

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

	As of	
	March 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 15,254	\$ 10,235
Accounts receivable, net of allowances of \$268 and \$272, respectively	2,999	1,889
Notes and other receivables	430	86
Inventory	2,179	2,442
Note receivable	--	150
Prepaid assets and other current assets	2,797	2,803
Current assets of discontinued operations	--	12,261
Total Current Assets	23,659	29,866
Property and equipment, net	1,052	1,064
Operating lease right-of-use asset, net	484	531
Software development costs, net	1,313	1,265
Investment in equity securities	364	330
Long-term investments	50	716
Intangible assets, net	2,810	2,994
Other assets	175	158
Non-current assets of discontinued operations	--	20,711
Total Assets	\$ 29,907	\$ 57,635
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,767	\$ 1,503
Accrued liabilities	5,112	2,619
Operating lease obligation, current	199	211
Deferred revenue	1,382	1,323
Short-term debt	14,971	13,643
Acquisition liability	--	197
Current liabilities of deconsolidated operations	--	5,218
Total Current Liabilities	23,431	24,714
Long Term Liabilities		
Operating lease obligations, noncurrent	297	334
Non-current liabilities of deconsolidated operations	--	472
Total Liabilities	23,728	25,520
Commitments and Contingencies	--	--
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, 2023 and December 31, 2022, respectively;	--	--
Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued and 126 outstanding as of March 31, 2023 and December 31, 2022, respectively.	--	--

Common Stock - \$0.001 par value; 500,000,000 shares authorized; 16,478,253 and 3,570,894 issued and 16,478,252 and 3,570,893 outstanding as of March 31, 2023 and December 31, 2022, respectively.	16	4
Additional paid-in capital	339,148	346,668
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive (loss) income	(198)	1,061
Accumulated deficit	<u>(330,586)</u>	<u>(313,739)</u>
Stockholders' Equity Attributable to Inpixon	7,685	33,299
Non-controlling interest	<u>(1,506)</u>	<u>(1,184)</u>
Total Stockholders' Equity	<u>6,179</u>	<u>32,115</u>
Total Liabilities and Stockholders' Equity	<u>\$ 29,907</u>	<u>\$ 57,635</u>

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

	For the Three Months Ended	
	March 31,	
	2023	2022
Revenues	\$ 3,104	\$ 2,649
Cost of Revenues	791	797
Gross Profit	2,313	1,852
Operating Expenses		
Research and development	1,983	2,124
Sales and marketing	1,115	1,169
General and administrative	5,613	7,334
Acquisition related costs	164	115
Transaction costs	1,400	--
Amortization of intangibles	220	347
Total Operating Expenses	<u>10,495</u>	<u>11,089</u>
Loss from Operations	(8,182)	(9,237)
Other (Expense) Income		
Interest (expense)/ income, net	(1,725)	1
Other income/(expense), net	29	(44)
Unrealized gain/(loss) on equity securities	34	(1,503)
Total Other Expense	<u>(1,662)</u>	<u>(1,546)</u>
Net Loss from Continuing Operations, before tax	(9,844)	(10,783)
Income tax provision	(2,478)	--
Net Loss from Continuing Operations	<u>(12,322)</u>	<u>(10,783)</u>
Loss from Discontinued Operations, Net of Tax	<u>(4,856)</u>	<u>(774)</u>
Net Loss	<u>(17,178)</u>	<u>(11,557)</u>
Net Loss Attributable to Non-controlling Interest	<u>(305)</u>	<u>(346)</u>
Net Loss Attributable to Stockholders of Inpixon	\$ (16,873)	\$ (11,211)
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	--	110
Net Loss Attributable to Common Stockholders	<u>\$ (16,873)</u>	<u>\$ (17,362)</u>
Net Loss Per Share - Basic and Diluted	\$ (1.38)	\$ (9.05)
Weighted Average Shares Outstanding		
Basic and Diluted	12,238,684	1,917,629
Comprehensive Loss		
Net Loss	\$ (17,178)	\$ (11,557)
Unrealized foreign exchange loss from cumulative translation adjustments	(1,259)	(102)
Comprehensive Loss	<u>\$ (18,437)</u>	<u>\$ (11,659)</u>

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

	For the Three Months Ended	
	March 31,	
	2023	2022
Cash Flows Used In Operating Activities		
Net loss	\$ (17,178)	\$ (11,557)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	429	317
Amortization of intangible assets	1,025	1,489
Amortization of right of use asset	110	169
Stock based compensation	329	1,533
Earnout expense valuation benefit	--	(2,827)
Amortization of debt discount	834	--
Unrealized loss on foreign currency transactions	(205)	(167)
Distribution of equity method investment shares to employees as compensation	666	--
Deferred income tax	2,478	--
Unrealized loss on equity securities	(34)	1,503
Other	--	146
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(1,994)	(239)
Inventory	283	181
Prepaid expenses and other current assets	274	(3,607)
Other assets	(4)	41
Accounts payable	(534)	(1,345)
Accrued liabilities	3,545	(109)
Income tax liabilities	(2)	(40)
Deferred revenue	584	(666)
Operating lease obligation	(109)	(141)
Net Cash Used in Operating Activities	\$ (9,503)	\$ (15,319)
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(6)	(81)
Investment in capitalized software	(220)	(107)
Sales of treasury bills	--	28,001
Proceeds from repayment of note receivable	150	--
Issuance of note receivable	(300)	--
Net Cash (Used in) Provided By Investing Activities	\$ (376)	\$ 27,813
Cash From Financing Activities		
Net proceeds from issuance of preferred stock and warrants	\$ --	\$ 46,906
Net proceeds from promissory note	125	--
Net proceeds for registered direct offering	14,966	--
Cash paid for redemption of preferred stock series 7	--	(49,250)
Taxes paid related to net share settlement of restricted stock units	--	(336)
Net proceeds from promissory notes	--	364
Repayment of CXApp acquisition liability	(197)	(1,787)
Common shares issued for net proceeds from warrants	1	--
Distribution to shareholders related to spin-off of CXApp	(10,003)	--
Net Cash Provided By (Used in) Financing Activities	\$ 4,892	\$ (4,103)
Effect of Foreign Exchange Rate on Changes on Cash	6	(19)

Net (Decrease) Increase in Cash and Cash Equivalents	(4,981)	8,372
Cash and Cash Equivalents - Beginning of year	<u>20,235</u>	<u>52,480</u>
Cash and Cash Equivalents - End of year	<u>\$ 15,254</u>	<u>\$ 60,852</u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	For the 3 Months Ended March 31,	
	2023	2022
Net loss attributable to common stockholders	\$ (16,873)	\$ (17,362)
Interest expense/(income), net	1,724	(2)
Income tax provision	2,478	100
Depreciation and amortization	1,454	1,806
EBITDA	(11,217)	(15,458)
<i>Adjusted for:</i>		
Non-recurring one-time charges:		
Unrealized (gain)/loss on equity securities	(34)	1,503
Acquisition transaction/financing costs	164	121
Earnout compensation benefit	-	(2,827)
Professional service fees	-	8
Transaction costs	2,443	-
Accretion of series 7 preferred stock	-	4,555
Accretion of series 8 preferred stock	-	548
Deemed dividend modification Series 8 preferred stock	-	2,627
Deemed contribution for the modification related to warrants issued in connection with the Series 8 Preferred Stock	-	(1,469)
Amortization premium - modification to Series 8 preferred stock	-	(110)
Distribution of equity method investment shares to employees as compensation	666	-
Unrealized foreign exchange (gains)/losses	(205)	89
Stock-based compensation – compensation and related benefits	329	1,533
Severance costs	127	111
Adjusted EBITDA	<u>\$ (7,727)</u>	<u>\$ (8,769)</u>

(In thousands, except share data)	For the 3 Months Ended March 31,	
	2023	2022
Net loss attributable to common stockholders	\$ (16,873)	\$ (17,362)
<i>Adjustments:</i>		
Non-recurring one-time charges:		
Unrealized (gain)/loss on equity securities	(34)	1,503
Acquisition transaction/financing costs	164	121
Earnout compensation benefit	-	(2,827)
Professional service fees	-	8
Transaction costs	2,443	-
Accretion of series 7 preferred stock	-	4,555
Accretion of series 8 preferred stock	-	548
Deemed dividend modification Series 8 preferred stock	-	2,627
Deemed contribution for the modification related to warrants issued in connection with the Series 8 Preferred Stock	-	(1,469)
Amortization premium - modification to Series 8 preferred stock	-	(110)
Distribution of equity method investment shares to employees as compensation	666	-
Unrealized foreign exchange (gains)/losses	(205)	89
Stock-based compensation – compensation and related benefits	329	1,533
Severance costs	127	111
Amortization of intangibles	1,025	1,489
Proforma non-GAAP net loss	<u>\$ (12,358)</u>	<u>\$ (9,184)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (1.01)</u>	<u>\$ (4.79)</u>
Weighted average basic and diluted common shares outstanding	<u>12,238,684</u>	<u>1,917,629</u>