

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

	As of	
	December 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 17,996	\$ 4,777
Accounts receivable, net	1,739	1,108
Notes and other receivables	152	74
Inventory	1,243	400
Short-term investments	7,998	0
Prepaid assets and other current assets	1,197	406
Total Current Assets	30,325	6,765
Property and equipment, net	1,445	145
Operating lease right-of-use asset, net	2,077	1,585
Software development costs, net	1,721	1,544
Long-term investments	2,500	0
Intangible assets, net	14,203	8,400
Goodwill	6,588	2,070
Receivable from related party	--	616
Other assets	152	94
Total Assets	\$ 59,011	\$ 21,219
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 908	\$ 2,383
Accrued liabilities	2,739	1,863
Operating lease obligation, current	647	776
Deferred revenue	1,922	912
Short-term debt	5,401	7,304
Acquisition liability	500	502
Total Current Liabilities	12,117	13,740
Long Term Liabilities		
Operating lease obligations, noncurrent	1,457	837
Other liabilities, noncurrent	7	7
Deferred tax liability, noncurrent	--	87
Acquisition liability, noncurrent	750	500
Total Liabilities	14,331	15,171
Commitments and Contingencies		
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Stockholders' Equity		
Preferred Stock - \$0.001 par value; 5,000,000 shares authorized, consisting of Series 4 Convertible Preferred Stock - 10,415 shares authorized; 1 and 1 issued, and 1 and 1 outstanding as of December 31, 2020 and 2019, respectively, Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 and 126 issued, and 126 and 126 outstanding as of December 31, 2020 and 2019, respectively.	--	--
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 53,178,462 and 4,234,923 issued and 53,178,461 and 4,234,922 outstanding as of December 31, 2020 and 2019, respectively.	53	4
Additional paid-in capital	225,613	158,382
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	660	94
Accumulated deficit (excluding \$2,442 reclassified to additional paid in capital in quasi-reorganization)	(180,992)	(151,763)
Stockholders' Equity Attributable to Inpixon	44,639	6,022
Non-controlling interest	41	26
Total Stockholders' Equity	44,680	6,048
Total Liabilities and Stockholders' Equity	\$ 59,011	\$ 21,219

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

	For the Years Ended	
	December 31,	
	2020	2019
Revenues	\$ 9,297	\$ 6,301
Cost of Revenues	2,613	1,609
Gross Profit	6,684	4,692
Operating Expenses		
Research and development	6,523	3,893
Sales and marketing	5,331	3,043
General and administrative	15,261	13,660
Acquisition related costs	1,057	1,277
Amortization of intangibles	2,306	3,629
Total Operating Expenses	30,478	25,502
Loss from Operations	(23,794)	(20,810)
Other Income (Expense)		
Interest expense, net	(2,426)	(2,277)
Loss on exchange of debt for equity	(210)	(294)
Provision for valuation allowance on held for sale loan	(2,370)	(10,627)
Other income (expense)	(470)	(558)
Total Other Income (Expense)	(5,476)	(13,756)
Net Loss, before tax	(29,270)	(34,566)
Income tax benefit	56	584
Net Loss	(29,214)	(33,982)
Net Income Attributable to Non-controlling Interest	15	9
Net Loss Attributable to Stockholders of Inpixon	\$ (29,229)	\$ (33,991)
Deemed dividend for triggering of warrant down round feature	--	(1,250)
Net Loss Attributable to Common Stockholders	\$ (29,229)	\$ (35,241)
Net Loss Per Share - Basic and Diluted	\$ (1.01)	\$ (47.52)
Weighted Average Shares Outstanding		
Basic and Diluted	28,800,493	741,530
Comprehensive Loss		
Net Loss	\$ (29,214)	\$ (33,982)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments	566	68
Comprehensive Loss	\$ (28,648)	\$ (33,914)

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

	For the Years Ended	
	December 31,	
	2020	2019
Cash Flows Used In Operating Activities		
Net loss	\$ (29,214)	\$ (33,982)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	826	1,123
Amortization of intangible assets	2,545	3,633
Amortization of right of use asset	490	398
Stock based compensation	1,194	3,489
Amortization of technology	--	66
Loss on exchange of debt for equity	210	294
Amortization of debt discount	2,594	2,221
Accrued interest income, related party	(32)	--
Provision for doubtful accounts	956	558
Provision for inventory obsolescence	138	--
Provision for the valuation allowance held for sale loan	2,370	10,627
Provision for the valuation allowance related party receivable	648	--
Income tax benefit	(87)	(584)
Other	(6)	(223)
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(964)	46
Inventory	(117)	171
Other current assets	(563)	156
Other assets	(248)	(412)
Accounts payable	(1,815)	1,189
Accrued liabilities	269	521
Deferred revenue	242	(507)
Operating lease liabilities	(490)	--
Other liabilities	453	551
Total Adjustments	<u>8,613</u>	<u>23,317</u>
Net Cash Used in Operating Activities	<u>(20,601)</u>	<u>(10,665)</u>
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(972)	(89)
Investment in capitalized software	(862)	(927)
Investment in short term investment	(7,998)	--
Cash paid for the Systat Licensing Agreement	(2,200)	--
Cash paid for the acquisition of Ten Degrees	(1,500)	--
Cash paid for the acquisition of Nanotron	(7,786)	--
Investment in long term investment	(2,500)	--
Cash paid for the acquisition of GTX	--	(250)
Cash paid for the acquisition of Locality	--	(204)
Cash paid for the acquisition of Jibestream	--	(3,714)
Cash acquired in the Locality acquisition	--	70

Cash acquired in the Jibestream acquisition	--	6
Cash acquired in the Nanotron acquisition	311	--
Net Cash Flows Used in Investing Activities	<u>(23,507)</u>	<u>(5,108)</u>
Cash Flows From Financing Activities		
Net (repayments) proceeds to bank facility	(150)	127
Net proceeds from issuance of common stock, preferred stock and warrants	55,352	20,725
Net repayments of notes payable	(74)	(70)
Loans to related party	(2,569)	(10,276)
Repayments from related party	200	1,832
Advances to related party	--	(31)
Loan to Jibestream	--	(141)
Loan to GTX	--	(50)
Net proceeds from promissory notes	5,000	7,500
Repayment of acquisition liability to Locality shareholders	(500)	(210)
Net Cash Provided By Financing Activities	<u>57,259</u>	<u>19,406</u>
Effect of Foreign Exchange Rate on Changes on Cash	(4)	68
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	13,147	3,701
Cash, Cash Equivalents and Restricted Cash - Beginning of period	<u>4,849</u>	<u>1,148</u>
Cash, Cash Equivalents and Restricted Cash - End of period	<u>\$ 17,996</u>	<u>\$ 4,849</u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)

	For the Years Ended	
	December 31,	
	2020	2019
Net loss attributable to common stockholders	\$ (29,229)	\$ (35,241)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	210	294
Provision for valuation allowance on held for sale loan	2,370	10,627
Provision for the valuation allowance related party receivable	648	--
Settlement of litigation	--	6
Acquisition transaction/financing costs	1,057	1,277
Costs associated with public offering	--	50
Severance	--	161
Bad debts expense/provision	956	558
Deemed dividend for triggering of warrant down round feature	--	1,250
Stock-based compensation – compensation and related benefits	1,194	3,489
Interest expense, net	2,426	2,277
Income tax benefit	(87)	(584)
Depreciation and amortization	3,371	4,752
Adjusted EBITDA	<u>\$ (17,084)</u>	<u>\$ (11,084)</u>

(In thousands, except share data)

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	December 31,	
	2020	2019
Net loss attributable to common stockholders	\$ (29,229)	\$ (35,241)
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Non-recurring one-time charges:		
Loss on exchange of debt for equity	210	294
Provision for valuation allowance on held for sale loan	2,370	10,627
Provision for the valuation allowance related party receivable	648	--
Settlement of litigation	--	6
Acquisition transaction/financing costs	1,057	1,277
Costs associated with public offering	--	50
Severance	--	161
Bad debts expense/provision	956	558
Deemed dividend for triggering of warrant down round feature	--	1,250
Stock-based compensation – compensation and related benefits	1,194	3,489
Amortization of intangibles	2,306	3,629
Proforma non-GAAP net loss	<u>\$ (20,488)</u>	<u>\$ (13,900)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.71)</u>	<u>\$ (18.75)</u>
Weighted average basic and diluted common shares outstanding	<u>28,800,493</u>	<u>741,530</u>