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Inpixon Announces Plans to Spin-Off Inpixon USA as a Separate Public Company

PALO ALTO, Calif., April 17, 2018 (GLOBE NEWSWIRE) -- [Inpixon](#) (NASDAQ:INPX), a leading indoor positioning and data analytics company, today announced that its board of directors has authorized proceeding with a spin-off of its wholly-owned subsidiary, Inpixon USA (including its subsidiary, Inpixon Federal, Inc.) ("Sysorex"), which is expected to be renamed "Sysorex, Inc." in connection with the consummation of the transaction. Following the proposed transaction, Sysorex will become an independent publicly traded company.

The strategic goal of the spin-off is to create two public companies, each of which will be better positioned to capitalize on growth opportunities and have a greater focus on their own individual strengths and operational plans.

Upon the completion of the proposed transaction, Inpixon plans to continue to focus its operations related to the development of its Indoor Positioning Analytics technology. Inpixon expects that its management team will be comprised of the same management team as prior to the spin-off and continue to be led by Nadir Ali, Chief Executive Officer. Inpixon will remain headquartered in Palo Alto, Calif. and continue to trade on the Nasdaq Capital Market under the ticker symbol "INPX". Following the spin-off, Sysorex plans to continue focusing on its business of providing third-party hardware, software, and related maintenance and warranty products and services that it resells to commercial and government customers with a management team that will be led by Zaman Khan, current President of Inpixon Federal, Inc. Sysorex expects to remain headquartered in Herndon, Va.

"A technology company and a value-added reseller (VAR) company are two fundamentally different types of businesses. By separating them into two independent entities, we can empower them to realize their true potential with a single focus," said Nadir Ali, Inpixon Chief Executive Officer. "We believe this spin-off will provide that opportunity. With this separation, Inpixon will be able to invest its capital and resources towards enhancing and developing its Indoor Positioning Analytics technology in order to deliver faster innovations and grow its customer base. Sysorex, with its own dedicated management team, can concentrate its efforts on pursuing distinct opportunities for procuring third-party products and value-added services for commercial and federal customers for long-term growth and profitability."

In order to effect the proposed transaction, Inpixon intends to distribute shares of Sysorex's common stock as a dividend to holders of Inpixon's common stock and certain other holders of Inpixon warrants that may be entitled to participate in the distribution as of a record date to be determined. It is anticipated that the proposed dividend distribution will be tax free to Inpixon stockholders for U.S. federal income tax purposes. The spin-off is subject to numerous conditions, including, without limitation, the filing of a Form 10 registration statement with the Securities and Exchange Commission, the approval for quotation of

Sysorex's common stock on the OTCQB market of the OTC Markets Group, Inc., final approval from Inpixon's Board of Directors, and other customary conditions. No assurance can be provided as to the timing of the completion of the spin-off or that all conditions to the spin-off will be met. Furthermore, until the distribution has occurred, Inpixon will have the right to terminate the distribution, even if all of the conditions are satisfied.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor will there be any sale of any securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted.

About Inpixon

Inpixon (NASDAQ:INPX) is a leader in Indoor Positioning Analytics (IPA). Inpixon sensors are designed to find all accessible cellular, Wi-Fi, and Bluetooth devices anonymously. Paired with a high-performance data analytics platform, this technology delivers visibility, security, and business intelligence on any commercial or government premises worldwide. Inpixon's products and professional services group help customers take advantage of mobile, big data, analytics, and the Internet of Things (IoT) to uncover the untold stories of the indoors. For the latest insight on IPA, follow [Inpixon](#) on LinkedIn, [@InpixonHQ](#) on Twitter, and visit inpixon.com.

About Sysorex

Inpixon USA, to be renamed "Sysorex, Inc.", provides information technology and telecommunications solutions and services to commercial and government customers primarily in the United States. Sysorex's goal is to deliver right-fit information technology solutions that help organizations reach their next level of business advantage. To that end, Sysorex provides a variety of IT services and/or technologies that enable customers to manage, protect, and monetize their enterprise assets whether on-premises, in the cloud, or via mobile.

Safe Harbor Statement

All statements in this release that are not based on historical fact are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Act, and Section 21E of the Securities Exchange Act of 1934, as amended. While management has based any forward-looking statements included in this release on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of the control of Inpixon and its subsidiaries, which could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not limited to, the fluctuation of global economic conditions, the performance of management and employees, the Company's ability to obtain financing, competition, general economic conditions and other factors that are detailed in the Company's periodic and current reports available for review at sec.gov. Furthermore, we operate in a highly competitive and rapidly changing environment where new and unanticipated risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise forward-looking statements.

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