

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

	As of	
	December 31, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,777	\$ 1,008
Accounts receivable, net	1,108	1,280
Notes and other receivables	74	4
Inventory	400	568
Prepaid assets and other current assets	406	496
<b>Total Current Assets</b>	<b>6,765</b>	<b>3,356</b>
Property and equipment, net	145	202
Operating lease right-of-use asset, net	1,585	--
Software development costs, net	1,544	1,690
Intangible assets, net	8,400	4,509
Goodwill	2,070	--
Loan to related party - held for sale	--	2,204
Receivable from related party	616	--
Other assets	94	217
<b>Total Assets</b>	<b>\$ 21,219</b>	<b>\$ 12,178</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,383	\$ 1,129
Accrued liabilities	1,863	1,793
Operating lease obligation	776	--
Deferred revenue	912	234
Short-term debt	7,304	4,127
Acquisition liability	502	--
<b>Total Current Liabilities</b>	<b>13,740</b>	<b>7,283</b>
<b>Long Term Liabilities</b>		
Long-term debt	--	74
Operating lease obligations, noncurrent	837	--
Other liabilities	7	19
Deferred tax liability, noncurrent	87	--
Acquisition liability, noncurrent	500	--
<b>Total Liabilities</b>	<b>15,171</b>	<b>7,376</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Pref Stock - \$0.001 par value; 5,000,000 shares auth, consisting of Series 4 Convertible Pref Stock - 10,415 shares auth; 1 and 1 issued, and 1 and 1 outstanding as of Dec. 31, 2019 and Dec. 31, 2018, respectively, Series 5 Convertible Pref Stock - 12,000 shares auth; 126 and 0 issued, and 126 and 0 outstanding as of Dec. 31, 2019 and Dec. 31, 2018, respectively.	--	--
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 4,234,922 and 35,159 issued and 4,234,922 and 35,158 outstanding as of December 31, 2019 and December 31, 2018, respectively.	4	--
Additional paid-in capital	158,382	123,226
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	94	26
Accumulated deficit (excluding \$2,442 reclassified to additional paid in capital in quasi-reorganization)	(151,763)	(117,773)
Stockholders' Equity Attributable to Impixon	6,022	4,784
Non-controlling interest	26	18
<b>Total Stockholders' Equity</b>	<b>6,048</b>	<b>4,802</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 21,219</b>	<b>\$ 12,178</b>

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

	For the Years Ended December 31,	
	2019	2018
<b>Revenues</b>	\$ 6,301	\$ 3,756
<b>Cost of Revenues</b>	1,609	1,076
<b>Gross Profit</b>	4,692	2,680
<b>Operating Expenses</b>		
Research and development	3,893	1,231
Sales and marketing	3,043	1,726
General and administrative	13,660	14,149
Acquisition-related costs	1,277	108
Impairment of goodwill	--	636
Amortization of intangibles	3,629	3,232
<b>Total Operating Expenses</b>	<u>25,502</u>	<u>21,082</u>
<b>Loss from Operations</b>	(20,810)	(18,402)
<b>Other Income (Expense)</b>		
Interest expense, net	(2,277)	(1,241)
Loss on exchange of debt for equity	(294)	--
Change in fair value of derivative liability	--	48
Gain on the sale of Sysorex Arabia	--	23
Provision for valuation allowance on related party loan - held for sale	(10,627)	--
Other income/(expense)	(558)	(211)
<b>Total Other Income (Expense)</b>	<u>(13,756)</u>	<u>(1,381)</u>
<b>Net Loss from Continuing Operations, before tax</b>	(34,566)	(19,783)
Income tax benefit	584	--
<b>Net loss from Continuing Operations</b>	<u>(33,982)</u>	<u>(19,783)</u>
<b>Loss from Discontinued Operations, Net of Tax</b>	<u>--</u>	<u>(4,778)</u>
<b>Net Loss</b>	(33,982)	(24,561)
<b>Net Income Attributable to Non-controlling Interest</b>	<u>9</u>	<u>11</u>
<b>Net Loss Attributable to Stockholders of Inpixon</b>	<u>\$ (33,991)</u>	<u>\$ (24,572)</u>
Deemed dividend to preferred stockholders	--	(6,407)
Deemed dividend for triggering of warrant down round feature	(1,250)	(13,645)
<b>Net Loss Attributable to Common Stockholders</b>	<u>\$ (35,241)</u>	<u>\$ (44,624)</u>
<b>Net Loss Per Basic and Diluted Common Share</b>		
Loss from continuing operations	\$ (47.52)	\$ (2,322.30)
Loss from discontinued operations	--	(278.47)
<b>Net Loss Per Share - Basic and Diluted</b>	<u>\$ (47.52)</u>	<u>\$ (2,600.77)</u>
<b>Weighted Average Shares Outstanding</b>		
Basic and Diluted	<u>741,530</u>	<u>17,158</u>
<b>Comprehensive Loss</b>		
Net Loss	\$ (33,982)	\$ (24,561)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments	68	(5)
<b>Comprehensive Loss</b>	<u>\$ (33,914)</u>	<u>\$ (24,566)</u>

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

	For the Years Ended	
	December 31,	
	2019	2018
	(Audited)	
<b>Cash Flows Used In Operating Activities</b>		
Net loss	\$ (33,982)	\$ (24,561)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,123	1,570
Amortization of intangible assets	3,633	4,616
Impairment of goodwill	--	636
Amortization of right of use asset	398	--
Stock based compensation	3,489	1,494
Amortization of technology	66	66
Loss on exchange of debt for equity	294	--
Change in fair value of derivative liability	--	(48)
Amortization of debt discount	2,221	703
Provision for doubtful accounts	558	(659)
Gain on earnout	--	(934)
Gain on the settlement of liabilities	--	(307)
Provision for the valuation allowance held for sale loan	10,627	--
Gain on the sale of Sysorex Arabia	--	(23)
Income tax benefit	(584)	--
Other	(223)	(73)
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	46	744
Inventory	171	222
Other current assets	156	481
Prepaid licenses and maintenance contracts	--	(5)
Other assets	(412)	(22)
Accounts payable	1,189	(8,445)
Accrued liabilities	521	(2,412)
Deferred revenue	(507)	246
Other liabilities	551	(54)
Total Adjustments	<u>23,317</u>	<u>(2,204)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(10,665)</u>	<u>(26,765)</u>
<b>Cash Flows Used in Investing Activities</b>		
Purchase of property and equipment	(89)	(88)
Investment in capitalized software	(927)	(804)
Investment in Pod Technology	--	(175)
Cash spun off as a result of de-consolidation	--	(362)
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	--
<b>Net Cash Flows Used in Investing Activities</b>	<u>(5,108)</u>	<u>(1,429)</u>
<b>Cash Flows From Financing Activities</b>		
Net proceeds (repayments) to bank facility	127	(1,119)
Net proceeds from issuance of common stock, preferred stock and warrants	20,725	28,960

Repayment of notes payable	(70)	(181)
Loans to related party	(10,276)	(3,244)
Repayments from related party	1,832	1,040
Advances to related party	(31)	--
Loan to Jibestream	(141)	--
Loan to GTX	(50)	--
Net proceeds from promissory notes	7,500	3,540
Repayment of acquisition liability to Locality shareholders	(210)	--
<b>Net Cash Provided By Financing Activities</b>	<u>19,406</u>	<u>28,996</u>
<b>Effect of Foreign Exchange Rate on Changes on Cash</b>	68	(5)
<b>Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash</b>	3,701	797
Cash, Cash Equivalents and Restricted Cash - Beginning of period	<u>1,148</u>	<u>351</u>
Cash, Cash Equivalents and Restricted Cash - End of period	<u>\$ 4,849</u>	<u>\$ 1,148</u>

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

(In thousands)

	<b>For the Years Ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
Net loss attributable to common stockholders	\$ (35,241)	(44,624)
Adjustments:		
Non-recurring one-time charges:		
Impairment of goodwill	--	636
Write off project expenses	--	726
Gain on earnout	--	(934)
Gain on the sale of Sysorex Arabia	--	(23)
Change in the fair value of derivative liability	--	(48)
Gain on the sale of contracts	--	(601)
Gain on the settlement of obligations	--	(307)
Provision for valuation allowance on held for sale loan	10,627	--
Loss on exchange of debt for equity	294	--
Settlement of litigation	6	559
Acquisition transaction/financing costs	1,277	108
Costs associated with public offering	50	327
Severance	161	15
Provision for doubtful accounts	558	(659)
Deemed dividend to preferred stockholders	--	6,407
Deemed dividend for triggering of warrant down round feature	1,250	13,645
Stock-based compensation – compensation and related benefits	3,489	1,494
Interest expense, net	2,277	2,044
Income tax benefit	(584)	--
Depreciation and amortization	4,752	6,186
Adjusted EBITDA	<u>\$ (11,084)</u>	<u>\$ (15,049)</u>

(In thousands, except share data)

	<b>For the Years Ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
Net loss attributable to common stockholders	\$ (35,241)	\$ (44,624)
Adjustments:		
Non-recurring one-time charges:		
Impairment of goodwill	--	636
Write off project expenses	--	726
Gain on earnout	--	(934)
Gain on the sale of Sysorex Arabia	--	(23)
Change in the fair value of derivative liability	--	(48)
Gain on the sale of contracts	--	(601)
Gain on the settlement of obligations	--	(307)
Loss on exchange of debt for equity	294	--
Provision for valuation allowance on held for sale loan	10,627	--
Settlement of litigation	6	559
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Costs associated with public offering	50	327
Severance	161	15
Provision for doubtful accounts	558	(659)
Deemed dividend to preferred stockholders	--	6,407
Deemed dividend for triggering of warrant down round feature	1,250	13,645
Stock-based compensation – compensation and related benefits	3,489	1,494
Amortization of intangibles	3,629	4,617
Proforma non-GAAP net loss	<u>\$ (13,900)</u>	<u>\$ (18,662)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (18.75)</u>	<u>\$ (1,087.66)</u>
Weighted average basic and diluted common shares outstanding	<u>741,530</u>	<u>17,158</u>