

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

	As of	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 60,852	\$ 52,480
Accounts receivable, net of allowances of \$272 and \$272, respectively	3,454	3,218
Notes and other receivables	284	321
Inventory, net of reserve of \$438 and \$438, respectively	1,766	1,976
Short-term investments	15,035	43,125
Prepaid assets and other current assets	8,474	4,842
<b>Total Current Assets</b>	<b>89,865</b>	<b>105,962</b>
Property and equipment, net	1,412	1,442
Operating lease right-of-use asset, net	1,558	1,736
Software development costs, net	1,688	1,792
Investment in Equity Securities	335	1,838
Long-term investments	2,500	2,500
Intangible assets, net	32,002	33,478
Goodwill	7,656	7,672
Other assets	209	253
<b>Total Assets</b>	<b>\$ 137,225</b>	<b>\$ 156,673</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,066	\$ 2,414
Accrued liabilities	3,863	10,665
Operating lease obligation, current	619	643
Deferred revenue	4,133	4,805
Short-term debt	2,411	3,490
Acquisition liability	3,436	5,114
<b>Total Current Liabilities</b>	<b>15,528</b>	<b>27,131</b>
<b>Long Term Liabilities</b>		
Operating lease obligations, noncurrent	982	1,108
Other liabilities, noncurrent	28	28
Acquisition liability, noncurrent	110	220
<b>Total Liabilities</b>	<b>16,648</b>	<b>28,487</b>
<b>Commitments and Contingencies</b>		
<b>Mezzanine Equity</b>		
Series 7 Convertible Preferred Stock - 58,750 shares authorized; zero and 49,250 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively.	--	44,695
Series 8 Convertible Preferred Stock - 53,197.7234 shares authorized; 53,197.7234 and zero issued and outstanding as of March 31, 2022 and December 31, 2021, respectively. (Liquidation preference of \$53,197,723)	43,173	--

**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 March 31, 2022 and December 31, 2021, respectively;	--	--
Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued, and 126 outstanding as of March 31, 2022 and December 31, 2021, respectively.	--	--
Common Stock - \$0.001 par value; 2,000,000,000 shares authorized; 152,476,356 and 124,440,924 issued and 152,476,355 and 124,440,923 outstanding as of March 31, 2022 and December 31, 2021, respectively.	152	124
Additional paid-in capital	338,183	332,639
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	(58)	44
Accumulated deficit	<u>(261,535)</u>	<u>(250,309)</u>
Stockholders' Equity Attributable to Inpixon	76,047	81,803
Non-controlling interest	<u>1,357</u>	<u>1,688</u>
<b>Total Stockholders' Equity</b>	<u>77,404</u>	<u>83,491</u>
<b>Total Liabilities, Mezzanine Equity and Stockholders' Equity</b>	<u>\$ 137,225</u>	<u>\$ 156,673</u>

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

	For the Three Months	
	March 31,	
	2022	2021
	(Unaudited)	
<b>Revenues</b>	\$ 5,231	\$ 2,954
<b>Cost of Revenues</b>	<u>1,386</u>	<u>884</u>
<b>Gross Profit</b>	3,845	2,070
<b>Operating Expenses</b>		
Research and development	4,085	2,708
Sales and marketing	2,276	1,639
General and administrative	6,105	9,171
Acquisition related costs	121	470
Amortization of intangibles	<u>1,322</u>	<u>502</u>
<b>Total Operating Expenses</b>	13,909	14,490
<b>Loss from Operations</b>	(10,064)	(12,420)
<b>Other Income (Expense)</b>		
Interest expense, net	2	(349)
Loss on exchange of debt for equity	--	(30)
Benefit (provision) for valuation allowance on related party loan - held for sale	--	(117)
Other income	108	386
Unrealized loss on equity securities	<u>(1,503)</u>	<u>--</u>
<b>Total Other Income (Expense)</b>	(1,393)	(110)
<b>Net Loss, before tax</b>	(11,457)	(12,530)
Income tax provision	<u>(100)</u>	<u>(9)</u>
<b>Net Loss</b>	(11,557)	(12,539)
<b>Net (Loss) Income Attributable to Non-controlling Interest</b>	<u>(346)</u>	<u>18</u>
<b>Net Loss Attributable to Stockholders of Inpixon</b>	(11,211)	(12,557)
Accretion of Series 7 preferred stock	(4,555)	--
Accretion of Series 8 Preferred Stock	(548)	--
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	<u>110</u>	<u>--</u>
<b>Net Loss Attributable to Common Stockholders</b>	<u>\$ (17,362)</u>	<u>\$ (12,557)</u>
<b>Net Loss Per Share - Basic and Diluted</b>	<u>\$ (0.13)</u>	<u>\$ (0.16)</u>
<b>Weighted Average Shares Outstanding</b>		
Basic and Diluted	<u>138,502,493</u>	<u>78,942,697</u>
<b>Comprehensive Loss</b>		
Net Loss	\$ (11,557)	\$ (12,539)
Unrealized foreign exchange loss from cumulative translation adjustments	<u>(102)</u>	<u>(671)</u>
<b>Comprehensive Loss</b>	<u>\$ (11,659)</u>	<u>\$ (13,210)</u>

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

	For the Three Months Ended, March 31,	
	2022	2021
	(Unaudited)	
<b>Cash Flows Used In Operating Activities</b>		
Net loss	\$ (11,557)	\$ (12,539)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	317	293
Amortization of intangible assets	1,489	650
Amortization of right of use asset	169	181
Stock based compensation	1,533	5,096
Earnout payment expense	(2,827)	--
Loss on exchange of debt for equity	--	30
Amortization of debt discount	--	224
Related party note, gain on foreign currency transaction	--	(363)
Unrealized gain on note	(167)	--
Provision for the valuation allowance for held for sale loan	--	117
Income tax expense	--	9
Unrealized loss on equity securities	1,503	--
Other	146	--
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(239)	426
Inventory	181	(279)
Prepaid expenses and other current assets	(3,607)	135
Other assets	41	(227)
Accounts payable	(1,345)	480
Accrued liabilities	(109)	421
Income tax liabilities	(40)	--
Deferred revenue	(666)	(235)
Operating lease obligation	(141)	(176)
Other liabilities	--	96
<b>Net Cash Used in Operating Activities</b>	<b>\$ (15,319)</b>	<b>\$ (5,661)</b>
<b>Cash Flows Used in Investing Activities</b>		
Purchase of property and equipment	(81)	(109)
Purchases of capitalized software	(107)	(253)
Investments in short term investments	--	(42,059)
Sales of treasury bills	28,001	--
Purchase of Systat licensing agreement	--	(900)
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>\$ 27,813</b>	<b>\$ (43,321)</b>
<b>Cash From Financing Activities</b>		
Net proceeds from issuance of preferred stock and warrants	\$ 46,906	\$ --
Net proceeds from issuance of common stock and warrants	--	77,853
Cash paid for redemption of preferred stock series 7	(49,250)	--
Restricted stock forfeiture for settlement of employee taxes	(336)	--
Loans to related party	--	(117)
Net proceeds from promissory notes	364	--

Repayment of CXApp acquisition liability	(1,787)	--
Repayment of acquisition liability to Locality shareholders	<u>--</u>	<u>(467)</u>
<b>Net Cash (Used In) Provided By Financing Activities</b>	<b>\$ (4,103)</b>	<b>\$ 77,269</b>
<b>Effect of Foreign Exchange Rate on Changes on Cash</b>	<b><u>(19)</u></b>	<b><u>(10)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>8,372</b>	<b>28,277</b>
Cash and Cash Equivalents - Beginning of period	<u>52,480</u>	<u>17,996</u>
Cash and Cash Equivalents - End of period	<u><u>\$ 60,852</u></u>	<u><u>\$ 46,273</u></u>

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

(In thousands)	For the Three Months Ended, March 31,	
	2022	2021
Net loss attributable to common stockholders	\$ (17,362)	\$ (12,557)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	-	30
Provision for valuation allowance on held for sale loan	-	117
Unrealized loss on equity securities	1,503	-
Acquisition transaction/financing costs	121	470
Earnout compensation benefit	(2,827)	-
Accretion of series 7 preferred stock	4,555	-
Accretion of series 8 preferred stock	548	-
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	(110)	-
Professional service fees	8	349
Unrealized losses/(gains) on notes, loans, investments	89	(363)
Stock-based compensation – compensation and related benefits	1,533	5,096
Severance costs	111	-
Interest (income)/expense, net	(2)	349
Income tax provision	100	9
Depreciation and amortization	1,806	943
Adjusted EBITDA	<u>\$ (8,769)</u>	<u>\$ (5,557)</u>

(In thousands, except share data)	For the Three Months Ended, March 31,	
	2022	2021
Net loss attributable to common stockholders	\$ (17,362)	\$ (12,557)
Adjustments:		
Non-recurring one-time charges:		
Loss on exchange of debt for equity	-	30
Provision for valuation allowance on held for sale loan	-	117
Unrealized loss on equity securities	1,503	-
Acquisition transaction/financing costs	121	470
Earnout compensation benefit	(2,827)	-
Accretion of series 7 preferred stock	4,555	-
Accretion of series 8 preferred stock	548	-
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	(110)	-
Professional service fees	8	349
Unrealized losses/(gains) on investments	89	(363)
Stock-based compensation – compensation and related benefits	1,533	5,096
Severance costs	111	-
Amortization of intangibles	1,489	650
Proforma non-GAAP net loss	<u>\$ (9,184)</u>	<u>\$ (6,208)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.07)</u>	<u>\$ (0.08)</u>
Weighted average basic and diluted common shares outstanding	<u>138,502,493</u>	<u>78,942,697</u>