

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

	As of	
	December 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,235	\$ 52,480
Accounts receivable, net of allowances of \$231 and \$272, respectively	3,227	3,218
Other receivables	359	321
Inventory, net	2,442	1,976
Short-term investments	-	43,125
Note receivable	150	-
Prepaid assets and other current assets	3,453	4,842
Total Current Assets	29,866	105,962
Property and equipment, net	1,266	1,442
Operating lease right-of-use asset, net	1,212	1,736
Software development costs, net	1,752	1,792
Investment in equity securities	330	1,838
Long-term investments	716	2,500
Intangible assets, net	22,283	33,478
Goodwill, net	-	7,672
Other assets	210	253
Total Assets	\$ 57,635	\$ 156,673
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2,557	\$ 2,414
Accrued liabilities	4,355	10,665
Operating lease obligation, current	477	643
Deferred revenue	3,485	4,805
Short-term debt	13,643	3,490
Acquisition liability	197	5,114
Total Current Liabilities	24,714	27,131
Long Term Liabilities		
Operating lease obligations, noncurrent	778	1,108
Other liabilities, noncurrent	28	28
Acquisition liability, noncurrent	--	220
Total Liabilities	25,520	28,487
Commitments and Contingencies	--	--
Mezzanine Equity		
Series 7 Convertible Preferred Stock - 58,750 shares authorized; zero and 49,250 issued and outstanding as of December 31, 2022 and December 31, 2021, respectively.	--	44,695
Series 8 Convertible Preferred Stock - 53,197.7234 shares authorized; zero issued and outstanding as of December 31, 2022 and December 31, 2021, respectively.	--	--

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, 2022 and December 31, 2021, respectively;

Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued, and 126 outstanding as of December 31, 2022 and December 31, 2021, respectively.

Common Stock - \$0.001 par value; 500,000,000 shares authorized; 3,570,894 and 1,730,141 issued and 3,570,893 and 1,730,140 outstanding as of December 31, 2022 and December 31, 2021, respectively.

Additional paid-in capital

Treasury stock, at cost, 1 share

Accumulated other comprehensive income

Accumulated deficit

Stockholders' Equity Attributable to Inpixon

Non-controlling interest

Total Stockholders' Equity**Total Liabilities, Mezzanine Equity and Stockholders' Equity**

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	--	--
	4	2
	346,668	332,761
	(695)	(695)
	1,061	44
	(314,841)	(250,309)
	<u>32,197</u>	<u>81,803</u>
	<u>(82)</u>	<u>1,688</u>
	<u>32,115</u>	<u>83,491</u>
	<u>\$ 57,635</u>	<u>\$ 156,673</u>

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

	For the Years Ended	
	December 31,	
	2022	2021
Revenues	\$ 19,418	\$ 15,995
Cost of Revenues	5,489	4,374
Gross Profit	13,929	11,621
Operating Expenses		
Research and development	17,661	14,121
Sales and marketing	8,872	8,261
General and administrative	26,060	41,478
Acquisition related costs	426	1,248
Impairment of goodwill and intangibles	12,199	14,789
Amortization of intangibles	5,411	4,467
Total Operating Expenses	70,629	84,364
Loss from Operations	(56,700)	(72,743)
Other Income (Expense)		
Interest (expense)/ income, net	(673)	1,183
Loss on exchange of debt for equity	--	(30)
Benefit for valuation allowance on related party loan - held for sale	--	7,345
Other income/(expense)	692	(47)
Gain on related party loan - held for sale	--	49,817
Unrealized loss on equity securities	(7,904)	(57,067)
Unrealized loss on equity method investment	(1,784)	--
Total Other Income (Expense)	(9,669)	1,201
Net Loss, before tax	(66,369)	(71,542)
Income tax benefit	65	1,412
Net Loss	(66,304)	(70,130)
Net Loss Attributable to Non-controlling Interest	(2,910)	(975)
Net Loss Attributable to Stockholders of Inpixon	\$ (63,394)	\$ (69,155)
Accretion of Series 7 preferred stock	(4,555)	(8,161)
Accretion of Series 8 Preferred Stock	(13,090)	--
Deemed dividend for the modification related to Series 8 Preferred Stock	(2,627)	--
Deemed contribution for the modification related to Warrants issued in connection with Series 8 Preferred Stock	1,469	--
Amortization premium- modification related to Series 8 Preferred Stock	2,627	--
Net Loss Attributable to Common Stockholders	\$ (79,570)	\$ (77,316)
Net Loss Per Share - Basic and Diluted	\$ (34.12)	\$ (51.18)
Weighted Average Shares Outstanding		
Basic and Diluted	2,332,041	1,510,678
Comprehensive Loss		
Net Loss	\$ (66,304)	\$ (70,130)
Unrealized foreign exchange gain (loss) from cumulative translation adjustments	1,017	(617)
Comprehensive Loss	\$ (65,287)	\$ (70,747)

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

	For the Years Ended	
	December 31,	
	2022	2021
Cash Flows Used In Operating Activities		
Net loss	\$ (66,304)	\$ (70,130)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,374	1,344
Amortization of intangible assets	6,082	5,107
Amortization of right of use asset	706	677
Stock options and restricted stock awards granted to employees and consultants for services	3,656	10,879
Earnout payment expense	(2,827)	6,524
Loss on exchange of debt for equity	--	30
Amortization of debt discount	489	224
Accrued interest income, related party	(278)	(1,627)
Provision for doubtful accounts	(32)	121
Unrealized gain/(loss) on note	1,707	(92)
Provision for inventory obsolescence	10	300
Recovery for valuation allowance held for sale loan	--	(7,345)
Gain on settlement of related party promissory note	--	(49,817)
Deferred income tax	(1)	(2,593)
Unrealized loss on equity securities	7,904	57,067
Impairment of goodwill and intangibles	12,199	14,789
Loss on disposal of property and equipment	1	24
Realized gain on sale of equity securities	151	--
Unrealized loss on equity method investment	1,784	--
Gain on conversion of note receivable	(791)	--
Other	211	235
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(115)	(313)
Inventory	(565)	(112)
Prepaid expenses and other current assets	1,375	(4,006)
Other assets	33	199
Accounts payable	182	391
Accrued liabilities	858	490
Income tax liabilities	119	16
Deferred revenue	(1,214)	817
Operating lease obligation	(677)	(658)
Other liabilities	--	328
Net Cash Used in Operating Activities	\$ (33,963)	\$ (37,131)
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(245)	(346)
Investment in capitalized software	(948)	(1,019)
Purchase of short term investments	--	(2,000)
Sales of short term investments	--	2,000
Purchases of treasury bills	--	(63,362)
Sales of treasury bills	43,001	28,000
Sales of equity securities	229	--
Purchase of convertible note	(5,500)	--
Issuance of note receivable	(150)	--
Investment in Systat licensing agreement	--	(900)

Purchase of intangible assets	--	(4)
Acquisition of Intranav	--	(1,023)
Acquisition of Game Your Game	--	184
Acquisition of CXApp	--	(14,977)
Acquisition of Visualix	--	(61)
Net Cash Provided by (Used in) Investing Activities	\$ 36,387	\$ (53,508)
Cash From Financing Activities		
Net proceeds from issuance of preferred stock and warrants	\$ 46,906	\$ 50,585
Net proceeds from issuance of common stock and warrants	--	77,852
Net proceeds from promissory note	12,339	--
Taxes paid related to net share settlement of restricted stock units	(336)	(1,855)
Loans to related party	--	(117)
Net proceeds for registered direct offering	14,088	--
Common shares issued for net proceeds from warrants	1	--
Cash paid for redemption of preferred stock series 7	(49,250)	--
Cash paid for redemption of preferred stock series 8	(53,198)	--
Repayment of CXApp acquisition liability	(5,136)	(461)
Repayment of acquisition liability to Nanotron shareholders	--	(467)
Repayment of acquisition liability to Locality shareholders	--	(500)
Net Cash (Used in) Provided By Financing Activities	\$ (34,586)	\$ 125,037
Effect of Foreign Exchange Rate on Changes on Cash	(83)	86
Net (Decrease) Increase in Cash and Cash Equivalents	(32,245)	34,484
Cash and Cash Equivalents - Beginning of year	<u>52,480</u>	<u>17,996</u>
Cash and Cash Equivalents - End of year	<u>\$ 20,235</u>	<u>\$ 52,480</u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	For the Years Ended December 31,	
	2022	2021
Net loss attributable to common stockholders	\$ (79,570)	\$ (77,316)
Interest expense/(income), net	673	(1,183)
Income tax benefit	(65)	(1,412)
Depreciation and amortization	7,456	6,451
EBITDA	<u>(71,506)</u>	<u>(73,460)</u>
<i>Adjusted for:</i>		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	-	30
Recovery for valuation allowance on held for sale loan	-	(7,345)
Gain on related party loan held for sale	-	(49,817)
Unrealized loss on equity securities	7,904	57,067
Unrealized loss on equity method investment	1,784	-
Acquisition transaction/financing costs	426	1,248
Earnout compensation expense	-	6,524
Professional service fees	8	1,366
Accretion of series 7 preferred stock	4,555	8,161
Accretion of series 8 preferred stock	13,090	-
Deemed dividend modification Series 8 preferred stock	2,627	-
Deemed contribution modification of warrants	(1,469)	-
Amortization premium modification of Series 8 preferred stock	(2,627)	-
Impairment of goodwill and intangible assets	12,199	14,789
Unrealized gains on notes and loans	1,707	241
Bad debts expense/provision	(31)	121
Reserve for inventory obsolescence	1	300
Stock-based compensation – compensation and related benefits	3,656	10,879
Severance costs	250	294
Restructuring Costs	845	-
Adjusted EBITDA	<u>\$ (26,581)</u>	<u>\$ (29,602)</u>

**For the Years Ended
December 31,**

(In thousands, except share data)

	2022	2021
Net loss attributable to common stockholders	\$ (79,570)	\$ (77,316)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	-	30
Recovery for valuation allowance on held for sale loan	-	(7,345)
Gain on related party loan held for sale	-	(49,817)
Unrealized loss on equity securities	7,904	57,067
Unrealized loss on equity method investment	1,784	-
Acquisition transaction/financing costs	426	1,248
Earnout compensation expense	-	6,524
Professional service fees	8	1,366
Accretion of series 7 preferred stock	4,555	8,161
Accretion of series 8 preferred stock	13,090	-
Deemed dividend modification Series 8 preferred stock	2,627	-
Deemed contribution modification of warrants	(1,469)	-
Amortization premium modification of Series 8 preferred stock	(2,627)	-
Impairment of goodwill and intangible assets	12,199	14,789
Unrealized gains on notes and loans	1,707	241
Bad debts expense/provision	(31)	121
Reserve for inventory obsolescence	1	300
Stock-based compensation – compensation and related benefits	3,656	10,879
Severance costs	250	294
Restructuring costs	845	-
Amortization of intangibles	6,082	5,107
Proforma non-GAAP net loss	<u>\$ (28,563)</u>	<u>\$ (28,351)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (12.25)</u>	<u>\$ (18.77)</u>
Weighted average basic and diluted common shares outstanding	<u>2,332,041</u>	<u>1,510,678</u>