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

| | | As of | | | | |
|---|------|----------------|----|-------------------|--|--|
| | Marc | March 31, 2019 | | December 31, 2018 | | |
| ACCETC | (Uı | naudited) | (1 | Audited) | | |
| ASSETS Current Assets | | | | | | |
| Cash and cash equivalents | \$ | 3,830 | \$ | 1,008 | | |
| Accounts receivable, net | J. | 1,748 | Ψ | 1,280 | | |
| Notes and other receivables | | 68 | | 4 | | |
| Inventory | | 698 | | 568 | | |
| Prepaid assets and other current assets | | 436 | | 496 | | |
| Total Current Assets | | 6,780 | | 3,356 | | |
| Property and equipment, net | | 133 | | 202 | | |
| Operating lease right-of-use asset, net | | 563 | | | | |
| Software development costs, net | | 1,705 | | 1,690 | | |
| Intangible assets, net | | 3,697 | | 4,509 | | |
| Loan to related party | | 7,026 | | 2,204 | | |
| Other assets | | 218 | | 217 | | |
| Total Assets | \$ | 20,122 | \$ | 12,178 | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| Current Liabilities | | 1 110 | | 1 120 | | |
| Accounts payable | \$ | 1,118 | \$ | 1,129 | | |
| Accrued liabilities | | 1,281 | | 1,792 | | |
| Operating lease obligation Deferred revenue | | 331 173 | | 234 | | |
| Short-term debt | | 3,970 | | 4,127 | | |
| Total Current Liabilities | | 6,873 | | 7,282 | | |
| | | | | | | |
| Long Term Liabilities | | | | | | |
| Long-term debt | | 73 | | 74 | | |
| Operating lease obligations, noncurrent | | 268 | | | | |
| Other liabilities | | | | 19 | | |
| Total Liabilities | | 7,214 | | 7,375 | | |
| Commitments and Contingencies | | | | | | |
| Stockholders' Equity: | | | | | | |
| Preferred Stock - \$0.001 par value; 5,000,000 shares authorized, consisting of Series 4 Convertible | | | | | | |
| Preferred Stock - 10,185 shares authorized; 1 and 1 issued, and 1 and 1 outstanding | | | | | | |
| as of March 31, 2019 and December 31, 2018, respectively, and Series 5 Convertible | | | | | | |
| Preferred Stock - 12,000 shares authorized; 1,938 and 0 issued, and 1,938 and 0 outstanding as of March 31, 2019 and December 31, 2018, respectively. | | | | | | |
| Common Stock - \$0.001 par value; 250,000,000 shares authorized; | | | | | | |
| 6,987,950 and 1,581,893 issued and 6,987,937 and 1,581,880 outstanding | | | | | | |
| as of March 31, 2019 and December 31, 2018, respectively. | | 7 | | 2 | | |
| Additional paid-in capital | | 136,482 | | 123,224 | | |
| Treasury stock, at cost, 13 shares | | (695) | | (695) | | |
| Accumulated other comprehensive income | | 18 | | 26 | | |
| Accumulated deficit (excluding \$2,442 reclassified to | | | | | | |
| additional paid in capital in quasi-reorganization) | | (122,917) | | (117,772) | | |
| Stockholders' Equity Attributable to Inpixon | | 12,895 | | 4,785 | | |
| Non-controlling interest | | 13 | | 18 | | |
| Total Stockholders' Equity | | 12,908 | | 4,803 | | |
| Total Liabilities and Stockholders' Fauity | • | 20 122 | • | 12 179 | | |
| Total Liabilities and Stockholders' Equity | \$ | 20,122 | \$ | 12,178 | | |

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

| For the | Three Months Ended | |
|---------|--------------------|---|
| | March 31, | |
| 2019 | December 3 | ; |
| | (Unaudited) | • |

| Revenues 2019 December 31, 2018 Cost of Revenues 1,363 849 Cost of Revenues 337 265 Gross Profit 1,026 584 Operating Expenses Research and development 956 271 Sales and marketing 633 333 General and administrative 3,351 2,946 Amortization of intangibles 812 804 Amortization of intangibles 812 804 Loss from Operations (4,863) 3,780 Cheil Income (Expense) (4,863) 3,780 Interest expense (356) (822) Chain on the sale of Sysorex Arabia 2 3 Gain on the sale of Sysorex Arabia 2 (1) Total Other Income (Expense) (5,150) (4,322) Net Loss from Continuing Operations (5,150) (6,243) Net Loss from Discontinued Operations, Net of Tax 5 (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5,150) (6,243) <tr< th=""><th></th><th>Marc</th><th>ch 31,</th></tr<> | | Marc | ch 31, |
|--|---|------------|-------------------|
| Revenues 1,363 849 Cost of Revenues 337 265 Gross Profit 1,026 584 Operating Expenses | | 2019 | December 31, 2018 |
| Cost of Revenues 337 265 Gross Profit 1,026 584 Operating Expenses Research and development 956 271 Sales and marketing 633 333 General and administrative 3,351 2,940 Acquisition related costs 137 16 Amortization of intangibles 812 804 Total Operating Expenses 5,889 4,364 Loss from Operations (4,863) (3,780) Other Income (Expense) (4,863) (822) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other Income (Expense) (69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inp | | (Una | udited) |
| Gross Profit 1,026 584 Operating Expenses Research and development 956 271 Sales and marketing 633 333 General and administrative 3,351 2,940 Acquisition related costs 137 16 Amortization of intangibles 812 804 Total Operating Expenses 5,889 4,364 Loss from Operations (4,863) (3,780) Other Income (Expense) (4,863) (3,780) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income (expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Stockholders of Inpixon 5 (5,145) 6 (6,243) Deemed dividend to preferred stockholders - (1,508) Deemed dividen | Revenues | 1,363 | 849 |
| Research and development 956 271 Sales and marketing 633 333 General and administrative 3,351 2,940 Acquisition related costs 137 16 Amortization of intangibles 812 804 Total Operating Expenses 5,889 4,364 Loss from Operations (4,863) (3,780) Other Income (Expense) (4,863) (3,780) Other Income (Expense) (4,863) (3,780) Other Income (Expense) (356) (822) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysore Arabia - 23 Other income (Expense) (69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss Attributable to Non-controlling Interest (5) (1,711) Net Loss Attributable to Stockholders of Inpixon S (5,145) S (6,243) Deemed dividend to preferred stockholders - (1,508) Deemed dividend for triggering of warrant down round (1,250) (1,750) Net Loss Attributable to Common Stockholders S (6,395) S (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations S (1,42) S (57,57) Net Loss Per Share - Basic and Diluted Common Share (1,631) Loss From Sparse - Basic and Diluted Common Share (1,631) Loss Per Share - Basic and Diluted Common Share (1,631) Description of triggering of warrant down round (1,250) (1,42) (1,42) (1,43) Net Loss Per Share - Basic and Diluted Common Share (1,631) Net Loss Per Share - Basic and Diluted Common Share (1,631) (1,42) (1,43) (1, | Cost of Revenues | 337 | 265 |
| Research and development 956 271 Sales and marketing 633 333 General and administrative 3,351 2,940 Acquisition related costs 137 16 Amortization of intangibles 812 804 Total Operating Expenses 5,889 4,364 Loss from Operations (4,863) (3,780) Other Income (Expense) (356) (822) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income(expense) 69 (1) Total Other Income (Expense) (5,150) (4,532) Net Loss from Continuing Operations (5,150) (6,243) Net Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders - (1,508) Dee | Gross Profit | 1,026 | 584 |
| Sales and marketing 633 333 General and administrative 3,351 2,940 Acquisition related costs 137 16 Amortization of intangibles 812 804 Total Operating Expenses 5,889 4,364 Loss from Operations (4,863) (3,780) Other Income (Expense) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income(Expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders - (1,508) Deemed dividend for triggering of warrant down round feature (1,250) - Net Los | Operating Expenses | | |
| Ceneral and administrative | Research and development | 956 | 271 |
| Acquisition related costs | Sales and marketing | 633 | 333 |
| Montrization of intangibles | | 3,351 | 2,940 |
| Coss from Operations | - | | |
| Loss from Operations (4,863) (3,780) Other Income (Expense) (Expense) (822) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income/(expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend for triggering of warrant down round feature (1,508) - Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (6,395) \$ (7,751) Net Loss Per Share - Basic and Diluted \$ (1,42) \$ (7,751) Weighted Average Shares Outstanding \$ (1,42) | _ | 812 | |
| Other Income (Expense) Interest expense (356) (822) Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income/(expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders - (1,508) Deemed dividend for triggering of warrant down round feature (1,250) - Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (1,42) \$ (57.57) Loss From discontinued operations \$ (1,42) \$ (73.88) Weighted Average Shares Outstanding 4,495,536 104,915 <td>Total Operating Expenses</td> <td>5,889</td> <td>4,364</td> | Total Operating Expenses | 5,889 | 4,364 |
| Interest expense | Loss from Operations | (4,863) | (3,780) |
| Change in fair value of derivative liability - 48 Gain on the sale of Sysorex Arabia - 23 Other income/(expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax - (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) - Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders - (1,508) Deemed dividend for triggering of warrant down round feature (1,250) - Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Store \$ (6,395) \$ (7,751) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (57.57) Loss from discontinued operations - (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Comprehensive Loss Net L | ` * / | | |
| Gain on the sale of Sysorex Arabia — 23 Other income/(expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax — (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (1.42) \$ (57.57) Loss from discontinued operations — — (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding \$ (1.42) \$ (73.88) Comprehensive Loss \$ (5,150) \$ (6,243) Unrealized foreign | • | (356) | ` / |
| Other income (expense) 69 (1) Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax — (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share S (1,42) \$ (57.57) Loss from continuing operations \$ (1,42) \$ (57.57) Loss from discontinued operations \$ (1,42) \$ (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) <td></td> <td>-</td> <td></td> | | - | |
| Total Other Income (Expense) (287) (752) Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax — (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (1.42) \$ (57.57) Loss from discontinued operations — (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.38) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) <td></td> <td></td> <td></td> | | | |
| Net Loss from Continuing Operations (5,150) (4,532) Loss from Discontinued Operations, Net of Tax — (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share S (1.42) \$ (57.57) Loss from discontinued operations — (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | ` • · | | |
| Loss from Discontinued Operations, Net of Tax — (1,711) Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (1.42) \$ (57.57) Loss from discontinued operations — (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Total Other Income (Expense) | (287) | (752) |
| Net Loss (5,150) (6,243) Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations \$ (1.42) \$ (57.57) Loss from discontinued operations — (16.31) Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Net Loss from Continuing Operations | (5,150) | (4,532) |
| Net Loss Attributable to Non-controlling Interest (5) — Net Loss Attributable to Stockholders of Inpixon \$ (5,145) \$ (6,243) Deemed dividend to preferred stockholders — (1,508) — Deemed dividend for triggering of warrant down round feature (1,250) — Net Loss Attributable to Common Stockholders \$ (6,395) \$ (7,751) Net Loss Per Basic and Diluted Common Share — (16.31) Loss from continuing operations \$ (1.42) \$ (57.57) Loss from discontinued operations — (16.31) (1.42) \$ (73.88) Weighted Average Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding 4,495,536 104,915 Comprehensive Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Loss from Discontinued Operations, Net of Tax | | (1,711) |
| Net Loss Attributable to Stockholders of Inpixon S (5,145) S (6,243) Deemed dividend to preferred stockholders Deemed dividend for triggering of warrant down round feature Net Loss Attributable to Common Stockholders S (6,395) S (7,751) Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations S (1.42) S (57.57) Loss from discontinued operations Net Loss Per Share - Basic and Diluted S (1.42) S (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss Net Loss S (5,150) S (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Net Loss | (5,150) | (6,243) |
| Deemed dividend to preferred stockholders Deemed dividend for triggering of warrant down round feature Net Loss Attributable to Common Stockholders Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted Signature Weighted Average Shares Outstanding Basic and Diluted Comprehensive Loss Net Loss Net Loss Net Loss Net Loss Net Loss (1,250) (16,395) Signature (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (1,508) (16,395) (16,31) (16,31) Net Loss Per Share - Basic and Diluted (16,31) Signature (16,31) (16,31) Signature (16,3 | Net Loss Attributable to Non-controlling Interest | (5) | |
| Deemed dividend for triggering of warrant down round feature Net Loss Attributable to Common Stockholders Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share Outstanding Basic and Diluted A4,495,536 Comprehensive Loss Net Loss Ne | Net Loss Attributable to Stockholders of Inpixon | \$ (5,145) | \$ (6,243) |
| Deemed dividend for triggering of warrant down round feature Net Loss Attributable to Common Stockholders Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share Outstanding Basic and Diluted A4,495,536 Comprehensive Loss Net Loss Ne | Deemed dividend to preferred stockholders | _ | (1.508) |
| reature Net Loss Attributable to Common Stockholders Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share - Basic and Diluted Net Loss Per Share Outstanding Basic and Diluted A4,495,536 Comprehensive Loss Net L | * | (1.250) | (1,000) |
| Net Loss Per Basic and Diluted Common Share Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted S (1.42) (16.31) Net Loss Per Share - Basic and Diluted S (1.42) (16.31) (16.31) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss Net Loss S (5,150) S (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | | (1,250) | |
| Loss from continuing operations Loss from discontinued operations Net Loss Per Share - Basic and Diluted Weighted Average Shares Outstanding Basic and Diluted Comprehensive Loss Net Loss Net Loss Net Loss Net Loss (8) (1.42) (16.31) (16.31) (173.88) | Net Loss Attributable to Common Stockholders | \$ (6,395) | \$ (7,751) |
| Loss from discontinued operations Net Loss Per Share - Basic and Diluted Substitute | Net Loss Per Basic and Diluted Common Share | | |
| Net Loss Per Share - Basic and Diluted \$ (1.42) \$ (73.88) Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Loss from continuing operations | \$ (1.42) | \$ (57.57) |
| Weighted Average Shares Outstanding Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Loss from discontinued operations | | (16.31) |
| Basic and Diluted 4,495,536 104,915 Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Net Loss Per Share - Basic and Diluted | \$ (1.42) | \$ (73.88) |
| Comprehensive Loss Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Weighted Average Shares Outstanding | | |
| Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Basic and Diluted | 4,495,536 | 104,915 |
| Net Loss \$ (5,150) \$ (6,243) Unrealized foreign exchange gain/(loss) from cumulative translation adjustments (8) (21) | Comprehensive Loss | | |
| translation adjustments (8) (21) | Net Loss | \$ (5,150) | \$ (6,243) |
| | | (8) | (21) |
| | | \$ (5,158) | \$ (6,264) |

INPIXON AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

| | For the Three Months Ended March 31, | | | |
|--|--------------------------------------|----------|-------|-----------|
| | | | | 2018 |
| | | (Unaudi | ited) | 2010 |
| Cash Flows (Used In) From Operating Activities | | (Cildudi | ica) | |
| Net loss | \$ | (5,150) | \$ | (6,243) |
| Adjustment to reconcile net loss to net cash used in operating activities: | | () / | | () / |
| Depreciation and amortization | | 231 | | 513 |
| Amortization of intangible assets | | 812 | | 1,323 |
| Amortiztation of right of use asset | | 83 | | , <u></u> |
| Adoption of accounting standards | | _ | | 1,288 |
| Stock based compensation | | 890 | | 286 |
| Amortization of technology | | 17 | | 17 |
| Change in fair value of derivative liability | | | | (48) |
| Amortization of debt discount | | 250 | | 417 |
| Provision for doubtful accounts | | 105 | | 116 |
| Gain on earnout | | | | (577) |
| Gain on the settlement of liabilities | | | | (133) |
| Gain on the sale of Sysorex Arabia | | _ | | (23) |
| Other | | 79 | | (23) |
| Olici | | 19 | | |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable and other receivables | | (639) | | 958 |
| Inventory | | (130) | | (72) |
| Other current assets | | 61 | | (521) |
| Prepaid licenses and maintenance contracts | | 01 | | 6,902 |
| Other assets | | (100) | | 0,902 |
| Accounts payable | | (100) | | (3,680) |
| * * | | ` ′ | | |
| Accrued liabilities | | 77 | | (3,272) |
| Deferred revenue | | (62) | | (8,220) |
| Other liabilities | | (5) | _ | (7) |
| Total Adjustments | | 1,657 | | (4,733) |
| Net Cash Used in Operating Activities | | (3,493) | | (10,976) |
| Cash Flows Used in Investing Activities | | | | |
| Purchase of property and equipment | | (16) | | (11) |
| * * * * | | (16) | | (11) |
| Investment in capitalized software | | (239) | | (156) |
| Net Cash Flows Used in Investing Activities | | (255) | | (167) |
| Cash Flows From (Used in) Financing Activities | | | | |
| Net repayments to bank facility | | (23) | | (1,128) |
| Net proceeds from issuance of common stock, preferred stock and warrants | | 10,859 | | 18,944 |
| Repayment of notes payable | | (1) | | (113) |
| Advances to related party | | (4,909) | | - |
| Repayments from related party | | 652 | | |
| Net Cash Provided By Financing Activities | | 6,578 | | 17,703 |
| | | | | (7) |
| Effect of Foreign Exchange Rate on Changes on Cash | | (8) | | (7) |
| Net Increase in Cash, Cash Equivalents and Restricted Cash | | 2,822 | | 6,553 |
| Cash, Cash Equivalents and Restricted Cash - Beginning of period | | 1,148 | | 351 |
| Cash, Cash Equivalents and Restricted Cash - End of period | \$ | 3,970 | \$ | 6,904 |

Reconciliation of Non-GAAP Financial Measures:

(In thousands)

Three Months Ended

March 31,

| | | 2019 | | 2018 | |
|--|----|---------|----|---------|--|
| Net loss attributable to common stockholders | \$ | (6,395) | \$ | (7,751) | |
| Adjustments: | | | | | |
| Non-recurring one-time charges: | | | | | |
| Acquisition transaction/financing costs | | 137 | | 16 | |
| Costs associated with public offering | | | | 81 | |
| Gain on the settlement of obligations | | | | (133) | |
| Gain on earnout | | | | (577) | |
| Gain on the sale of Sysorex Arabia | | | | (23) | |
| Change in the fair value of derivative liability | | | | (48) | |
| Provison for doubtful accounts | | 105 | | 116 | |
| Severance | | | | 15 | |
| Settlement of litigation | | 6 | | | |
| Deemed dividend to preferred stockholders | | | | 1,508 | |
| Deemed dividend for triggering of warrant down round feature | | 1,250 | | | |
| Stock-based compensation – compensation and related benefits | | 890 | | 286 | |
| Interest expense | | 356 | | 1,283 | |
| Depreciation and amortization | | 1,043 | | 1,836 | |
| Adjusted EBITDA | \$ | (2,608) | \$ | (3,391) | |

(In thousands, except share data)

Three Months Ended

March 31,

| | 2019 | | 2018 | | |
|---|------|-----------|-------|---------|--|
| Net loss attributable to common stockholders | \$ | (6,395) | \$ | (7,751) | |
| Adjustments: | | | | | |
| Non-recurring one-time charges: | | | | | |
| Acquisition transaction/financing costs | | 137 | | 16 | |
| Costs associated with public offering | | | | 81 | |
| Gain on the settlement of obligations | | | | (133) | |
| Gain on earnout | | | | (577) | |
| Gain on the sale of Sysorex Arabia | | | | (23) | |
| Change in the fair value of derivative liability | | | | (48) | |
| Provison for doubtful accounts | | 105 | | 116 | |
| Severance | | | | 15 | |
| Settlement of litigation | | 6 | | | |
| Deemed dividend to preferred stockholders | | | | 1,508 | |
| Deemed dividend for triggering of warrant down round feature | | 1,250 | | | |
| Stock-based compensation – compensation and related benefits | 890 | | 286 | | |
| Amortization of intangibles | | 812 | | 1,322 | |
| Proforma non-GAAP net loss | \$ | (3,195) | \$ \$ | (5,188) | |
| Proforma non-GAAP net loss per basic and diluted common share | \$ | (0.71) | \$ | (49.45) | |
| Weighted average basic and diluted common shares outstanding | | 4,495,536 | | 104,915 | |