

Investing in disruptive sectors, NASDAQ listed Ideanomics continues to expand its EV investment portfolio

Investors are increasingly aware that we have an electric vehicle boom unfolding this decade. 2021 electric car sales are on track to increase about 100% from 3.2 million in 2020 to a forecast 6-6.5 million in 2021. Of course, some electric car companies already have huge market caps such as Tesla (NASDAQ: TSLA) on US\$1.019 trillion, BYD Co (OTC: BYDDF) US\$108 billion, Rivian (NASDAQ: RIVN) US\$92 billion, and Lucid Group (NASDAQ: LCID) US\$78 billion. The last two are relatively new IPOs with almost no income in 2021.

What if I told you that there was an investment company that held significant positions in 9 different electric mobility related companies and 3 capital/fintech related companies with forecast 2021 revenues of US\$120 million, forecast to rise to US\$200 million in 2023. Plus its market cap is well under one billion US dollars. Actually its market cap is US\$676 million, or ~3.4x forecast 2023 revenues.

The company is Ideanomics Inc. (NASDAQ: IDEX). Ideanomics is a global investment company focused on investing in disruptive companies such as those driving the adoption of electric vehicles and fintech services innovation.

In addition to owning significant percentages in 9 electric **mobility** related companies, Ideanomics also has ownership in 3 **capital** (fintech/financial services) companies. Ideanomics' latest acquisitions include 100% of VIA Motors International

and increasing from 20% to 70% of Energica Motor Company.

Ideanomics Mobility

In electric mobility Ideanomics works to assist commercial fleets in vehicle procurement, EV financing, mobility services, charging infrastructure (including wireless charging), and energy management. Ideanomics 9 electric mobility related investments/companies are:

- **Medici Motor Works** aims to develop the North American specialty vehicle and pick-up truck market.
- **Wireless Advanced Vehicle Electrification Inc. (WAVE)** develops inductive charging solutions for medium and heavy-duty vehicles in the U.S. Ideanomics acquired 100% of WAVE in early 2021.
- **Ideanomics China (formerly Mobile Energy Global, "MEG"), (100% owned)** provides group purchasing discounts on commercial electric vehicles, EV batteries and electricity as well as financing and charging solutions in China.
- **Treeletrik** is an approved EV manufacturer and distributor for Malaysia. Treeletrik plans to drive ASEAN commercial EV sales leveraging Chinese & Korean OEM partners for manufacturing. Ideanomics bought 51% of Treeletrik in 2019.
- **Solectrac** develops and sells electric tractors and is based in California, USA. Ideanomics bought a 14.7% investment in Solectrac which was later increased to 22%.
- **Energica Motor Company** is an Italian manufacturer and distributor of high performance 100% battery-powered electric motorcycles. Ideanomics acquired 20% and more recently agreed to increase this to 70%. More details [here](#). Energica recently announced additional U.S. dealers in their network expansion across the USA. Energica is growing rapidly with 91% sales growth in 2020, and continued growth in 2021. Consumer demand

remains high, and dealers already have a backlog of pre-orders.

- **SilkEV** offers Italian engineering and design services.
- **US Hybrid** – Announced in May 2021, Ideanomics acquired 100% of US Hybrid, a company that has pioneered clean transportation technologies for more than 20 years. US Hybrid offers proven zero-emission powertrain components for electric, hybrid and fuel cell medium and heavy-duty municipality vehicles, commercial trucks, buses, and specialty vehicles throughout the world.
- **VIA Motors International Inc.** – Announced in August 2021, a 100% acquisition of VIA Motors by Ideanomics for a base transaction price of US\$450 million via an all-stock transaction. VIA Motors is headquartered in Orem, Utah. VIA designs, manufactures and markets electric commercial vehicles, with superior life-cycle economics, for use across a broad cross-section of the global fleet customer base. VIA utilizes a scalable and flexible electric skateboard platform for Class 2, 3, 4 and 5 vans and trucks, along with a modular body approach that enables a capital-light single design for its platforms, drive systems and vehicle models.

Ideanomics Capital

This division focuses on fintech disruption and financial services. Ideanomics 3 investments are:

- **Timios Holding Corp.** – A leading title and settlement solutions provider based in California USA with operations in 44 U.S states. Ideanomics acquired 100% of Timios Holdings Corp. in 2020.
- **Technology Metal Market (TM2)** – A London-based digital commodity issuance and trading platform for technology metals, including those used for EV battery production, energy storage systems, and solar cells.
- **JUSTLY Markets** (formerly Delaware Board of Trade Holdings Inc.) is an equity crowdfunding platform for

investors that focuses beyond profit and dividends. It thinks about how the investments made today shape the future of our planet. JUSTLY connects engaged investors and passionate founders who care about 'social responsibility' and building thriving businesses. JUSTLY recently partnered with Invest Green to provide insights and clean technology investment opportunities. More details [here](#).

Ideanomics Q3 2021 results announced in November highlight the progress the Company is making. Apart from the new acquisition of VIA Motors, and the increased stake to 70% in Energica, the Q3 result highlights were:

- "Revenues for the quarter ended September 30, 2021, were \$27.0 million and gross profit of \$4.5 million.
- \$256.9 million cash at quarter end providing a deep pool of capital for investment in Ideanomics Mobility & Capital business units.
- Aaron Gillmore (former BYD and Tesla executive) appointed as CEO of WAVE.
- Mani Iyer (former CEO of Mahindra Agriculture Americas) appointed as CEO of Solectrac.
- WAVE received order from AVTA for vehicle-side charging equipment for 28 buses.
- US Hybrid delivered EV power electronics components to several OEMs, including CAT, Pratt & Miller, FEV, and Nova Bus, as well as several powertrain kits for battery electric street sweepers deployed nation-wide.
- Ideanomics China delivered 652 vehicles, with a large order backlog due to supply chain constraints, and entered into agreements to secure first access to thousands of new electric vehicles as they roll off assembly lines.
- WAVE made substantial progress toward final testing of 125kW and 500kW wireless charging systems, which will broaden WAVE's market reach to additional applications.

- US Hybrid moved to new larger facility to support greater scale of innovation and manufacturing
- Treeletrik moved to a new office and assembly plant to support manufacturing and delivery of its orders.”

Ideanomics CEO, Alf Poor, commented: “This quarter was highlighted by two very important strategic planned acquisitions of VIA Motors and Energica **both scheduled to close in the first quarter**... The integration of these two companies provides Ideanomics with full OEM capabilities across vehicle types, and positions Ideanomics as one of the only full-service, turnkey, offerings in the market today.”

Closing remarks

Ideanomics really is becoming a powerful force both with their EV related businesses and their capital/financial services businesses.

Certainly, Ideanomics is not an easy company to fully comprehend with just so much going on. Despite this the revenue growth and numbers paint a picture of a growing enterprise. The recent stock price pullback means the stock now trades on only ~3.4x forecast 2023 revenues. That compares to the more flashy EV companies with multiples often over 10x.

It looks like a very good time to take a second look at Ideanomics Inc.