as the “**Closing**”).

(b) At the Closing, the Company shall deliver to Purchaser a certificate representing the Shares against payment of the purchase price therefor by check payable to the Company or by wire transfer to a bank account designated by the Company.

1.3 Defined Terms Used in this Agreement. In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) “**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one (1) or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

(b) “**Code**” means the Internal Revenue Code of 1986, as amended.

(c) “**Company Intellectual Property**” means all patents, patent applications, registered and unregistered trademarks, trademark applications, registered and unregistered service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and in any and all such cases that

are owned or used by the Company in the conduct of the Company's business as now conducted and as presently proposed to be conducted.

(d) **"Governmental Authority"** means any national, federal, state, provincial, county, municipal or local government, foreign or domestic, or the government of any political subdivision of any of the foregoing, or any entity, authority, agency, arbitral body, ministry, court or other similar body exercising executive, legislative, judicial, regulatory or administrative authority or functions of or pertaining to government, including any authority or other quasi governmental authority established to perform any of such functions.

(e) **"Key Employee"** means any executive-level employee (including division director and vice president-level positions) as well as any employee or consultant who either alone or in concert with others develops, invents, programs or designs any Company Intellectual Property.

(f) **"Knowledge"** including the phrase **"to the Company's knowledge"** shall mean the actual knowledge after reasonable investigation of Steve Heckerth¹. Additionally, for purposes of Section 2.8, the Company shall be deemed to have "knowledge" of a patent right if the Company has actual knowledge of the patent right or would be found to be on notice of such patent right as determined by reference to United States patent Laws.

(g) **"Laws"** means all statutes, laws (common and statutory, criminal and civil), rules, treaties, conventions, legislations, codes, regulations, restrictions, ordinances, orders, approvals and directives of, or issued by, all Governmental Authorities or any similar provision having the force of law.

(h) **"Material Adverse Effect"** means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company.

(i) **"Person"** means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(j) **"Securities Act"** means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(k) **"Stockholders' Agreement"** means the agreement among the Company, Purchaser, and certain other stockholders of the Company dated as of the date of this Agreement, in the form of Exhibit A attached to this Agreement.

(l) **"Transaction Agreements"** means this Agreement and the Stockholders' Agreement.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Purchaser that, except as set forth on the Disclosure Schedule delivered by the Company to Purchaser simultaneously with the execution and delivery of this Agreement, which

¹ NTD: Other knowledge parties to be confirmed.

exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Closing, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections contained in this Section 2, and the disclosures in any section of the Disclosure Schedule shall qualify other sections in this Section 2 only to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections. The Company has no subsidiaries.

2.1 Organization, Good Standing, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of California and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2.2 Capitalization.

(a) The authorized capital of the Company consists, immediately prior to the Closing, of 20,000,000 shares of Common Stock, 7,450,000 shares of which are issued and outstanding immediately prior to the Closing. All of the outstanding shares of Common Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities Laws. Except as set forth on Section 2.2(a) of the Disclosure Schedule, the Company holds no Common Stock in its treasury.

(b) The Company has reserved 7,500,000 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2019 Equity Incentive Plan duly adopted by the Board of Directors and approved by the Company stockholders (the “**Stock Plan**”). Of such reserved shares of Common Stock, 650,000 shares have been issued pursuant to restricted stock purchase agreements of which 50,000 have been purchased back by the Company, options to purchase 450,000 shares have been granted and are currently outstanding, and 6,450,000 shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan. The Company has furnished to Purchaser complete and accurate copies of the Stock Plan and forms of agreements used thereunder.

(c) Section 2.2(c) of the Disclosure Schedule sets forth the capitalization of the Company immediately following the Closing including the number of shares of the following: (i) issued and outstanding Common Stock, including, with respect to restricted Common Stock, vesting schedule and repurchase price; (ii) outstanding stock options, including vesting schedule and exercise price; (iii) shares of Common Stock reserved for future award grants under the Stock Plan; and (iv) warrants or stock purchase rights, if any. Except for (A) the conversion privileges of the Shares to be issued under this Agreement, (B) the rights provided in Sections 2 and 3.2 of the Stockholders’ Agreement, and (C) the securities and rights described in Section 2.2(b) of this Agreement and Section 2.2(c) of the Disclosure Schedule, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from the Company any shares of Common Stock or preferred stock, or any securities convertible into or

exchangeable for shares of Common Stock or preferred stock. All outstanding shares of the Company's Common Stock and all shares of the Company's Common Stock underlying outstanding options are subject to (i) a right of first refusal in favor of the Company upon any proposed transfer (other than transfers for estate planning purposes); and (ii) a lock-up or market standoff agreement of not less than one hundred eighty (180) days following the Company's initial public offering pursuant to a registration statement filed with the Securities and Exchange Commission under the Securities Act.

(d) None of the Company's stock purchase agreements or stock option documents contains a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events, including, without limitation, in the case where the Company's Stock Plan is not assumed in an acquisition. The Company has never adjusted or amended the exercise price of any stock options previously awarded, whether through amendment, cancellation, replacement grant, repricing, or any other means. The Company has no obligation (contingent or otherwise) to purchase or redeem any of its capital stock.

(e) 409A. The Company believes in good faith that any "nonqualified deferred compensation plan" (as such term is defined under Section 409A(d)(1) of the Code and the guidance thereunder) under which the Company makes, is obligated to make or promises to make, payments (each, a "**409A Plan**") complies in all material respects, in both form and operation, with the requirements of Section 409A of the Code and the guidance thereunder. To the knowledge of the Company, no payment to be made under any 409A Plan is, or will be, subject to the penalties of Section 409A(a)(1) of the Code.

(f) The Company has obtained valid waivers of any rights by other parties to purchase any of the Shares covered by this Agreement.

2.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

2.4 Authorization. All corporate action required to be taken by the Company's Board of Directors and stockholders in order to authorize the Company to enter into the Transaction Agreements, and to issue the Shares at the Closing, has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Shares has been taken. The Transaction Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, (ii) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (iii) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities Laws.

2.5 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities Laws and liens or encumbrances created by or imposed by Purchaser. Assuming the accuracy of the representations of Purchaser in Section 3 of this Agreement, the Shares will be issued in compliance with all applicable federal and state securities Laws.

2.6 Governmental Consents and Filings. Assuming the accuracy of the representations made by Purchaser in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for filings pursuant to applicable securities Laws, which have been made or will be made in a timely manner.

2.7 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened (i) against the Company or any officer, director or Key Employee of the Company arising out of their employment or board relationship with the Company, (ii) that questions the validity of the Transaction Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Agreements, or (iii) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Company nor, to the Company's knowledge, any of its officers, directors or Key Employees is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers, directors or Key Employees, such as would affect the Company). There is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

2.8 Intellectual Property.

(a) The Company owns or possesses or reasonably believes it can acquire on commercially reasonable terms sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement or misappropriation of, the rights of others, including prior employees or consultants, or academic or medical institutions with which any of them may be affiliated now or may have been affiliated in the past. The Company has not received any communications alleging that the Company has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person.

(b) To the Company's knowledge, no product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any intellectual property rights of any other party. The Company has not

received any written communications alleging that the Company has violated or, by conducting its business, would violate, any intellectual property rights of any other party.

(c) Other than with respect to commercially available software products under standard end-user object code license agreements, there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person.

(d) The Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business.

(e) Each employee and consultant has assigned to the Company all intellectual property rights he or she owns that are related to the Company's business as now conducted and as presently proposed to be conducted and all intellectual property rights that he, she or it solely or jointly conceived, reduced to practice, developed or made during the period of his, her or its employment or consulting relationship with the Company that (i) relate, at the time of conception, reduction to practice, development, or making of such intellectual property right, to the Company's business as then conducted or as then proposed to be conducted, (ii) were developed on any amount of the Company's time or with the use of any of the Company's equipment, supplies, facilities or information or (iii) resulted from the performance of services for the Company. To the Company's knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by the Company, including prior employees or consultants, or academic or medical institutions with which any of them may be affiliated now or may have been affiliated in the past.

(f) Section 2.8(f) of the Disclosure Schedule lists all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, and licenses to and under any of the foregoing, in each case owned by the Company.

(g) The Company has not embedded, used or distributed any open source, copyleft or community source code (including but not limited to any libraries or code, software, technologies or other materials that are licensed or distributed under any General Public License, Lesser General Public License or similar license arrangement or other distribution model described by the Open Source Initiative at www.opensource.org, collectively "**Open Source Software**") in connection with any of its products or services that are generally available or in development in any manner that would materially restrict the ability of the Company to protect its proprietary interests in any such product or service or in any manner that requires, or purports to require (i) any Company Intellectual Property (other than the Open Source Software itself) be disclosed or distributed in source code form or be licensed for the purpose of making derivative works; (ii) any restriction on the consideration to be charged for the distribution of any Company Intellectual Property; (iii) the creation of any obligation for the Company with respect to Company

Intellectual Property owned by the Company, or the grant to any third party of any rights or immunities under Company Intellectual Property owned by the Company; or (iv) any other limitation, restriction or condition on the right of the Company with respect to its use or distribution of any Company Intellectual Property.

(h) No government funding, facilities of a university, college, other educational institution or research center, or funding from third parties was used in the development of any Company Intellectual Property. No Person who was involved in, or who contributed to, the creation or development of any Company Intellectual Property, has performed services for the government, university, college, or other educational institution or research center in a manner that would affect Company's rights in the Company Intellectual Property.

(i) To the Company's knowledge, no other Person is infringing, misappropriating, or otherwise violating any of the Company Intellectual Property.

2.9 Compliance with Other Instruments. The Company is not in violation or default (i) of any provisions of its Articles of Incorporation or Bylaws, (ii) of any instrument, judgment, order, writ or decree, (iii) under any note, indenture or mortgage, (iv) under any lease, agreement, contract or purchase order to which it is a party or by which it is bound that is required to be listed on the Disclosure Schedule, or (v) of any provision of federal or state statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect. The execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

2.10 Agreements; Actions.

(a) Except for the Transaction Agreements or as set forth on Section 2.10(a) of the Disclosure Schedule, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, the Company in excess of \$50,000, (ii) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Company, (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (iv) indemnification by the Company with respect to infringements of proprietary rights.

(b) Except as set forth on Section 2.10(b) of the Disclosure Schedule, the Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or incurred any other liabilities individually in excess of \$50,000 or in excess of \$250,000 in the aggregate, (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets or

rights, other than the sale of its inventory in the ordinary course of business. For the purposes of (a) and (b) of this Section 2.10, all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same Person (including Persons the Company has reason to believe are affiliated with each other) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such section.

(c) The Company is not a guarantor or indemnitor of any indebtedness of any other Person.

2.11 Certain Transactions.

(a) Other than (i) standard employee benefits generally made available to all employees, standard employee offer letters and Confidential Information Agreements (as defined below), (ii) standard director and officer indemnification agreements approved by the Board of Directors, (iii) the purchase of shares of the Company's capital stock and the issuance of options to purchase shares of the Company's Common Stock, in each instance, approved in the written minutes or written consents of the Board of Directors (previously provided to Purchaser or its counsel), and (iv) the Transaction Documents, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, consultants or Key Employees, or any Affiliate thereof.

(b) The Company is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee benefits made generally available to all employees. None of the Company's directors, officers or employees, or any members of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Company or, to the Company's knowledge, have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, licensees and competitors, (ii) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company except that directors, officers, employees or stockholders of the Company may own stock in (but not exceeding two percent (2%) of the outstanding capital stock of) publicly traded companies that may compete with the Company; or (iii) financial interest in any material contract with the Company.

2.12 Rights of Registration and Voting Rights. The Company is not under any obligation to register under the Securities Act any of its currently outstanding securities or any securities issuable upon exercise or conversion of its currently outstanding securities. To the Company's knowledge, except as contemplated in the Stockholders' Agreement, no stockholder of the Company has entered into any agreements with respect to the voting of capital shares of the Company.

2.13 Property. The property and assets that the Company owns are free and clear of all mortgages, deeds of trust, liens, loans and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the

ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets. The Company does not own any real property.

2.14 Financial Statements. The Company has delivered to Purchaser (i) its unaudited financial statements (including balance sheet, income statement and statement of cash flows) for the fiscal year ended December 31, 2019 and (ii) its unaudited financial statements (including balance sheet, income statement and statement of cash flows) as of August 31, 2020 (the "**Balance Sheet Date**," and such statements in clauses (i) and (ii), collectively, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis throughout the periods indicated, except that the Financial Statements may not contain all footnotes required by GAAP. The Financial Statements fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein, subject in the case of the unaudited Financial Statements to normal year-end audit adjustments. Except as set forth in the Financial Statements, the Company has no material liabilities or obligations, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to the Balance Sheet Date; (ii) obligations under contracts and commitments incurred in the ordinary course of business; and (iii) liabilities and obligations of a type or nature not required under GAAP to be reflected in the Financial Statements, which, in all such cases, individually and in the aggregate would not have a Material Adverse Effect. The Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with GAAP.

2.15 Changes. Since the Balance Sheet Date there has not been:

(a) any change in the assets, liabilities, financial condition or operating results of the Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect;

(b) any damage, destruction or loss, whether or not covered by insurance, that would have a Material Adverse Effect;

(c) any waiver or compromise by the Company of a valuable right or of a material debt owed to it;

(d) any satisfaction or discharge of any lien, claim, or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Effect;

(e) any material change to a material contract or agreement by which the Company or any of its assets is bound or subject;

(f) any material change in any compensation arrangement or agreement with any employee, officer, director or stockholder;

- (g) any resignation or termination of employment of any officer or Key Employee of the Company;
- (h) any mortgage, pledge, transfer of a security interest in, or lien, created by the Company, with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets;
- (i) any loans or guarantees made by the Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
- (j) any declaration, setting aside or payment or other distribution in respect of any of the Company's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Company;
- (k) any sale, assignment or transfer of any Company Intellectual Property that could reasonably be expected to result in a Material Adverse Effect;
- (l) receipt of notice that there has been a loss of, or material order cancellation by, any major customer of the Company;
- (m) any other event or condition of any character, other than events affecting the economy or the Company's industry generally, that could reasonably be expected to result in a Material Adverse Effect; or
- (n) any arrangement or commitment by the Company to do any of the things described in this Section 2.15.

2.16 Employee Matters.

(a) Section 2.16(a) of the Disclosure Schedule sets forth a detailed list of all of the Company's current employees and independent contractors. To the Company's knowledge, none of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will, to the Company's knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

(b) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants or independent contractors. To the Company's

knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity Laws and with other Laws related to employment, including those related to wages, hours, worker classification and collective bargaining. The Company has withheld and paid to the appropriate Governmental Authority or is holding for payment not yet due to such Governmental Authority all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(c) To the Company's knowledge, no Key Employee intends to terminate employment with the Company or is otherwise likely to become unavailable to continue as a Key Employee. The Company does not have a present intention to terminate the employment of any of the foregoing. The employment of each employee of the Company is terminable at the will of the Company. Except as set forth in Section 2.16(c)(i) of the Disclosure Schedule or as required by Law, upon termination of the employment of any such employees, no severance or other payments will become due. Except as set forth in Section 2.16(c)(ii) of the Disclosure Schedule, the Company has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(d) The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant that are inconsistent with the share amounts and terms set forth in the minutes of meetings of (or actions taken by unanimous written consent by) the Company's Board of Directors.

(e) Each former Key Employee whose employment was terminated by the Company has entered into an agreement with the Company providing for the full release of any claims against the Company or any related party arising out of such employment.

(f) Section 2.16(f) of the Disclosure Schedule sets forth each employee benefit plan maintained, established or sponsored by the Company, or which the Company participates in or contributes to, which is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all applicable Laws for any such employee benefit plan.

(g) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the knowledge of the Company, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company's knowledge, threatened, which could have a Material Adverse Effect, nor is the Company aware of any labor organization activity involving its employees.

(h) To the Company's knowledge, none of the Key Employees or directors of the Company has been (i) subject to voluntary or involuntary petition under the federal bankruptcy Laws or any state insolvency Law or the appointment of a receiver, fiscal agent or similar officer by a court for his or her business or property; (ii) convicted in a criminal proceeding

or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) subject to any order, judgment or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him or her from engaging, or otherwise imposing limits or conditions on his or her engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; (iv) 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 any federal or state securities, commodities, or unfair trade practices Law, which such judgment or finding has not been subsequently reversed, suspended, or vacated; or (v) informed, following an internal investigation: (x) by the Company that such Key Employee or director has violated any Company policy regarding appropriate workplace behavior or any Company anti-harassment or anti-discrimination policy prohibiting discrimination and/or harassment at the Company, or (y) by any prior employer of the violation of any substantially similar policy.

2.17 Tax Returns and Payments. There are no federal, state, county, local or foreign taxes due and payable by the Company which have not been timely paid. There are no accrued and unpaid federal, state, country, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable Governmental Authority. The Company has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

2.18 Insurance. The Company has in full force and effect insurance policies concerning such casualties as would be reasonable and customary for companies like the Company, with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

2.19 Employee Agreements. Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to Purchaser or its counsel (the “**Confidential Information Agreements**”). No current or former Key Employee has excluded works or inventions from his or her assignment of inventions pursuant to such Key Employee’s Confidential Information Agreement. Each current and former Key Employee has executed a non-competition and non-solicitation agreement substantially in the form or forms delivered to Purchaser or its counsel. The Company is not aware that any of its Key Employees is in violation of any agreement described in this Section 2.19.

2.20 Permits. To the Company’s knowledge, the Company has all material franchises, permits, licenses and any similar authority necessary for the conduct of its business. To the Company’s knowledge, the Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority. All such franchises, permits, licenses, and authorities are validly held by the Company. During the past twelve (12) months the Company has not received written notice of any proceedings relating to the revocation or modification of any of the same and none will be subject to suspension, modification, revocation or nonrenewal as a result of the execution and delivery of this Agreement or the consummation of the transactions

contemplated hereby. No written notice has been received by the Company with respect to any failure by the Company to have any franchise, permit, license, or authorization.

2.21 Corporate Documents. The Articles of Incorporation and Bylaws of the Company as of the date of this Agreement are in the form provided to Purchaser. To the Company's knowledge, the copy of the minute books of the Company provided to Purchaser contains minutes of all meetings of directors and stockholders and all actions by written consent without a meeting by the directors and stockholders since the date of incorporation and accurately reflects in all material respects all actions by the directors (and any committee of directors) and stockholders.

2.22 83(b) Elections. To the Company's knowledge, all elections and notices under Section 83(b) of the Code have been or will be timely filed by all individuals who have acquired unvested shares of the Company's Common Stock.

2.23 Environmental and Safety Laws. Except as could not reasonably be expected to have a Material Adverse Effect, to the Company's knowledge (a) the Company is and has been in compliance with all Environmental Laws; (b) there has been no release or threatened release of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "**Hazardous Substance**"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Company; (c) there have been no Hazardous Substances generated by the Company that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any Governmental Authority in the United States; and (d) there are no underground storage tanks located on, no polychlorinated biphenyls ("**PCBs**") or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by the Company, except for the storage of hazardous waste in compliance with Environmental Laws. The Company has made available to Purchaser true and complete copies of all material environmental records, reports, notifications, certificates of need, permits, pending permit applications, correspondence, engineering studies and environmental studies or assessments. For purposes of this Section 2.23, "**Environmental Laws**" means all federal, state and local Laws enacted and in effect on or prior to the Closing Date, concerning pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, control or cleanup of any hazardous materials, substances or wastes.

2.24 Foreign Corrupt Practices Act. To the Company's knowledge, neither the Company nor any of its directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Company nor any of its directors, officers, employees or agents have made or authorized any bribe,

rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any Law. The Company further represents that it has maintained, and has caused each of its subsidiaries and affiliates to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) and written policies to ensure compliance with the FCPA or any other applicable anti-bribery or anticorruption Law, and to ensure that all books and records of the Company accurately and fairly reflect, in reasonable detail, all transactions and dispositions of funds and assets. Neither the Company nor, to the Company's knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption Law (collectively, "**Enforcement Action**").

2.25 Data Privacy. In connection with its collection, storage, use, transfer and/or disclosure of any information that constitutes "personal information," "personal data" or "personally identifiable information" as defined in applicable Laws (collectively "**Personal Information**") by or on behalf of the Company, the Company is and has been in compliance with (i) all applicable Laws (including, without limitation, Laws relating to privacy, data security, telephone and text message communications, and marketing by email or other channels) in all relevant jurisdictions, (ii) the Company's privacy policies and public written statements regarding the Company's privacy or data security practices, and (iii) the requirements of any contract codes of conduct or industry standards by which the Company is bound. The Company maintains and has maintained reasonable physical, technical, and administrative security measures and policies designed to protect all Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company from and against unlawful, accidental or unauthorized access, destruction, loss, use, modification and/or disclosure. The Company is and has been in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations. With respect to all user data and personal information collected or obtained by the Company, to extent applicable, the Company has taken commercially reasonable steps necessary to ensure that the user data and personal information is protected against loss and unauthorized or illegal access, use, modification, disclosure or transfer. To the Company's knowledge, there has been no occurrence of (x) unlawful, accidental or unauthorized destruction, loss, use, modification or disclosure of or access to Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company such that Privacy Requirements require or required the Company to notify Government Authorities, affected individuals or other parties of such occurrence or (y) unauthorized access to or disclosure of the Company's confidential information or trade secrets that reasonably would be expected to result in a Material Adverse Effect.

2.26 Export Control Laws. The Company has conducted all export transactions in accordance with applicable provisions of United States export control Laws, including the Export Administration Regulations, the International Traffic in Arms Regulations, the regulations administered by the Office of Foreign Assets Control of the U.S. Treasury Department, and the export control Laws of any other applicable jurisdiction. Without limiting the foregoing: (a) the Company has obtained all export licenses and other approvals, timely filed all required filings and has assigned the appropriate export classifications to all products, in each case as required for its exports of products, software and technologies from the United States and any other applicable jurisdiction; (b) the Company is in compliance with the terms of all applicable export licenses, classifications, filing requirements or other approvals; (c) there are no pending or, to the

knowledge of the Company, threatened claims against the Company with respect to such exports, classifications, required filings or other approvals; (d) there are no pending investigations related to the Company's exports; and (e) there are no actions, conditions, or circumstances pertaining to the Company's export transactions that would reasonably be expected to give rise to any material future claims.

2.27 CFIUS Representations. The Company does not engage in (a) the design, fabrication, development, testing, production or manufacture of one (1) or more "critical technologies" within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof (the "DPA"); (b) the ownership, operation, maintenance, supply, manufacture, or servicing of "covered investment critical infrastructure" within the meaning of the DPA (where such activities are covered by column 2 of Appendix A to 31 C.F.R. Part 800); or (c) the maintenance or collection, directly or indirectly, of "sensitive personal data" of U.S. citizens within the meaning of the DPA. The Company has no current intention of engaging in such activities in the future.

2.28 Product Liability and Product Recall. The Company does not have knowledge of any fact (including without limitation, knowledge of any material defect in any Company product) that could form the basis of any claim against the Company for material injury to person or property caused by any products manufactured, marketed, sold or distributed by the Company. Section 2.28(a) of the Disclosure Schedule sets forth (i) a list of all known claims asserted against the Company asserting any (A) liability for injury to person or property caused by any products manufactured, sold or distributed by the Company or (B) claim in respect of any product warranty and (ii) the aggregate dollar amount paid by the Company and its insurers in respect of such claims. Except as set forth on Section 2.26(a) of the Disclosure Schedule, there have not been any recalls or, to the Company's knowledge, proposed recalls of products (whether instituted by the Company or requested or directed by any Governmental Authority or otherwise), and the Company has not otherwise withdrawn any products, manufactured, distributed or sold by it (excluding product returns). None of the Company's products or any of the materials received by the Company from any of its suppliers currently has any defects or other adverse quality issues.

2.29 No "Bad Actor" Disqualification. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) promulgated by the U.S. Securities and Exchange Commission ("SEC") under the Securities Act (a "Disqualification Event") is applicable to the Company or, to the Company's knowledge, any Company Covered Person (as defined below), except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3) is applicable. "Company Covered Person" means, with respect to the Company as an "issuer" for purposes of Rule 506 promulgated by the SEC under the Securities Act, any person or entity listed in the first paragraph of Rule 506(d)(1).

2.30 Disclosure. The Company has made available to Purchaser all the information reasonably available to the Company that Purchaser has requested for deciding whether to acquire the Shares, including certain of the Company's projections describing its proposed business plan (the "Business Plan"). To the Company's knowledge, no representation or warranty of the Company contained in this Agreement, as qualified by the Disclosure Schedule, and no certificate furnished or to be furnished to Purchaser at the Closing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the

statements contained herein or therein not misleading in light of the circumstances under which they were made. The Business Plan was prepared in good faith; however, the Company does not warrant that it will achieve any results projected in the Business Plan. It is understood that this representation is qualified by the fact that the Company has not delivered to Purchaser, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

3. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to the Company that:

3.1 Authorization. Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which Purchaser is a party, when executed and delivered by Purchaser, will constitute valid and legally binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other Laws of general application affecting enforcement of creditors' rights generally, and as limited by Laws relating to the availability of specific performance, injunctive relief or other equitable remedies, or (b) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities Laws.

3.2 Compliance with Other Instruments. Purchaser is not in violation or default (i) of any provisions of its Articles of Incorporation or Bylaws, (ii) of any instrument, judgment, order, writ or decree, (iii) under any note, indenture or mortgage, (iv) under any lease, agreement, contract or purchase order to which it is a party or by which it is bound, or (v) of any provision of federal or state statute, rule or regulation applicable to Purchaser, except, in each case, as would not reasonably be expected to interfere with, prevent, or materially delay Purchaser's ability to enter into and perform its obligations under the Transaction Agreements to which it is a party or to consummate the transactions contemplated by the Transaction Agreements. The execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company, except in each case, as would not reasonably be expected to interfere with, prevent, or materially delay Purchaser's ability to enter into and perform its obligations under the Transaction Agreements to which it is a party or to consummate the transactions contemplated by the Transaction Agreements.

3.3 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to Purchaser's knowledge, currently threatened that questions the validity of the Transaction Agreements or the right of Purchaser to enter into them, or to consummate the transactions contemplated by the Transaction Agreements.

3.4 No "Bad Actor" Disqualification. Purchaser is familiar with the "bad actor" provisions of Rule 506(d) promulgated by the SEC under the Securities Act and Purchaser is

not, and has not been, subject to or experienced any of the events described in Rule 506(d)(1)(i)-(viii).

3.5 Purchase Entirely for Own Account. This Agreement is made with Purchaser in reliance upon Purchaser's representation to the Company, which by Purchaser's execution of this Agreement, Purchaser hereby confirms, that the Shares to be acquired by Purchaser will be acquired for investment for Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Purchaser further represents that Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Shares. Purchaser has not been formed for the specific purpose of acquiring the Shares.

3.6 Disclosure of Information. Purchaser has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Shares with the Company's management and has had an opportunity to review the Company's facilities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of Purchaser to rely thereon.

3.7 Restricted Securities. Purchaser understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Purchaser's representations as expressed herein. Purchaser understands that the Shares are "restricted securities" under applicable U.S. federal and state securities Laws and that, pursuant to these Laws, Purchaser must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Purchaser acknowledges that the Company has no obligation to register or qualify the Shares for resale. Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and on requirements relating to the Company which are outside of Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.8 No Public Market. Purchaser understands that no public market now exists for the Shares, and that the Company has made no assurances that a public market will ever exist for the Shares.

3.9 Legends. Purchaser understands that the Shares and any securities issued in respect of or exchange for the Shares, may be notated with one or all of the following legends:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND

UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT.

THIS ENTITY IS A BENEFIT CORPORATION ORGANIZED UNDER PART 13 (COMMENCING WITH SECTION 14600) OF DIVISION 3 OF TITLE 1 OF THE CALIFORNIA CORPORATIONS CODE.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A RIGHT OF FIRST REFUSAL AND A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING AS SET FORTH IN THE STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS, RIGHT OF FIRST REFUSAL AND LOCK-UP PERIOD ARE BINDING ON TRANSFEREES OF THESE SHARES.”

(a) Any legend set forth in, or required by, the other Transaction Agreements.

(b) Any legend required by the securities Laws of any state to the extent such Laws are applicable to the Shares represented by the certificate, instrument, or book entry so legended.

3.10 Accredited Investor. Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.11 No General Solicitation. Neither Purchaser, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Shares.

3.12 Principal Office. The address of the principal place of business of Purchaser is 55 Broadway, 19th Floor, New York, NY 10006.

4. Closing Deliverables of the Company. The Company shall deliver to Purchaser at or prior to the Closing the following:

4.1 Stockholders' Agreement. The Stockholders' Agreement, duly executed by the Company and the other parties thereto (other than Purchaser).

4.2 Secretary's Certificate. A certificate executed by the secretary of the Company certifying (i) the Articles of Incorporation and Bylaws of the Company as in effect at

the Closing and (ii) resolutions of the Board of Directors of the Company approving the Transaction Agreements and the transactions contemplated under the Transaction Agreements.

5. Closing Deliverables of Purchaser. Purchaser shall deliver to the Company at or prior to the Closing the Stockholders' Agreement, duly executed by Purchaser.

6. Miscellaneous.

6.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing until the date that is the two (2)-year anniversary of the Closing, and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of Purchaser or the Company.

6.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.3 Governing Law. This Agreement shall be governed by the internal law of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of such State.

6.4 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.6 Notices.

(a) General. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 6.6. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent

to Jackson Law Offices, 245 East Laurel St, Fort Bragg, CA 95437, Attn: James A. Jackson, Email: and if notice is given to Purchaser, a copy (which copy shall not constitute notice) shall also be given to Venable LLP, 1290 Avenue of the Americas, 20th Floor, New York, NY 10104, Attn: William N. Haddad, [Email:](#)

6.7 No Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

6.8 Fees and Expenses. All fees and expenses incurred in connection with the transactions contemplated by the Transaction Agreements shall be paid by the party incurring such expenses, whether or not such transactions are consummated.

6.9 Amendments and Waivers. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and Purchaser. Any amendment or waiver effected in accordance with this Section 6.9 shall be binding upon Purchaser and each transferee of the Shares, each future holder of all such securities, and the Company.

6.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

6.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Law or otherwise afforded to any party, shall be cumulative and not alternative.

6.12 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

6.13 Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED UNLESS THE SALE IS SO EXEMPT.

6.14 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL


6.15 No Commitment for Additional Financing. The Company acknowledges and agrees that Purchaser has not made any representation, undertaking, commitment or agreement to provide or assist the Company in obtaining any financing, investment or other assistance, other than the purchase of the Shares as set forth herein and subject to the conditions set forth herein. In addition, the Company acknowledges and agrees that (i) no statements, whether written or oral, made by Purchaser or its representatives on or after the date of this Agreement shall create an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment, (ii) the Company shall not rely on any such statement by Purchaser or its representatives, and (iii) an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment may only be created by a written agreement, signed by Purchaser and the Company, setting forth the terms and conditions of such financing or investment

and stating that the parties intend for such writing to be a binding obligation or agreement. Purchaser shall have the right, in its sole and absolute discretion, to refuse or decline to participate in any other financing of or investment in the Company, and shall have no obligation to assist or cooperate with the Company in obtaining any financing, investment or other assistance.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Stock Purchase Agreement as of the date first written above.

COMPANY:

By:  Stephen Heckeroth

Name: Stephen Heckeroth
Title: Chief Executive Officer

Address: 30151 Navarro Ridge Road, Albion CA 95410

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Stock Purchase Agreement as of the date first written above.

PURCHASER:

IDEANOMICS, INC.

By: A digital signature block for Alfred Poor. It features a blue border containing the text "DocuSigned by:" at the top, the handwritten name "Alfred Poor" in the center, and a long alphanumeric string "3E662BE0127F4B2" at the bottom. A horizontal line is drawn across the bottom of the signature box.

Name: Alf Poor

Title: Chief Executive Officer

Address: 1441 Broadway, Suite 5116, New York, NY 10018

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

STOCKHOLDERS' AGREEMENT

THIS STOCKHOLDERS' AGREEMENT (this "**Agreement**"), is made as of October 20, 2020, by and among Soletrac, Inc., a California benefit corporation (the "**Company**") and each of the stockholders listed on Schedule A hereto, each of whom is referred to herein as a "**Stockholder**".

RECITALS

WHEREAS, each Stockholder beneficially owns the number of shares of common stock, par value \$0.0001 per share (the "**Common Stock**"), of the Company set forth next to such Stockholder's name on Schedule A hereto; and

WHEREAS, the Stockholders and the Company desire for their mutual benefit and protection to enter into an agreement governing the ownership and transfer of such shares.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one (1) or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person.

1.2 "**Articles of Incorporation**" means the Company's Articles of Incorporation, as amended and/or restated from time to time.

1.3 "**As-Converted Basis**" means, for the purpose of determining the number of shares of Common Stock outstanding as of a given time, a basis of calculation which takes into account (a) the number of shares of Common Stock actually issued and outstanding at such time, and (b) the number of shares of Common Stock that are then issuable upon the exercise, exchange or conversion of all outstanding securities or rights convertible into, or exchangeable or exercisable for, shares of Common Stock, including, without limitation, any outstanding options, warrants, or shares of preferred stock.

1.4 "**Board**" means the board of directors of the Company.

1.5 "**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required under applicable Law to close.

1.6 "**Capital Stock**" means (a) shares of Common Stock and (b) shares of Common Stock issued or issuable upon exercise or conversion, as applicable, of Derivative Securities, in

each case now owned or subsequently acquired by any Stockholder or their respective successors or permitted transferees or assigns.

1.7 "**Common Stock**" means shares of the Company's common stock, par value \$0.0001 per share.

1.8 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.9 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.10 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, life partner or similar statutorily-recognized domestic partner, or sibling, including adoptive relationships of a natural person referred to herein.

1.11 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.12 "**Joinder Agreement**" means (i) with respect to a Person issued New Securities pursuant to Section 2.6, a writing reasonably satisfactory in form and substance to the Board whereby such Person becomes a party to and agrees to be bound by the terms of this Agreement as if such Person had originally been a party to this Agreement, and (ii) with respect to a transferee of shares of Capital Stock pursuant to Section 3, a writing reasonably satisfactory in form and substance to the Board whereby such transferee becomes a party to and agrees to be bound, to the same extent as the applicable transferor, by the terms of this Agreement as if such transferee had originally been a party to this Agreement.

1.13 "**New Securities**" means shares of Common Stock or other Derivative Securities issued or sold by the Company, other than (a) shares of Common Stock or Derivative Securities issued to employees or directors of the Company pursuant to an incentive compensation plan, agreement or arrangement approved by the Board, (b) shares of Common Stock or Derivative Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock, (c) shares of Common Stock actually issued upon the conversion or exchange of Derivative Securities, in each case provided such issuance is pursuant to the terms of such Derivative Security, (d) shares of Common Stock or Derivative Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board, (e) shares of Common Stock or Derivative Securities issued as acquisition consideration pursuant to a merger, consolidation, acquisition, or similar business combination approved by the Board, and (f) shares of Common Stock issued pursuant to the crowdfunding campaign currently being conducted by the Company as of the date hereof up to an aggregate purchase price of \$1,070,000.

1.14 "**Overallotment Percentage**" means (a) with respect to an Exercising Stockholder who specified an Excess Amount in its Purchase Notice in respect of an issuance or sale of New Securities pursuant to Section 2, the percentage determined by dividing (i) the number of shares of Common Stock (calculated on an As-Converted Basis) held by such Exercising Stockholder by

(ii) the sum of the shares of Common Stock (calculated on an As-Converted Basis) of all Exercising Stockholders who specified an Excess Amount in their respective Purchase Notices in respect of such issuance or sale, (b) with respect to a ROFR Stockholder that has delivered a valid ROFR Exercise Notice in respect of a Transfer of Transfer Stock pursuant to Section 3.2, the percentage determined by dividing (i) the number of shares of Common Stock (calculated on an As-Converted Basis) of such ROFR Stockholder by (ii) the sum of the shares of Common Stock (calculated on an As-Converted Basis) of all ROFR Stockholders that have delivered a valid ROFR Exercise Notice in respect of such Transfer, and (c) with respect to a Transferring Stockholder or a Tag-Along Participant in respect of a Tag-Along Transaction pursuant to Section 3.3, the percentage determined by dividing (i) the number of shares of Common Stock (calculated on an As-Converted Basis) of such Transferring Stockholder or Tag-Along Participant, as applicable, by (ii) the sum of the shares of Common Stock (calculated on an As-Converted Basis) of such Transferring Stockholders and all of the Tag-Along Participants who have delivered a Tag-Along Acceptance Notice in respect of such Tag-Along Transaction.

1.15 "**Ownership Percentage**" means, with respect to a given Stockholder on a given date, an amount, expressed as a percentage, equal to (a) the number of shares of Common Stock held by such Stockholder as of such date, calculated on an As-Converted Basis, divided by (b) the number of shares of Common Stock outstanding as of such date, calculated on an As-Converted Basis.

1.16 "**Permitted Transfer**" means a Transfer by a Stockholder to (a) an Affiliate of such Stockholder, (b) any other Stockholder, (c) an Immediate Family Member of such Stockholder, or (d) a trust, whether inter vivos or testamentary, in which any Immediate Family Member is the primary income beneficiary.

1.17 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.18 "**Sale Transaction**" means (i) any merger, amalgamation, reorganization, consolidation or other transaction involving the Company and any other Person in which the Persons who were the stockholders of the Company immediately prior to such transaction own less than fifty percent (50%) of the outstanding voting securities of the surviving or continuing Person after such transaction; (ii) the sale, exchange or transfer by the Company's stockholders, in a single transaction or series of related transactions, of all of the voting shares of the Company; or (iii) the sale of all or substantially all of the assets of the Company.

1.19 "**SEC**" means the Securities and Exchange Commission.

1.20 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.21 "**Transfer**" means, (a) when used as a noun, any sale, conveyance, hypothecation, pledge, assignment, attachment, grant of a lien or security interest, exchange, disposition or other transfer, whether voluntarily, by operation of Law, pursuant to judicial process or otherwise, and (b) when used as a verb, to sell, convey, hypothecate, pledge, assign, grant a lien or security

interest, exchange, dispose of or otherwise transfer, whether voluntarily, by operation of Law, pursuant to judicial process or otherwise.

2. Preemptive Rights.

2.1 Each Stockholder shall have the right to participate in any issuance or sale of New Securities by the Company, on the terms and subject to the conditions set forth in this Section 2. For the avoidance of doubt, the purchase right provided in this Section 2 shall apply at the time of issuance of any Derivative Security, and not to the conversion, exchange or exercise thereof.

2.2 Within five (5) business days following any meeting of the Board at which any proposed issuance or sale of New Securities by the Company is approved, and at least ten (10) Business Days prior to the proposed effective date of such issuance or sale, the Company shall give written notice of any proposed issuance or sale described in Section 2.1 (the "Issuance Notice") to each Stockholder, which notice shall (i) set forth the description of the New Securities proposed to be issued or sold (the "Purchase Stock"), the material terms and conditions of such proposed issuance or sale, including the name of any proposed purchaser(s), the proposed manner of disposition, the proposed issuance or sale date and the proposed purchase price per Purchase Stock and (ii) contain, if applicable, a written offer from the prospective purchaser to purchase such Purchase Stock.

2.3 At any time during the ten (10)-Business Day period following its receipt of the Issuance Notice (the "Purchase Period"), each Stockholder that wishes to purchase any Purchase Stock shall give a written notice to the Company (the "Purchase Notice"), which notice shall (i) set forth the number of shares of Purchase Stock such Stockholder wishes to purchase (up to the Ownership Percentage of such Stockholder) and, at the option of such Stockholder, the maximum number of Purchase Stock that such Stockholder desires to purchase in excess of such Stockholder's Ownership Percentage (the "Excess Amount"), and (ii) contain an irrevocable commitment by such Stockholder to purchase the number of shares of Purchase Stock set forth in such Purchase Notice, upon the terms and conditions, including the purchase price, specified in the applicable Issuance Notice (each Stockholder exercising its purchase right pursuant to this Section 2.3, an "Exercising Stockholder"). So long as none of the terms set forth in the Issuance Notice are changed following delivery of the Purchase Notice by an Exercising Stockholder, any Purchase Notice shall upon delivery become binding on such Exercising Stockholder and shall become irrevocable without the necessity of any acceptance thereof by the Company. The failure of a Stockholder to provide a Purchase Notice prior to the expiration of the Purchase Period shall be deemed an election by such Stockholder not to subscribe for or purchase any shares of Purchase Stock pursuant to the issuance or sale to which such Purchase Period relates, but shall not affect the rights of such Stockholder with respect to any future issuances or sales of New Securities.

2.4 If one or more Stockholders decline to participate in such issuance or sale or elect to subscribe for less than their Ownership Percentage of the Purchase Stock (any such unsubscribed Purchase Stock, the "Excess Purchase Stock"), the Excess Purchase Stock shall automatically be allocated to the Exercising Stockholders who specified an Excess Amount in their respective Purchase Notices in accordance with their respective Overallotment Percentages; provided that in no event shall an amount of Purchase Stock greater than an Exercising Stockholder's Excess Amount be allocated to such Exercising Stockholder. Any Excess Purchase

Stock remaining after such allocation shall be further allocated among the remaining Exercising Stockholders whose respective Excess Amounts have not been satisfied in full in accordance with each such Exercising Stockholder's respective Overallotment Percentage (calculated to omit any Exercising Stockholder once its Excess Amount becomes fully satisfied) until the first to occur of (i) the entire Excess Amount of each Exercising Stockholder becoming fully satisfied and (ii) the aggregate amount of Purchase Stock becoming fully allocated.

2.5 The purchase of Purchase Stock with respect to which Purchase Notices have been delivered in accordance with Section 2.3 shall be consummated concurrently with the consummation of the issuance or sale described in the applicable Issuance Notice. Upon the consummation of an issuance or sale of Purchase Stock in accordance with this Section 2, (i) the Company shall deliver the Purchase Stock free and clear of all liens or encumbrances other than those existing under applicable securities Laws or pursuant to this Agreement and (ii) each Exercising Stockholder who has purchased such Purchase Stock shall remit to the Company, by wire transfer of immediately available funds, the consideration for the Purchase Stock issued or sold to such Exercising Stockholder.

2.6 In the event that, at the end of the Purchase Period, no Stockholder has delivered to the Company a valid Purchase Notice or the valid Purchase Notices delivered to the Company cover in the aggregate less than all of the Purchase Stock (any such unallocated Purchase Stock, the "Remaining Excess Stock"), the Company shall be permitted to offer, issue, and sell all or any portion of the Remaining Excess Stock to third parties on terms no less favorable to the Company than those set forth in the Issuance Notice (except that the amount of Purchase Stock to be issued or sold may be reduced). Any third party to whom New Securities are to be issued pursuant to this Section 2 that was not a Stockholder prior to such issuance and who will hold five percent (5%) or more of the issued and outstanding shares of Common Stock (calculated on an As-Converted Basis) immediately following such issuance shall, as a condition precedent to such issuance, execute and deliver to the Company a Joinder Agreement. In the event that the Company has not issued or sold any of the Purchase Stock proposed to be issued or sold in the Issuance Notice within ninety (90) days following the date of such Issuance Notice, the Company shall not thereafter issue or sell any New Securities without again fully complying with this Section 2.

2.7 The provisions of this Section 2 shall terminate and be of no further force or effect upon the first to occur of the following: (i) immediately prior the consummation of the IPO, or (ii) upon the closing of a Sale Transaction.

3. Transfers of Capital Stock.

3.1 Restrictions on Transfer.

(a) Other than (i) Permitted Transfers or (ii) Transfers in accordance with the provisions of this Section 3, no Stockholder may Transfer all or any portion of his, her or its Capital Stock.

(b) Each transferee of Common Stock shall, as a condition precedent to such Transfer, (i) execute and deliver to the Company a Joinder Agreement if immediately following such Transfer such transferee will hold five percent (5%) or more of the issued and outstanding

shares of Common Stock (calculated on an As-Converted Basis) and (ii) reimburse the Company and the Board for all reasonable expenses (including reasonably attorneys' fees and expenses and the costs of any incremental accounting expense) incurred by the Company and the Board in connection with such Transfer. Any Transfer of Capital Stock permitted pursuant to this Agreement shall be effective as of the date of assignment and compliance with the conditions to such Transfer and such Transfer shall be shown on the books and records of the Company. Upon the effectiveness of any such Transfer, the transferee shall become a substitute Stockholder of the Company with respect to the Capital Stock Transferred.

(c) Notwithstanding any other provisions of this Section 3, no Transfer of Capital Stock may be made (including pursuant to a Permitted Transfer) unless in the opinion of counsel (who may be counsel for the Company), satisfactory in form and substance to the Board and counsel for the Company (which opinion may be waived, in whole or in part, at the discretion of the Board), such Transfer would not violate any applicable securities Laws applicable to the Company or the Capital Stock to be Transferred. Such opinion of counsel shall be delivered in writing to the Company prior to the date of the Transfer.

(d) A Stockholder shall cease to be a Stockholder under this Agreement at such time as such Stockholder ceases to own any Capital Stock; provided that Section 5.6 shall survive any such cessation and remain applicable to such Stockholder.

(e) Any purported Transfer by a Stockholder that does not comply with this Section 3 shall be null and void *ab initio*, shall not be recorded on the books of the Company or its transfer agent and shall confer no rights whatsoever on the purported transferee as against the Company or any other stockholder of the Company, including the Stockholders.

(f) Each certificate, instrument, or book entry representing the Capital Stock or any other securities issued in respect of such securities upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall be notated with a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT.

THIS ENTITY IS A BENEFIT CORPORATION ORGANIZED UNDER PART 13 (COMMENCING WITH SECTION 14600) OF DIVISION 3 OF TITLE 1 OF THE CALIFORNIA CORPORATIONS CODE.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A RIGHT

OF FIRST REFUSAL AND A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING AS SET FORTH IN THE STOCK PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS, RIGHT OF FIRST REFUSAL AND LOCK-UP PERIOD ARE BINDING ON TRANSFEREES OF THESE SHARES."

The Stockholders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Capital Stock in order to implement the restrictions on transfer set forth in this Section 3.1.

(g) The provisions of this Section 3.1 shall terminate and be of no further force or effect upon the first to occur of the following: (i) immediately prior the consummation of the IPO, or (ii) upon the closing of a Sale Transaction.

3.2 Right of First Refusal.

If any Stockholder proposes to Transfer (other than pursuant to a Permitted Transfer) to any Person any portion of such Stockholder's Capital Stock, each other Stockholder and the Company shall have a right of first refusal to purchase such Capital Stock on the same terms and conditions, as discussed in more detail below.

(a) Subject to the terms and conditions of this Section 3.2, each other Stockholder (a "ROFR Stockholder") shall have a right of first refusal if any Stockholder (a "ROFR Transferor") proposes to Transfer to any Person all or any portion of such Stockholder's Capital Stock; provided that this Section 3.2 shall not apply to any Transfer to a Permitted Transferee or (ii) any Transfer by a Tag-Along Participant pursuant to Section 3.3 (after prior compliance by the applicable Transferring Stockholder with this Section 3.2 in respect of such Transfer).

(b) If a ROFR Transferor proposes at any time to Transfer all or any portion of such Stockholder's Capital Stock (the "Transfer Stock"), such ROFR Transferor shall provide to each ROFR Stockholder a written notice (the "ROFR Transfer Notice") specifying the Transfer Stock and containing an irrevocable offer to Transfer the Transfer Stock to the ROFR Stockholders at the price (the "Transfer Price"), and upon the other material terms and conditions, specified in the ROFR Transfer Notice. The Transfer Price shall be equal to the price offered (the "Purchase Offer") to the ROFR Transferor by a bona fide third party offeror (the "Third Party Offeror"), the identity of which shall be specified in the ROFR Transfer Notice together with the ROFR Transferor's good faith reasonable estimation of the cash value of any non-cash consideration offered by the Third Party Offeror, the terms of payment of the Purchase Offer and all other material matters relating to the Third Party Offeror's offer to purchase the Transfer Stock. The written proposal containing the Purchase Offer shall be provided with the ROFR Transfer Notice.

(c) Within fifteen (15) Business Days after receipt of the ROFR Transfer Notice, (the "ROFR Exercise Period"), each ROFR Stockholder may exercise its right of first

refusal under Section 3.2(a) by providing written notice to the ROFR Transferor (a "ROFR Exercise Notice") specifying that such ROFR Stockholder wishes to purchase all (but not less than all) of the Transfer Stock. The failure of any ROFR Stockholder to deliver a valid ROFR Exercise Notice prior to the expiration of the ROFR Exercise Period shall be deemed an election by such ROFR Stockholder not to purchase the Transfer Stock. If more than one ROFR Stockholder delivers to the ROFR Transferor a valid ROFR Exercise Notice, each such ROFR Stockholder shall be required to purchase such portion of the Transfer Stock equal to its Overallotment Percentage. A ROFR Transferor shall be permitted to withdraw a ROFR Transfer Notice at any time if such ROFR Transferor no longer proposes to Transfer the Transfer Stockholder.

(d) The closing of any purchase of the Transfer Stock by one or more ROFR Stockholders pursuant to this Section 3.2 shall occur on a Business Day chosen by such ROFR Stockholder, which shall not be later than thirty (30) Business Days after the end of the ROFR Exercise Period (the "ROFR Closing Date"); provided that the ROFR Closing Date may be extended beyond the date described in the Transfer Notice to the extent necessary to obtain required governmental approvals and other required third-party approvals and the Company and the Stockholders shall use their respective commercially reasonable efforts to obtain such approvals. Upon the consummation of the purchase by such ROFR Stockholders of the Transfer Stock pursuant to this Section 3.2, each such ROFR Stockholder shall pay to the ROFR Transferor, by wire transfer of immediately available funds to an account designated by such ROFR Transferor, the Transfer Price (or the portion thereof in respect of the portion of the Transfer Stock purchased by such ROFR Stockholder). The Transfer Stock shall be delivered to the ROFR Stockholders free and clear of any liens or encumbrances other than those existing under applicable securities Laws or pursuant to this Agreement.

(e) If none of the ROFR Stockholders delivers to the ROFR Transferor a valid ROFR Exercise Notice prior to the expiration of the ROFR Exercise Period or the ROFR Stockholders fail to consummate the purchase of the Transfer Stock in accordance with this Section 3.2 solely due to a default by such ROFR Stockholders, then, for a period of ninety (90) days (the "Permitted Sale Period") following the expiration of the ROFR Exercise Period and subject to compliance with Section 3.3, the ROFR Transferor shall be permitted to Transfer all (but not less than all, unless there is a reduction to the portion of the Capital Stock to be sold by the ROFR Transferor due to the participation of Tag-Along Participants pursuant to Section 3.3) of the Transfer Stock to the Third Party Offeror at a price not lower than the Transfer Price and on terms no more favorable to the Third Party Offeror than those contained in the ROFR Transfer Notice (other than with respect to the addition of representations and warranties and corresponding indemnification protections). If, at the end of the Permitted Sale Period, the ROFR Transferor has not consummated the Transfer of the Transfer Stock to the Third Party Offeror, the ROFR Transferor shall no longer be permitted to Transfer the Transfer Stock to any Person without again complying with this Section 3.2; provided that, if the ROFR Transferor determines at any time during the Permitted Sale Period that the Transfer of the Transfer Stock at the Transfer Price and on such terms and conditions as required by this Section 3.2(e) is no longer practical or desirable, the ROFR Transferor may, upon delivery of written notice to the ROFR Stockholders, terminate all efforts to consummate such Transfer and recommence the procedures set forth in this Section 3.2 prior to the expiration of the Permitted Sale Period.

(f) Each Stockholder shall take all actions as may be reasonably necessary to consummate the Transfer contemplated by this Section 3.2, including, without limitation, entering into agreements and delivering such certificates, instruments and consents as may be deemed necessary or appropriate.

3.3 Co-Sale Rights.

If any Stockholder proposes to Transfer (other than pursuant to a Permitted Transfer) to any Person any portion of such Stockholder's Capital Stock, each other Stockholder (to be known as a Tag-Along Stockholder) shall have the right to transfer a portion of their Capital Stock to the same proposed Transferee on the same terms and conditions, as discussed in more detail below.

(a) In the event of a proposed Transfer by a Stockholder (a "Transferring Stockholder") to any Person of all or any portion of such Stockholder's Capital Stock, and subject to prior compliance with Section 3.2, each other Stockholder (a "Tag-Along Stockholder") shall have the right to participate in such proposed Transfer in accordance with this Section 3.3 (a "Tag-Along Transaction"); provided that this Section 3.3 shall not apply to any Permitted Transfer.

(b) Prior to any Transfer described in Section 3.3(a), the Transferring Stockholder shall deliver to the Company and all Tag-Along Stockholders prompt written notice (the "Transfer Notice") specifying (i) the name of the proposed transferee (the "Tag-Along Transferee"), (ii) the shares of Capital Stock proposed to be Transferred (the "Tag-Along Stock") and the percentage such Tag-Along Stock bears to the aggregate shares of Capital Stock held by such Transferring Stockholder calculated on an As-Converted Basis (the "Transferring Stockholder Tag-Along Percentage"), (iii) the proposed purchase price therefor, including a description of any non-cash consideration sufficiently detailed (to the extent that such Transferring Stockholder is in possession of such information) to permit the determination of the fair market value thereof, and (iv) the other material terms and conditions of the proposed Transfer, including the proposed closing date of such Transfer (which shall not be less than twenty (20) Business Days after the delivery of the Transfer Notice) (the "Proposed Tag-Along Closing Date").

(c) Each Tag-Along Stockholder may, subject to the limitations set forth in this Section 3.3(c), Transfer to the Tag-Along Transferee up to such portion of its shares of Capital Stock equal to the aggregate shares of Capital Stock held by such Tag-Along Stockholder, calculated on an As-Converted Basis, multiplied by the Transferring Stockholder Tag-Along Percentage (such Tag-Along Stockholder's "Tag-Along Stockholder Tag-Along Percentage"). Within ten (10) Business Days after receipt of the Transfer Notice, each Tag-Along Stockholder may exercise such tag-along right by providing the Company and the Transferring Stockholder with written notice (a "Tag-Along Acceptance Notice") stating (i) that such Tag-Along Stockholder elects to exercise its tag-along right under this Section 3.3 and (ii) the maximum number of shares of Capital Stock that such Tag-Along Stockholder desires to Transfer (any Tag-Along Stockholder that validly exercises its tag-along right under this Section 3.3, a "Tag-Along Participant"). Each Tag-Along Stockholder shall be deemed to have waived its tag-along right under this Section 3.3 if it (x) fails to provide the Tag-Along Acceptance Notice within the prescribed time period or (y) purchases all or any portion of a Transferring Stockholder's Capital Stock pursuant to an exercise of right of first refusal in accordance with Section 3.2.

(d) The Tag-Along Transferee shall not be obligated to directly or indirectly purchase shares of Capital Stock exceeding those set forth in the Transfer Notice. In the event the Tag-Along Transferee elects to purchase, directly or indirectly, less than all of the additional shares of Capital Stock sought to be Transferred by the Tag-Along Participants, the shares of Capital Stock to be Transferred by the Transferring Stockholder and each Tag-Along Participant shall be equal to (i) the aggregate shares of Capital Stock that the Tag-Along Transferee elects to purchase, multiplied by (ii) the Overallotment Percentage of such Transferring Stockholder or such Tag-Along Participant, as applicable. In the event that a Tag-Along Stockholder elects to Transfer a number of shares of Capital Stock smaller than the aggregate number of shares of Capital Stock held by such Tag-Along Stockholder multiplied by its Tag-Along Stockholder Tag-Along Percentage (any portion of such Tag-Along Stockholder's Capital Stock subject to such non-election, the "Shortfall Stock"), the Transferring Stockholder shall be entitled to sell an additional portion of the Capital Stock held by it equal to the Shortfall Stock.

(e) Each Tag-Along Participant and the Transferring Stockholder shall receive (i) consideration in the same form; provided that if the Transferring Stockholder is given an option as to the form of consideration to be received, all Tag-Along Participants shall be given the same option, and (ii) the same rights granted by the Tag-Along Transferee to the Transferring Stockholder in such Tag-Along Transaction. Upon consummation of the Tag-Along Transaction, each Tag-Along Participant shall deliver to the Tag-Along Transferee such Tag-Along Participant's Capital Stock to be Transferred free and clear of any liens or encumbrances other than those existing under applicable securities Laws or pursuant to this Agreement. Each Tag-Along Participant shall agree to make and provide customary representations, covenants, indemnities and agreements so long as they are made severally and not jointly; provided (x) any general indemnity given by the Transferring Stockholder to the Tag-Along Transferee that is applicable to liabilities not specific to the Transferring Stockholder shall be apportioned among the Tag-Along Participants and the Transferring Stockholder pro rata based upon the consideration received by each such Stockholder in respect of its Capital Stock to be Transferred and shall not exceed such Stockholder's gross proceeds from such Tag-Along Transaction, (y) any representation relating specifically to a Stockholder or its ownership of its Capital Stock to be Transferred shall be made only by such Stockholder, and any indemnity given with respect to such representation shall be given only by such Stockholder and shall not exceed such Stockholder's gross proceeds from the sale, and (z) in no event shall any Tag-Along Participant be obligated to agree to any non-competition covenant or other similar agreement restricting the business operations of such Stockholder or its Affiliates as a condition to participating in such Transfer. The Transferring Stockholder shall have until the Proposed Tag-Along Closing Date to consummate the proposed Tag-Along Transaction on terms not more favorable to the Transferring Stockholder than those set forth in the Transfer Notice; provided, however, that the Proposed Tag-Along Closing Date may be extended beyond the date described in the Transfer Notice for a period of thirty (30) days to the extent necessary to obtain required governmental approvals and other required third-party approvals and the Company and the Stockholders shall use their respective commercially reasonable efforts to obtain such approvals. If the Transferring Stockholder has not consummated the Tag-Along Transaction on or prior to the Proposed Tag-Along Closing Date, the Transferring Stockholder shall not thereafter consummate a Transfer that is subject to this Section 3.3 without again fully complying with this Section 3.3.

(f) The Transferring Stockholder shall, in its sole discretion, decide whether or not to pursue, consummate, postpone or abandon any proposed Transfer subject to this Section 3.3 and the terms and conditions thereof. No Stockholder shall have any liability to any other Stockholder or the Company arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any proposed Transfer subject to this Section 3.3 except to the extent such Stockholder shall have failed to comply with the provisions of this Section 3.3.

(g) If a Transferring Stockholder Transfers any portion of its Capital Stock in violation of this Section 3.3, each Tag-Along Stockholder shall have the right to Transfer to the Transferring Stockholder, and the Transferring Stockholder shall be obligated to purchase from each such Tag-Along Stockholder, the shares of Capital Stock that such Tag-Along Stockholder would have had the right to Transfer to the proposed transferee pursuant to this Section 3.3 for a price and upon the terms and conditions on which such proposed transferee purchased such shares of Capital Stock from the Transferring Stockholder; provided that nothing contained in this Section 3.3(g) shall preclude any Tag-Along Stockholder from seeking alternative remedies against the Transferring Stockholder as a result of its breach of this Section 3.3. The Transferring Stockholder shall also reimburse each such Tag-Along Stockholder for any and all reasonable and documented out-of-pocket fees and expenses (including reasonable legal fees and expenses) incurred pursuant to the exercise or attempted exercise of such Tag-Along Stockholder's rights under this Section 3.3(g).

(h) The provisions of this Section 3.3 shall terminate and be of no further force or effect upon the first to occur of the following: (i) immediately prior the consummation of the IPO, or (ii) upon the closing of a Sale Transaction.

3.4 Market Stand-off. Each Stockholder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Capital Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 3.4 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement or to the establishment of a trading plan pursuant to Rule 10b5-1, provided that such plan does not permit transfers during the restricted period, and shall be applicable to the Stockholders only if all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than one percent (1%) of the

Company's outstanding Common Stock (calculated on an As-Converted Basis). The underwriters in connection with such registration are intended third-party beneficiaries of this Section 3.4 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Stockholder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 3.4 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements.

4. Management of the Company.

4.1 Board Composition. Each Stockholder agrees to vote, or cause to be voted, all shares of Capital Stock owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of stockholders at which an election of directors is held or pursuant to any written consent of the stockholders, the following persons shall be elected to the Board:

(a) for so long as Ideanomics, Inc. ("**Ideanomics**") and its Affiliates continue to own beneficially at least five percent (5%) of the outstanding shares of Common Stock (calculated on an As-Converted Basis) (the "**Ownership Threshold**"), one (1) person designated from time to time by Ideanomics (the "**Ideanomics Director**"), which shall initially be Keith Byars; and

(b) Five (5) persons designated from time to time by the holders of a majority of the shares of Common Stock outstanding, voting as a separate class, which shall initially be Steve Heckerath, Heather Paulsen, Nishi Deokule, Joseph Marino, Willard MacDonald.

To the extent that clause (a) above shall become inapplicable due to Ideanomics and its Affiliates failing to satisfy the Ownership Threshold, (i) any member of the Board who would otherwise have been designated by Ideanomics in accordance with the terms thereof shall instead be voted upon by all holders of outstanding shares of Common Stock and (ii) Section 4.6 shall apply.

4.2 Failure to Designate a Board Member. In the absence of any designation from the Persons or groups with the right to designate a director as specified in Section 4.1, the director previously designated by them and then serving shall be reelected if willing to serve unless such individual has been removed as provided herein, and otherwise such Board seat shall remain vacant until otherwise filled as provided above.

4.3 Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all shares of Capital Stock owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

(a) no director elected pursuant to Section 4.1 of this Agreement may be removed from office unless (i) such removal is directed or approved by the affirmative vote of the Person(s) entitled under Section 4.1 to designate such director or (ii) the Person(s) originally

entitled to designate or approve such director pursuant to Section 4.1 is no longer so entitled to designate or approve such director;

(b) any vacancies created by the resignation, removal or death of a director elected pursuant to Section 4.1 shall be filled pursuant to the provisions of this Section 4; and

(c) upon the request of any party entitled to designate a director as provided in Section 4.1 to remove such director, such director shall be removed.

All Stockholders agree to execute any written consents required to perform the obligations of this Section 4, and the Company agrees at the request of any Person or group entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors. So long as the stockholders of the Company are entitled to cumulative voting, if less than the entire Board is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect such director if then cumulatively voted at an election of the entire Board.

4.4 No Liability for Election of Recommended Directors. No Stockholder, nor any Affiliate of any Stockholder, shall have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor shall any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

4.5 Indemnification.

(a) Right to Indemnification of Directors. The Company shall indemnify and hold harmless, to the fullest extent permitted by applicable Law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director of the Company or, while a director of the Company, is or was serving at the request of the Company as a director of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 4.5(c), the Company shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board.

(b) Prepayment of Expenses of Directors. The Company shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition; provided, however, that, to the extent required by Law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Section 4.5.

(c) Claims by Directors. If a claim for indemnification or advancement of expenses under this Section 4.5 is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Company, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Company shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable Law.

(d) Non-Exclusivity of Rights. The rights conferred on any person by this Section 4.5 shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, this Agreement, the Bylaws of the Company, or any agreement, or pursuant to any vote of stockholders or disinterested directors of the Company or otherwise.

(e) Insurance. The Board may, to the full extent permitted by applicable Law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Company's expense insurance (a) to indemnify the Company for any obligation which it incurs as a result of the indemnification of directors under this Section 4.5 and (b) to indemnify or insure directors against liability in instances in which they may not otherwise be indemnified by the Company under the provisions of this Section 4.5.

(f) Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Articles of Incorporation, or elsewhere, as the case may be.

(g) Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Section 4.5 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

4.6 Board Observer. In the event that Ideanomics and its Affiliates fail to satisfy the Ownership Threshold, the Company shall thereafter invite a representative of Ideanomics to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel.

5. Information Rights.

5.1 Delivery of Financial Statements. The Company shall deliver to the Stockholders:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Section 5.1(c)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of nationally or regionally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company (each such budget and business plan that is approved by the Board of Directors is referred to herein as the "**Budget**"); and

(d) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as the Stockholders may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 5.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

5.2 Consolidation of Financial Statements. If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

5.3 Filing of Registration Statements. Notwithstanding anything else in Section 5.1 to the contrary, the Company may cease providing the information set forth in Section 5.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's

covenants under this Section 5.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

5.4 Inspection. The Company shall permit a Stockholder, at its expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Investor; provided, however, that the Company shall not be obligated pursuant to this Section 5.4 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

5.5 Termination of Rights. The covenants set forth in Section 5.1 and Section 5.4 shall terminate and be of no further force or effect upon the first to occur of the following: (i) immediately prior the consummation of the IPO or (ii) upon the closing of a Sale Transaction.

5.6 Confidentiality. Each Stockholder agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor or make decisions with respect to its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5.6 by such Stockholder), (b) is or has been independently developed or conceived by such Stockholder without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Stockholder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that such Stockholder may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent reasonably necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Capital Stock from such Stockholder, if such prospective purchaser agrees to be bound by the provisions of this Section 5.6; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Stockholder in the ordinary course of business, provided that such Stockholder informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that such Stockholder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

6. Anti-Dilution. In the event the Company shall at any time issue New Securities, without consideration or for consideration per share less than the price per share of Common Stock paid by Ideanomics pursuant to that certain Stock Purchase Agreement, dated as of the date of this Agreement (such shares purchased by Ideanomics, the "**Purchased Shares**"), then, concurrently with such issuance, the Company shall issue to Ideanomics for no additional consideration such additional shares of Common Stock as necessary to reflect a weighted-average adjustment to the price per share paid by Ideanomics for the Purchased Shares; provided that the anti-dilution rights

set forth in this Section 6 shall terminate and be of no further force or effect upon the failure by Ideanomics and its Affiliates to satisfy the Ownership Threshold.

7. Miscellaneous.

7.1 Successors and Assigns. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

7.2 Governing Law. This Agreement shall be governed by the internal law of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

7.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

7.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or, as to the Company, to the principal office of the Company and to the attention of the Chief Executive Officer, or in any case to such email address or address as subsequently modified by written notice given in accordance with this Section 7.5. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Jackson Law Offices, 245 E. Laurel Street, Fort Bragg, CA 95437, Attn: James A. Jackson, Email:and if notice is given to Ideanomics, a copy (which copy shall not constitute notice) shall also be given to Venable LLP, 1290 Avenue of the Americas, 20th Floor, New York, NY 10104, Attn: William N. Haddad, Email: .

7.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of at least a majority of the shares of Common Stock then

outstanding (calculated on an As-Converted Basis), which majority shall include Ideanomics; provided that (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Stockholder without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to all Stockholders in the same fashion and (b) any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Capital Stock in compliance with the terms of this Agreement without the consent of the other parties. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 7.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one (1) or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

7.7 Severability. In case any one (1) or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by Law.

7.8 Aggregation of Stock; Apportionment. All shares of Capital Stock held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

7.9 Entire Agreement. This Agreement (including any Schedules hereto), constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

7.10 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-

ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

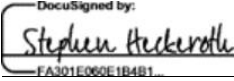
7.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by Law or otherwise afforded to any party, shall be cumulative and not alternative.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Stockholders' Agreement as of the date first written above.

COMPANY:

Solectrac, Inc.

By: A rectangular box containing a handwritten signature in cursive that reads "Stephen Heckeroth". Above the signature, the text "DocuSigned by:" is printed in a small font. Below the signature, the text "FA301E06E1B4B1" is printed in a small font.

Name: Stephen Heckeroth
Title: Chief Executive Officer

SIGNATURE PAGE TO STOCKHOLDERS' AGREEMENT

STOCKHOLDERS:

Ideanomics, Inc.

By: A DocuSigned signature box containing the handwritten name "Alfred Poor" and a unique document ID "3E662BE0137F4B2" below it.

Name: Alf Poor
Title: Chief Executive Officer

SIGNATURE PAGE TO STOCKHOLDERS' AGREEMENT

SIGNATURE PAGE TO STOCKHOLDERS' AGREEMENT

SCHEDULE A
STOCKHOLDERS

Ideanomics, Inc. Subsidiaries

Name	Place of Incorporation
Medici Motor Works Holding Inc.	US
Intelligentia Ltd.	US
Grapevine Logic, Inc.	US
Delaware Board of Trade Holding, Inc.	US
Tree Technologies Sdn. Bhd.	Singapore
Mobile Energy Global Limited	Cayman
Fintech Village LLC	US
Medici Motor Works Inc.	US
Medici Operation Limited	HK
Seven Stars Energy Ptd. Ltd.	Singapore
Beijing Medici New Energy Automobile Co., Ltd.	PRC
Qingdao Medici New Energy Automobile Co., Ltd.	PRC
Qingdao Chengyang Medici New Energy Automobile Co., Ltd.	PRC
Ordos Yuanke Technology Development Co., Ltd.	PRC
You on Demand (Beijing) Technology Co., Ltd.	PRC
MEG Technology Services Group Limited	HK
M.Y. Products Global Limited	BVI
M.Y. Products Global Holding Limited	BVI
Shanghai Ainengju Investment Management Consulting Co., Ltd.	PRC
Qingdao Ainengju Auto Trading Market Co., Ltd.	PRC
Shanghai Wecast Supply Chain Management Co., Ltd.	PRC
M.Y. Product LLC	US
Guizhou Wide Angle Holdings Co., Ltd.	PRC
Qinglong Wide Angle New Media Co., Ltd	PRC
Shanghai Yiyoukong New Energy Development Co., Ltd	PRC
Qingdao Ainengju Energy Service Co., Ltd	PRC

In accordance with Item 601(b)(21) of Regulation S-K, the company has omitted from this Exhibit the names of its subsidiaries which, considered in the aggregate or as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X.



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation in the Registration Statement ((Form S-3 Nos. 333-253061, 333-252230, 333-237251 and 333-239371; and Form S-8 Nos. 333-236108, 333-253059 and 333-205043) of our report dated March 31, 2021, relating to the consolidated financial statements of Ideanomics, Inc. as of and for the years ended December 31, 2020 and 2019, to all references to our firm included in the December 31, 2020 annual report on Form 10-K of Ideanomics, Inc. filed with the U.S. Securities and Exchange Commission (the "SEC") on March 31, 2021.

/s/ **B F Borgers CPA PC**
Lakewood, Colorado

March 31, 2021

CERTIFICATIONS

I, Alf Poor, Chief Executive Officer of Ideanomics, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Ideanomics, Inc.;
2. Based on my knowledge, this does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this filing;
3. Based on my knowledge, the financial statements, and other financial information included in this filing, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this filing
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this filing is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this filing our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this filing based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2021

/s/ Alf Poor

Alf Poor

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATIONS

I, Conor McCarthy, Chief Financial Officer of Ideanomics, Inc. certify that:

1. I have reviewed this Annual Report on Form 10-K of Ideanomics, Inc.;
2. Based on my knowledge, this filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this filing;
3. Based on my knowledge, the financial statements, and other financial information included in this filing, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this filing is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this filing our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2021

/s/ Conor McCarthy

Conor McCarthy
Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Alf Poor, Chief Executive Officer of Ideanomics, Inc. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's filing to the Annual Report on Form 10-K for the year ended December 31, 2020 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement this March 31, 2021.

/s/ Alf Poor

Alf Poor

Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Ideanomics, Inc. and will be retained by Ideanomics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Conor McCarthy, Chief Financial Officer of Ideanomics, Inc. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2020 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement this March 31, 2021.

/s/ Conor McCarthy
Conor McCarthy
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Ideanomics, Inc. and will be retained by Ideanomics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.
