

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 31, 2018

INPIXON

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-36404

(Commission File Number)

88-0434915

(I.R.S. Employer
Identification No.)

2479 E. Bayshore Road, Suite 195
Palo Alto, CA

(Address of principal executive offices)

94303

(Zip Code)

Registrant's telephone number, including area code: (408) 702-2167

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Execution of Ancillary Agreements

As previously disclosed, on August 7, 2018, Inpixon (“Inpixon”) entered into a Separation and Distribution Agreement with Sysorex, Inc. pursuant to which the IT solutions and professional services business would be transferred to Sysorex and the indoor positioning analytics business would be transferred to Inpixon (the “Separation”) and Inpixon would distribute 100% of the outstanding common stock, par value \$0.00001 per share, of Sysorex (the “Distribution”) to Inpixon’s common stockholders of record, together with holders of Inpixon’s Series 4 Convertible Preferred Stock and certain holders of Inpixon warrants, as of the close of business on August 21, 2018 (the “Record Date”). Pursuant to Amendment No. 1 to the Separation and Distribution Agreement, which is described below, the Distribution was effective at 4:01 p.m., Eastern Time, on August 31, 2018 (the “Effective Date”).

On the Effective Date, Inpixon and Sysorex entered into a Transition Services Agreement, a Tax Matters Agreement, an Employee Matters Agreement and an Assignment and Assumption Agreement (the “Ancillary Agreements”). The Ancillary Agreements govern the relationship of the parties following the Distribution.

A summary of the material terms of the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement can be found in the section titled “Relationship with Inpixon Following Separation and Distribution” in Sysorex’s Information Statement, dated August 17, 2018 (the “Information Statement”), which was included as Exhibit 99.1 to Sysorex’s Current Report on Form 8-K filed with the Securities and Exchange Commission on August 17, 2018. This summary is incorporated by reference into this Item 1.01 as if restated in full. This summary is qualified in its entirety by reference to the Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement and Employee Matters Agreement which are included with this report as Exhibits 2.1, 10.1, 10.2 and 10.3, respectively, each of which is incorporated herein by reference. The Assignment and Assumption Agreement is included as Exhibit 10.4 to this Current Report on Form 8-K and incorporated by reference into this Item 1.01. Through the Assignment and Assumption Agreement, Inpixon and Sysorex assigned to each other, as applicable, the Sysorex Assets and the Inpixon Assets and assumed, as applicable, the Sysorex Liabilities and the Inpixon Liabilities.

In addition, prior to and in connection with the Separation, Inpixon contributed \$2 million in existing cash to Sysorex for working capital needs and other general corporate purposes including the satisfaction of certain outstanding payables.

Amendment No. 1 to Separation and Distribution Agreement

On the Effective Date, Inpixon and Sysorex executed Amendment No. 1 to Separation and Distribution Agreement changing the definition of “Effective Time” from 12:01 a.m., Eastern standard time, on the Distribution Date (as defined in the Separation and Distribution Agreement) to 4:01 p.m., Eastern standard time, on the Distribution Date.

The description of Amendment No. 1 to Separation and Distribution Agreement set forth under this Item 1.01 is qualified in its entirety by reference to the complete terms of that agreement, which is included as Exhibit 10.5 to this Current Report on Form 8-K and incorporated by reference into this Item 1.01.

Amendment to Payplant Client Agreement

On the Effective Date, Inpixon, together with Sysorex and its wholly-owned subsidiary, Sysorex Government Services, Inc. (“SGS”), and Payplant LLC, executed Amendment 1 to Payplant Client Agreement (the “Amendment”). Pursuant to the Amendment, Sysorex and SGS are no longer parties to the Payplant Client Agreement, originally entered into on August 14, 2017, and have been released from any and all obligations and liabilities arising under the Payplant Client Agreement, whether such obligations and liabilities were in existence prior to or on the date of the Amendment or arise after the date of the Amendment.

This summary is qualified in its entirety by reference to Amendment 1 to Payplant Client Agreement which is included with this report as Exhibit 10.6 and is incorporated herein by reference.

Standstill Agreement

On August 30, 2018, Inpixon entered into a Standstill Agreement with Chicago Venture Partners, L.P. (the “Lender”). Pursuant to the Standstill Agreement, the Lender has agreed that its right to redeem all or any portion of the Convertible Promissory Note dated November 17, 2017 in the principal amount of \$1,745,000.00 (the “Note”) will not commence until the date that is the earlier of (i) 12 months after the purchase price date, and (b) five trading days following receipt of approval from Inpixon’s stockholders, as may be required in accordance with applicable Nasdaq Listing Rules, to amend the terms of the Note to modify the Conversion Price and the Minimum Redemption Price, as those terms are defined in the Note, on terms that are acceptable to the Lender. The Standstill Agreement also extends the maturity date of the Note to December 31, 2018. Inpixon paid the Lender \$75,000 as consideration for the Lender’s consent to enter into the Standstill Agreement.

This summary is qualified in its entirety by reference to the Standstill Agreement which is included with this report as Exhibit 10.7 and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On the Effective Date, Inpixon effected the Distribution and completed the Separation of Sysorex from Inpixon. Sysorex is now an independent public company. Sysorex expects that its common stock will be traded on the OTC Markets as of September 4, 2018 under the symbol "SYSX." The Distribution was made to Inpixon common stockholders together with holders of Inpixon's Series 4 Convertible Preferred Stock and certain holders of Inpixon warrants as of the Record Date, each of whom received one share of Sysorex common stock for every three shares of Inpixon common stock held (or entitled to be held pursuant to their rights as holders of Series 4 Convertible Preferred Stock or warrants) as of the Record Date.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On the Effective Date, Sysorex assigned to Inpixon the Employment Agreement, effective November 7, 2016, pursuant to which Soumya Das has been employed. Mr. Das has been the Chief Marketing Officer of Inpixon since November 2016 and was appointed Chief Operating Officer in February 2018. A summary of Mr. Das' Employment Agreement can be found in Inpixon's Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission on March 27, 2018, under the section titled "Item 11. Executive Compensation – Employment Agreements and Arrangements." This summary is incorporated by reference into this Item 5.02. As part of the assignment of the Employment Agreement, Sysorex, Inpixon and Mr. Das executed an amendment to the Employment Agreement (the "Amendment"). A copy of the Amendment is attached hereto as Exhibit 10.8 and incorporated by reference into this Item 5.02.

Item 7.01. Regulation FD Disclosure.

On September 4, 2018, Inpixon issued a press release announcing the completion of the Separation and Distribution. A copy of the press release is attached hereto as Exhibit 99.1.

Exhibit 99.1 is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Separation and Distribution Agreement dated August 7, 2018 between Inpixon and Sysorex, Inc.
10.1	Transition Services Agreement dated August 31, 2018 between Inpixon and Sysorex, Inc
10.2	Tax Matters Agreement dated August 31, 2018 between Inpixon and Sysorex, Inc
10.3	Employee Matters Agreement dated August 31, 2018 between Inpixon and Sysorex, Inc.
10.4	Assignment and Assumption Agreement dated August 31, 2018 between members of the Inpixon Group and members of the Sysorex Group.
10.5	Amendment No. 1 to Separation and Distribution Agreement dated August 31, 2018 between Inpixon and Sysorex, Inc.
10.6	Amendment 1 to Payplant Client Agreement dated August 31, 2018 between Inpixon, Sysorex, Inc. Sysorex Government Services, Inc. and Payplant LLC.
10.7	Standstill Agreement between Inpixon and Chicago Venture Partners, L.P.
10.8	Amendment to Employment Agreement dated August 31, 2018 among Inpixon, Sysorex, Inc. and Soumya Das.
99.1	Press release issued September 4, 2018

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press release issued September 4, 2018 (3)

- (1) Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 filed by Inpixon with the Securities and Exchange Commission on August 13, 2018.
- (2) Incorporated by reference to the Current Report on Form 8-K filed by Sysorex, Inc. with the Securities and Exchange Commission on September 4, 2018.
- (3) Furnished herewith.
- (4) Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 4, 2018

INPIXON

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

STANDSTILL AGREEMENT

This Standstill Agreement (this “**Agreement**”) is entered into as of August 30, 2018, by and between Chicago Venture Partners, L.P., a Utah limited partnership (“**Lender**”), and Inpixon, a Nevada corporation (“**Borrower**”). Capitalized terms used in this Agreement without definition shall have the meanings given to them in the Note (as defined below).

A. Borrower previously issued to Lender a Convertible Promissory Note dated November 17, 2017 in the principal amount of \$1,745,000.00 (the “**Note**”) pursuant to that certain Securities Purchase Agreement dated November 17, 2017 between Lender and Borrower (the “**Purchase Agreement**,” and together with the Note and all other documents entered into in conjunction therewith, the “**Transaction Documents**”).

B. Borrower has requested that Lender delay its right to make redemptions under the Note as set forth in this Agreement.

C. Lender has agreed, subject to the terms, amendments, conditions and understandings expressed in this Agreement, to grant the Standstill (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. Each of the parties hereto acknowledges and agrees that the recitals set forth above in this Agreement are true and accurate and are hereby incorporated into and made a part of this Agreement.

2. Standstill. Notwithstanding the terms of the Note, Lender hereby agrees that its right to redeem all or any portion of the Note set forth in Section 8 of the Note shall not commence until the date that is the earlier of (a) twelve (12) months after the Purchase Price Date, and (b) five (5) Trading Days following receipt of approval from Borrower’s stockholders as may be required in accordance with applicable Nasdaq Listing Rules, including, but not limited to Listing Rule 5635(d), to amend the terms of the Note to modify the Conversion Price and the Minimum Redemption Price on terms that are acceptable to Lender (the “**Standstill**”).

3. Standstill Fee. In consideration of Lender’s grant of the Standstill, its fees incurred in preparing this Agreement and other accommodations set forth herein, Borrower agrees to pay to Lender a fee in the amount of \$75,000.00 (the “**Standstill Fee**”). The Standstill Fee shall be payable in cash to Lender upon execution of this Agreement.

4. Maturity Date. In conjunction with the Standstill, Borrower and Lender also agree that the Maturity Date of the Note is hereby extended to December 31, 2018. Accordingly, Borrower and Lender agree that the Note is hereby amended to the extent necessary to implement the foregoing extension of the Maturity Date.

5. Representations and Warranties. In order to induce Lender to enter into this Agreement, Borrower, for itself, and for its affiliates, successors and assigns, hereby acknowledges, represents, warrants and agrees as follows:

a. Borrower has full power and authority to enter into this Agreement and to incur and perform all obligations and covenants contained herein, all of which have been duly authorized by all proper and necessary action. No consent, approval, filing or registration with or notice to any governmental authority is required as a condition to the validity of this Agreement or the performance of any of the obligations of Borrower hereunder.

b. There is no fact known to Borrower or which should be known to Borrower which Borrower has not disclosed to Lender on or prior to the date of this Agreement which would or could materially and adversely affect the understanding of Lender expressed in this Agreement or any representation, warranty, or recital contained in this Agreement.

c. Except as expressly set forth in this Agreement, Borrower acknowledges and agrees that neither the execution and delivery of this Agreement nor any of the terms, provisions, covenants, or agreements contained in this Agreement shall in any manner release, impair, lessen, modify, waive, or otherwise affect the liability and obligations of Borrower under the terms of the Transaction Documents.

d. Borrower is not aware of any defenses, affirmative or otherwise, rights of setoff, rights of recoupment, claims, counterclaims, actions or causes of action of any kind or nature whatsoever against Lender, directly or indirectly, arising out of, based upon, or in any manner connected with, the transactions contemplated hereby, which occurred, existed, was taken, permitted, or begun prior to the execution of this Agreement and occurred, existed, was taken, permitted or begun in accordance with, pursuant to, or by virtue of any of the terms or conditions of the Transaction Documents. Borrower hereby acknowledges and agrees that the execution of this Agreement by Lender shall not constitute an acknowledgment of or admission by Lender of the existence of any claims or of liability for any matter or precedent upon which any claim or liability may be asserted.

e. Borrower represents and warrants that as of the date hereof no Events of Default or other material breaches exist under the Transaction Documents or have occurred prior to the date hereof.

6. Certain Acknowledgments. Each of the parties acknowledges and agrees that no property or cash consideration of any kind whatsoever has been or shall be given by Lender to Borrower in connection with the Standstill or any other amendment to the Note granted herein.

7. Ratification of the Note. The Note shall be and remains in full force and effect in accordance with its terms, and is hereby ratified and confirmed in all respects. Borrower acknowledges that it is unconditionally obligated to pay the remaining balance of the Note and represents that such obligation is not subject to any defenses, rights of offset or counterclaims. No forbearance or waiver other than as expressly set forth herein may be implied by this Agreement. Except as expressly set forth herein, the execution, delivery, and performance of this Agreement shall not operate as a waiver of, or as an amendment to, any right, power or remedy of Lender under the Note or the other Transaction Documents, as in effect prior to the date hereof.

8. No Reliance. Borrower acknowledges and agrees that neither Lender nor any of its officers, directors, members, managers, equity holders, representatives or agents has made any representations or warranties to Borrower or any of its agents, representatives, officers, directors, or employees except as expressly set forth in this Agreement and the Transaction Documents and, in making its decision to enter into the transactions contemplated by this Agreement, Borrower is not relying on any representation, warranty, covenant or promise of Lender or its officers, directors, members, managers, equity holders, agents or representatives other than as set forth in this Agreement.

9. Arbitration. Each party agrees that any dispute arising out of or relating to this Agreement shall be subject to the Arbitration Provisions (as defined in the Purchase Agreement).

10. Governing Law: Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah without regard to the principles of conflict of laws. Each party agrees that the proper venue for any dispute arising out of or relating to this Agreement shall be determined in accordance with the provisions of the Purchase Agreement. **BORROWER HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

11. Attorneys' Fees. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Agreement, the parties agree that the party who is awarded the most money shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees and expenses paid by such prevailing party in connection with the arbitration, litigation and/or dispute without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of this Agreement (or such party's signature page thereof) will be deemed to be an executed original thereof.

13. Further Assurances. Each party shall do and perform or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

BORROWER:

INPIXON

By: /s/ Nadir Ali

Name: Nadir Ali

Title: CEO

LENDER:

CHICAGO VENTURE PARTNERS, L.P.

By: Chicago Venture Management, L.L.C., its General Partner

By: CVM, Inc., its Manager

By: /s/ John M. Fife

John M. Fife, President

[Signature page to Standstill Agreement]

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement (“Amendment”) is made and entered into as of August 31, 2018 by and among Sysorex, Inc. (“Sysorex”), Inpixon (“Inpixon”) and Soumya Das (the “Employee”). Collectively, Sysorex, Inpixon and the Employee are sometimes referred to herein as the “parties” and individually as a “party.”

RECITALS

WHEREAS, the Employee and Sysorex are parties to that certain Employment Agreement entered into as of November 2, 2016 (the “Employment Agreement”); and

WHEREAS, on May 14, 2018, the Compensation Committee of the Board of Directors of Inpixon, then Sysorex’s parent, approved amendments to the terms of the Employee’s compensation; and

WHEREAS, in conjunction with the separation of Sysorex from Inpixon, Inpixon wishes to assume Sysorex’s duties and obligations under the Employment Agreement, as such duties and obligations were modified on May 14, 2018.

NOW THEREFORE, in consideration of the mutual promises made herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereby agree as follows:

1. Definition of Employer and Company. Wherever the words “Employer” or “the Company” appear in the Employment Agreement, those words shall refer to Inpixon.

2. References to Chief Marketing Officer. Section 1 of the Employment Agreement shall be modified as follows and all references in the Employment Agreement to Employee’s position as Chief Marketing Officer shall be modified to refer to the positions held by Employee as Chief Marketing Officer and Chief Operating Officer:

Employer hereby employs Employee as Chief Marketing Officer and Chief Operating Officer of the Company. Subject at all times to the direction of the Company’s Chief Executive Officer, Employee shall perform those duties and hold those responsibilities that are usual and customary for a Chief Marketing Officer and Chief Operating Officer to perform and hold. Employee shall primarily perform his job duties at the Company’s offices located in Palo Alto, California.

3. Amendment to Section 5. Section 5 of the Employment Agreement shall be deleted in its entirety and the following shall appear in its place:

As full compensation for the performance of his duties on behalf of Employer, Employee shall be compensated as follows:

(i) Base Salary. During the Term, Employer shall pay Employee a base salary at the rate of Two Hundred Seventy-Five Thousand Dollars (\$275,000) per annum, payable semi-monthly ("Base Salary").

(ii) Bonuses. In addition to Base Salary, Employee will have up to \$50,000 in MBO Bonuses annually. The MBO tasks, their deadlines, and the amount of the corresponding MBO Bonuses will be determined by Nadir Ali, with Employee's input. Each of these MBO Bonuses will only be paid if the MBO is documented in advance and completed before its deadline. If Employee leaves Inpixon for any reason, prior to completion of any MBO, Employee will not receive any portion of the MBO Bonus for that MBO task. MBO Bonuses for the calendar quarter, will be paid within 60 days of the close of the calendar quarter; provided, however, that the precise amount of any such bonus, within the foregoing range, shall be determined by the Company in its sole and absolute discretion and, subject to Section 14(a) hereof, no bonus shall be paid if Employee is no longer employed by the Company on the date of payment.

(iii) Commissions. Commissions equal to 2% of recognized revenue associated with the indoor positioning analytics business, paid quarterly and subject to Company policies in connection with commissions payable.

(iv) Transportation Allowance. A transportation allowance in an amount equal to \$1,000 per month, in such form as shall be determined by the Chief Executive Officer, in accordance with Employer's policies.

4. Amendment to Section 6(i). Section 6, subsection (i) of the Employment Agreement shall be deleted in its entirety and the following shall appear in its place:

Stock Option Grant. Employee acknowledges receipt of the stock option grant described at Paragraph 6(i) of the Employment Agreement (the "Option"). Employee acknowledges and agrees that as a result the distribution of Inpixon's common stock in Sysorex to holders of Inpixon's securities (the "Spin-Off"), the Option will be modified in accordance with the provisions of the agreements governing the Spin-Off. Employee shall also be eligible to participate in the equity based incentive plans of Inpixon and may receive awards thereunder, as determined by the Compensation Committee of Inpixon from time to time and subject to the terms and conditions of such plans and any award agreement between Inpixon and Employee evidencing such awards. Notwithstanding the foregoing, nothing in this Paragraph 6(i) shall be construed to extend the duration of this Agreement or Employee's employment by Employer beyond the expiration or termination of the Term.

5. Execution by Sysorex. By executing this Amendment, Sysorex assigns and transfers all of the rights and obligations of the Employment Agreement to Inpixon and terminates Employee's employment.

6. Execution by Inpixon. By executing this Amendment, Inpixon retains the services of Employee pursuant to the terms of the Employment Agreement, as amended by this Amendment, accepts the assignment of the Employment Agreement and accepts the rights and assumes all of the obligations of Sysorex under the Employment Agreement, as amended by this Amendment.

7. Execution by Employee. By executing this Amendment, Employee agrees to the assignment of the Employment Agreement, as amended by this Amendment, to Inpixon and agrees to provide his services to Inpixon pursuant to the terms of the Employment Agreement, as amended by this Amendment.

8. All Other Provisions Remain the Same. Unless expressly amended by this Amendment, all other provisions of the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written, and to be effective upon such date.

[Signatures appear on next page.]

SYSOREX, INC.

By: /s/Zaman Khan
Zaman Khan, Chief Executive Officer

INPIXON

By: /s/Nadir Ali
Nadir Ali, Chief Executive Officer

EMPLOYEE

/s/ Soumya Das
Soumya Das



News Release

For Release on September 4, 2018 at 5:30 AM PST

Inpixon Announces Successful Completion of Spin-off of Sysorex, Inc.

PALO ALTO, Calif. — Inpixon (Nasdaq: INPX) today announced it has successfully completed the spin-off of its value added reseller business, Sysorex, Inc. (“Sysorex”). As a result, Inpixon and Sysorex are now two separate publicly traded companies.

In connection with the transaction, Inpixon distributed one share of Sysorex common stock for every three shares of Inpixon common stock to its stockholders (including holders of Series 4 Convertible Preferred Stock) and holders of outstanding warrants of record as of August 21, 2018 entitled to participate in the distribution (collectively, the “Distributees”). No fractional Sysorex shares were issued; however, Distributees who would otherwise have been entitled to receive a fractional Sysorex share in the distribution will instead receive cash in lieu of that fractional share. The Sysorex shares were distributed at 4:01 Eastern time on August 31, 2018 in a distribution that is intended to be tax-free for U.S. federal income tax purposes, provided, however, that the receipt of cash in lieu of fractional shares generally will be taxable to the recipient for U.S. federal income tax purposes. **RECIPIENTS OF SYSOREX SHARES ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE SPIN-OFF TO THEM.**

Sysorex common stock is anticipated to begin “regular-way” trading under the symbol “SYSX” on the OTC Markets on September 4, 2018. Sysorex has applied to have its common stock quoted on the OTCQB platform of the OTC Markets. Inpixon common stock will continue to trade on the Nasdaq under the symbol “INPX”.

“The successful completion of this separation marks a significant milestone for Inpixon and creates two independent companies with strong attributes for individual success and greater strategic flexibility, with each company now able to focus on its core business and better-positioned to bring enhanced value for all stakeholders including customers, stockholders, partner and employees,” said Nadir Ali, CEO of Inpixon. “Inpixon is now focused exclusively on expanding its position as the leader in indoor positioning analytics, which we believe has a phenomenal growth potential in both Security and Intelligence markets.”

Sysorex, Inc. led by Zaman Khan as Chief Executive Officer, will focus on leveraging the strength of its brand and reputation, particularly within the federal government, as a provider of right-fit IT solutions and professional services enabling customers to manage, protect, and monetize their enterprise assets whether on-premises, in the cloud, or via mobile. These products include enterprise computing, storage, virtualization, networking, etc. and the services include custom application and software design, architecture and development, staff augmentation and project management. Nadir Ali will continue to serve as a director and Chairman of the Board of Sysorex for continuity.

In addition, prior to and in connection with the separation, Inpixon contributed \$2 million to Sysorex in existing cash used for working capital needs and other general corporate purposes including the satisfaction of certain outstanding payables.

For additional information regarding the spin-off please visit: <http://client.irwebkit.com/inpixon/faqs>



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.

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, Inpixon's ability to obtain financing, competition, general economic conditions and other factors that are detailed in Inpixon's periodic and current reports available for review at sec.gov. Furthermore, Inpixon operates 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. Inpixon disclaims any intention to, and undertakes no obligation to, update or revise forward-looking statements.

Contact

Inpixon Investor Relations:

CORE IR

Scott Arnold, Managing Director

+1 516-222-2560

www.coreir.com
