

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

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,111	\$ 4,777
Accounts receivable, net	1,484	1,108
Notes and other receivables	76	74
Inventory	370	400
Prepaid assets and other current assets	334	406
Total Current Assets	8,375	6,765
Property and equipment, net	119	145
Operating lease right-of-use asset, net	1,375	1,585
Software development costs, net	1,533	1,544
Intangible assets, net	6,876	8,400
Goodwill	1,921	2,070
Receivable from related party	632	616
Other assets	107	94
Total Assets	\$ 20,938	\$ 21,219
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,794	\$ 2,383
Accrued liabilities	1,713	1,863
Operating lease obligation	634	776
Deferred revenue	877	912
Short-term debt	9,028	7,304
Acquisition liability	502	502
Total Current Liabilities	14,548	13,740
Long Term Liabilities		
Operating lease obligations, noncurrent	768	837
Other liabilities	7	7
Deferred tax liability, noncurrent	-	87
Acquisition liability, noncurrent	500	500
Total Liabilities	15,823	15,171
Commitments and Contingencies		
Stockholders' Equity		
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 Mar. 31, 2020 and Dec. 31, 2019, respectively, Series 5 Convertible Pref Stock - 12,000 shares auth; 126 and 126 issued, and 126 and 126 outstanding as of Mar. 31, 2020 and Dec. 31, 2019, respectively.	-	-
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 7,068,490 and 4,234,923 issued and 7,068,489 and 4,234,922 outstanding as of March 31, 2020 and December 31, 2019, respectively.	7	4
Additional paid-in capital	164,225	158,382
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	(517)	94
Accumulated deficit (excluding \$2,442 reclassified to additional paid in capital in quasi-reorganization)	(157,920)	(151,763)
Stockholders' Equity Attributable to Inpixon	5,100	6,022
Non-controlling interest	15	26
Total Stockholders' Equity	5,115	6,048
Total Liabilities and Stockholders' Equity	\$ 20,938	\$ 21,219

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

	For the Three Months Ended	
	March 31,	
	2020	2019
	(unaudited)	
Revenues	\$ 1,804	\$ 1,363
Cost of Revenues	510	337
Gross Profit	1,294	1,026
Operating Expenses		
Research and development	1,334	956
Sales and marketing	691	633
General and administrative	3,791	3,351
Acquisition-related costs	28	137
Amortization of intangibles	1,016	812
Total Operating Expenses	6,860	5,889
Loss from Operations	(5,566)	(4,863)
Other Income (Expense)		
Interest expense, net	(621)	(356)
Loss on exchange of debt for equity	(86)	--
Other income/(expense)	18	69
Total Other Income (Expense)	(689)	(287)
Net Loss from Operations, before tax	(6,255)	(5,150)
Income tax benefit	87	--
Net Loss	(6,168)	(5,150)
Net Loss Attributable to Non-controlling Interest	(10)	(5)
Net Loss Attributable to Stockholders of Inpixon	\$ (6,158)	\$ (5,145)
Deemed dividend for triggering of warrant down round feature	--	(1,250)
Net Loss Attributable to Common Stockholders	\$ (6,158)	\$ (6,395)
Net Loss Per Share - Basic and Diluted	\$ (1.22)	\$ (64.01)
Weighted Average Shares Outstanding		
Basic and Diluted	5,038,515	99,903

Comprehensive Loss

Net Loss	\$	(6,168)	\$	(5,150)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments		(613)		(8)
Comprehensive Loss	\$	(6,781)	\$	(5,158)

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

	For the Three Months Ended	
	March 31,	
	2020	2019
Cash Flows Used In Operating Activities		
Net loss	\$ (6,168)	\$ (5,150)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	210	231
Amortization of intangible assets	1,016	812
Amortization of right of use asset	157	83
Stock based compensation	399	890
Amortization of technology	--	17
Loss on exchange of debt for equity	86	--
Amortization of debt discount	868	250
Accrued interest income, related party	(16)	--
Provision for doubtful accounts	--	105
Income tax benefit	(87)	--
Other	29	79
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(416)	(639)
Inventory	29	(130)
Other current assets	65	61
Other assets	(16)	(100)
Accounts payable	(568)	(12)
Accrued liabilities	(113)	77
Deferred revenue	31	(62)
Operating lease liabilities	(156)	--
Other liabilities	115	(5)
Total Adjustments	<u>1,633</u>	<u>1,657</u>
Net Cash Used in Operating Activities	<u>(4,535)</u>	<u>(3,493)</u>
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(16)	(16)
Investment in capitalized software	(193)	(239)
Net Cash Flows Used in Investing Activities	<u>(209)</u>	<u>(255)</u>
Cash Flows From Financing Activities		
Net repayments to bank facility	(150)	(23)
Net proceeds from issuance of common stock, preferred stock and warrants	--	10,859
Net proceeds from issuance of common stock	1,252	--
Net proceeds from notes payable	1	(1)

Loans to related party	(184)	(4,909)
Repayments from related party	185	652
Net proceeds from promissory notes	<u>5,000</u>	<u>--</u>
Net Cash Provided By Financing Activities	6,104	6,578
Effect of Foreign Exchange Rate on Changes on Cash	(27)	(8)
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	1,333	2,822
Cash, Cash Equivalents and Restricted Cash - Beginning of period	<u>4,849</u>	<u>1,148</u>
Cash, Cash Equivalents and Restricted Cash - End of period	<u><u>\$ 6,182</u></u>	<u><u>\$ 3,970</u></u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	Three Months Ended	
	March 31,	
	2020	2019
Net loss attributable to common stockholders	\$ (6,158)	\$ (6,395)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	86	--
Settlement of litigation	--	6
Acquisition transaction/financing costs	28	137
Provision for doubtful accounts	--	105
Deemed dividend for triggering of warrant down round feature	--	1,250
Stock-based compensation – compensation and related benefits	399	890
Interest expense, net	621	356
Income tax benefit	(87)	--
Depreciation and amortization	1,226	1,043
Adjusted EBITDA	<u>\$ (3,885)</u>	<u>\$ (2,608)</u>

(In thousands, except share data)	Three Months Ended	
	March 31,	
	2020	2019
Net loss attributable to common stockholders	\$ (6,158)	\$ (6,395)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	86	--
Settlement of litigation	--	6
Acquisition transaction/financing costs	28	137
Provision for doubtful accounts	--	105
Deemed dividend for triggering of warrant down round feature	--	1,250
Stock-based compensation – compensation and related benefits	399	890
Amortization of intangibles	1,016	812
Proforma non-GAAP net loss	<u>\$ (4,629)</u>	<u>\$ (3,195)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.92)</u>	<u>\$ (31.98)</u>
Weighted average basic and diluted common shares outstanding	<u>5,038,515</u>	<u>99,903</u>