

INPIXON AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except number of shares and par value data)

	As of	
	December 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 52,480	\$ 17,996
Accounts receivable, net of allowances of \$272 and \$235, respectively	3,218	1,739
Notes and other receivables	321	152
Inventory	1,976	1,243
Short-term investments	43,125	7,998
Prepaid assets and other current assets	4,842	1,197
Total Current Assets	105,962	30,325
Property and equipment, net	1,442	1,445
Operating lease right-of-use asset, net	1,736	2,077
Software development costs, net	1,792	1,721
Investment in Equity Securities	1,838	--
Long-term investments	2,500	2,500
Intangible assets, net	33,478	14,203
Goodwill	7,672	6,588
Other assets	253	152
Total Assets	\$ 156,673	\$ 59,011
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2,414	\$ 908
Accrued liabilities	10,665	2,739
Operating lease obligation, current	643	647
Deferred revenue	4,805	1,922
Short-term debt	3,490	5,401
Acquisition liability	5,114	500
Total Current Liabilities	27,131	12,117
Long Term Liabilities		
Operating lease obligations, noncurrent	1,108	1,457
Other liabilities, noncurrent	28	7
Acquisition liability, noncurrent	220	750
Total Liabilities	28,487	14,331
Commitments and Contingencies		

Mezzanine Equity

Series 7 Convertible Preferred Stock - 58,750 shares authorized; 49,250 and -
issued and outstanding as of December 31, 2021 and December 31, 2020,
respectively. (Liquidation preference of \$49,250,000) 44,695 --

Stockholders' Equity

Preferred Stock - \$0.001 par value; 5,000,000 shares authorized;

Series 4 Convertible Preferred Stock - 10,415 shares authorized; 1 issued, and
1 outstanding as of December 31, 2021 and December 31, 2020, respectively; -- --

Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued,
and 126 outstanding as of December 31, 2021 and December 31, 2020,
respectively. -- --

Common Stock - \$0.001 par value; 2,000,000,000 and 250,000,000 shares
authorized; 124,440,924 and 53,178,462 issued and 124,440,923 and
53,178,462 outstanding as of December 31, 2021 and December 31, 2020,
respectively. 124 53

Additional paid-in capital 332,639 225,613

Treasury stock, at cost, 1 share (695) (695)

Accumulated other comprehensive income 44 660

Accumulated deficit (250,309) (180,992)

Stockholders' Equity Attributable to Inpixon 81,803 44,639

Non-controlling interest 1,688 41

Total Stockholders' Equity 83,491 44,680

Total Liabilities, Mezzanine Equity and Stockholders' Equity \$ 156,673 \$ 59,011

INPIXON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except per share data)

	For the Years Ended	
	December 31,	
	2021	2020
Revenues	\$ 15,995	\$ 9,297
Cost of Revenues	4,374	2,613
Gross Profit	11,621	6,684
Operating Expenses		
Research and development	14,121	6,523
Sales and marketing	8,261	5,331
General and administrative	41,352	15,261
Acquisition related costs	1,248	1,057
Impairment of goodwill	14,789	--
Amortization of intangibles	4,467	2,306
Total Operating Expenses	84,238	30,478
Loss from Operations	(72,617)	(23,794)
Other Income (Expense)		
Interest expense, net	1,183	(2,426)
Loss on exchange of debt for equity	(30)	(210)
Benefit (provision) for valuation allowance on related party loan - held for sale	7,345	(2,370)
Other income (expense)	(173)	(470)
Gain on related party loan - held for sale	49,817	--
Unrealized loss on equity securities	(57,067)	--
Total Other Income (Expense)	1,075	(5,476)
Net Loss, before tax	(71,542)	(29,270)
Income tax benefit	1,412	56
Net Loss	(70,130)	(29,214)
Net Income (Expense) Attributable to Non-controlling Interest	(975)	15
Net Loss Attributable to Stockholders of Inpixon	(69,155)	(29,229)
Accretion of Series 7 preferred stock	(8,161)	--
Net Loss Attributable to Common Stockholders	\$ (77,316)	\$ (29,229)
Net Loss Per Share - Basic and Diluted	\$ (0.72)	\$ (1.01)
Weighted Average Shares Outstanding		
Basic and Diluted	107,981,441	28,800,493
Comprehensive Loss		
Net Loss	\$ (70,130)	\$ (29,214)
Unrealized foreign exchange (loss) gain from cumulative translation adjustments	(617)	566
Comprehensive Loss	\$ (70,747)	\$ (28,648)

INPIXON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended	
	December 31,	
	2021	2020
Cash Flows Used In Operating Activities		
Net loss	\$ (70,130)	\$ (29,214)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,344	826
Amortization of intangible assets	5,107	2,545
Amortization of right of use asset	677	490
Stock based compensation	10,879	1,194
Earnout payment expense	6,524	--
Loss on exchange of debt for equity	30	210
Amortization of debt discount	224	2,594
Accrued interest income, related party	(1,627)	(32)
Provision for doubtful accounts	121	956
Unrealized gain/loss on note	(92)	--
Provision for inventory obsolescence	300	138
(Recovery) provision for the valuation allowance for held for sale loan	(7,345)	2,370
Provision for the valuation allowance for related party receivable	--	648
Gain on settlement of related party promissory note	(49,817)	--
Deferred income tax	(2,593)	(87)
Unrealized loss on equity securities	57,067	--
Impairment of goodwill	14,789	--
Loss on disposal of property and equipment	24	--
Other	235	(6)
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(313)	(964)
Inventory	(112)	(117)
Prepaid expenses and other current assets	(4,006)	(563)
Other assets	199	(248)
Accounts payable	391	(1,815)
Accrued liabilities	490	269
Income tax liabilities	16	--
Deferred revenue	817	242
Operating lease obligation	(658)	(490)
Other liabilities	328	453
Net Cash Used in Operating Activities	\$ (37,131)	\$ (20,601)
Cash Flows Used in Investing Activities		

Purchase of property and equipment	(346)	(972)
Investment in capitalized software	(1,019)	(862)
Purchases of short term investments	(2,000)	(7,998)
Sales of short term investments	2,000	--
Purchases of treasury bills	(63,362)	--
Sales of treasury bills	28,000	--
Investment in Systat licensing agreement	(900)	(2,200)
Purchase of intangibles assets	(4)	--
Acquisition of the Ten Degrees	--	(1,500)
Acquisition of Nanotron	--	(7,786)
Acquisition of Intranav	(1,023)	--
Acquisition of Game Your Game	184	--
Acquisition of CXApp	(14,977)	--
Acquisition of Visualix	(61)	--
Investment in long term investment	--	(2,500)
Cash acquired in the Nanotron acquisition	--	311
Net Cash Used in Investing Activities	\$ (53,508)	\$ (23,507)
Cash From Financing Activities		
Net repayments to bank facility	\$ --	\$ (150)
Net proceeds from issuance of preferred stock and warrants	50,585	--
Net proceeds from issuance of common stock and warrants	77,852	55,352
Taxes paid related to net share settlement of restricted stock units	(1,855)	--
Net repayment of notes payable	--	(74)
Loans to related party	(117)	(2,569)
Repayments from related party	--	200
Net proceeds from promissory notes	--	5,000
Repayment of CXApp acquisition liability	(461)	--
Repayment of acquisition liability to Nanotron shareholders	(467)	--
Repayment of acquisition liability to Locality shareholders	(500)	(500)
Net Cash Provided By Financing Activities	\$ 125,037	\$ 57,259
Effect of Foreign Exchange Rate on Changes on Cash	86	(4)
Net Increase in Cash and Cash Equivalents	34,484	13,147
Cash and Cash Equivalents - Beginning of year	17,996	4,849
Cash and Cash Equivalents - End of year	<u>\$ 52,480</u>	<u>\$ 17,996</u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	For the Years Ended	
	December 31,	
	2021	2020
Net loss attributable to common stockholders	\$ (77,316)	\$ (29,229)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	30	210
(Recovery) provision for valuation allowance on held for sale loan	(7,345)	2,370
Provision for the valuation allowance related party receivable	-	648
Gain on related party loan held for sale	(49,817)	-
Unrealized loss on equity securities	57,067	-
Acquisition transaction/financing costs	1,248	1,057
Earnout compensation expense	6,524	-
Professional service fees	1,366	-
Accretion of series 7 preferred stock	8,161	-
Impairment of goodwill	14,789	-
Unrealized gains on notes, loans, investments	241	-
Bad debts expense/provision	121	956
Reserve for inventory obsolescence	300	-
Stock-based compensation – compensation and related benefits	10,879	1,194
Severance costs	294	-
Interest expense, net	(1,183)	2,426
Income tax benefit	(1,412)	(87)
Depreciation and amortization	6,451	3,371
Adjusted EBITDA	<u>\$ (29,602)</u>	<u>\$ (17,084)</u>

(In thousands, except share data)	For the Years Ended	
	December 31,	
	2021	2020
Net loss attributable to common stockholders	\$ (77,316)	\$ (29,229)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	30	210
(Recovery) provision for valuation allowance on held for sale loan	(7,345)	2,370
Provision for the valuation allowance related party receivable	-	648
Gain on related party loan held for sale	(49,817)	-
Unrealized loss on equity securities	57,067	-
Acquisition transaction/financing costs	1,248	1,057
Earnout compensation expense	6,524	-
Professional service fees	1,366	-
Accretion of series 7 preferred stock	8,161	-
Impairment of goodwill	14,789	-

Unrealized gains on notes, loans, investments	241	-
Bad debts expense/provision	121	956
Reserve for inventory obsolescence	300	-
Stock-based compensation – compensation and related benefits	10,879	1,194
Severance costs	294	-
Amortization of intangibles	5,107	2,306
Proforma non-GAAP net loss	\$ (28,351)	\$ (20,488)
Proforma non-GAAP net loss per basic and diluted common share	\$ (0.26)	\$ (0.71)
Weighted average basic and diluted common shares outstanding	<u>107,981,441</u>	<u>28,800,493</u>