

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

	As of	
	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,651	\$ 1,008
Accounts receivable, net	2,384	1,280
Notes and other receivables	--	4
Inventory	680	568
Prepaid assets and other current assets	444	496
Total Current Assets	5,159	3,356
Property and equipment, net	138	202
Operating lease right-of-use asset, net	473	--
Software development costs, net	1,641	1,690
Intangible assets, net	5,609	4,509
Goodwill	634	--
Loan to related party	10,031	2,204
Other assets	201	217
Total Assets	\$ 23,886	\$ 12,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,274	\$ 1,129
Accrued liabilities	1,304	1,792
Operating lease obligation	282	--
Deferred revenue	195	234
Short-term debt	7,094	4,127
Acquisition liability	460	--
Total Current Liabilities	10,609	7,282
Long Term Liabilities		
Long-term debt	73	74
Operating lease obligations, noncurrent	220	--
Other liabilities	491	19
Acquisition liability	750	--
Total Liabilities	12,143	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 - 10,415 shares authorized; 1 and 1 issued, and 1 and 1 outstanding as of June 30, 2019 and December 31, 2018, respectively, and Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 and 0 issued, and 126 and 0 outstanding as of June 30, 2019 and December 31, 2018, respectively.	--	--
Common Stock - \$0.001 par value; 250,000,000 shares authorized; 12,791,442 and 1,581,893 issued and 12,791,429 and 1,581,880 outstanding as of June 30, 2019 and December 31, 2018, respectively.	13	2
Additional paid-in capital	140,503	123,224
Treasury stock, at cost, 13 shares	(695)	(695)
Accumulated other comprehensive income	57	26
Accumulated deficit (excluding \$2,442 reclassified to additional paid in capital in quasi-reorganization)	(128,157)	(117,772)
Stockholders' Equity Attributable to Inpixon	11,721	4,785
Non-controlling interest	22	18
Total Stockholders' Equity	11,743	4,803
Total Liabilities and Stockholders' Equity	\$ 23,886	\$ 12,178

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

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
Revenues	1,491	839	2,854	1,687
Cost of Revenues	391	256	727	520
Gross Profit	1,100	583	2,127	1,167
Operating Expenses				
Research and development	796	253	1,752	523
Sales and marketing	681	479	1,314	811
General and administrative	3,018	3,530	6,368	6,473
Acquisition related costs	510	--	647	16
Amortization of intangibles	820	804	1,633	1,607
Total Operating Expenses	5,825	5,066	11,714	9,430
Loss from Operations	(4,725)	(4,483)	(9,587)	(8,263)
Other Income (Expense)				
Interest expense	(509)	(80)	(865)	(902)
Loss on exchange of debt for equity	(160)	--	(160)	--
Change in fair value of derivative liability	--	--	--	48
Gain on the sale of Sysorex Arabia	--	--	--	23
Other income/(expense)	163	(9)	232	(12)
Total Other Income (Expense)	(506)	(89)	(793)	(843)
Net Loss from Continuing Operations	(5,231)	(4,572)	(10,380)	(9,106)
Loss from Discontinued Operations, Net of Tax	--	(1,283)	--	(2,993)
Net Loss	(5,231)	(5,855)	(10,380)	(12,099)
Net Income Attributable to Non-controlling Interest	9	3	4	2
Net Loss Attributable to Stockholders of Inpixon	\$ (5,240)	\$ (5,858)	\$ (10,384)	\$ (12,101)
Deemed dividend to preferred stockholders	--	(9,727)	--	(11,235)
Deemed dividend for triggering of warrant down round feature	--	--	(1,250)	--
Net Loss Attributable to Common Stockholders	\$ (5,240)	\$ (15,585)	\$ (11,634)	\$ (23,336)
Net Loss Per Basic and Diluted Common Share				
Loss from continuing operations	\$ (0.56)	\$ (39.49)	\$ (1.69)	\$ (86.85)
Loss from discontinued operations	--	(3.54)	--	(12.78)
Net Loss Per Share - Basic and Diluted	\$ (0.57)	\$ (43.05)	\$ (1.69)	\$ (99.64)
Weighted Average Shares Outstanding				
Basic and Diluted	9,257,898	362,060	6,889,873	234,198
Comprehensive Loss				
Net Loss	\$ (5,231)	\$ (5,855)	(10,380)	(12,099)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments	39	2	31	(5)
Comprehensive Loss	\$ (5,192)	\$ (5,853)	\$ (10,349)	\$ (12,104)

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

	For the Six Months Ended	
	June 30,	
	2019	2018
	(Unaudited)	
Cash Flows (Used In) from Operating Activities		
Net loss	\$ (10,380)	\$ (12,099)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	527	1,040
Amortization of intangible assets	1,633	2,645
Amortization of right of use asset	164	--
Stock based compensation	1,748	857
Amortization of technology	33	33
Loss on exchange of debt for equity	160	--
Change in fair value of derivative liability	--	(48)
Amortization of debt discount	798	417
Provision for doubtful accounts	105	221
Gain on earnout	--	(934)
Gain on the settlement of liabilities	--	(262)
Gain on the sale of Sysorex Arabia	--	(23)
Other	26	2
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(1,198)	742
Inventory	(109)	(62)
Other current assets	55	78
Prepaid licenses and maintenance contracts	--	(12)
Other assets	(182)	(41)
Accounts payable	132	(6,934)
Accrued liabilities	53	(3,561)
Deferred revenue	(67)	52
Other liabilities	(66)	(40)
Total Adjustments	<u>3,812</u>	<u>(5,830)</u>
Net Cash Used in Operating Activities	<u>(6,568)</u>	<u>(17,929)</u>
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(44)	(39)
Investment in capitalized software	(465)	(364)
Investment in Athentek	--	(175)
Investment in GTX	(250)	--
Investment in Locality	(204)	--
Net Cash Flows Used in Investing Activities	<u>(963)</u>	<u>(578)</u>
Cash Flows From (Used in) Financing Activities		
Net repayments to bank facility	(23)	(1,141)
Net proceeds from issuance of common stock, preferred stock and warrants	10,859	27,961
Repayment of notes payable	(1)	(113)
Advances to related party	(8,945)	--
Repayments from related party	1,683	--
Net proceeds from promissory notes	4,500	--
Net Cash Provided By Financing Activities	<u>8,073</u>	<u>26,707</u>
Effect of Foreign Exchange Rate on Changes on Cash	31	(5)

Net Increase in Cash, Cash Equivalents and Restricted Cash	573	8,195
Cash, Cash Equivalents and Restricted Cash - Beginning of period	<u>1,218</u>	<u>351</u>
Cash, Cash Equivalents and Restricted Cash - End of period	<u>\$ 1,791</u>	<u>\$ 8,546</u>