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

ASBTS         (thedite)         (thedite)           Current Asets         5         1.44         5         119           Account proceedings, net         873         429           Notes and other excludes, net         801         73         429           Notes and other excludes         921         5         929           Puppil and exclude other excludes         921         5         929           Puppil and exclude other excludes         921         939         948           Possible and other excludes         921         939         948           Note and other excludes         923         939         949         941         942         947         941         942         947         941         942         947         941         941		As of	September 30, 2018	As of December 31, 2017		
Carban casio quivalenza receivale.         S         1,461         S         110           Accent receivale.         84         13           Invertory         840         733           Acts held for sel         -         233           Rata of party receivable.         -         233           Rata of party receivable.         -         648           Terrent resort of deconsolidated operations         -         6493           Propera and explorement assets         9235         8269           Propera and explorement assets         9236         9209           Propera and explorement assets         219         348           Software development casts, net         -         6466           Rote asset of deconsolidated operations         -         75.58           Other assets         2209         327           Terat Asset         2209         327           Terat Assets         2209         328 <th></th> <th>(</th> <th>Unaudited)</th> <th></th> <th>(Audited)</th>		(	Unaudited)		(Audited)	
Cah and cah quivalens         S         1.461         S         119           Accuust nervalues         878         429           Notes and other receivables         810         783           Avenues freeworks         810         783           Actes bald for sale         -         233           Actes bald for sale         -         6.983           Propal costs and other current axets         923         859           Fuid Current Axets         4.880         9.209           Fuid Current Axets         4.880         9.209           Ford Current Axets         4.880         9.209           Ford Current Axets         1.600         2.019           Status during met curve, net consolided operations         -         -           Ondwald eder during curve, net consolided operations         -         -           Ondwald eder during curve, net consolided operations         -         -           Current Labilitis         2.009         357         -           Accounts public         S         7.77         S         1.502           Account during curve indication         1.149         2.209         733           Total Axets         S         7.77 <s< td="">         1.502</s<>						
Account receivable, not         978         449           Notes and other exceevables         64         13           Notes and other exceevable         64         13           Notes and other exceevable         730         -           Related party recovable         -         0.033           Propulation of deconsolited operations         -         0.033           Propulation of deconsolited operations         -         0.033           Propulation of deconsolited operations         -         0.033           None current assets of deconsolited operations         -         7.558           Other assets of deconsolited operations         -         3.0400		¢	1 461	¢	110	
Note and other receivables         64         13           Inventory         800         733           Assets held for sale         -         23           Assets held for sale         -         6.933           Propaid assets and other current assets         923         859           Propaid assets and other current assets         4.886         9.209           Property and equipment, net         2.19         348           Software development costs, net         1.660         2.017           Software development costs, net         5.321         7.566           Good Will         6.06         6.06           One-current assets         2.009         \$.22091         \$.22091           Software development costs, net         5.12091         \$.21091         \$.21091           Conscription         -         7.588         \$.0000         \$.00000         \$.000000           Charenet labilities         1.140         2.060         \$.000000000000000000000000000000000000	*	¢	,	φ		
Inventory         810         733           Adats held for sale         -         33           Adats held for sale         700         -           Current assets of deconsolided operations         -         6,933           Propel assets and other current assets         923         859           Foid Current Assets         923         859           Foid Current Assets         923         859           Propely and expirment, net         1,880         2,007           Intragible assets, net         5,321         7,558           Condectrill         646         646           Non-current assets of deconsolided operations         -         7,558           Current Liabilities         -         7,578           Assets be of doconsolided operations         -         7,578           Current Liabilities         -         2,009         3,227,001           LIABILTIES AND STOCKHOLDERS' (DEFICIT) EQUITY         Current Liabilities         -         2,009           Account popula         S         1,77         S         1,562           Account hightlines         -         2,009         3,040           Dirivartic liabilities         -         2,009         1,3040           Curre						
Asset field for alls       -       23         Reliard perfy rescribtle       700       -         Ourret assets of deconsolidited operations       -       6.983         Proped assets and other current assets       4.886       9.209         Property and significant Assets       4.886       9.209         Property and significant Assets       4.886       9.209         Property and significant Assets       4.886       9.209         Software development Assets       1.080       2.017         Software development Assets       5.321       7.566         GoodWill       6.56       6.66         Oher starts       2.2091       5.21791         Software Markets of deconsolidited operations       -       7.588         Other assets       5       7.77       \$         Current Liabilities       1.149       2.2091       5         Accounts payable       \$       7.77       \$       1.502         Accounts payable       \$       7.77       \$       1.502         Accounts payable       \$       7.77       \$       1.502         Defired devenue       5       3.773       42.001         Liabilities of deconsolidated operations       -						
Rdard puty rescrible       70       -       -       6.93         Current assets and other current assets       923       859         Total Current Assets       923       859         Total Current Assets       923       859         Properly and equipment, net       219       348         Software development costs, net       1.660       2.017         Inturgite assets, net       5.321       7.666         Condwill       636       636         Norther assets       249       327.757         Total Asset       2199       3       227.601         LIABLITIES AND STOCKHOLDERS' (DEFICIT) EQUITY       Current Liabilities       -       7.538         Accounts prophile       S       1.77       \$       1.562         Accounts prophile       S       1.77       \$       1.562         Accounts prophile       -       3.038       1.815       3.058         Derivative liabilities       -       3.723       42.091       2.259         Total Current Liabilities       -       3.723       42.091       3.723       42.091         Current Liabilities       -       -       3.640       -       3.673         Dord Current Liabil	-					
Current lassis of deconsolidated operations         -         6.933           Propid assets and other current assets         923         859           Total Current Assets         1.840         2.019           Property and equipment, net         2.19         348           Software development costs, net         1.640         2.017           Intagible assets, net         6.35         6.66           Goodwill         6.55         7.66           Software development costs, net         1.758         6.66           Char assets         2.49         327           Total Assets         5         2.091         \$           Current Liabilities         -         7.588         6           Accounts poyable         5         7.77         \$         1.562           Deferred revenue         1.315         3.080         -         2.091         3.040           Liabilities         -         48         -         2.091         3.040           Liabilities         -         3.040         -         3.040         1.140         2.051           Long Term Liabilities         -         -         3.040         -         3.040         -         3.040         -         3.040			750			
Propid         923         893           Total Current Assets         923         849           Property and equipment, net         219         348           Software development costs, net         1.680         2.017           Integrible assets, net         6.35         6.66           Non-current assets of deconsolidated operations         -         7.55           Other assets         2.249         3.37           Total Assets         \$         2.299         \$         2.27.091           LIABILITIES AND STOCKHOLDERS' (DEFICT) EQUITY         Current Liabilities         -         7.55         1.502           Accounts pupile         \$         7.77         \$         1.502           Accounts pupile         \$         7.77         \$         1.502           Accounts pupile         \$         3.773         \$         1.502           Accounts pupile         \$         3.793         42.031         \$           Defirered revenue         \$         3.3,963         42.031         \$           Labilities for the soft for subilities         -         3.3,964         46.544           Current Liabilities         3.964         46.544         \$         \$           Descin 4 C					6.983	
Total Current Assets         4,886         9,209           Property and equipment, net         219         348           Software development costs, net         1,680         2,017           Intangilie assets, net         5,221         7,568           Goodwill         656         656           One-current assets of deconsolided operations         -         -           Character         240         357           Total Assets         240         357           Current Liabilities         2         327,2691           Accurate payable         5         7,77         \$           Accurate payable         5         7,79         \$           Accurate payable         -         3,040         1,149         2,206           Distant data         1,415         3,038         -         3,040           Liabilities of accusolidated operations         -         3,040         -         3,040           Liabilities         3,079         42,031         -         2,059         3,073           Vatal Current Liabilities         -         -         3,040         -         3,040         -         3,040         -         3,040         -         3,040         -	*		923			
Property and equipment, net         219         348           Software development costs, net         1,660         2,017           Intargible assets, net         5,321         7,566           Goodwill         636         636           Norturent assets of deconsolidated operations         -         7,558           Total Assets         249         557           Total Assets         5         12,991         5         27,601           LIMEUTTES AND STOCKHOLDERS' (DEFICIT) EQUITY         -         7         5         1,562           Accounts parable         5         777         \$         1,562           Accounts parable         1,149         2,206         1,149         2,206           Deferred revenue         5         777         \$         1,562           Accounts parable         -         48         1,815         3,008           Dirivative liabilities         -         48         Current liabilities         -         3,040           Liabilities hold for sale         -         20         97         780         -         3,673           Collegreem debt         0.01         29         73         -         -         -         -         -						
Snivar development costs, net         1.680         2.017           Intargible assets, net         5.321         7.566           Goadwill         636         636           Non-current assets of deconsolided operations         -         7.538           Other assets         249         557           Total Assets         5         12.991         5         27.691           LIABILITIES AND STOCKHOLDERS' (DEFICT) EQUITY         -         7.58         -         7.58           Accounts payable         S         7.77         \$         1.562         .           Accounts payable         S         7.77         \$         1.562         .         .           Accounts payable         S         7.77         \$         1.562         . <td< th=""><th></th><th></th><th>1,000</th><th></th><th>,20)</th></td<>			1,000		,20)	
Intensible sests, net         5,321         7,566           Godwill         636         636         636           Other sests         21091         5         27,001           Ital Sests         5         12,091         5         27,001           LIABILITIES AND STOCKHOLDERS' (DEFICT) EQUITY         6         7,558         7         7         5         1,562           Accounts payable         5         7,77         5         1,562         5         388           Deferred revenue         5.2         5.88         5         5         777         5         1,562           Short-term debt         1,815         3,080         1,815         3,080         1,815         3,080           Labilities         -         4.88         -         2,059         767	Property and equipment, net		219		348	
Geodfull636636636Non-current assets240337Total Assets $240$ 337Total Assets $212991$ $5$ $27.691$ LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITYCurrent Liabilities1,1492.206Accounts payable $5$ 777 $5$ 1,562Accounts payable $1,149$ 2.2063.07Deferred revenue232.858Short-term debt1.8153.058Derivative liabilities-4.88Current Liabilities-2.059Total Current Liabilities-2.059Total Current Liabilities-3.040Liabilities-2.059Total Current Liabilities-3.040Liabilities142767Other liabilities-3.673Total Current Liabilities-3.673Total Liabilities3.96446.544Current liabilities of deconsolidated operationsTotal Liabilities3.96446.544Commitments and ContingenciesSettes 4 Convertible Preferred Stock - 50.001 par value; 50.000 shares authorized; 1.2017Corrent Stock - 30.001 par value; 25.0000 shares authorized; 1.2017Total Liabilities1.2017Corrent Stock - 50.001 par value; 25.0000.008 hares authorized; 1.2017Total Liabilities1.2017.	Software development costs, net		1,680		2,017	
Non-current assets of deconsolidated operations-7,558Other assets $249$ 337Total Assets $21299$ $5$ 27,691LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITYCurrent Liabilities $1,149$ 2.206Deferred revenue $52$ $58$ Short-term debt $1,815$ $3,088$ Derivative liabilities- $48$ Current Liabilities- $33,040$ Deferred revenue $3,793$ $42,031$ Short-term debt $3,793$ $42,031$ Current Liabilities- $2069$ Total Current Liabilities- $2069$ Total Current Liabilities- $3,793$ Current Liabilities- $2069$ Total Current Liabilities- $3,793$ Current Liabilities- $3,673$ Total Current Liabilities- $3,673$ Total Liabilities of deconsolidated operations- $3,673$ Total Liabilities- $3,964$ $46,544$ Current Liabilities $-$ Commitments and Contingencies $-$ Steries 4 Courcelible Pedered Stock - \$1,000 stated value; 10,185 shares authorized;7 and 0 sized and 7 and 0 outstanding at September 30, 2018 and December 31, 2017Common Stock - \$0,001 par value; 250,000,000 shares authorized;111,126 and 24,055 sizeet and 1,281,113 and 24,042 outstanding120,12478,3021,21,126 and 24,055 sizeet and 1,281,113 and 24,042 outstanding </td <td>Intangible assets, net</td> <td></td> <td>5,321</td> <td></td> <td>7,566</td>	Intangible assets, net		5,321		7,566	
Other assets $249$ $357$ Tool Assets $2$ $3$ $12,991$ $5$ $27,691$ LABLITIES AND STOCKHOLDERS' (DEFICIT) EQUITY $3$ $377$ $5$ $1,562$ Current Liabilities $8$ $777$ $5$ $1,562$ Accuael liabilities $1,149$ $2,206$ $22$ $58$ Defered revue $52$ $58$ $777$ $5$ $1,562$ Short-term debt $1,815$ $3,936$ $42,031$ Derivative liabilities $ 488$ Current Liabilities $ 20,999$ Tool Current Liabilities $ 20,999$ Tool Current Liabilities $ 3,793$ $42,031$ Long Tern Liabilities $ 3,640$ $3,793$ $42,031$ Long term Liabilities $  3,673$ Tool Liabilities $  3,673$ $3,964$ $46,544$ Commitments and Contingencies $  -$ Settes 4 Convertible Pretures Nock - \$1,000 stated value; 10,185 shares authorized; $7$ and 0 issued and 2 and 0 suttading at September 30, 2018 and December 31, 2017. Liquidation prefereme 70, 2018 a	Goodwill		636		636	
Total Assets\$ 12,91\$ 27,691LABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITYCurrent LiabilitiesAccounts psychle\$ 777\$ 1,562Accounts psychle\$ 777\$ 1,562Accounts psychle\$ 777\$ 1,562Accounts psychle\$ 777\$ 1,562Accounts psychle\$ 1,1492,206Defende revenue\$ 1,8153,088Derivative liabilities- 48Current liabilities of deconsolidated operations- 33,040Liabilities of deconsolidated operations- 3,039Long-term debt142Competended142Consumment liabilities29Total Liabilities29Total Liabilities3,964Active statistics- 3,673Total Liabilities3,964Commitments and Contingencies	Non-current assets of deconsolidted operations				7,558	
LABLITTES AND STOCKHOLDERS' (DEFICIT) EQUITY         Current Liabilities         Accunal inabilities         Accunal inabilities         Defered revenue         Short-term debt         Derivative liabilities         Current liabilities         Derivative liabilities         Current liabilities of deconsolidated operations         Lag         Current liabilities         Current liabilities         Current liabilities         Current liabilities         Current liabilities         Cong Term Liabilities         Long-term debt         Other Liabilities         Long-term debt         Other Liabilities         Non-current liabilities of deconsolidated operations         Stockholder' (Deficit) Equity:         Prefered Stock - \$0.000 par value; 5,000,000 shares authorized;         7 and 0 issued and 7 and 0 outstanding at September 30, 2018         and December 31, 2017.         Common Stock - \$0.000 par value; 50,000,000 shares authorized;         7 and 0 issued and 7 and 0 outstanding at Septembr 30, 2018         at September 30, 2018 and December 31, 2017.         Current blee Preference Stock - \$1,000,000 shares authorized;         7 and 24,045 sitest den 12,81174 and 2,042 outstanding at Septembr 30, 2018 and December	Other assets		249		357	
Current LiabilitiesS777S1,562Accunal isolities5258Short-term debt5258Derivative liabilities-48Current liabilities-33,040Liabilities bild for sale-2,059Total Current Liabilities3,79342,031Long Tern Liabilities3,79342,031Long Tern Liabilities142767Other liabilities2973Non-current liabilities2973Non-current liabilities3,96446,544Commitments and Contingencies3,96446,544Commitments and ContingenciesStockholders' (Defici) Equity: Preferred Stock - \$1,000 stated value; 10,185 shares authorized; 0 issued and outstanding as of September 30, 2018 and December 31, 2017. Liquidation preference of S0 at September 30, 2018 and December 31, 2017. Liquidation paid at 24,051 issued 24,042 outstanding at September 30, 2018 and December 31, 2017. Liquidation aptidal 24,055 issued 24,042,043-Additional paid-in capital at September 30, 2018 and December 31, 2017. Liquidation aptidal at September 30, 2018 and December 31, 2017. Liquidation aptidal at September 30, 2018 and December 31, 2017. Liquidation aptidal at September 30, 2018 and 24,0420 outstanding at September 30, 2018 and 24,0420 outstanding at September 30, 2018 and December 31, 2017. Liquidation aptidal at September 30, 2018 and 24,0420 outstanding at September 30, 2018 and 24,0420 outstanding <td>Total Assets</td> <td>\$</td> <td>12,991</td> <td>\$</td> <td>27,691</td>	Total Assets	\$	12,991	\$	27,691	
Accounts payableS777S1,562Accrued liabilities1,1492,206Defired revenue5258Short-term debt1,8153,058Derivative liabilities of deconsolidated operations-48Current liabilities of deconsolidated operations-33,040Liabilities of deconsolidated operations-2,059Total Current Liabilities3,79342,031Long-term debt142767Other liabilities29773Non-surrent liabilities-3,673Total Liabilities3,96446,544Commitments and ContingenciesStockholders' (Deficit) Equity:Prefered Stock - 50,000 par value; 50,000,000 shares authorized;Series 4 Convertible Prefered Stock - 51,000 stated value; 10,185 shares authorized;Stockholders' (Deficit) Equity:Prefered Stock - 50,000 par value; 250,000,000 shares authorized;Stockholders' (Deficit) Equity:Stockholders' (Deficit) Equity:Common Stock - 50,000 par value; 250,000,000 shares authorized;1,281,1/2 and 24,050 sized and 1,281,113 and 24,042 outstandingAdditional paid-in capital120,12478,302Additional paid-in capital120,12478,302Additional paid-in capital <td>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</td> <td></td> <td></td> <td></td> <td></td>	LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY					
Accrued liabilities1,1492,206Deferred revenue5258Short-term debt1,8153,058Derivative liabilities48Current liabilities2,059Total Current Liabilities3,79342,031Long-term debt142767Other liabilities297,373Non-current liabilities297,673Total Current Liabilities3,96446,544Commitments and Contingencies3,96446,544Stockholders' (Deficit) Equity: Preferred Stock - 50 001 per value, 5,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018 and December 31, 2017. Liquidation preference of 50 at September 30, 2018 and December 31, 2017. 						
Defered revenue5258Short-term debt1,8153,058Derivative liabilities-48Current liabilities of deconsolidated operations-33,040Liabilities held for sale-2,059Total Current Liabilities3,79342,031Long-term debt142767Other liabilities2973Non-current liabilities2973Total Liabilities2973Total Liabilities3,96446,544Commitments and Contingencies3,96446,544Commitments and ContingenciesSteck-S0.001 par value; 5,000,000 shares authorized; 1, 2017Series 4 Convertible Preferred Stock - \$1,000 stated value; 10,185 shares authorized; 1, 2017Common Stock - \$0,001 par value; 5,0000 shares authorized; 1, 2017Lightidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation quite; 20,000,000 shares authorized; Li281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Li24511Additional park-in expire1631Additional park-in expire1631Additional park-in expire1631Additional park-in expire9,014(16,847)Non-controlling interest13 <td>Accounts payable</td> <td>\$</td> <td>777</td> <td>\$</td> <td>1,562</td>	Accounts payable	\$	777	\$	1,562	
Short-term debt1,8153,058Dervative liabilities-48Current liabilities of deconsolidated operations-2,059Total Current Liabilities3,79342,031Long Tern Liabilities142767Other liabilities2973Non-current liabilities-3,673Total Liabilities3,96446,544Commitments and ContingenciesStockholders' (Deficit) Equity: Preferred Stock - \$0,001 par value; \$,000,000 shares authorized; 0 issued and outstanding as of September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0.000 shares authorized; Tand 0 issued and 24,042 outstanding at September 30, 2018 and December 31, 2017. Liquidation preference of \$0.01 shares authorized; Tand 24,042 outstanding at September 30, 2018 and December 31, 2017. Liquidation capital Total Liquidation capital Common Stock - \$0.001 par value; 25,000,000 shares authorized; Tand 0 issued and 24,042 outstanding at September 30, 2018 and December 31, 2017. Liquidation capital Total Liquidation capital <br< td=""><td>Accrued liabilities</td><td></td><td>1,149</td><td></td><td>2,206</td></br<>	Accrued liabilities		1,149		2,206	
Derivative liabilities-48Current liabilities-33,040Liabilities held for sale-2,059Total Current Liabilities3,79342,031Long-Term Liabilities142767Other liabilities2973Non-current liabilities2973Total Current Liabilities3,96446,544Commitments and Contingencies3,96446,544Commitments and ContingenciesStock.holders' (Defici) Equity: Preferend Stock - \$1,000 stated value; 10,185 shares authorized; 7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 250,000,000 shares authorized; 7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 250,000,000 shares authorized; 1, 281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 250,000,000 shares authorized; 1,281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 250,000,000 shares authorized; 1,281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Communitied their income511Additional paid-in capital Treesury stock, at cost, 13 shares Stockholders' (Defici) Equity Attributable to Inpixon9,014(16,847)Non-controlling interest13(2,006)	Deferred revenue		52		58	
Current liabilities of deconsolidated operations-33,040Liabilities held for sale-2,059Total Current Liabilities3,79342,031Long-term debt142767Other liabilities2973Non-current liabilities2973Total Liabilities-3,663Commitments and Contingencies-3,673Stockholders' (Deficit) Equity:Preferred Stock - \$0,001 par value; 5,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018Series 4 Convertible Preferred Stock - \$1,000 stated value; 10,185 shares authorized;7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017Liquidation preference of \$0 at September 30, 2018 and December 31, 2017Common Stock - \$0,001 par value; 250,000,000 shares authorized;1117 and 0 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017Liquidation preference of \$0 at September 31, 2017, respectively.5111Additional paid-in capital120,12478,302Teasury stock, at cost, 13 shares(695)(695)(695)Accumulated deficit(10,482)(94,486)-13(2,006)Non-controlling interest13(2,006)(16,687)-13(2,006)	Short-term debt		1,815		3,058	
Liabilities held for sale	Derivative liabilities				48	
Total Current Liabilities3,79342,031Long Tern Liabilities142767Other liabilities2973Non-current liabilities2973Total Liabilities3,96446,544Commitments and Contingencies3,96446,544Commitments and ContingenciesStockholder' (Deficit) Equity: Preferred Stock - \$0,000 par value; 5,000,000 shares authorized; 0 issued and outstanding as of September 30, 2018 and December 31, 2017. Liquidation preference of S0 at September 30, 2018 and December 31, 2017. Liquidation preferree of S0 at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 520,000,000 shares authorized; 1, 281, 126 and 24,055 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 520,000,000 shares authorized; 1, 281, 126 and 24,055 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 50,000,000 shares authorized; 1, 281, 126 and 24,055 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 50,000,000 shares authorized; 1, 281, 126 and 24,055 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017. Common Stock - \$0,001 par value; 50,000,000 shares authorized; 1, 281, 126 and 24,055 issued and 1, 281, 113 and 24,042 outstanding at September 30, 2018 and December 31, 2017, respectively.511Additional paid-in capital Accumulated other comprehensive income1631Accumulated other comprehensive income1631Accumulated deficit Stockholders' (Deficit) Eq	Current liabilities of deconsolidated operations				33,040	
Long Tern Liabilities142767Other liabilities2973Non-current liabilities of deconsolidated operations-3,673Total Liabilities3,96446,544Commitments and ContingenciesStockholders' (Deficit) Equity: Preferred Stock - 50,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018 and December 31 2017 Series 4 Convertible Preferred Stock - \$1,000 stated value; 10,185 shares authorized; 7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Liquidation at \$2,500,000 obserse authorized; Treasury stock, at cost, 13 shares Ketter at \$1, 2017, respectively. Si \$1 1 Additional paid-in capital Accumulated other comprehensive income Stockholders' (Deficit) Equity Attributable to Inpixon Stockholders' (Deficit) Equity Attributable to Inpixon	Liabilities held for sale			_	2,059	
Long-term debt142767Other liabilities2973Non-current liabilities of deconsolidated operations-3,673Total Liabilities3,96446,544Commitments and ContingenciesStockholders' (Deficit) Equity: Prefered Stock - \$0,001 par value; 5,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018 and December 31, 2017-Series 4 Convertible Prefered Stock - \$1,000 stated value; 10,185 shares authorized; 7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Common Stock - \$0,000,000 shares authorized; 1,281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017, respectivelyAdditional paid-in capital Treasury stock, at cost, 13 shares120,12478,302Commulated other comprehensive income Accumulated other comprehensive income1631Accumulated deficit Stockholders' (Deficit) Equity Attributable to Inpixon9,014(16,847)Non-controlling interest13(2,006)	Total Current Liabilities		3,793		42,031	
Long-term debt142767Other liabilities2973Non-current liabilities of deconsolidated operations-3,673Total Liabilities3,96446,544Commitments and ContingenciesStockholders' (Deficit) Equity: Prefered Stock - \$0,001 par value; 5,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018 and December 31, 2017-Series 4 Convertible Prefered Stock - \$1,000 stated value; 10,185 shares authorized; 7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017. Liquidation preference of \$0 at September 30, 2018 and December 31, 2017. Common Stock - \$0,000,000 shares authorized; 1,281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding at September 30, 2018 and December 31, 2017, respectivelyAdditional paid-in capital Treasury stock, at cost, 13 shares120,12478,302Commulated other comprehensive income Accumulated other comprehensive income1631Accumulated deficit Stockholders' (Deficit) Equity Attributable to Inpixon9,014(16,847)Non-controlling interest13(2,006)	Long Term Liabilities					
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Commitments and Contingencies         Stockholders' (Deficit) Equity:         Preferred Stock - \$0.001 par value; 5,000,000 shares authorized, 0 issued and outstanding as of September 30, 2018         and December 31 2017         Series 4 Convertible Preferred Stock - \$1,000 stated value; 10,185 shares authorized;         7 and 0 issued and 7 and 0 outstanding at September 30, 2018 and December 31, 2017.       -         Liquidation preference of \$0 at September 30, 2018 and December 31, 2017.       -         Common Stock - \$0.001 par value; 250,000,000 shares authorized;       -         1,281,126 and 24,055 issued and 1,281,113 and 24,042 outstanding       -         at September 30, 2018 and December 31, 2017, respectively.       51       1         Additional paid-in capital       120,124       78,302         Treasury stock, at cost, 13 shares       (695)       (695)         Accumulated other comprehensive income       16       31         Accumulated deficit       (110,482)       (94,486)         Stockholders' (Deficit) Equity Attributable to Inpixon       9,014       (16,847)         Non-controlling interest       13       (2,006)	-		3 964		,	
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Non-controlling interest 13 (2,006)						
			-,•		(,)	
Total Stockholders' (Deficit) Equity9,027(18,853)	Non-controlling interest		13		(2,006)	
	Total Stockholders' (Deficit) Equity		9,027		(18,853)	

Total Liabilities and Stockholders' (Deficit) Equity

<u>\$ 12,991</u> <u>\$ 27,691</u>

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

	For the Three Septem		Ended	For the Nine Septer	Months mber 30,	Ended
	 2018		2017	2018		2017
	(Unat	idited)		(Una	udited)	
Revenues						
Products	\$ 271	\$	52	\$ 554	\$	476
Services	 669		819	2,073		2,531
Total Revenues	 940		871	 2,627		3,007
Cost of Revenues						
Products	107		94	259		410
Services	 191		173	559		580
Total Cost of Revenues	 298		267	 818		990
Gross Profit	642		604	1,809		2,017
Operating Expenses						
Research and development	296		224	820		713
Sales and marketing	447		441	1,259		1,917
General and administrative	2,326		3,239	8,796		8,325
Acquisition related costs Impairment of goodwill	78		 587	94		5 587
Amortization of intangibles	812		808	2,419		2,536
Total Operating Expenses	 3,959		5,299	13,388		14,083
Tour openning Expenses	5,707		0,200	15,500		11,000
Loss from Operations	(3,317)		(4,695)	(11,579)		(12,066)
Other Income (Expense)						
Interest expense	(78)		(252)	(981)		(1,317)
Change in fair value of derivative liability			46	48 23		254
Gain on the sale of Sysorex Arabia Other income/(expense)				(11)		(54)
Total Other Income (Expense)	 (78)	_	(192)	(921)		(1,117)
Net Loss from Continuing Operations	(3,395)		(4,887)	(12,500)		(13,183)
Loss from Discontinued Operations, Net of Tax	 (1,785)		(9,754)	(4,778)		(13,946)
Net Loss	(5,180)		(14,641)	(17,278)		(27,129)
Net Loss Attributable to Non-controlling Interest	 4		(4)	 6		(13)
Net Loss Attributable to Stockholders of Inpixon	\$ (5,184)	\$	(14,637)	\$ (17,284)	\$	(27,116)
Deemed dividend to preferred stockholders				(11,235)		
Net Loss Attributable to Common Stockholders	\$ (5,184)	\$	(14,637)	\$ (28,519)	\$	(27,116)
Net Loss Per Basic and Diluted Common Share						
Loss from continuing operations	\$ (3.17)	\$	(620.65)	\$ (45.97)	\$	(3,372.47)
Loss from discontinued operations	 (1.67)		(1,238.76)	 (9.25)		(3,567.66)
Net Loss Per Share - Basic and Diluted	\$ (4.84)	\$	(1,858.90)	\$ (55.24)	\$	(6,936.81)
Weighted Average Shares Outstanding						
Basic and Diluted	 1,071,310		7,874	 516,302		3,909
Commenter instance						
Comprehensive Loss Net Loss	\$ (5,180)	\$	(14,641)	(17,278)		(27,129)

Unrealized foreign exchange gain/(loss) from cumulative	(10)	(5)	(15)	(15)
translation adjustments	 (10)	 (5)	 (15)	 (15)
Comprehensive Loss	\$ (5,190)	\$ (14,646)	\$ (17,293)	\$ (27,144)

## INPIXON AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Nine Months Ended September 30,				
		2018	er 30,	2017	
		2018 (Unaud	lited)	2017	
Cash Flows from Operating Activities		(Ullaud	inted)		
Net loss	\$	(17,278)	\$	(27,129)	
Adjustment to reconcile net loss to net cash used in operating activities:	ψ	(17,270)	Ψ	(27,127)	
Depreciation and amortization		1,334		1,324	
Amortization of intangible assets		3,804		4,094	
Impairment of goodwill		5,004		8,392	
Stock based compensation		979		1,282	
Amortization of technology		50		50	
Change in fair value of derivative liability		(48)		(254)	
Amortization of debt discount		(40)		1,545	
Amortization of deferred financing costs		417		1,545	
Provision for doubtful accounts		221		773	
Gain on the settlement of liabilities				115	
Gain on the sale of Sysorex Arabia		(307)			
-		(23)			
Other		(37)		129	
Changes in operating assets and liabilities:		207		5 222	
Accounts receivable and other receivables		207		5,223	
Inventory		(19)		270	
Other current assets		54		455	
Prepaid licenses and maintenance contracts		(5)		9,787	
Other assets		34		46	
Accounts payable		(8,797)		4,751	
Accrued liabilities		(3,057)		455	
Deferred revenue		64		(10,704)	
Other liabilities		(978)	_	(438)	
Total Adjustments		(6,107)		27,347	
Net Cash (Used in) Provided by Operating Activities		(23,385)		218	
Cash Flows Used in Investing Activities					
Purchase of property and equipment		(39)		(91)	
Investment in capitalized software		(661)		(1,063)	
Investment in technology		(175)			
Cash spun off a result of de-consolidation		(362)			
Net Cash Flows Used in Investing Activities		(1,237)		(1,154)	
Cash Flows from Financing Activities					
Repayments to bank facility		(1,141)		(3,348)	
Net proceeds from issuance of common stock, preferred stock and warrants		27,961		6,117	
Repayment of notes payable		(113)		(20)	
Advances to related party		(774)			
Repayments from related party		24			
Repayment of debenture				(2,850)	
Net proceeds from convertible promissory notes				2,000	
Repayment of convertible promissory notes				(2,662)	
Net Cash Flows Provided by (Used in) Financing Activities		25,957		(763)	
Effect of Foreign Exchange Rate on Changes on Cash		(15)		(15)	

Net Increase (Decrease) in Cash and Cash Equivalents	1,320	(1,714)
Cash and Cash Equivalents - Beginning of Period	 141	1,821
Cash and Cash Equivalents - End of Period	\$ 1,461	\$ 107

## Reconciliation of Non-GAAP Financial Measures:

(In thousands)		Three Mon Septem		Nine Months Ended September 30,				
		2018		2017		2018		2017
Net loss attributable to common stockholders	\$	(5,184)	\$	(14,637)	\$	(17,284)	\$	(27,116)
Adjustments:								
Non-recurring one-time charges:								
Acquisition transaction/financing costs		78				94		5
Costs associated with public offering		4		159		85		159
Impairment of goodwill				8,392				8,392
Gain on the settlement of obligations		(45)				(307)		
Gain on earnout				(561)		(934)		(561)
Gain on the sale of Sysorex Arabia						(23)		
Gain on the sale of contracts						(601)		
Change in the fair value of derivative liability				(46)		(48)		(254)
Provison for doubtful accounts				773		221		773
Severance						15		27
Stock based compensation - acquisition costs								7
Stock-based compensation - compensation and related benefits		122		288		979		1,275
Interest expense		146		694		1,785		2,721
Depreciation and amortization		1,452		1,817		5,137		5,418
Adjusted EBITDA	\$	(3,427)	\$	(3,121)	\$	(10,881)	\$	(9,154)

(In thousands, except share data)		Three Months Ended September 30,				Nine Months Endo September 30,				
		2018		2017		2018		2017		
Net loss attributable to common stockholders	\$	(5,184)	\$	(14,637)	\$	(17,284)		(27,116)		
Adjustments:										
Non-recurring one-time charges:										
Acquisition transaction/financing costs		78				94		5		
Costs associated with public offering		4		159		85		159		
Impairment of goodwill				8,392				8,392		
Gain on the settlement of obligations		(45)				(307)				
Gain on earnout				(561)		(934)		(561)		
Gain on the sale of Sysorex Arabia						(23)				
Gain on the sale of contracts						(601)				
Change in the fair value of derivative liability				(46)		(48)		(254)		
Provison for doubtful accounts				773		221		773		
Severance						15		27		
Stock based compensation - acquisition costs								7		
Stock-based compensation - compensation and related benefits		122		288		979		1,275		
Amortization of intangibles		1,158		1,327		3,804		4,094		
Proforma non-GAAP net loss	\$	(3,867)	\$\$	(4,305)	\$	(13,999)	\$	\$ (13,199)		
Proforma non-GAAP net loss per basic and diluted common share	\$	(3.61)	\$	(546.74)	\$	(27.11)	\$	(3,376.57)		
Weighted average basic and diluted common shares outstanding		1,071,310		7,874		516,302		3,909		