

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

	As of	
	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 31,376	\$ 4,777
Accounts receivable, net	1,948	1,108
Notes and other receivables	378	74
Inventory	414	400
Prepaid assets and other current assets	1,144	406
Total Current Assets	35,260	6,765
Property and equipment, net	553	145
Operating lease right-of-use asset, net	1,622	1,585
Software development costs, net	1,729	1,544
Intangible assets, net	10,761	8,400
Goodwill	2,555	2,070
Receivable from related party	--	616
Other assets	113	94
Total Assets	\$ 52,593	\$ 21,219
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 813	\$ 2,383
Accrued liabilities	1,914	1,863
Operating lease obligation	572	776
Deferred revenue	1,842	912
Short-term debt	6,150	7,304
Acquisition liability	750	502
Total Current Liabilities	12,041	13,740
Long Term Liabilities		
Operating lease obligations, noncurrent	1,074	837
Other liabilities	7	7
Deferred tax liability, noncurrent	--	87
Acquisition liability, noncurrent	--	500
Total Liabilities	13,122	15,171
Commitments and Contingencies	--	--
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 September 30, 2020 and December 31, 2019, respectively, Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 and 126 issued, and 126 and 126 outstanding as of September 30, 2020 and December 31, 2019, respectively.	--	--
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 42,259,314 and 4,234,923 issued and 42,259,313 and 4,234,922 outstanding as of September 30, 2020 and December 31, 2019, respectively.	42	4
Additional paid-in capital	212,913	158,382
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	(130)	94
Accumulated deficit (excluding \$2,442 reclassified to additional paid in capital in quasi-reorganization)	(172,710)	(151,763)
Stockholders' Equity Attributable to Inpixon	39,420	6,022
Non-controlling interest	51	26
Total Stockholders' Equity	39,471	6,048
Total Liabilities and Stockholders' Equity	\$ 52,593	\$ 21,219

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Revenues	\$ 2,554	\$ 1,534	\$ 5,434	\$ 4,387
Cost of Revenues	645	382	1,459	1,109
Gross Profit	1,909	1,152	3,975	3,278
Operating Expenses				
Research and development	1,717	926	4,329	2,677
Sales and marketing	1,703	847	3,862	2,161
General and administrative	4,103	3,521	10,371	9,890
Acquisition related costs	344	573	540	1,220
Amortization of intangibles	288	969	1,811	2,602
Total Operating Expenses	8,155	6,836	20,913	18,550
Loss from Operations	(6,246)	(5,684)	(16,938)	(15,272)
Other Income (Expense)				
Interest expense, net	(537)	(1,190)	(1,934)	(2,053)
Provision for valuation allowance on held for sale loan	(679)	--	(1,514)	--
Loss on exchange of debt for equity	--	(27)	(132)	(188)
Other income (expense)	11	289	(488)	518
Total Other Income (Expense)	(1,205)	(928)	(4,068)	(1,723)
Net Loss from Operations, before tax	(7,451)	(6,612)	(21,006)	(16,995)
Income tax benefit	--	33	87	35
Net Loss	(7,451)	(6,579)	(20,919)	(16,960)
Net Income Attributable to Non-controlling Interest	16	5	25	9
Net Loss Attributable to Stockholders of Inpixon	\$ (7,467)	\$ (6,584)	\$ (20,944)	\$ (16,969)
Deemed dividend for triggering of warrant down round feature	--	--	--	(1,250)
Net Loss Attributable to Common Stockholders	\$ (7,467)	\$ (6,584)	\$ (20,944)	\$ (18,219)
Net Loss Per Share - Basic and Diluted	\$ (0.18)	\$ (12.68)	\$ (0.90)	\$ (65.89)
Weighted Average Shares Outstanding				
Basic and Diluted	41,544,961	519,257	23,203,004	276,499
Comprehensive Loss				
Net Loss	\$ (7,451)	\$ (6,579)	\$ (20,919)	\$ (16,960)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments	70	(67)	(225)	(36)
Comprehensive Loss	\$ (7,381)	\$ (6,646)	\$ (21,144)	\$ (16,996)

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

	For the Nine Months Ended	
	September 30,	
	2020	2019
	(Unaudited)	
Cash Flows Used In Operating Activities		
Net loss	\$ (20,919)	\$ (16,960)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	568	826
Amortization of intangible assets	1,929	2,602
Amortization of right of use asset	322	267
Stock based compensation	941	2,618
Amortization of technology	--	50
Loss on exchange of debt for equity	132	188
Amortization of debt discount	2,272	1,543
Accrued interest income, related party	(32)	--
Provision for doubtful accounts	--	358
Provision for the valuation allowance held for sale loan	1,514	--
Provision for the valuation allowance related party receivable	648	--
Income tax benefit	(87)	(35)
Other	74	23
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(1,111)	(1,241)
Inventory	(14)	(194)
Other current assets	(814)	(45)
Other assets	(20)	(284)
Accounts payable	(1,359)	1,140
Accrued liabilities	54	56
Deferred revenue	224	(369)
Operating lease liabilities	(325)	--
Other liabilities	453	400
Total Adjustments	<u>5,369</u>	<u>7,903</u>
Net Cash Used in Operating Activities	<u>(15,550)</u>	<u>(9,057)</u>
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(546)	(58)
Investment in capitalized software	(688)	(658)
Cash paid for the acquisition of Jibestream	--	(3,714)
Cash paid for the acquisition of GTX	--	(250)
Cash paid for the acquisition of Locality	--	(204)
Cash paid for the Systat Licensing Agreement	(2,200)	--
Cash paid for the acquisition of Ten Degrees	(1,500)	--
Net Cash Flows Used in Investing Activities	<u>(4,934)</u>	<u>(4,884)</u>
Cash Flows From Financing Activities		
Net (repayments) proceeds to bank facility	(150)	237
Net proceeds from issuance of common stock, preferred stock and warrants	--	14,791

Net proceeds from issuance of common stock	44,041	--
Net repayments of notes payable	(74)	(71)
Loans to related party	(1,806)	(9,866)
Advances to related party	--	(15)
Repayments from related party	292	1,683
Loan to Jibestream	--	(141)
Loan to GTX	--	(50)
Net proceeds from promissory notes	5,000	6,750
Repayment of acquisition liability to Locality shareholders	(250)	--
Net Cash Provided By Financing Activities	47,053	13,318
Effect of Foreign Exchange Rate on Changes on Cash	(42)	(36)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	26,527	(659)
Cash, Cash Equivalents and Restricted Cash - Beginning of period	4,849	1,224
Cash, Cash Equivalents and Restricted Cash - End of period	<u>\$ 31,376</u>	<u>\$ 565</u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net loss attributable to common stockholders	\$ (7,467)	\$ (6,584)	\$ (20,944)	\$ (18,219)
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	--	27	132	188
Provision for valuation allowance on held for sale loan	679	--	1,514	--
Provision for the valuation allowance related party receivable	--	--	648	--
Settlement of litigation	--	--	--	6
Acquisition transaction/financing costs	344	573	540	1,220
Costs associated with public offering	--	--	--	50
Severance	--	26	--	126
Bad debts expense/provision	444	253	444	358
Deemed dividend for triggering of warrant down round feature	--	--	--	1,250
Stock-based compensation – compensation and related benefits	256	871	941	2,618
Interest expense, net	537	1,190	1,934	2,054
Depreciation and amortization	589	1,268	2,497	3,428
Income tax benefit	--	(33)	(87)	(35)
Adjusted EBITDA	<u>\$ (4,618)</u>	<u>\$ (2,409)</u>	<u>\$ (12,381)</u>	<u>\$ (6,956)</u>

(In thousands, except share data)	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net loss attributable to common stockholders	\$ (7,467)	\$ (6,584)	\$ (20,944)	\$ (18,219)
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	--	27	132	188
Provision for valuation allowance on held for sale loan	679	--	1,514	--
Provision for the valuation allowance related party receivable	--	--	648	--
Settlement of litigation	--	--	--	6
Acquisition transaction/financing costs	344	573	540	1,220
Costs associated with public offering	--	--	--	50
Severance	--	26	--	126
Bad debts expense/provision	444	253	444	358
Deemed dividend for triggering of warrant down round feature	--	--	--	1,250
Stock-based compensation – compensation and related benefits	256	871	941	2,618
Amortization of intangibles	288	969	1,811	2,602
Proforma non-GAAP net loss	<u>\$ (5,456)</u>	<u>\$ (3,865)</u>	<u>\$ (14,914)</u>	<u>\$ (9,801)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.13)</u>	<u>\$ (7.44)</u>	<u>\$ (0.64)</u>	<u>\$ (35.45)</u>
Weighted average basic and diluted common shares outstanding	<u>41,544,961</u>	<u>519,257</u>	<u>23,203,004</u>	<u>276,499</u>