

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

	As of	
	June 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 24,912	\$ 17,996
Accounts receivable, net of allowances of \$234 and \$235, respectively	2,694	1,739
Notes and other receivables	272	152
Inventory, net of reserve of \$138 and \$138, respectively	1,919	1,243
Short-term investments	45,303	7,998
Prepaid assets and other current assets	1,381	1,197
<b>Total Current Assets</b>	<b>76,481</b>	<b>30,325</b>
Property and equipment, net	1,499	1,445
Operating lease right-of-use asset, net	1,775	2,077
Software development costs, net	1,658	1,721
Investment in Equity Securities	29,940	--
Long-term investments	2,500	2,500
Intangible assets, net	36,530	14,203
Goodwill	23,890	6,588
Other assets	141	152
<b>Total Assets</b>	<b>\$ 174,414</b>	<b>\$ 59,011</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,726	\$ 908
Accrued liabilities	5,717	2,739
Income tax liabilities	6,750	--
Operating lease obligation, current	602	647
Deferred revenue	2,780	1,922
Short-term debt	4,251	5,401
Acquisition liability	440	500
<b>Total Current Liabilities</b>	<b>22,266</b>	<b>12,117</b>
<b>Long Term Liabilities</b>		
Operating lease obligations, noncurrent	1,202	1,457
Other liabilities, noncurrent	35	7
Acquisition liability, noncurrent	5,425	750
<b>Total Liabilities</b>	<b>28,928</b>	<b>14,331</b>
<b>Commitments and Contingencies</b>		
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<b>Stockholders' Equity</b>		
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 June 30, 2021 and December 31, 2020, respectively; Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued, and 126 outstanding as of June 30, 2021 and December 31, 2020, respectively.	--	--
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 116,454,028 and 53,178,462 issued and 116,454,027 and 53,178,461 outstanding as of June 30, 2021 and December 31, 2020, respectively.	116	53
Additional paid-in capital	322,196	225,613
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	52	660
Accumulated deficit	(178,931)	(180,992)
Stockholders' Equity Attributable to Inpixon	142,738	44,639
Non-controlling interest	2,748	41
<b>Total Stockholders' Equity</b>	<b>145,486</b>	<b>44,680</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 174,414</b>	<b>\$ 59,011</b>

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

	For the Three Months Ended,		For the Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
<b>Revenues</b>	\$ 3,453	\$ 1,076	\$ 6,407	\$ 2,880
<b>Cost of Revenues</b>	896	305	1,780	814
<b>Gross Profit</b>	2,557	771	4,627	2,066
<b>Operating Expenses</b>				
Research and development	3,223	1,278	5,931	2,612
Sales and marketing	2,073	1,468	3,712	2,159
General and administrative	8,828	2,476	17,999	6,268
Acquisition related costs	535	169	1,005	196
Amortization of intangibles	1,191	508	1,693	1,524
<b>Total Operating Expenses</b>	15,850	5,899	30,340	12,759
<b>Loss from Operations</b>	(13,293)	(5,128)	(25,713)	(10,693)
<b>Other Income (Expense)</b>				
Interest income (expense), net	1,555	(777)	1,206	(1,397)
Loss on exchange of debt for equity	--	(47)	(30)	(132)
Benefit (provision) for valuation allowance on related party loan - held for sale	7,462	(835)	7,345	(835)
Other income (expense)	125	(517)	511	(499)
Gain on related party loan - held for sale	49,817	--	49,817	--
Unrealized loss on equity securities	(28,965)	--	(28,965)	--
<b>Total Other Income (Expense)</b>	29,994	(2,176)	29,884	(2,863)
<b>Net Income (Loss), before tax</b>	16,701	(7,304)	4,171	(13,556)
Income tax (provision) benefit	(2,195)	--	(2,204)	87
<b>Net Income (Loss)</b>	14,506	(7,304)	1,967	(13,469)
<b>Net (Loss) Income Attributable to Non-controlling Interest</b>	(253)	19	(235)	9
<b>Net Income (Loss) Attributable to Stockholders of Inpixon</b>	\$ 14,759	\$ (7,323)	\$ 2,202	\$ (13,478)
<b>Net Income (Loss) Per Share - Basic</b>	\$ 0.13	\$ (0.32)	\$ 0.02	\$ (0.97)
<b>Net Income (Loss) Per Share - Diluted</b>	\$ 0.13	\$ (0.32)	\$ 0.02	\$ (0.97)
<b>Weighted Average Shares Outstanding</b>				
Basic	110,040,532	22,823,976	94,577,520	13,931,245
Diluted	110,041,378	22,823,976	94,591,619	13,931,245
<b>Comprehensive Income (Loss)</b>				
Net Income (Loss)	\$ 14,506	\$ (7,304)	\$ 1,967	(13,469)
Unrealized foreign exchange (loss) gain from cumulative translation adjustments	52	318	(619)	(295)
<b>Comprehensive Income (Loss)</b>	\$ 14,558	\$ (6,986)	\$ 1,348	\$ (13,764)

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

	For the Six Months Ended	
	June 30,	
	2021	2020
	(Unaudited)	
<b>Cash Flows Used In Operating Activities</b>		
Net Income (loss)	\$ 1,967	\$ (13,469)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	625	384
Amortization of intangible assets	2,007	1,524
Amortization of right of use asset	370	356
Stock based compensation	7,149	685
Loss on exchange of debt for equity	30	132
Amortization of debt discount	224	1,909
Accrued interest income, related party	(1,627)	(32)
Unrealized gain on note	(490)	--
(Recovery) provision for the valuation allowance for held for sale loan	(7,345)	835
Provision for the valuation allowance for related party receivable	--	648
Gain on settlement of related party promissory note and loan related party receivable	(49,817)	--
Deferred income tax	(4,507)	(87)
Unrealized loss on equity securities	28,965	--
Other	57	21
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	532	(107)
Inventory	(555)	22
Prepaid expenses and other current assets	(319)	(905)
Other assets	203	(13)
Accounts payable	(331)	(1,539)
Accrued liabilities	2,494	(593)
Income tax liabilities	6,711	--
Deferred revenue	(238)	105
Operating lease obligation	(364)	(362)
Other liabilities	96	117
<b>Net Cash Used in Operating Activities</b>	<b>(14,163)</b>	<b>(10,369)</b>
<b>Cash Flows Used in Investing Activities</b>		
Purchase of property and equipment	(149)	(39)
Purchases of capitalized software	(373)	(433)
Purchases of other short term investments	(2,000)	--
Purchases of treasury bills	(63,362)	--
Sales of treasury bills	28,000	--
Purchase of Systat licensing agreement	(900)	--
Acquisition of Game Your Game	184	--
Acquisition of CXApp	(15,186)	--
Acquisition of Visualix	(61)	--

<b>Net Cash Flows Used in Investing Activities</b>	(53,847)	(472)
<b>Cash From Financing Activities</b>		
Net repayments to bank facility	--	(150)
Net proceeds from issuance of common stock and warrants	77,853	41,771
Taxes paid related to net share settlement of restricted stock units	(1,687)	--
Net proceeds from notes payable	--	1
Loans to related party	(117)	(1,035)
Repayments from related party	--	200
Net proceeds from promissory notes	--	5,000
Repayment of CXApp acquisition liability	(137)	--
Repayment of acquisition liability to Nanotron shareholders	(467)	--
Repayment of acquisition liability to Locality shareholders	(500)	(250)
<b>Net Cash Provided By Financing Activities</b>	<u>74,945</u>	<u>45,537</u>
<b>Effect of Foreign Exchange Rate on Changes on Cash</b>	(19)	(15)
<b>Net Increase in Cash, Cash Equivalents and Restricted Cash</b>	6,916	34,681
Cash, Cash Equivalents and Restricted Cash - Beginning of period	<u>17,996</u>	<u>4,849</u>
Cash, Cash Equivalents and Restricted Cash - End of period	<u>\$ 24,912</u>	<u>\$ 39,530</u>

**Reconciliation of Non-GAAP Financial Measures:**

(In thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss attributable to common stockholders	14,759	(7,323)	2,202	(13,478)
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	47	30	132
(Recovery) provision for valuation allowance on held for sale loan	(7,462)	835	(7,345)	835
Provision for the valuation allowance related party receivable	-	648	-	648
Gain on related party loan held for sale	(49,817)	-	(49,817)	-
Unrealized loss on equity securities	28,965	-	28,965	-
Acquisition transaction/financing costs	535	169	1,005	196
Earn out Compensation Expense	2,059	-	2,059	-
Professional service fees	422	-	771	-
Unrealized gain on note	(128)	-	(491)	-
Stock-based compensation – compensation and related benefits	2,053	286	7,149	685
Interest expense, net	(1,555)	777	(1,206)	1,397
Income tax provision (benefit)	2,195	-	2,204	(87)
Depreciation and amortization	1,695	682	2,638	1,908
Adjusted EBITDA	<u>(6,279)</u>	<u>(3,879)</u>	<u>(11,836)</u>	<u>(7,764)</u>
(In thousands, except share data)				
Net income (loss) attributable to common stockholders	14,759	(7,323)	2,202	(13,478)
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	47	30	132
(Recovery) provision for valuation allowance on held for sale loan	(7,462)	835	(7,345)	835
Provision for the valuation allowance related party receivable	-	648	-	648
Gain on related party loan held for sale	(49,817)	-	(49,817)	-
Unrealized loss on equity securities	28,965	-	28,965	-
Acquisition transaction/financing costs	535	169	1,005	196
Earnout compensation expense	2,059	-	2,059	-
Professional service fees	422	-	771	-
Unrealized gain on note	(128)	-	(491)	-
Stock-based compensation – compensation and related benefits	2,053	286	7,149	685
Amortization of intangibles	1,361	508	2,011	1,524
Proforma non-GAAP net loss	<u>(7,253)</u>	<u>(4,830)</u>	<u>(13,461)</u>	<u>(9,458)</u>
Proforma non-GAAP net loss per share - Basic	<u>(0.07)</u>	<u>(0.21)</u>	<u>(0.14)</u>	<u>(0.68)</u>
Proforma non-GAAP net loss per share - Diluted	<u>(0.07)</u>	<u>(0.21)</u>	<u>(0.14)</u>	<u>(0.68)</u>
<u>Weighted average shares outstanding</u>				
Basic	<u>110,040,532</u>	<u>22,823,976</u>	<u>94,577,520</u>	<u>13,931,245</u>
Diluted	<u>110,041,378</u>	<u>22,823,976</u>	<u>94,591,619</u>	<u>13,931,245</u>