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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 6, 2020

INPIXON

(Exact name of registrant as specified in its charter)

Nevada	**001-36404**	**88-0434915**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2479 E. Bayshore Road, Suite 195 Palo Alto, CA	**94303**
(Address of principal executive offices)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	INPX	The Nasdaq Capital Market

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. ☐

Explanatory Note

On October 9, 2020, Inpixon (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") to report that on October 6, 2020, it had acquired, through its wholly-owned subsidiary Inpixon GmbH, a limited liability company incorporated under the laws of Germany, all of the outstanding capital stock of Nanotron Technologies GmbH, a limited liability company incorporated under the laws of Germany ("Nanotron").

This Form 8-K/A amends the Original Form 8-K to include the historical audited and unaudited financial statements of Nanotron and the pro forma financial information required by Items 9.01(a) and 9.01(b) of Form 8-K that were excluded from the Original Form 8-K in reliance on the instructions to such items. The disclosure included in the Original Form 8-K otherwise remains unchanged.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

(i) The audited financial statements of Nanotron for the year ended December 31, 2019, including the accompanying notes thereto and the report of the independent auditor, are attached hereto as Exhibit 99.1 and are incorporated by reference herein.

(ii) The reviewed unaudited condensed financial statements of Nanotron as of and for the nine months ended September 30, 2020, including the accompanying notes thereto, are attached hereto as Exhibit 99.2 and are incorporated by reference herein.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial statements of the Company and Nanotron for the year ended December 31, 2019 and for the nine months ended September 30, 2020, are attached hereto as Exhibit 99.3 and are incorporated by reference herein.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Independent Auditor
99.1	Nanotron's audited financial statements and report of the independent auditor for the year ended December 31, 2019
99.2	Nanotron's reviewed unaudited condensed financial statements as of and for the nine months ended September 30, 2020
99.3	Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and as of and for the nine months ended September 30, 2020

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.

INPIXON

Date: December 22, 2020

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

Exhibit 23.1

Independent Registered Public Accounting Firm's Consent

We consent to the incorporation by reference in the Registration Statement of Inpixon on Form S-3 [File No. 333-223960]; Registration Statements on Form S-8 [File No. 333-237659], [File No. 333-234458], [File No. 333-230965]; [File No. 333-229374]; [File No. 333-224506]; [File No. 333-216295] and [File No. 333-195655]; and Registration Statements on Form S-1 [File No. 333-233763] and [File No. 333-232448] of our report, dated November 30, 2020, with respect to our audit of the financial statements of nanotron Technologies GmbH as of December 31, 2019 and for the year ended December 31, 2019 appearing in the Current Report on Form 8-K/A of Inpixon filed on December 18, 2020.

/s/ ECOVIS Audit AG

ECOVIS Audit AG
Berlin, Germany
December 18, 2020

nanotron Technologies GmbH

Company Number 2665484

Annual Report - 31 December 2019

nanotron Technologies GmbH
Contents
31 December 2019

General information

The financial statements cover nanotron Technologies GmbH (“Nanotron”) and are presented in Euro, which is Nanotron’s functional and presentation currency.

Nanotron is a company limited by shares, incorporated and domiciled in Germany. Its registered office and principal place of business is:

Alt-Moabit 60a,
10555 Berlin, Germany

nanotron Technologies GmbH
Statement of profit or loss
For the period ended 31 December 2019

	Note	12 Mths ended 31 Dec 19 EUR
Revenue		
Revenue from contracts with customers	1	7,805,318
Cost of sales		(5,245,839)
Gross profit		2,559,479
Other income		129,164
Other gains/(losses) - net		(20,340)
Total other income / gains and losses		108,824
Operation, overheads and administrative expenses	2	(3,773,110)
Depreciation and amortisation expense	2	(69,513)
Restructuring expenses		(1,083,654)
Research and development expenses		(78,834)
Selling and marketing expenses	2	(181,850)
Finance costs	2	1
Total operating expenses		(5,186,960)
Loss before income tax expense		(2,518,657)
Income tax expense	3	(5,431)
Loss after income tax expense for the period		(2,524,088)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period		(2,524,088)

The above statement of profit or loss should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of financial position
As at 31 December 2019

	Note	31 Dec 19
		EUR
Assets		
Current assets		
Cash and cash equivalents	4	638,677
Trade and other receivables	5	729,094
Inventories	6	789,640
Other current assets	7	40,925
Total current assets		2,198,336
Non-current assets		
Property, plant and equipment	8	409,164
Intangible assets	9	3,017,638
Total non-current assets		3,426,802
Total assets		5,625,138
Liabilities		
Current liabilities		
Trade and other payables	10	906,651
Customer deposits	1	51,303
Provisions	11	1,392,279
Total current liabilities		2,350,233
Non-current liabilities		
Intercompany loans		5,849,738
Total non-current liabilities		5,849,738
Total liabilities		8,199,971
Net assets/(liabilities)		(2,574,833)
Equity		
Issued capital	12	656,830
Capital reserves	12	37,731,548
Accumulated losses		(40,963,211)
Total equity/(deficiency)		(2,574,833)

The above statement of financial position should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of changes in equity
For the period ended 31 December 2019

	Issued capital	Capital reserves	Accumulated losses	Total equity/ (deficiency)
	EUR	EUR	EUR	EUR
Balance at 1 January 2019	656,830	37,731,548	(38,439,123)	(50,745)
Loss after income tax expense for the period	-	-	(2,524,088)	(2,524,088)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(2,524,088)	(2,524,088)
Balance at 31 December 2019	656,830	37,731,548	(40,963,211)	(2,574,833)

The above statement of changes in equity should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of cash flows
For the period ended 31 December 2019

	Note	12 Mths ended 31 Dec 19
		EUR
Cash flows from operating activities		
Receipts from customers and others		7,863,946
Payments to suppliers and employees		(9,599,329)
		(1,735,383)
Income taxes paid		(5,431)
Net cash used in operating activities		(1,740,814)
Cash flows from investing activities		
Payments for property, plant and equipment		(52,422)
Payments for intangibles		(857,859)
Net cash used in investing activities		(910,281)
Cash flows from financing activities		
Proceeds from/(repayment of) borrowings		3,244,884
Net cash from financing activities		3,244,884
Net increase in cash and cash equivalents		593,789
Cash and cash equivalents at the beginning of the financial period		44,888
Cash and cash equivalents at the end of the financial period	4	638,677

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Revenue

(a) Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	12 Mths ended 31 Dec 19
	EUR
Timing of revenue recognition	
Goods transferred at a point in time	7,805,318

(i) Information about major customers

The Company had the following major customers with revenues amounting to 10 percent or more of total Group revenues:

	2019
	%
Customer A	75%

(b) Assets and liabilities related to contracts with customers

	12 Mths ended 31 Dec 19
	EUR
Customer deposits	51,303

(c) Accounting policies and significant judgments

(i) Sale of goods

Revenue from the sale of location awareness products are recognised at a point in time. The performance obligation is satisfied when the customer has access and thus control of the product. This occurs at the time of delivery of goods to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

nanotron Technologies GmbH
Notes to the financial statements
31 December 2019

Note 2. Breakdown of expenses by nature

	12 Mths ended 31 Dec 19 EUR
Loss before income tax includes the following specific expenses:	
Operation, overheads and administrative expenses	
Accounting, audit, legal and taxation expenses	49,900
Employee benefits	2,647,813
Insurance expenses	18,776
Occupancy costs	176,298
Other consulting expenses	798,007
Other expenses	82,316
Total operation, overheads and administrative expenses	3,773,110
Selling and marketing expenses	
Business development	83,951
Marketing consultants	50,703
Travel	47,196
Total selling and marketing expenses	181,850
Depreciation and amortisation	
Depreciation of property, plant and equipment	69,513
Finance costs	
Interest and finance charges paid/payable on borrowings	(1)

Note 3. Income tax

	12 Mths ended 31 Dec 19 EUR
Aggregate income tax expense	-
Income tax expense is attributable to:	
Loss from continuing operations	5,431
Aggregate income tax expense	5,431
Numerical reconciliation of income tax expense and tax at the statutory rate	
Loss before income tax expense	(2,518,657)
Tax at the statutory tax rate of 30.0%	(755,597)
Tax losses and other timing differences for which no deferred tax asset is recognised	761,028
Income tax expense	5,431

Note 4. Cash and cash equivalents

	31 Dec 19
	EUR
Current assets	
Cash at bank	638,677

Reconciliation to cash and cash equivalents at the end of the financial period

The above figures are reconciled to cash and cash equivalents at the end of the financial period as shown in the statement of cash flows as follows:

Balances as above	638,677
Balance as per statement of cash flows	638,677

(i) Cash not readily available for use

As at 31 December 2019 EUR 27,189 was restricted as it was held on deposit as security for office leases.

Note 5. Trade and other receivables

	31 Dec 19
	EUR
Current assets	
Trade receivables	739,274
Less: Allowance for expected credit losses	(10,680)
	728,594
Other receivables	500
	729,094

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement in accordance with the milestones specified in the non-recurring engineering (NRE) contracts with customers, and settlement for goods delivered to customers, which are both typically less than 12 months and therefore classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 14 (Financial risk management) section a (credit risk).

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk can be found in Note 14 Financial risk management.

Note 6. Inventories

	31 Dec 19
	EUR
Current assets	
Finished goods	789,640

(i) Assigning costs to inventories

Inventories are measured at the cost of manufactured products including direct materials and subcontracted services.

Note 7. Other current assets

	31 Dec 19
	EUR
Current assets	
Prepayments	43,182
Deposits and other items	(2,257)
	40,925

Note 8. Property, plant and equipment

	31 Dec 19
	EUR
Non-current assets	
Leasehold improvements - at cost	3,241
Fixtures and fittings - at cost	1,536
Capital works in progress	2,354
Other fixed assets - at cost	402,033
	409,164

	Furniture and fittings	Leasehold improvements	Capital works in progress	Other fixed assets	Total
	EUR	EUR	EUR	EUR	EUR
Balance at 1 January 2019	1,875	4,841	-	419,537	426,253
Additions	-	-	2,354	50,068	52,422
Depreciation expense	(339)	(1,600)	-	(67,572)	(69,511)
Balance at 31 December 2019	1,536	3,241	2,354	402,033	409,164

(i) Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

Note 8. Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Furniture and fixtures	5 years
Leasehold improvements	5 years
Other fixed assets	3 - 10 years

See Note 19 (Summary of significant accounting policies) for the other accounting policies relevant to property, plant and equipment.

Note 9. Intangible assets

	31 Dec 19
	EUR
Non-current assets	
Capitalised development costs	2,595,321
Software	422,317
	3,017,638

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Capitalised development costs	Software	Total
	EUR	EUR	EUR
Balance at 1 January 2019	2,584,714	-	2,584,714
Additions	10,607	422,317	432,924
Balance at 31 December 2019	2,595,321	422,317	3,017,638

Impairment tests for software and capitalised development costs:

The Company tests whether software (a not yet ready for use intangible asset) and capitalised development costs (an indefinite life intangible asset) have suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

- Discount rate is the weighted average cost of capital (WACC) for the Company, estimated at 24.5% per annum.
- Revenue growth rate of negative 19% for FY 2020 and between 19% to 25% per annum from FY 2021 to FY 2025, generating an annual gross margin of 64% to 66%.
- Terminal value is calculated based on a growth rate of 1% per annum.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 10. Trade and other payables

	31 Dec 19
	EUR
Current liabilities	
Trade payables	883,916
Other payables	22,735
	906,651

Refer to note 14 for further information on financial risk management.

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short- term nature.

Note 11. Provisions

	31 Dec 19
	EUR
Current liabilities	
Restructuring (i)	1,083,654
Other	308,625
	1,392,279

(i) Restructuring

The provision for restructuring relates to one time redundancy charges and related legal costs incurred resulting in a more streamlined cost efficient operation. These charges were calculated and accrued for payment during the ensuing financial reporting period.

Note 12. Issued capital

	31 Dec 19
	EUR
Issued capital - fully paid	656,830

Issued capital

Issued capital entitles the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the amounts paid. The fully paid issued capital has no par value and the Company does not have a limited amount of authorised capital.

Capital reserve

The capital reserve relates to capital contributions from the owners over time which do not form part of issued capital.

The company has no shares.

Note 13. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimated software and capitalised development costs impairment and estimated useful lives to determine amortisation. Refer to Note 9 (Intangible assets).
- Estimation of expected credit losses on trade receivables.
- Evaluation of going concern. Refer to Note 18 (Summary of significant accounting policies).
- Estimate of property, plant and equipment useful lives. Refer to Note 8 (Property, plant and equipment).

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 14. Financial risk management

Financial risk management objectives

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current period profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management's assessment and control
Market risk - foreign exchange	Transactions denominated in A$, EUR and US$ from the Company's operations	Cash flow forecasting	Management engaged a foreign exchange expert to obtain advice and forecasts on the movement of exchange rates between A$, EUR and US$ to form decision on entering into forward contracts to hedge its exposure to foreign exchange fluctuation. As at and for the period ended 31 December 2019, no contracts have been entered.
Credit risk	Receivables from NRE contracts collectible only on completion of milestones specified in these contracts	Cash flow forecasting	Management works closely with its key customers to ensure that milestones are achieved in a timely manner in order to receive payments for services provided
Liquidity risk	Ability to repay creditors when payments are due	Cash flow forecasting	Management reviews the Company's cash position and run rate (versus budget) on a monthly basis to ensure payments are made when they fall due.

The Company's risk management is carried out by the board and the Company's senior management team to identify, evaluate and hedge financial risks (if required) in close co-operation with the Company's operating units. This process includes reviewing the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers who are public and private organisations in the technology industry, including outstanding receivables.

Note 14. Financial risk management (continued)

(i) Risk management

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Company's customer base consists of public sectors, listed companies in the United States and large and reputable private entities. Management maintain a close relationship with their customers' executives and senior management to ensure that milestones specified in the contracts are met in a timely manner. Management updates its cost forecasts on a regular basis for all on-going contracts.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Impairment of financial assets

The Company has one type of financial asset subject to the expected credit loss model being trade receivables for sales of inventory and from the provision of engineering services.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial

Trade receivables and contract assets

The Company applies the IFRS simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL rates are based on the payment profiles of sales over a period of 36 months before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2019 from the ECL method was determined to be EUR 10,680. This amount was ascertained based on an individual client analysis; the identified loss beyond this at a portfolio level was determined to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Note 14. Financial risk management (continued)

(i) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not material.

Contractual maturities of financial liabilities

31 Dec 19	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	EUR	EUR	EUR	EUR	EUR
Non-derivatives						
Non-interest bearing						
Trade payables	-	883,916	-	-	-	883,916
Intercompany loans	-	-	5,849,738	-	-	5,849,738
Total non-derivatives		883,916	5,849,738	-	-	6,733,654

Note 15. Contingent liabilities

The Company had no contingent liabilities at 31 December 2019.

Note 16. Commitments

As at 31 December 2019, the Company had the following non-cancellable operating lease contracted but not capitalised in the financial statements:

	31 Dec 19
	EUR
Lease commitments - operating	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	42,708

These leases related to:

- Office suite lease in Berlin, Germany. The lease has 5-year term, expiring on 31 July 2020;

As at 31 December 2019 this lease was not commuted to right-of-use assets and lease liabilities due to change in accounting policies. It was treated as a short-term lease.

Refer to Note 20 (Changes in accounting policies).

Note 17. Events after the reporting period

Prior to the sale of the shares in the Company on October 5, 2020, the Company had the financial support of its former Parent Entity; Sensera Limited. No further matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 18. Related party balances

Loans from related parties

	31 Dec 19
	EUR
Intercompany loan from the parent entity: Sensera Ltd	5,849,738

Note 19. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of nanotron Technologies GmbH.

(a) Basis of preparation

The Company is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of the Company comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) Going concern

The financial statements have been prepared on a going concern basis.

(iv) New or amended Accounting Standards and Interpretations adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- IFRIC Interpretation 22 Foreign currency transactions and advance consideration
- IFRIC Interpretation 23 Uncertainty over income tax treatments

The impact of the adoption of this standard and the new accounting policies were immaterial.

(b) Foreign currency

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

The financial statements cover nanotron Technologies GmbH (“Nanotron”) and are presented in Euro, which is Nanotron’s functional and presentation currency.

(c) Revenue recognition

The accounting policies for the Company’s revenue from contracts with customers are explained in Note 1 (Revenue).

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Note 19. Summary of significant accounting policies (continued)

The Company is in a tax loss position. The tax losses are not recognised as a deferred tax asset as their future recoverability is not virtually certain

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life and intangible assets not yet ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions.

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

See Note 5 (Trade and other receivables) for further information about the Company's accounting for trade receivables and Note 14 (Financial risk management) for a description of the Company's impairment policies.

(h) Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Finished goods are measured at the cost of manufactured products including direct materials and subcontracted services. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Other financial assets

(i) Classification

From 1 January 2019, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

Note 19. Summary of significant accounting policies (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(j) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Company are disclosed in Note 8 (Property, plant and equipment).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Note 19. Summary of significant accounting policies (continued)

(k) Intangible assets

(i) Capitalised development costs

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Capitalised development costs assets with an indefinite life and are shown at historical cost. Capitalised development costs are not amortised but they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Development costs are allocated to cash-generating units for the purpose of impairment testing. The units are identified at the lowest level at which development costs are monitored for internal management purposes, being the operating segments.

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

(ii) Software

Software (a not yet ready for use intangible asset) is shown at historical cost and amortised from the point at which the assets are ready for use. The assets are subsequently carried at historical cost less accumulated amortisation and less any losses arising from impairment testing.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Customer deposits

Customer deposits represent the Company’s obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Note 19. Summary of significant accounting policies (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Provisions

Provisions for restructuring provisions, service warranties and other obligations are recognised when the Company has present service obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(p) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest Euro.

(q) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(r) Related parties

Related parties include related entities comprising the parent entity (Sensera Limited incorporated in Australia) and sister entity Sensera Inc., incorporated in the United States. Related parties also include the directors and key management personnel of company, the parent entity and sister entity.

Note 20. Changes in accounting policies

(a) IFRS 16 Leases

IFRS 16 *Leases* became effective for periods beginning on or after 1 January 2019. The Company applied IFRS 16 for the year or periods ended after 31 December 2019. Changes to the Company's accounting policies arising from this standard is summarised below:

(i) Overview

The Standard has been adopted from 1 January 2019, resulting in the Company recognising right-of-use assets and related lease liabilities for leases previously classified as operating leases under IAS 17, subject to the practical expedients described below.

The Standard has been applied using the modified retrospective approach, with the cumulative impact of adopting IFRS 16 recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Comparative periods have not been restated as permitted under the specific transition provisions in the Standard.

The nature of expenses related to these leases has changed as the Company now recognises an amortisation charge for the right-of-use asset and interest expense for the lease liability.

Previously, the Company recognised operating lease expenses on a straight-line basis over the term of the lease and assets and liabilities only to the extent there was a timing difference between actual lease payments and the expense recognised.

In applying IFRS 16 the Company has elected to use the following practical expedients permitted by the Standard:

- accounting for leases with a remaining lease term of less than 12 months from 1 January 2019 as short-term leases
- excluding leases for which the underlying asset is low value from the calculation of lease liabilities
- using hindsight in determining the lease term when considering options to extend and terminate leases
- applying a single discount rate to the portfolio of leases with reasonably similar characteristics
- excluding initial direct costs in the measurement of the right-of-use asset at 1 January 2019
- relying on previous assessment on whether leases are onerous as an alternative to performing an impairment review on the right-of-use asset at 1 January 2019
- not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company has relied on its assessment made applying IAS 17 and IFRIC 4.

(ii) Impact of adoption

IFRS 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 January 2019 was nil.

(iii) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 20. Changes in accounting policies (continued)

(iv) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(v) Prior year lease accounting policy to 1 January 2019

Leases in which a significant proportion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor were charged to profit and loss on a straight line basis over the period of the lease.

(b) IFIRC Interpretation 23 Uncertainty over Income Tax Treatments

IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019.

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

The adoption of this interpretation has not materially impacted the amounts disclosed in these financial statements.

Berlin, 30 November 2020

General Manager

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of nanotron Technologies GmbH, Berlin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of nanotron Technologies GmbH, Berlin (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Germany, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ralph Riese.

Berlin, November 30, 2020

ECOVIS Audit AG
Wirtschaftsprüfungsgesellschaft

Dipl.-Fin.wirt Andreas Frericks
Wirtschaftsprüfer
(German Public Auditor)

Dipl.-Kfm. Ralph Riese
Wirtschaftsprüfer
(German Public Auditor)

Exhibit 99.2

nanotron Technologies GmbH

Company Number 2665484

Financial Report - 9 Months Ended - 30 September 2020

nanotron Technologies GmbH
Contents
30 September 2020

General information

The financial statements cover nanotron Technologies GmbH ("Nanotron") and are presented in Euro, which is Nanotron's functional and presentation currency.

Nanotron is a company limited by shares, incorporated and domiciled in Germany. Its registered office and principal place of business is:

Alt-Moabit 60a,
10555 Berlin, Germany

nanotron Technologies GmbH
Statement of profit or loss
For the period ended 30 September 2020

	Note	9 Mths ended 30 Sep 20 EUR
Revenue		
Revenue from contracts with customers	1	3,282,769
Cost of sales		(1,148,784)
Gross profit		2,133,985
Other income		124,276
Other gains/(losses) - net		(1,478)
Total other income / gains and losses		122,798
Operation, overheads and administrative expenses	2	(1,997,831)
Depreciation and amortisation expense	2	(41,542)
Research and development expenses		(106,773)
Selling and marketing expenses	2	(52,115)
Finance costs	2	(1,980)
Total operating expenses		(2,200,241)
Profit before income tax expense		56,542
Income tax expense	3	-
Profit after income tax expense for the period		56,542
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period		56,542

The above statement of profit or loss should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of financial position
As at 30 September 2020

	Note	30 Sep 20 EUR
Assets		
Current assets		
Cash and cash equivalents	4	163,673
Trade and other receivables	5	526,780
Inventories	6	696,078
Other current assets	8	87,561
Total current assets		1,474,092
Non-current assets		
Property, plant and equipment	9	368,906
Right-of-use assets	7	183,437
Intangible assets	10	3,044,368
Total non-current assets		3,596,711
Total assets		5,070,803
Liabilities		
Current liabilities		
Trade and other payables	11	413,627
Lease liabilities	7	85,054
Provisions	12	489,192
Total current liabilities		987,873
Non-current liabilities		
Lease liabilities	7	103,389
Intercompany loans		6,497,832
Total non-current liabilities		6,601,221

Total liabilities		7,589,094
Net liabilities		(2,518,291)
Equity		
Issued capital	13	656,830
Capital reserves		37,731,548
Accumulated losses		(40,906,669)
Total deficiency in equity		(2,518,291)

The above statement of financial position should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of changes in equity
For the period ended 30 September 2020

	Issued capital	**Capital reserves**	**Accumulated losses**	**Total deficiency in equity**
	EUR	**EUR**	**EUR**	**EUR**
Balance at 1 January 2020	656,830	37,731,548	(40,963,211)	(2,574,833)
Profit after income tax expense for the period	-	-	56,542	56,542
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	56,542	56,542
Balance at 30 September 2020	656,830	37,731,548	(40,906,669)	(2,518,291)

The above statement of changes in equity should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Statement of cash flows
For the period ended 30 September 2020

	Note	**9 Mths ended 30 Sep 20**
		EUR
Cash flows from operating activities		
Receipts from customers and others		3,487,178
Payments to suppliers and employees		(3,782,748)
Net cash used in operating activities before government grants		(295,570)
Government grants - COVID-19		75,964
Net cash used in operating activities		(219,606)
Cash flows from investing activities		
Payments for property, plant and equipment		(13,846)
Payments for intangibles		(26,730)
Net cash used in investing activities		(40,576)
Cash flows from financing activities		
Interest and other finance costs paid		(1,980)
Proceeds from/(repayment of) borrowings		(184,370)
Lease repayments		(28,472)
Net cash used in financing activities		(214,822)
Net decrease in cash and cash equivalents		(475,004)
Cash and cash equivalents at the beginning of the financial period		638,677
Cash and cash equivalents at the end of the financial period	4	163,673

The above statement of cash flows should be read in conjunction with the accompanying notes

nanotron Technologies GmbH
Notes to the financial statements
30 September 2020

nanotron Technologies GmbH
Notes to the financial statements
30 September 2020

Note 1. Revenue

(a) Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	9 Mths ended 30 Sep 20
	EUR
Timing of revenue recognition	
Goods transferred at a point in time	3,282,769

(i) Information about major customers

The Company had the following major customers with revenues amounting to 10 percent or more of total Group revenues:

	2020
	%
Customer A	69%

(b) Accounting policies and significant judgments

(i) Sale of goods

Revenue from the sale of location awareness products are recognised at a point in time. The performance obligation is satisfied when the customer has access and thus control of the product. This occurs at the time of delivery of goods to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

nanotron Technologies GmbH
Notes to the financial statements
30 September 2020

Note 2. Breakdown of expenses by nature

	9 Mths ended 30 Sep 20 EUR
Profit before income tax includes the following specific expenses:	
Operation, overheads and administrative expenses	
Accounting, audit, legal and taxation expenses	54,943
Employee benefits	1,612,965
Insurance expenses	12,584
Occupancy costs	110,315
Other consulting expenses	65,777
Other expenses	141,247
Total operation, overheads and administrative expenses	1,997,831
Selling and marketing expenses	
Business development	10,416
Marketing consultants	34,794
Travel	6,905
Total selling and marketing expenses	52,115
Depreciation and amortisation	
Depreciation of property, plant and equipment	35,182
Amortisation of leased assets	6,360
	41,542
Finance costs	
Interest and finance charges paid/payable on lease liabilities	1,980

Note 3. Income tax expense

	9 Mths ended 30 Sep 20 EUR
Aggregate income tax expense	-
Income tax expense is attributable to:	
Profit from continuing operations	-
Aggregate income tax expense	-
Numerical reconciliation of income tax expense and tax at the statutory rate	
Profit before income tax expense	56,542
Tax at the statutory tax rate of 30.0%	16,963
Tax losses and other timing differences for which no deferred tax assets / liabilities are recognised	(16,963)
Income tax expense	-

Note 4. Cash and cash equivalents

	30 Sep 20 EUR
Current assets	
Cash at bank	163,673

Reconciliation to cash and cash equivalents at the end of the financial period

The above figures are reconciled to cash and cash equivalents at the end of the financial period as shown in the statement of cash flows as follows:

Balances as above	163,673
Balance as per statement of cash flows	163,673

(i) Cash not readily available for use

As at 30 September 2020 EUR 26,453 was restricted as it was held on deposit as security for office leases.

Note 5. Trade and other receivables

	30 Sep 20 EUR
Current assets	
Trade receivables	483,562
Less: Allowance for expected credit losses	(10,680)
	472,882
Other receivables	53,898
	526,780

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement in accordance with the milestones specified in the non-recurring engineering (NRE) contracts with customers, and settlement for goods delivered to customers, which are both typically less than 12 months and therefore classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 15 (Financial risk management).

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk can be found in Note 15 Financial risk management.

Note 6. Inventories

	30 Sep 20 EUR
Current assets	
Finished goods	696,078

(i) Assigning costs to inventories

Inventories are measured at the cost of manufactured products including direct materials and subcontracted services.

Note 7. Right-of-use assets and lease liabilities

(a) Amounts recognised in the statement of financial position

	30 Sep 20 EUR
Non-current assets	
Land and buildings - right-of-use	209,300
Less: Accumulated depreciation	(25,863)
Total lease right-of-use assets	183,437
Lease liability	
Current lease liability	85,054
Non-current lease liability	103,389
Total lease liability	188,443
Maturity analysis - contractual undiscounted cash flows	
Less than one year	85,507
One to five years	152,283
Total undiscounted lease liabilities	237,790

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

	9 Mths ended 30 Sep 20
	EUR
Interest expense	1,980
Lease amortisation expense	6,360
	8,340

(c) The Company's leasing activities and how these leases are accounted for.

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

Note 7. Right-of-use assets and lease liabilities (continued)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Nanotron leasehold property is an office space. The office has typically occupied one floor with a predetermined fixed annual increase to the monthly lease payment. The lease is renegotiated every three years to maintain a market appropriate cost.

	Straight line
Leasehold property	2.75 years

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- any extension options if the lesse is reasonably certain to extend the lease, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. The Company's incremental borrowing rate was 11.75% as of 1 January 2019. The Company has assessed the option to extend these leases and has determined that these options will not be exercised.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

(d) Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases or leases of low value assets.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Note 8. Other current assets

	30 Sep 20
	EUR
Current assets	
Prepayments	87,502
Deposits and other items	59
	87,561

Note 9. Property, plant and equipment

	30 Sep 20
	EUR
Non-current assets	
Leasehold improvements - at cost	2,507
Fixtures and fittings - at cost	8,448
Other fixed assets - at cost	357,951
	368,906

	Furniture and fittings	Leasehold improvements	Capital works in progress	Other fixed assets	Total
	EUR	EUR	EUR	EUR	EUR
Balance at 1 January 2020	1,536	3,241	2,354	402,033	409,164
Additions	7,692	-	-	6,154	13,846
Disposals	-	-	-	(18,922)	(18,922)
Depreciation expense	(780)	(734)	(2,354)	(31,314)	(35,182)
Balance at 30 September 2020	8,448	2,507	-	357,951	368,906

(i) Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Furniture and fixtures	5 years
Leasehold improvements	5 years
Other fixed assets	3 - 10 years

See Note 20 (Summary of significant accounting policies) for the other accounting policies relevant to property, plant and equipment.

Note 10. Intangible assets

	30 Sep 20
	EUR
Non-current assets	
Capitalised development costs	2,622,051
Software	422,317
	3,044,368

Note 10. Intangible assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Capitalised development costs	Software	Total
	EUR	EUR	EUR
Balance at 1 January 2020	2,595,321	422,317	3,017,638
Additions	26,730	-	26,730
Balance at 30 September 2020	2,622,051	422,317	3,044,368

Impairment tests for software and capitalised development costs:

The Company tests whether software (a not yet ready for use intangible asset) and capitalised development costs (an indefinite life intangible asset) have suffered any impairment on an annual basis.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 11. Trade and other payables

	30 Sep 20
	EUR
Current liabilities	
Trade payables	301,965
Other payables	111,662
	413,627

Refer to note 15 for further information on financial risk management.

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short- term nature.

Note 12. Provisions

	30 Sep 20
	EUR
Current liabilities	
Restructuring (i)	182,017
Other	307,175
	489,192

(i) Restructuring

The provision for restructuring relates to once off redundancy charges and related legal costs incurred resulting in a more streamlined cost efficient operation. These charges were calculated and accrued for payment during the ensuing financial reporting periods.The adequacy of the remaining provision is reassessed at the end of each reporting period.

Note 13. Issued capital

	30 Sep 20
	EUR
Issued capital - fully paid	656,830

Issued capital

Issued capital entitles the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the amounts paid. The issued capital has no par value and the Company does not have a limited amount of authorised capital.

Capital reserve

The capital reserve relates to capital contributions from the owners over time which do not form part of issued capital.

Note 14. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimated software and capitalised development costs impairment and estimated useful lives to determine amortisation. Refer to Note 10 (Intangible assets).
- Estimation of expected credit losses on trade receivables.
- Estimate of property, plant and equipment useful lives. Refer to Note 9 (Property, plant and equipment).
- Determination of incremental borrowing rate and the inclusion of lease extension options. Refer to Note 7 (Right-of -use assets and lease liabilities).

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 15. Financial risk management

Financial risk management objectives

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current period profit and loss information has been included where relevant to add further context.

Note 15. Financial risk management (continued)

Risk	Exposure arising from	Measurement	Management's assessment and control
Market risk - foreign exchange	Transactions denominated in A$, EUR and US$ from the Company's operations	Cash flow forecasting	Management engaged a foreign exchange expert to obtain advice and forecasts on the movement of exchange rates between A$, EUR and US$ to form decision on entering into forward contracts to hedge its exposure to foreign exchange fluctuation. As at and for the period ended 30 September 2020, no contracts have been entered.
Credit risk	Receivables from NRE contracts collectible only on completion of milestones specified in these contracts	Cash flow forecasting	Management works closely with its key customers to ensure that milestones are achieved in a timely manner in order to receive payments for services provided
Liquidity risk	Ability to repay creditors when payments are due	Cash flow forecasting	Management reviews the Company's cash position and run rate (versus budget) on a monthly basis to ensure payments are made when they fall due.

The Company's risk management is carried out by the board and the Company's senior management team to identify, evaluate and hedge financial risks (if required) in close co-operation with the Company's operating units. This process includes reviewing the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers who are public and private organisations in the technology industry, including outstanding receivables.

(i) Risk management

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Company's customer base consists of public sectors, listed companies in the United States and large and reputable private entities. Management maintain a close relationship with their customers' executives and senior management to ensure that milestones specified in the contracts are met in a timely manner. Management updates its cost forecasts on a regular basis for all on-going contracts.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Impairment of financial assets

The Company has one type of financial asset subject to the expected credit loss model being trade receivables for sales of inventory and from the provision of engineering services.

While cash and cash equivalents are also subject to the impairment requirements of IAS 9, the identified impairment loss was immaterial

Trade receivables and contract assets

The Company applies the IAS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Note 15. Financial risk management (continued)

The ECL rates are based on the payment profiles of sales over a period of 36 months before 30 September 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 September 2020 from the ECL method was determined to be EUR 10,680. This amount was ascertained based on an individual client analysis; the identified loss beyond this at a portfolio level was determined to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not material.

Contractual maturities of financial liabilities

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
30 Sep 20	**%**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Non-derivatives						
Non-interest bearing						
Trade payables	-	301,965	-	-	-	301,965
Intercompany loans	-	-	6,497,832	-	-	6,497,832
Total non-derivatives		301,965	6,497,832	-	-	6,799,797

Note 16. Contingent liabilities

The Company had no contingent liabilities at 30 September 2020.

Note 17. Commitments

The Company had no commitments at 30 September 2020.

Note 18. Events after the reporting period

Prior to the sale of the shares in the Company on October 5, 2020, the Company had the financial support of its former Parent Entity; Sensera Limited. No further matter or circumstance has arisen since 30 September 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 19. Related party balances

Loans from related parties

	30 Sep 20
	EUR
Loan from the parent entity: Sensera Limited	6,497,832

Note 20. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of nanotron Technologies GmbH.

(a) Basis of preparation

The Company is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of the Company comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) Going concern

The financial statements have been prepared on a going concern basis.

(iv) New or amended Accounting Standards and Interpretations adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- IFRIC Interpretation 22 Foreign currency transactions and advance consideration
- IFRIC Interpretation 23 Uncertainty over income tax treatments

The impact of the adoption of this standard and the new accounting policies were immaterial.

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as appropriate for for-profit oriented entities.

Note 20. Summary of significant accounting policies (continued)

(b) Foreign currency

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

The financial statements cover nanotron Technologies GmbH ("Nanotron") and are presented in Euro, which is Nanotron's functional and presentation currency.

(c) Revenue recognition

The accounting policies for the Company's revenue from contracts with customers are explained in Note 1 (Revenue).

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company is in a tax loss position. The tax losses are not recognised as a deferred tax asset as their future recoverability is not virtually certain.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Right-of-use assets

Leases

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(e) Right-of-use assets (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life and intangible assets not yet ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

See Note 5 (Trade and other receivables) for further information about the Company's accounting for trade receivables and Note 15 (Financial risk management) for a description of the Company's impairment policies.

(i) Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Finished goods are measured at the cost of manufactured products including direct materials and subcontracted services. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 20. Summary of significant accounting policies (continued)

(j) Other financial assets

(i) Classification

From 1 January 2019, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(iv) Impairment

From 1 January 2019, the Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Company are disclosed in Note 9 (Property, plant and equipment).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 20. Summary of significant accounting policies (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(l) Intangible assets

(i) Capitalised development costs

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Capitalised development costs assets with an indefinite life and are shown at historical cost. Capitalised development costs are not amortised, but they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Development costs are allocated to cash-generating units for the purpose of impairment testing. The units are identified at the lowest level at which development costs are monitored for internal management purposes, being the operating segments.

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense when it is incurred.

(ii) Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(iii) Software

Software (a not yet ready for use intangible asset) is shown at historical cost and amortised from the point at which the assets are ready for use. The assets are subsequently carried at historical cost less accumulated amortisation and less any losses arising from impairment testing.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Provisions

Provisions for restructuring, service warranties and other obligations are recognised when the Company has present service obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Note 20. Summary of significant accounting policies (continued)

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(p) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(q) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(r) Related parties

Related parties include related entities comprising the parent entity (Sensera Limited incorporated in Australia) and sister entity Sensera Inc. (incorporated in the United States). Related parties also include the directors and key management personnel of the company, the parent entity and sister entity.

Berlin, 30 November 2020

General Manager

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information presents the unaudited pro forma condensed combined balance sheets and statement of operations based upon the combined historical financial statements of Inpixon (the "Company"), and Nanotron Technologies GmbH ("Nanotron") after giving effect to the business combination (the "Transaction") between Inpixon and Nanotron and adjustments described in the accompanying notes.

The following unaudited pro forma condensed combined balance sheets of Nanotron and the Company, as of September 30, 2020, has been prepared to reflect the effects of the Nanotron acquisition as if it occurred on January 1, 2019. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2019 and the nine months ended September 30, 2020 combine the historical results and operations of Nanotron and the Company giving effect to the Transaction as if it occurred on January 1, 2019.

The unaudited pro forma condensed combined financial information should be read in conjunction with:

- Inpixon's audited consolidated financial statements and accompanying notes as of and for the year ending December 31, 2019, as contained in its Annual Report on Form 10-K filed on March 3, 2020 with the United States Securities and Exchange Commission (the "SEC").

- Inpixon's unaudited condensed consolidated financial statements and accompanying notes as of and for the nine months ending September 30, 2020, as contained in its Quarterly Report on Form 10-Q filed on filed on November 12, 2020 with the SEC.

- Nanotron's audited financial statements as of and for the year ended December 31, 2019, contained elsewhere in this filing.

- Nanotron's unaudited financial statements as of and for the nine months ended September 30, 2020, contained elsewhere in this filing.

- The other information contained in or incorporated by reference into this filing.

Additional information about the basis of presentation of this information is provided in Note 1 hereto.

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma adjustments reflecting the Transaction have been prepared in accordance with business combination accounting guidance as provided in Accounting Standards Codification 805 and reflect the preliminary allocation of the purchase price to the acquired assets and liabilities based upon the preliminary estimate of fair values, using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is provided for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the Transaction had been completed as of the dates set forth above, nor is it indicative of the future results or financial position of the combined company. In connection with the pro forma financial information, the Company allocated the purchase price using its best estimates of fair value. Accordingly, the pro forma acquisition price adjustments are preliminary and subject to further adjustments as additional information becomes available and as additional analyses are performed. The unaudited pro forma condensed combined financial information also does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the Transaction or any integration costs. Furthermore, the unaudited pro forma condensed combined statements of operations do not include certain nonrecurring charges and the related tax effects which result directly from the Transaction as described in the notes to the unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Description of Transaction

On October 6, 2020, Inpixon, through its wholly-owned subsidiary Inpixon GmbH, a limited liability company incorporated under the laws of Germany (the “Purchaser”), purchased all of the outstanding capital stock (the “Nanotron Shares”) of Nanotron Technologies GmbH, a limited liability company incorporated under the laws of Germany (“Nanotron”), pursuant to the terms and conditions of that certain Share Sale and Purchase Agreement, dated as of October 5, 2020 (the “Purchase Agreement”), among the Purchaser, Nanotron and Sensera Limited, a stock corporation incorporated under the laws of Australia and the sole shareholder of Nanotron (the “Seller”).

On October 6, 2020 (the “Closing Date”), the Purchaser paid to the Seller an aggregate purchase price of $8,700 thousand in cash (less the Holdback Funds (as defined below) and certain other closing adjustments) for the Nanotron Shares (“Purchase Price”). The Purchase Price may be subject to certain post-Closing adjustments based on actual working capital as of the closing as described in the Purchase Agreement. The Purchaser retained $750 thousand (the “Holdback Funds”) from the Purchase Price to secure the Seller’s obligations under the Purchase Agreement, with any unused portion of the Holdback Funds to be released to the Seller on the date that is 18 months after the Closing Date. As discussed above, the two adjustments to the Purchase Price are adjustments for severance payments and calculations of Net Working Capital versus the Working Capital Target (calculation defined as “Net Working Capital Adjustment”). The adjustment for severance payments includes a $214 thousand reduction in purchase price for severance payments due after the Closing Date offset by a return credit of $50 thousand for severance payments owed by the Seller. As for Net Working Capital Adjustment, Net Working Capital was determined to be less than the Working Capital Target by an amount of $30 thousand, resulting in a reduction in the Purchase Price of $30 thousand. The Purchaser paid the Purchase Price from funds received in connection with a capital contribution from Inpixon, and a portion of the Purchase Price was used by the Seller to satisfy outstanding loans payable by the Seller to obtain the release of certain existing security interests on Nanotron’s assets.

INPIXON AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED BALANCE SHEETS
AS OF SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PAR VALUE DATA)

	Inpixon	Nanotron GmbH IFRS	IFRS to US GAAP Adjustments	Notes	Pro Forma Adjustments	Notes	Pro Forma Combined
	Note A	Note B					
ASSETS							
Current assets:							
Cash and cash equivalents	$ 31,376	$ 192	$ -		$ (8,243)	(e),(h)	$ 23,325
Accounts receivable, net	1,948	617	-		(42)	(h)	2,523
Notes and other receivables	378	-	-		-		378
Inventory	414	815	-		12	(h)	1,241
Prepaid expenses and other current assets	1,144	103	-		-		1,247
Total current assets	35,260	1,727	-		(8,273)		28,714
Property and equipment, net	553	432	-		1	(h)	986
Operating lease right-of-use asset, net	1,622	215	-		349	(h)	2,186
Software development costs, net	1,729	-	495	(b)	(495)	(c)	1,729
Intangible assets, net	10,761	3,567	(495)	(b)	(740)	(c),(f)	13,093
Goodwill	2,555	-	-		3,754	(g)	6,309
Other assets	113	-	-		-		113
Total assets	$ 52,593	$ 5,941	$ -		$ (5,404)		$ 53,130
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable	$ 813	$ 485	**$ -**		$ 40	(h)	$ 1,338
Accrued liabilities	1,914	573	-		2	(h)	2,489
Operating lease obligation	572	100	-		-		672
Deferred revenues	1,842	-	-		-		1,842
Short-term debt	6,150	-	-		-		6,150
Acquisition liability	750	-	-		750	(i)	1,500
Total current liabilities	12,041	1,158	-		792		13,991
Long Term liabilities:							
Operating lease obligation, noncurrent	1,074	121	-		343	(h)	1,538
Intercompany loans	-	7,613	-		(7,613)	(d)	-
Other liabilities	7	-	-		-		7
Total Long Term liabilities	1,081	7,734	-		(7,270)		1,545
Total liabilities	13,122	8,892	-		(6,478)		15,536
Stockholders' equity:							
Preferred Stock - $0.001 par value; 5,000,000 shares authorized, consisting of Series 4 Convertible Preferred Stock - 10,415 shares authorized; 1 and 1 issued, and 1 and 1 outstanding as of September 30, 2020 and December 31, 2019, respectively, Series 5 Convertible Preferred Stock - 12,000 shares authorized; 126 and 126 issued, and 126 and 126 outstanding as of September 30, 2020 and December 31, 2019, respectively.	-	-	-		-		-
Common Stock - $0.001 par value; 250,000,000 shares authorized; 42,259,314 and 4,234,923 issued and 42,259,313 and 4,234,922 outstanding as of September 30, 2020 and December 31, 2019, respectively.	42	722	-		(722)	(j)	42
Additional paid-in capital	212,913	41,208	-		(41,208)	(j)	212,913
Treasury stock, at cost, 1 share	(695)	-	-		-		(695)
Accumulated other comprehensive income	(130)	3,341	-		-		3,211
Accumulated deficit (Excluding $2,442 reclassified to additional paid in capital in quasi-reorganization)	(172,710)	(48,222)	-		43,004	(c),(d),(e), (k)	(177,928)
Total stockholders' equity attributable to Inpixon	39,420	(2,951)	-		1,074		37,543
Noncontrolling interest	51	-	-		-		51
Total Stockholders' Equity	39,471	(2,951)	-		1,074		37,594
Total liabilities and stockholders' equity	$ 52,593	$ 5,941	$ -		$ (5,404)		$ 53,130

See accompanying notes to the unaudited pro forma condensed combined financial statements

INPIXON AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PAR VALUE DATA)

	Inpixon Note A	Nanotron GmbH IFRS Note B	IFRS to US GAAP Adjustments	Notes	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues	$ 5,434	$ 3,692	$ -		$ -		$ 9,126
Cost of Revenues	1,459	1,292	-		-		2,751
Gross Profit	3,975	2,400	-		-		6,375
Operating Expenses:							
Research and development	$ 4,329	$ 120	$ -		$ -		$ 4,449
Sales and marketing	3,862	59	-		-		3,921
General and administrative	10,371	2,247	2	(a)	-		12,620
Acquisition related costs	540	-	-		-		540
Depreciation expense	-	47	-		-		47
Amortization of intangibles	1,811	-	-		528	(f)	2,339
Finance costs	-	2	(2)	(a)	-		-
Total Operating Expenses	20,913	2,475	-		528		23,916
Loss from Operations	(16,938)	(75)	-		(528)		(17,541)
Other (Expense) Income:							
Interest expense, net	$ (1,934)	$ -	$ -		$ -		$ (1,934)
Provision for valuation allowance on held for sale loan	(1,514)	-	-		-		(1,514)
Loss on exchange of debt for equity	(132)	-	-		-		(132)
Other (expense)/income	(488)	138	-		-		(350)
Other gains/(losses) – net	-	(2)	-		-		(2)
Total Other (Expense) Income	(4,068)	136	-		-		(3,932)
Net (Loss) Income from Operations, before tax	(21,006)	61	-		(528)		(21,473)
Income tax benefit	87	-	-		-		87
Net (Loss) Income	$ (20,919)	$ 61	$ -		$ (528)		$ (21,386)
Net Income Attributable to Non-controlling Interest	25	-	-		-		25
Net (Loss) Income Attributable to Common Stockholders	$ (20,944)	$ 61	$ -		$ (528)		$ (21,411)
Net Loss Per Share - Basic and Diluted	$ (0.90)	-	-		-		$ (0.92)
Weighted Average Shares Outstanding							
Basic and Diluted	23,203,004	-			-		23,203,004

See accompanying notes to the unaudited pro forma condensed combined financial statements

INPIXON AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	Inpixon	Nanotron GmbH Historical IFRS	IFRS to US GAAP Adjustments	Pro Forma Adjustments	Pro Forma Combined
Net (Loss) Income	$ (20,919)	$ 61	$ -	$ (528)	$ (21,386)
Unrealized foreign exchange loss (gain) from cumulative translation adjustments	(225)	307	-	-	82
Total Other Comprehensive (Loss) Income	$ (21,144)	$ 368	$ -	$ (528)	$ (21,304)

INPIXON AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PAR VALUE DATA)

	Inpixon (Audited) Note A	Nanotron GmbH IFRS (Audited) Note B	IFRS to US GAAP Adjustments	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues	$ 6,301	$ 8,743	$ -	$ -		$ 15,044
Cost of Revenues	1,609	5,876	-	-		7,485
Gross Profit	4,692	2,867	-	-		7,559
Operating Expenses:						
Research and development	$ 3,893	$ 88	$ -	$ -		$ 3,981
Sales and marketing	3,043	204	-	-		3,247
General and administrative	13,660	4,226	-	-		17,886
Acquisition related costs	1,277	-	-	-		1,277
Depreciation expense	-	78	-	-		78
Amortization of intangibles	3,629	-	-	753	(f)	4,382
Restructuring expenses	-	1,214	-	-		1,214
Total Operating Expenses	25,502	5,810	-	753		32,065
Loss from Operations	(20,810)	(2,943)	-	(753)		(24,506)
Other (Expense) Income:						
Interest expense, net	$ (2,277)	$ -	$ -	$ -		$ (2,277)
Provision for valuation allowance on held for sale loan	(294)	-	-	-		(294)
Provision for valuation allowance on related party loan - held for sale	(10,627)	-	-	-		(10,627)
Other (expense)/income	(558)	144	-	-		(414)
Other gains/(losses), net	-	(22)	-	-		(22)
Total Other (Expense) Income	(13,756)	122	-	-		(13,634)
Net Loss from Operations, before tax	(34,566)	(2,821)	-	(753)		(38,140)
Income tax benefit (expense)	584	(6)	-	-		578
Net loss	$ (33,982)	$ (2,827)	$ -	$ (753)		$ (37,562)
Net Income Attributable to Non-controlling Interest	9	-	-	-		9
Net Loss Attributable to Stockholders of Inpixon	$ (33,991)	$ (2,827)	$ -	$ (753)		$ (37,571)
Deemed dividend for triggering of warrant down round feature	(1,250)	-	-	-		(1,250)
Net Loss Attributable to Common Stockholders	(35,241)	(2,827)	-	(753)		(38,821)
Net Loss Per Share - Basic and Diluted	$ (2,138.54)	-	$ -	-		$ (2,355.79)
Weighted Average Shares Outstanding						
Basic and Diluted	16,479	-	-	-		16,479

See accompanying notes to the unaudited pro forma condensed combined financial statements

INPIXON AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019
(IN THOUSANDS)

	Inpixon (Audited)	Nanotron GmbH Historical IFRS (Unaudited)	IFRS to US GAAP Adjustments	Pro Forma Adjustments	Pro Forma Combined
Net (Loss) Income	$ (33,982)	$ (2,827)	$ -	$ (753)	$ (37,562)
Unrealized foreign exchange gain/(loss) from cumulative translation adjustments	68	(7)	-	-	61
Total Other Comprehensive Loss	$ (33,914)	$ (2,834)	$ -	$ (753)	$ (37,501)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Please Note That All Monetary Amounts Other Than Per Share Information Are Presented in Thousands Unless Otherwise Indicated.

1. Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based upon the consolidated financial statements of Inpixon and Nanotron. The unaudited pro forma condensed combined financial information is presented as if the Transaction had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined balance sheet as of September 30, 2020, as well as in respect to the unaudited pro forma condensed combined statements of operations for each of the nine months ended September 30, 2020 and for the year ended December 31, 2019.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the Transaction occurred as of the dates indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the Transaction.

We have accounted for the Transaction in this unaudited pro forma condensed combined financial information using the acquisition method of accounting, in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805 “Business Combinations” (“ASC 805”). In accordance with ASC 805, we used our best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

Inpixon’s consolidated financial information is prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) as issued by the FASB and is presented in US Dollars (“USD”). Nanotron’s financial information has been historically prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and was presented in Euros (“EUR”) and has been converted for the purpose of this unaudited pro forma condensed consolidated financial information to be consistent with the Inpixon presentation.

Pro forma adjustments reflected in the pro forma condensed combined statements of operations are based on items that are factually supportable, directly attributable to the Transaction and expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the Transaction, including potential synergies that may be generated in future periods.

On January 7, 2020, the Company effected a 1-for-45 reverse stock split of its outstanding common stock. Management has reflected the reverse split herein, unless otherwise indicated.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Unaudited Pro Forma Condensed Combined Balance Sheet – As of September 30, 2020

Note A: Derived from the unaudited condensed consolidated balance sheet of Inpixon and its subsidiaries as of September 30, 2020, as presented in the Company's quarterly 10-Q filing.

Note B: Derived from the unaudited condensed IFRS balance sheet of Nanotron as of September 30, 2020 included below and translated from Euro to USD. The indicated exchange rate used to translate Euro to USD at September 30, 2020 was the rate of 1.171516 as set out in the table below:

Euro to USD Translation:

	Nanotron GmbH (Euro)	Exchange Rate 1.171516	Nanotron GmbH (USD)
Assets			
Current assets:			
Cash and cash equivalents	164		$ 192
Accounts receivable, net	527		617
Inventory	696		815
Prepaid expenses and other current assets	88		103
Total current assets	1,475		1,727
Property and equipment, net	369		432
Operating lease right-of-use asset, net	183		215
Intangible assets, net	3,044		3,567
Total assets	5,071		$ 5,941
Liabilities and Stockholders' equity			
Current liabilities:			
Accounts payable	414		$ 485
Accrued liabilities	489		573
Operating lease obligation	85		100
Total current liabilities	988		1,158
Long Term liabilities:			
Operating lease obligation, noncurrent	103		121
Intercompany loans	6,498		7,613
Total Long Term liabilities	6,601		7,734
Total Liabilities	7,589		8,892
Stockholders' equity:			
Issued Capital*	657		722
Additional paid-in capital*	37,731		41,208
Accumulated other comprehensive income	-		3,341
Accumulated deficit	(40,906)		(48,222)
Total Stockholders' Equity	(2,518)		(2,951)
Total Liabilities and Stockholders' Equity	5,071		$ 5,941

* Issued capital and additional paid-in capital are translated at historical exchange rates based on stock issuances and activity in each account.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Nine Months Ended September 30, 2020

Note A: Derived from the unaudited condensed consolidated statement of operations of Inpixon and its subsidiaries for the nine months ended September 30, 2020, as presented in the Company's quarterly 10-Q filing.

Note B: Derived from the unaudited condensed IFRS statement of operations of Nanotron for the nine months ended September 30, 2020 included below and translated from Euro to USD. The average exchange rate used to translate Euro to USD for the nine months ended September 30, 2020 was the rate of 1.1246954 as set out in the table below.

Euro to USD Translation:

	Nanotron GmbH (Euro)	Exchange Rate 1.1246954	Nanotron GmbH (USD)
Revenues	3,283		$ 3,692
Cost of Revenues	1,149		1,292
Gross Profit	2,134		2,400
Operating Expenses:			
Research and development	107		$ 120
Sales and marketing	52		59
General and administrative	1,998		2,247
Depreciation and amortization	41		47
Finance costs	2		2
Total Operating Expenses	2,200		2,475
Loss from Operations	(66)		(75)
Other Income (Expense):			
Other income	124		138
Other gains/losses – net	(1)		(2)
Total Other Income	123		136
Net loss	57		$ 61

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Year Ended December 31, 2019

Note A: Derived from the audited condensed consolidated statement of operations of Inpixon and its subsidiaries for the year ended December 31, 2019 as presented on the Company's annual 10-K filing.

Note B: Derived from the audited condensed IFRS statement of operations of Nanotron for the year ended December 31, 2019 included below and translated from Euro to USD. The average exchange rate used to translate Euro to USD for the year ended December 31, 2019 was the rate of 1.1201288 as set out in the table below.

Euro to USD Translation:

	Nanotron GmbH (Euro)	Exchange Rate 1.1201288		Nanotron GmbH (USD)
Revenues	7,805		$	8,743
Cost of Revenues	5,246			5,876
Gross Profit	2,559			2,867
Operating Expenses:				
Research and development	79		$	88
Sales and marketing	182			204
General and administrative	3,773			4,226
Depreciation expense	69			78
Restructuring expenses	1,084			1,214
Finance Costs	-			-
Total Operating Expenses	5,187			5,810
Loss from Operations	(2,628)			(2,943)
Other Income (Expense):				
Other income	129			144
Other losses, net	(20)			(22)
Total Other Income	109			122
Net Loss from Operations, before tax				
Income tax expense	(5)			(6)
Net loss	(2,524)		$	(2,827)

2. Consideration Transferred

In consideration of the interests, the Purchaser delivered to the Seller $8,700 in cash less an adjustment for severance payments payable of $214, plus the severance credit to the Seller of $50, which will be further adjusted by the Net Working Capital Adjustment of $30 for total consideration of $8,506 for all of the outstanding Nanotron Shares.

The purchase price is calculated as follows:

Cash	$	8,700
Net Working Capital Adjustment		(30)
Less: Severance payments payable subsequent to Closing Date		(214)
Add: Severance payment adjustment to seller		50
Total consideration	$	8,506

3. Preliminary Purchase Price Allocation

A summary of the preliminary purchase price allocation is as follows:

Description		**Fair Value**
Assets acquired:		
Cash and cash equivalents	$	301
Trade and other receivables		575
Inventory		827
Prepaid expenses and other current assets		103
Operating lease right-of-use asset		564
Property, plant, and equipment		433
Tradename		51
Proprietary Technology		1,213
Customer Relationships		1,056
Non-compete Agreements		610
In-Process R&D		505
IP Agreement		178
Goodwill		3,754
Total assets acquired	$	10,170
Liabilities assumed:		
Trade and other payable	$	525
Lease liabilities		564
Restructuring Costs		214
Accrued Liabilities		361
Total liabilities assumed		1,664
Estimated fair value of net assets acquired:	$	8,506

4. Intangible Assets Acquired

The Purchaser acquired intangible assets from Nanotron as a result of the Transaction. The Tradename, Proprietary Technology, Customer Relationships, Non-compete Agreements, In-Process Research and Development, and IP Agreement intangible assets are noted to have a finite life while Goodwill has an indefinite life span. The finite life intangible assets will be amortized using the straight-lined method of the respective lives of each asset, while the indefinite life intangible assets will not be amortized.

Based thereon, below are the acquired intangibles with their relative useful lives and method of amortization

Intangible Asset	Useful Life	Amortization Method
Tradename	9 Months	Straight-line
Proprietary Technology	7 Years	Straight-line
Customer Relationships	5 Years	Straight-line
Non-compete Agreements	3 Years	Straight-line
In-Process Research and Development	7 Years	Straight-line
IP Agreement	4 Years	Straight-line
Goodwill	Indefinite	N/A

The pro forma condensed combined statements of operations above for the periods ending September 30, 2020 and December 31, 2019 both include pro forma adjustments related to the amortization of the intangible assets acquired. For pro forma purposes, the finite life intangible assets are amortized on a straight-line basis beginning on January 1, 2019, as if the Transaction occurred on that date.

5. Income Tax Adjustments

The effective tax rate used by Nanotron for the periods ending December 31, 2019 and September 30, 2020 was 30%. Based on the Company's intent to avail itself of the business continuation requirements, the Company expects to be able to utilize the net operating loss carryovers. As a result, the Company would record a deferred tax asset for the estimated net operating loss as of the opening balance sheet date. The acquired intangible assets will result in a deferred tax liability (book basis with no corresponding tax basis). The amortization of those intangible assets represents a source of future taxable income such that the net operating losses up to that amount would be realizable. The net operating losses in excess of the intangible assets would require a valuation allowance unless other sources of future taxable income could be identified. The resulting combination of the deferred tax asset, deferred tax liability, and valuation allowance results in a net impact of zero on the consolidated financial statements of Inpixon and its subsidiaries subsequent to the transaction.

Additionally, while Nanotron's historical financial statements presented net income for the nine months ended September 30, 2020, pro forma adjustments to the income statement for the nine months ended September 30, 2020 result in Nanotron operating at a net loss. For the year ended December 31, 2019, Nanotron operated at a net loss prior to any pro forma adjustment considerations. For the periods presented, the pro forma pretax losses incurred by the Company received no corresponding tax benefit because the Company concluded that it is more likely than not that the Company will be unable to realize the value of any resulting deferred tax assets (see discussion above). In consideration of the facts previously stated, management has determined that there is no net tax impact of the Transaction on the pro forma financial statements for the periods ending September 30, 2020 or December 31, 2019.

6. Detailed Notes – IFRS to GAAP Adjustments

(a) To reclassify finance costs under IFRS to general and administrative under U.S. GAAP.

(b) To reclass software development costs from intangible assets under IFRS to software development costs to conform to US GAAP.

7. Detailed Notes – Pro Forma Adjustments

(c) Adjustment to eliminate historical September 30, 2020 Nanotron intangible assets and software development costs that were no longer in place as of the date of the Transaction. Please refer to the table below for additional details.

(d) Adjustment to eliminate historical September 30, 2020 Nanotron intercompany loans that were no longer in place as of the date of the Transaction. As the write off of intercompany loans does not have a recurring impact on the financial statements due to the account being eliminated, there will be no income statement impact on the pro forma financial statements, and thus, there will only be a balance sheet impact on the pro forma financial statements.

(e) Reflects the $7,786 paid at closing of the Transaction, $109 entry to adjust the historical cash balance to cash acquired in the Transaction on the Closing Date, approximately $596 of transaction costs associated with the Transaction, and cash received from the seller as part of the Net Working Capital Adjustment of $30 (See Note 2 for further details). The Working Capital Adjustment and transaction costs are one-time and nonrecurring costs. While the adjustments are directly attributable to the transaction, the Purchaser does not anticipate incurring transaction costs on an ongoing or recurring basis. As a result, the pro forma adjusting entry for transaction costs will be a balance sheet only entry, where cash and accumulated deficit are impacted, but there is no impact on the pro forma income statement.

(f) Adjustments represent the preliminary fair market value related to the identifiable intangible assets acquired in the Transaction less amortization expense of approximately $753 for the year ended December 31, 2019 and approximately $528 for the nine months ended September 30, 2020, for a total amortization expense of approximately $1,281.

(g) Adjustment reflects the preliminary estimated adjustment to goodwill as a result of the Transaction. Goodwill represents the excess of the consideration transferred over the preliminary fair value of the assets acquired and liabilities assumed. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has been impaired, the Purchaser will incur an accounting charge for the amount of the impairment during the period in which the determination is made. The goodwill is attributable primarily to strategic and synergistic opportunities.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(h) Adjustments represent the preliminary fair market value assigned to the assets and liabilities acquired in the Transaction. The Purchaser acquired the assets and liabilities of Nanotron for a purchase price of approximately $8,506 as discussed in Notes 3 and 4 above.

(i) Adjustment to record liability for Holdback Funds established as part of the Transaction, to be paid within 18 months.

(j) Adjustment to close out Nanotron's common stock and additional paid-in capital accounts in conjunction with the Transaction.

(k) Adjustment to remove Nanotron's accumulated deficit, as well as adjustments to record the Net Working Capital Adjustment, adjustments to estimated transaction costs incurred in relation to the Transaction, the elimination of intercompany loans no longer in place at the time of the Transaction, the elimination of intangible assets no longer in place as of the date of the Transaction, and the amortization expense associated with the intangible assets acquired in the Transaction. See below for details on adjustments to accumulated deficit:

Adjustment to reverse Nanotron accumulated deficit	$	40,805
Adjustment reflects amortization expense for the year ended December 31, 2019 associated with the acquired intangible assets		(753)
Adjustment reflects amortization expense for the nine months ended September 30, 2020 associated with the acquired intangible assets		(528)
Estimated transaction costs to be incurred related to the Transaction		(596)
Adjustment to eliminate existing Nanotron intangible asset balance (c)		(3,072)
Adjustment to eliminate existing Nanotron software development costs balance (c)		(495)
Adjustment to eliminate existing Nanotron intercompany loans balance (d)		7,613
Adjustment to record Net Working Capital Adjustment		30
	$	43,004