

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

	As of	
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 63,153	\$ 52,480
Accounts receivable, net of allowances of \$268 and \$272, respectively	2,879	3,218
Other receivables	137	321
Inventory	2,702	1,976
Short-term investments	-	43,125
Note receivable	150	-
Prepaid assets and other current assets	3,258	4,842
<b>Total Current Assets</b>	<b>72,279</b>	<b>105,962</b>
Property and equipment, net	1,307	1,442
Operating lease right-of-use asset, net	1,323	1,736
Software development costs, net	1,684	1,792
Investment in equity securities	1,124	1,838
Long-term investments	2,500	2,500
Intangible assets, net	28,174	33,478
Goodwill	-	7,672
Other assets	204	253
<b>Total Assets</b>	<b>\$ 108,595</b>	<b>\$ 156,673</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,559	\$ 2,414
Accrued liabilities	4,370	10,665
Operating lease obligation, current	514	643
Deferred revenue	3,730	4,805
Short-term debt	6,179	3,490
Acquisition liability	3,376	5,114
<b>Total Current Liabilities</b>	<b>20,728</b>	<b>27,131</b>
<b>Long Term Liabilities</b>		
Operating lease obligations, noncurrent	852	1,108
Other liabilities, noncurrent	28	28
Acquisition liability, noncurrent	--	220
<b>Total Liabilities</b>	<b>21,608</b>	<b>28,487</b>
<b>Commitments and Contingencies</b>	<b>--</b>	<b>--</b>
<b>Mezzanine Equity</b>		
Series 7 Convertible Preferred Stock - 58,750 shares authorized; zero and 49,250 issued and outstanding as of September 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 September 30, 2022 and December 31, 2021, respectively. (Liquidation preference of \$53,198)	53,198	--
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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 September 30, 2022 and December 31, 2021, respectively;	--	--
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Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 issued and 126 outstanding as of September 30, 2022 and December 31, 2021, respectively.	--	--
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Common Stock - \$0.001 par value; 26,666,667 shares authorized; 2,250,597 and 1,730,141 issued and 2,250,596 and 1,730,140 outstanding as of September 30, 2022 and December 31, 2021, respectively.	2	2
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Additional paid-in capital	331,487	332,761
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Treasury stock, at cost, 1 share	(695)	(695)
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Accumulated other comprehensive income	1,496	44
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Accumulated deficit	(299,123)	(250,309)
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Stockholders' Equity Attributable to Inpixon	<u>33,167</u>	<u>81,803</u>
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Non-controlling interest	<u>622</u>	<u>1,688</u>
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<b>Total Stockholders' Equity</b>	<u>33,789</u>	<u>83,491</u>
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<b>Total Liabilities, Mezzanine Equity and Stockholders' Equity</b>	<u>\$ 108,595</u>	<u>\$ 156,673</u>
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**INPIXON AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(In thousands, except per share data)

	For the Three Months Ended, September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
<b>Revenues</b>	\$ 4,177	\$ 4,450	\$ 14,133	\$ 10,857
<b>Cost of Revenues</b>	1,255	1,186	4,037	2,966
<b>Gross Profit</b>	2,922	3,264	10,096	7,891
<b>Operating Expenses</b>				
Research and development	4,644	3,254	13,642	9,185
Sales and marketing	2,157	2,407	6,757	6,119
General and administrative	5,146	8,571	18,148	26,570
Acquisition related costs	2	93	270	1,098
Impairment of goodwill	--	--	7,570	--
Amortization of intangibles	1,366	1,395	4,056	3,088
<b>Total Operating Expenses</b>	13,315	15,720	50,443	46,060
<b>Loss from Operations</b>	(10,393)	(12,456)	(40,347)	(38,169)
<b>Other Income (Expense)</b>				
Interest income/(expense), net	(240)	(15)	(62)	1,191
Loss on exchange of debt for equity	--	--	--	(30)
Recovery of valuation allowance on related party loan - held for sale	--	--	--	7,345
Other (expense)/income, net	(1,506)	(47)	(2,277)	464
Gain on related party loan - held for sale	--	--	--	49,817
Unrealized gain/(loss) on equity securities	(5,854)	(22,285)	(7,110)	(51,250)
<b>Total Other Income (Expense)</b>	(7,600)	(22,347)	(9,449)	7,537
<b>Net Loss, before tax</b>	(17,993)	(34,803)	(49,796)	(30,632)
Income tax benefit/(provision)	--	854	(84)	(1,350)
<b>Net Loss</b>	(17,993)	(33,949)	(49,880)	(31,982)
<b>Net Loss Attributable to Non-controlling Interest</b>	(402)	(309)	(1,206)	(544)
<b>Net Loss Attributable to Stockholders of Inpixon</b>	\$ (17,591)	\$ (33,640)	\$ (48,674)	\$ (31,438)
Accretion of Series 7 preferred stock	--	(2,962)	(4,555)	(2,962)
Accretion of Series 8 Preferred Stock	(6,305)	--	(13,089)	--
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	1,265	--	2,626	--
<b>Net Loss Attributable to Common Stockholders</b>	\$ (22,631)	\$ (36,602)	\$ (64,850)	\$ (34,400)
<b>Net Loss Per Share - Basic and Diluted</b>	\$ (10.21)	\$ (22.31)	\$ (31.08)	\$ (23.95)
<b>Weighted Average Shares Outstanding</b>				
Basic and Diluted	2,216,544	1,640,971	2,086,633	1,436,093
<b>Comprehensive Loss</b>				
Net Loss	\$ (17,993)	\$ (33,949)	\$ (49,880)	\$ (31,982)
Unrealized foreign exchange (loss) income from cumulative translation adjustments	898	(404)	1,452	(1,012)
<b>Comprehensive Loss</b>	\$ (17,095)	\$ (34,353)	\$ (48,428)	\$ (32,994)

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

	<b>For the Nine Months Ended,</b>	
	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	(Unaudited)	
<b>Cash Flows Used In Operating Activities</b>		
Net loss	\$ (49,880)	\$ (31,982)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,008	970
Amortization of intangible assets	4,559	3,571
Amortization of right of use asset	536	527
Stock based compensation	2,962	8,813
Earnout expense valuation benefit	(2,827)	--
Loss on exchange of debt for equity	--	30
Amortization of debt discount	--	224
Amortization of original issued discount	121	--
Accrued interest income, related party	(278)	(1,627)
Provision for doubtful accounts	5	100
Unrealized gain on note	1,870	(638)
Provision for inventory obsolescence	--	300
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)
Loss on disposal of property and equipment	1	--
Unrealized loss on equity securities	7,110	51,250
Impairment of goodwill	7,570	--
Realized gain on sale of equity securities	151	--
Gain on conversion of note receivables	(791)	--
Other	196	137
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	336	(678)
Inventory	(1,002)	(499)
Prepaid expenses and other current assets	1,545	(70)
Other assets	28	200
Accounts payable	237	(653)
Accrued liabilities	1,059	3,421
Income tax liabilities	(38)	3,471
Deferred revenue	(915)	1,214
Operating lease obligation	(505)	(519)
Other liabilities	--	89
<b>Net Cash Used in Operating Activities</b>	<b>\$ (26,943)</b>	<b>\$ (24,018)</b>
<b>Cash Flows Used in Investing Activities</b>		
Purchase of property and equipment	(221)	(258)
Investment in capitalized software	(611)	(857)
Purchase of short term investments	--	(2,000)
Sales of short term investments	--	2,000
Purchase of convertible note	(5,500)	--
Sales of equity securities	229	--

Purchases of treasury bills	--	(63,362)
Sales of treasury bills	43,001	28,000
Purchase of Systat licensing agreement	--	(900)
Issuance of note receivable	(150)	(268)
Acquisition of Game Your Game	--	184
Acquisition of CXApp	--	(15,186)
Acquisition of Visualix	--	(61)
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>\$ 36,748</b>	<b>\$ (52,708)</b>
<b>Cash From Financing Activities</b>		
Net proceeds from issuance of preferred stock and warrants	\$ 46,906	\$ 50,584
Net proceeds from issuance of common stock and warrants	--	77,853
Net proceeds from promissory note	5,539	--
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	(1,957)	(241)
Repayment of acquisition liability to Nanotron shareholders	--	(467)
Repayment of acquisition liability to Locality shareholders	--	(500)
<b>Net Cash Provided By Financing Activities</b>	<b>\$ 902</b>	<b>\$ 125,425</b>
<b>Effect of Foreign Exchange Rate on Changes on Cash</b>	<b>(34)</b>	<b>90</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>10,673</b>	<b>48,789</b>
Cash and Cash Equivalents - Beginning of period	<u>52,480</u>	<u>17,996</u>
Cash and Cash Equivalents - End of period	<u><u>\$ 63,153</u></u>	<u><u>\$ 66,785</u></u>

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

(In thousands)	For the Three Months Ended		For the Nines Months Ended,	
	September 30,		September 30,	
	2022	2021	2022	2021
Net loss attributable to common stockholders	\$ (17,591)	\$ (33,640)	\$ (48,674)	\$ (31,438)
Interest expense/(income), net	240	15	62	(1,191)
Income tax (benefit)/provision	-	(854)	84	1,350
Depreciation and amortization	1,891	1,903	5,567	4,541
EBITDA	(15,460)	(32,576)	(42,961)	(26,738)
<i>Adjusted for:</i>				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	-	-	30
Provision for valuation allowance on held for sale loan	-	-	-	(7,345)
Gain on related party loan held for sale	-	-	-	(49,817)
Unrealized loss on equity securities	5,854	22,285	7,110	51,250
Acquisition transaction/financing costs	2	93	270	1,098
Earnout compensation expense/(benefit)	-	835	(2,827)	2,893
Professional service fees	-	418	8	1,189
Impairment of goodwill	-	-	7,570	-
Unrealized losses/(gains) on notes, loans, investments	-	(6)	124	(497)
Bad debts expense/provision	5	100	5	100
Reserve for inventory obsolescence	-	300	-	300
Stock-based compensation – compensation and related benefits	688	1,664	2,962	8,813
Severance costs	127	210	248	210
Restructuring Costs	597	-	597	-
Adjusted EBITDA	\$ (8,187)	\$ (6,677)	\$ (26,894)	\$ (18,514)

(In thousands, except share data)	For the Three Months Ended		For the Nines Months Ended,	
	September 30,		September 30,	
	2022	2021	2022	2021
Net loss attributable to common stockholders	\$ (17,591)	\$ (33,640)	\$ (48,674)	\$ (31,438)
Adjustments:				
Non-recurring one-time charges:				
Loss on exchange of debt for equity	-	-	-	30
Provision for valuation allowance on held for sale loan	-	-	-	(7,345)
Gain on related party loan held for sale	-	-	-	(49,817)
Unrealized loss on equity securities	5,854	22,285	7,110	51,250
Acquisition transaction/financing costs	2	93	270	1,098
Earnout compensation expense/(benefit)	-	835	(2,827)	2,893
Professional service fees	-	418	8	1,189
Impairment of goodwill	-	-	7,570	-
Unrealized losses/(gains) on notes, loans, investments	-	(6)	124	(497)
Bad debts expense/provision	5	100	5	100
Reserve for inventory obsolescence	-	300	-	300
Stock-based compensation – compensation and related benefits	688	1,664	2,962	8,813
Severance costs	127	210	248	210
Restructuring costs	597	-	597	-
Amortization of intangibles	1,533	1,560	4,559	3,571
Proforma non-GAAP net loss	(8,785)	(6,181)	(28,048)	(19,643)
Proforma non-GAAP net loss per common share - basic and diluted	\$ (3.96)	\$ (3.77)	\$ (13.44)	\$ (13.68)
Weighted average basic and diluted common shares outstanding	2,216,544	1,640,971	2,086,633	1,436,093