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Inpixon Executes Separation and Distribution Agreement in Anticipation of Forthcoming Spin-off of Value-Added Reseller Segment

PALO ALTO, Calif., Aug. 07, 2018 (GLOBE NEWSWIRE) -- [Inpixon](#) (Nasdaq: [INPX](#)), a leading indoor positioning and data analytics company, today announced its board of directors has formally approved the previously announced spin-off of its value added reseller division and executed a Separation and Distribution Agreement by and between Inpixon and Sysorex, Inc. ("Sysorex"). The transaction will result in the distribution of all of the outstanding common stock of Sysorex owned by Inpixon to be distributed pro rata to holders of Inpixon outstanding common stock, preferred stock and certain warrants that are entitled to participate in the distribution ("Participating Holders"), as determined on a fully diluted basis.

Subject to the satisfaction or waiver of certain conditions, Participating Holders will be entitled to receive one share of Sysorex common stock for every three shares of Inpixon common stock held or issuable upon complete conversion of the preferred stock or exercise of certain warrants outstanding as of the record date in connection with the distribution which is expected to be completed following the close of business on or about August 31, 2018. In preparation for the spin-off, effective as of July 26, 2018, for the purpose of reincorporating Sysorex's predecessor, Inpixon USA, Inc. ("Inpixon USA"), to the State of Nevada, Inpixon USA merged with and into Sysorex with Sysorex continuing as the surviving corporation and successor issuer to Inpixon USA. In addition, Zaman Khan was appointed to serve as President and a director of Sysorex. After the spin-off is completed, Inpixon will not own any shares of Sysorex common stock and Sysorex will be an independent public reporting company.

"Today's announcement marks an important milestone towards the completion of the Sysorex spin-off," said Nadir Ali, Inpixon's Chief Executive Officer. "As separate companies, we believe both Inpixon and Sysorex will have greater flexibility to focus on and pursue their respective growth strategies and be better positioned to achieve profitability and long-term shareholder value."

The applicable record date and distribution date for the spin-off is the next formal step which will be announced following approval by Inpixon's board of directors.

Information about the Spin-Off

The distribution of Sysorex's shares will be made in book entry form, which means no physical stock certificates representing Sysorex common stock will be issued. No action is required by Inpixon common or preferred stockholders in order to receive shares of Sysorex

common stock in the distribution and they will not be required to surrender or exchange their Inpixon shares. Inpixon will, in its sole discretion, either round up fractional shares that recipients of Sysorex common stock will otherwise be entitled to receive or alternatively, will have the fractional shares aggregated and sold in the public market, with the aggregate proceeds of the sales to be distributed ratably in the form of cash payments to Participating Holders who would otherwise be entitled to receive a fractional share of Sysorex common stock.

Sysorex has filed a Form 211 with the Financial Industry Regulatory Authority ("FINRA") and has applied to have its common stock authorized for quotation on the OTCQB market of the OTC Markets Group, Inc. but there are no assurances that Sysorex's common stock will be quoted on the OTCQB or any other quotation service, exchange or trading facility.

The completion of the distribution of the Sysorex shares by Inpixon is subject to the satisfaction or waiver of a number of conditions, including the effectiveness of the Registration Statement on Form 10, as amended (the "Form 10") for Sysorex's common stock which will occur automatically on August 15, 2018 and is available at www.sec.gov and certain other conditions described in the Information Statement included as an exhibit to the Form 10 and in the Separation and Distribution Agreement, which will be filed as an exhibit to the Form 10. The information statement describes Sysorex, including the risks of owning Sysorex common stock and other details regarding the distribution.

The Sysorex spin-off has been structured to qualify as a tax-free distribution to U.S. holders of Inpixon common and preferred stock for U.S. federal income tax purposes. If cash is received in lieu of fractional shares, it will, however, be taxable. Participating Holders should consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the Sysorex spin-off.

No assurances can be provided that all conditions to the spin-off will be met as of August 31, 2018, the anticipated completion date. Furthermore, until the distribution has occurred, Inpixon will have the right to terminate the distribution, even if all of the conditions are satisfied.

About Inpixon

Inpixon (Nasdaq: INPX) is a leader in Indoor Positioning Analytics (IPA). Inpixon IPA 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 location 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

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 Securities Act of 1933, as amended, 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, our ability to complete the spin-off in a timely manner or at all, our ability to satisfy the various closing conditions to the spin-off, the impact of the spin-off on our business and that of Sysorex, and Inpixon’s and Sysorex’s ability to execute their respective business strategies following the spin-off. Other risks and uncertainties include the fluctuation of global economic conditions, the performance of management and employees, ability to obtain financing, competition, general economic conditions and other factors that are detailed in our 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.

Contact

Inpixon Investor Relations:

CORE IR

Scott Arnold, Managing Director

+1 516-222-2560

coreir.com



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