

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

	As of	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 15,681	\$ 10,235
Accounts receivable, net of allowances of \$237 and \$272, respectively	1,803	1,889
Notes and other receivables	785	86
Inventory	3,228	2,442
Note receivable	--	150
Prepaid assets and other current assets	2,181	2,803
Current assets of discontinued operations	--	12,261
<b>Total Current Assets</b>	<b>23,678</b>	<b>29,866</b>
Property and equipment, net	1,009	1,064
Operating lease right-of-use asset, net	434	531
Software development costs, net	1,113	1,265
Investment in equity securities	1,414	330
Long-term investments	50	716
Intangible assets, net	2,573	2,994
Other assets	174	158
Non-current assets of discontinued operations	--	20,711
<b>Total Assets</b>	<b>\$ 30,445</b>	<b>\$ 57,635</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,665	\$ 1,503
Accrued liabilities	5,374	2,619
Operating lease obligation, current	200	211
Deferred revenue	1,124	1,323
Short-term debt	13,800	13,643
Acquisition liability	--	197
Warrant Liability	1,500	--
Current liabilities of discontinued operations	--	5,218
<b>Total Current Liabilities</b>	<b>23,663</b>	<b>24,714</b>
<b>Long Term Liabilities</b>		
Operating lease obligations, noncurrent	245	334
Non-current liabilities of discontinued operations	--	472
<b>Total Liabilities</b>	<b>23,908</b>	<b>25,520</b>
<b>Commitments and Contingencies</b>	--	--
<b>Stockholders' Equity</b>		
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, 2023 and December 31, 2022, respectively;	--	--
Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued and 126 outstanding as of June 30, 2023 and December 31, 2022, respectively.	--	--

Common Stock - \$0.001 par value; 500,000,000 shares authorized; 43,154,195 and 3,570,894 issued and 43,154,194 and 3,570,893 outstanding as of June 30, 2023 and December 31, 2022, respectively.	43	4
Additional paid-in capital	346,799	346,668
Treasury stock, at cost, 1 share	(695)	(695)
Accumulated other comprehensive (loss) income	(189)	1,061
Accumulated deficit	<u>(337,555)</u>	<u>(313,739)</u>
Stockholders' Equity Attributable to Inpixon	8,403	33,299
Non-controlling interest	<u>(1,866)</u>	<u>(1,184)</u>
<b>Total Stockholders' Equity</b>	<u>6,537</u>	<u>32,115</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 30,445</u>	<u>\$ 57,635</u>

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

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
			(Unaudited)	
<b>Revenues</b>	\$ 2,057	\$ 2,576	\$ 5,161	\$ 5,225
<b>Cost of Revenues</b>	390	856	1,180	1,653
<b>Gross Profit</b>	1,667	1,720	3,981	3,572
<b>Operating Expenses</b>				
Research and development	2,051	2,482	4,033	4,576
Sales and marketing	1,241	754	2,357	1,924
General and administrative	4,236	5,294	9,850	12,658
Acquisition related costs	523	137	687	252
Transaction costs	43	--	1,443	--
Impairment of goodwill	--	2,030	--	2,030
Amortization of intangibles	230	396	450	743
<b>Total Operating Expenses</b>	<u>8,324</u>	<u>11,093</u>	<u>18,820</u>	<u>22,183</u>
<b>Loss from Operations</b>	(6,657)	(9,373)	(14,839)	(18,611)
<b>Other (Expense) Income</b>				
Interest (expense)/ income, net	(1,756)	168	(3,481)	169
Other income/(expense), net	1,183	15	1,212	(28)
Unrealized gain/(loss) on equity securities	(92)	247	(58)	(1,256)
<b>Total Other Expense</b>	<u>(665)</u>	<u>430</u>	<u>(2,327)</u>	<u>(1,115)</u>
<b>Net Loss from Continuing Operations, before tax</b>	(7,322)	(8,943)	(17,166)	(19,726)
Income tax provision	(7)	(22)	(2,485)	(22)
<b>Net Loss from Continuing Operations</b>	<u>(7,329)</u>	<u>(8,965)</u>	<u>(19,651)</u>	<u>(19,748)</u>
Loss from Discontinued Operations, Net of Tax	--	(11,365)	(4,856)	(12,139)
<b>Net Loss</b>	<u>(7,329)</u>	<u>(20,330)</u>	<u>(24,507)</u>	<u>(31,887)</u>
<b>Net Loss Attributable to Non-controlling Interest</b>	<u>(363)</u>	<u>(458)</u>	<u>(667)</u>	<u>(804)</u>
<b>Net Loss Attributable to Stockholders of Inpixon</b>	\$ (6,966)	\$ (19,872)	\$ (23,840)	\$ (31,083)
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
<b>Net Loss Attributable to Common Stockholders</b>	<u>\$ (6,966)</u>	<u>\$ (24,857)</u>	<u>\$ (23,840)</u>	<u>\$ (42,219)</u>
<b>Net Loss Per Share - Basic and Diluted</b>				
Continuing Operations	\$ (0.19)	\$ (6.99)	\$ (0.92)	\$ (14.90)
Discontinued Operations	\$ --	\$ (5.88)	\$ (0.24)	\$ (6.01)
<b>Net Loss Per Share - Basic and Diluted</b>	<u>\$ (0.19)</u>	<u>\$ (12.87)</u>	<u>\$ (1.16)</u>	<u>\$ (20.91)</u>
<b>Weighted Average Shares Outstanding</b>				
Basic and Diluted	<u>37,442,387</u>	<u>1,931,535</u>	<u>20,600,208</u>	<u>2,018,295</u>
<b>Comprehensive Loss</b>				
Net Loss	\$ (7,329)	\$ (20,330)	\$ (24,507)	\$ (31,887)
Unrealized gain on available for sale debt securities	--	375	--	375
Unrealized foreign exchange loss from cumulative translation adjustments	9	281	(1,250)	180
<b>Comprehensive Loss</b>	<u>\$ (7,320)</u>	<u>\$ (19,674)</u>	<u>\$ (25,757)</u>	<u>\$ (31,332)</u>

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

	<b>For the Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
	(Unaudited)	
<b>Cash Flows Used In Operating Activities</b>		
Net loss	\$ (24,507)	\$ (31,887)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	624	650
Amortization of intangible assets	1,255	3,026
Amortization of right of use asset	158	353
Stock based compensation	570	2,274
Amortization of warrant liability to redemption value	20	--
Earnout expense valuation benefit	--	(2,827)
Gain on settlement with FOXO	(1,142)	--
Amortization of debt issuance costs	1,686	(92)
Unrealized gain on note	--	344
Unrealized loss on foreign currency transactions	(178)	--
Distribution of equity method investment shares to employees as compensation	666	--
Deferred income tax	2,591	(1)
Unrealized loss on equity securities	58	1,256
Impairment of goodwill	--	7,570
Gain on fair value of warrant liability	71	--
Other	22	181
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(1,016)	361
Inventory	(779)	285
Prepaid expenses and other current assets	890	1,357
Other assets	(4)	25
Accounts payable	(634)	(1,498)
Accrued liabilities	3,796	542
Income tax liabilities	(119)	(40)
Deferred revenue	325	(1,096)
Operating lease obligation	(158)	(327)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (15,805)</b>	<b>\$ (19,544)</b>
<b>Cash Flows Used in Investing Activities</b>		
Purchase of property and equipment	(45)	(140)
Investment in capitalized software	(135)	(306)
Purchase of convertible note	--	(5,500)
Sales of treasury bills	--	43,001
Proceeds from repayment of note receivable	150	--
Issuance of note receivable	(450)	--
<b>Net Cash (Used in) Provided By Investing Activities</b>	<b>\$ (480)</b>	<b>\$ 37,055</b>
<b>Cash From Financing Activities</b>		
Net proceeds from issuance of preferred stock and warrants	\$ --	46,906
Net proceeds from promissory note	125	364
Net proceeds from ATM	20,383	--
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 issuance of warrants	1,409	--
Repayment of CXApp acquisition liability	(197)	(1,847)

Common shares issued for net proceeds from warrants	1	--
Distribution to shareholders related to spin-off of CXApp	<u>(10,003)</u>	<u>--</u>
<b>Net Cash Provided By (Used in) Financing Activities</b>	\$ 11,718	\$ (4,163)
<b>Effect of Foreign Exchange Rate on Changes on Cash</b>	13	(73)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(4,554)	13,275
Cash and Cash Equivalents - Beginning of year	<u>20,235</u>	<u>52,480</u>
Cash and Cash Equivalents - End of year	<u>\$ 15,681</u>	<u>\$ 65,755</u>

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

(In thousands)	For the 3 Months Ended June 30,		For the 6 Months Ended June 30,	
	2023	2022	2023	2022
Net loss attributable to common stockholders	\$ (6,966)	\$ (24,857)	\$ (23,840)	\$ (42,219)
Loss from discontinued operations, net of tax	-	11,365	4,856	12,139
Interest expense/(income), net	1,756	(168)	3,481	(169)
Income tax provision	7	22	2,485	22
Depreciation and amortization	425	737	844	1,418
EBITDA	<u>(4,778)</u>	<u>(12,901)</u>	<u>(12,174)</u>	<u>(28,809)</u>
<i>Adjusted for:</i>				
Non-recurring one-time charges:				
Unrealized (gain)/loss on equity securities	92	(247)	58	1,256
Acquisition transaction/financing costs	523	137	687	252
Professional service fees	-	-	-	8
Impairment of goodwill	-	2,030	-	2,030
Transaction costs	43	-	1,443	-
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 the Series 8 Preferred Stock	-	-	-	(1,469)
Amortization premium - modification to Series 8 preferred stock	-	(1,252)	-	(1,362)
Distribution of equity method investment shares to employees as compensation	-	-	666	-
Gain on equity securities	(1,142)	-	(1,142)	-
Unrealized foreign exchange (gains)/losses	28	35	(145)	124
Bad debts expense/provision	24	-	24	-
Reserve for inventory obsolescence	16	-	16	-
Stock-based compensation – compensation and related benefits	241	741	570	2,274
Severance costs	-	-	127	62
Adjusted EBITDA	<u>\$ (4,953)</u>	<u>\$ (5,220)</u>	<u>\$ (9,870)</u>	<u>\$ (11,667)</u>

(In thousands, except share data)	For the 3 Months Ended June 30,		For the 6 Months Ended June 30,	
	2023	2022	2023	2022
	Net loss attributable to common stockholders	\$ (6,966)	\$ (24,857)	\$ (23,840)
Adjustments:				
Non-recurring one-time charges:				
Loss from discontinued operations, net of tax	-	11,365	4,856	12,139
Unrealized (gain)/loss on equity securities	92	(247)	58	1,256
Acquisition transaction/financing costs	523	137	687	252
Professional service fees	-	-	-	8
Impairment of goodwill	-	2,030	-	2,030
Transaction costs	43	-	1,443	-
Accretion of series 7 preferred stock	-	-	-	4,555
Accretion of series 8 preferred stock	-	6,237	-	6,785
Deemed dividend for the 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	-	(1,252)	-	(1,362)
Distribution of equity method investment shares to employees as compensation	-	-	666	-
Gain on equity securities	(1,142)	-	(1,142)	-
Unrealized foreign exchange (gains)/losses	28	35	(145)	124
Bad debts expense/provision	24	-	24	-
Reserve for inventory obsolescence	16	-	16	-
Stock-based compensation - compensation and related benefits	241	741	570	2,274
Severance costs	-	-	127	62
Amortization of intangibles	230	563	449	1,078
Proforma non-GAAP net loss	<u>\$ (6,911)</u>	<u>\$ (5,248)</u>	<u>\$ (16,231)</u>	<u>\$ (11,860)</u>
Proforma non-GAAP net loss per basic and diluted common share	<u>\$ (0.18)</u>	<u>\$ (2.72)</u>	<u>\$ (0.79)</u>	<u>\$ (5.88)</u>
Weighted average basic and diluted common shares outstanding	<u>37,442,387</u>	<u>1,931,535</u>	<u>20,600,208</u>	<u>2,018,295</u>