

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

	As of	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 65,755	\$ 52,480
Accounts receivable, net of allowances of \$268 and \$272, respectively	2,767	3,218
Other receivables	311	321
Inventory, net realizable value	1,581	1,976
Short-term investments	-	43,125
Note receivable	5,967	-
Prepaid assets and other current assets	3,463	4,842
Total Current Assets	79,844	105,962
Property and equipment, net	1,348	1,442
Operating lease right-of-use asset, net	1,582	1,736
Software development costs, net	1,647	1,792
Investment in Equity Securities	582	1,838
Long-term investments	2,500	2,500
Intangible assets, net	30,126	33,478
Goodwill	-	7,672
Other assets	217	253
Total Assets	\$ 117,846	\$ 156,673
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 900	\$ 2,414
Accrued liabilities	4,116	10,665
Operating lease obligation, current	600	643
Deferred revenue	3,638	4,805
Short-term debt	1,911	3,490
Acquisition liability	3,486	5,114
Total Current Liabilities	14,651	27,131
Long Term Liabilities		
Operating lease obligations, noncurrent	1,022	1,108
Other liabilities, noncurrent	28	28
Acquisition liability, noncurrent	--	220
Total Liabilities	15,701	28,487
Commitments and Contingencies	--	--
Mezzanine Equity		
Series 7 Convertible Preferred Stock - 58,750 shares authorized; zero and 49,250 issued and outstanding as of June 30, 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 June 30, 2022 and December 31, 2021, respectively. (Liquidation preference of \$53,197,723)	48,158	--
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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 June 30, 2022 and December 31, 2021, respectively;	--	--
Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued and 126 outstanding as of June 30, 2022 and December 31, 2021, respectively.	--	--
Common Stock - \$0.001 par value; 2,000,000,000 shares authorized; 155,105,962 and 124,440,924 issued and 155,105,961 and 124,440,923 outstanding as of June 30, 2022 and December 31, 2021, respectively.	155	124
Additional paid-in capital	334,436	332,639
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive income	598	44
Accumulated deficit	(281,463)	(250,309)
Stockholders' Equity Attributable to Inpixon	<u>53,031</u>	<u>81,803</u>
Non-controlling interest	<u>956</u>	<u>1,688</u>
Total Stockholders' Equity	<u>53,987</u>	<u>83,491</u>
Total Liabilities, Mezzanine Equity and Stockholders' Equity	<u>\$ 117,846</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 Ended,		For the Six Months	
	June 30,		June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Revenues	\$ 4,725	\$ 3,453	\$ 9,956	\$ 6,407
Cost of Revenues	1,396	896	2,782	1,780
Gross Profit	3,329	2,557	7,174	4,627
Operating Expenses				
Research and development	4,912	3,223	8,997	5,931
Sales and marketing	2,324	2,073	4,600	3,712
General and administrative	6,897	8,828	13,002	17,999
Acquisition related costs	147	535	268	1,005
Impairment of goodwill	7,570	--	7,570	--
Amortization of intangibles	1,369	1,191	2,691	1,693
Total Operating Expenses	<u>23,219</u>	<u>15,850</u>	<u>37,128</u>	<u>30,340</u>
Loss from Operations	(19,890)	(13,293)	(29,954)	(25,713)
Other Income (Expense)				
Interest income/(expense), net	176	1,555	178	1,206
Loss on exchange of debt for equity	--	--	--	(30)
Recovery of valuation allowance on related party loan - held for sale	--	7,462	--	7,345
Other (expense)/income, net	(879)	125	(771)	511
Gain on related party loan - held for sale	--	49,817	--	49,817
Unrealized gain/(loss) on equity securities	247	(28,965)	(1,256)	(28,965)
Total Other Income (Expense)	<u>(456)</u>	<u>29,994</u>	<u>(1,849)</u>	<u>29,884</u>
Net Loss (Income), before tax	(20,346)	16,701	(31,803)	4,171
Income tax benefit/(provision)	16	(2,195)	(84)	(2,204)
Net (Loss) Income	<u>(20,330)</u>	<u>14,506</u>	<u>(31,887)</u>	<u>1,967</u>
Net (Loss) Income Attributable to Non-controlling Interest	(458)	(253)	(804)	(235)
Net Loss Attributable to Stockholders of Inpixon	\$ (19,872)	\$ 14,759	\$ (31,083)	\$ 2,202
Accretion of Series 7 preferred stock	--	--	(4,555)	--
Accretion of Series 8 Preferred Stock	(6,237)	--	(6,785)	--
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	1,252	--	1,362	--
Net Loss (Income) Attributable to Common Stockholders	<u>\$ (24,857)</u>	<u>\$ 14,759</u>	<u>\$ (42,219)</u>	<u>\$ 2,202</u>
Net Loss Per Share - Basic	\$ (0.16)	\$ 0.13	\$ (0.29)	\$ 0.02
Net Loss Per Share - Diluted	\$ (0.16)	\$ 0.13	\$ (0.29)	\$ 0.02
Weighted Average Shares Outstanding				
Basic	153,519,283	110,040,532	146,052,371	94,577,520
Diluted	153,519,283	110,041,378	146,052,371	94,591,619
Comprehensive Loss				
Net Loss	\$ (20,330)	\$ 14,506	\$ (31,887)	\$ 1,967
Unrealized gain on debt securities	375	--	375	--
Unrealized foreign exchange loss from cumulative translation adjustments	282	52	180	(619)
Comprehensive Loss	<u>\$ (19,673)</u>	<u>\$ 14,558</u>	<u>\$ (31,332)</u>	<u>\$ 1,348</u>

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

	For the Six Months Ended,	
	June 30,	
	2022	2021
	(Unaudited)	
Cash Flows Used In Operating Activities		
Net loss	\$ (31,887)	\$ 1,967
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	650	625
Amortization of intangible assets	3,026	2,007
Amortization of right of use asset	353	370
Stock based compensation	2,274	7,149
Earnout expense valuation benefit	(2,827)	--
Loss on exchange of debt for equity	--	30
Amortization of debt discount	--	224
Amortization of original issued discount	(92)	--
Accrued interest income, related party	--	(1,627)
Unrealized gain on note	344	(490)
Recovery for valuation allowance held for sale loan	--	(7,345)
Gain on settlement of related party promissory note and loan related party receivable	--	(49,817)
Deferred income tax	(1)	(4,507)
Unrealized loss on equity securities	1,256	28,965
Impairment of goodwill	7,570	--
Other	181	57
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	361	532
Inventory	285	(555)
Prepaid expenses and other current assets	1,357	(319)
Other assets	25	203
Accounts payable	(1,498)	(331)
Accrued liabilities	542	2,494
Income tax liabilities	(40)	6,711
Deferred revenue	(1,096)	(238)
Operating lease obligation	(327)	(364)
Other liabilities	--	96
Net Cash Used in Operating Activities	\$ (19,544)	\$ (14,163)
Cash Flows Used in Investing Activities		
Purchase of property and equipment	(140)	(149)
Investment in capitalized software	(306)	(373)
Investments in short term investments	--	(2,000)
Purchase of convertible note	(5,500)	--
Purchases of treasury bills	--	(63,362)
Sales of treasury bills	43,001	28,000
Purchase of Systat licensing agreement	--	(900)
Acquisition of Game Your Game	--	184
Acquisition of CXApp	--	(15,186)
Acquisition of Visualix	--	(61)
Net Cash Provided By (Used in) Investing Activities	\$ 37,055	\$ (53,847)

Cash From Financing Activities

Net proceeds from issuance of preferred stock and warrants	\$ 46,906	\$ --
Net proceeds from issuance of common stock and warrants	--	77,853
Net proceeds from promissory note	364	--
Cash paid for redemption of preferred stock series 7	(49,250)	--
Taxes paid related to net share settlement of restricted stock units	(336)	(1,687)
Loans to related party	--	(117)
Repayment of CXApp acquisition liability	(1,847)	(137)
Repayment of acquisition liability to Nanotron shareholders	--	(467)
Repayment of acquisition liability to Locality shareholders	--	(500)
Net Cash (Used In) Provided By Financing Activities	\$ (4,163)	\$ 74,945
Effect of Foreign Exchange Rate on Changes on Cash	(73)	(19)
Net Increase in Cash and Cash Equivalents	13,275	6,916
Cash and Cash Equivalents - Beginning of period	<u>52,480</u>	<u>17,996</u>
Cash and Cash Equivalents - End of period	<u><u>\$ 65,755</u></u>	<u><u>\$ 24,912</u></u>

Reconciliation of Non-GAAP Financial Measures:

(In thousands)	For the Three Months Ended June 30,		For the Six Months Ended, June 30,	
	2022	2021	2022	2021
Net loss (income) attributable to common stockholders	(24,857)	14,759	(42,219)	2,202
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	-	-	30
Provision for valuation allowance on held for sale loan	-	(7,462)	-	(7,345)
Gain on related party loan held for sale	-	(49,817)	-	(49,817)
Unrealized loss on equity securities	(247)	28,965	1,256	28,965
Acquisition transaction/financing costs	147	535	268	1,005
Earnout compensation expense/(benefit)	-	2,059	(2,827)	2,059
Accretion of series 7 preferred stock	-	-	4,555	-
Accretion of series 8 preferred stock	6,237	-	6,785	-
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	(1,252)	-	(1,362)	-
Professional service fees	-	422	8	771
Impairment of goodwill	7,570	-	7,570	-
Unrealized losses/(gains) on notes, loans, investments	35	(128)	124	(491)
Stock-based compensation – compensation and related benefits	741	2,053	2,274	7,149
Severance costs	10	-	121	-
Interest (income)/expense, net	(176)	(1,555)	(178)	(1,206)
Income tax benefit/(provision)	(16)	2,195	84	2,204
Depreciation and amortization	1,870	1,695	3,676	2,638
Adjusted EBITDA	<u>(9,938)</u>	<u>(6,279)</u>	<u>\$ (18,707)</u>	<u>\$ (11,836)</u>

(In thousands, except share data)	For the Three Months Ended June 30,		For the Six Months Ended, June 30,	
	2022	2021	2022	2021
Net loss (income) attributable to common stockholders	(24,857)	14,759	\$ (42,219)	\$ 2,202
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	-	-	30
Provision for valuation allowance on held for sale loan	-	(7,462)	-	(7,345)
Gain on related party loan held for sale	-	(49,817)	-	(49,817)
Unrealized loss on equity securities	(247)	28,965	1,256	28,965
Acquisition transaction/financing costs	147	535	268	1,005
Earnout compensation expense/(benefit)	-	2,059	(2,827)	2,059
Accretion of series 7 preferred stock	-	-	4,555	-
Accretion of series 8 preferred stock	6,237	-	6,785	-
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	(1,252)	-	(1,362)	-
Professional service fees	-	422	8	771
Impairment of goodwill	7,570	-	7,570	-
Unrealized losses/(gains) on notes, loans, investments	35	(128)	124	(491)
Stock-based compensation – compensation and related benefits	741	2,053	2,274	7,149
Severance costs	10	-	121	-
Amortization of intangibles	1,537	1,361	3,026	2,011
Proforma non-GAAP net loss	<u>(10,079)</u>	<u>(7,253)</u>	<u>(19,263)</u>	<u>(13,461)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>	<u>\$ (0.13)</u>	<u>\$ (0.14)</u>
Weighted average basic and diluted common shares outstanding	<u>153,519,283</u>	<u>110,040,532</u>	<u>146,052,371</u>	<u>94,577,520</u>